



OFFICE OF THE BOARD OF TRUSTEES

Public Meeting Notice

March 9, 2023

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.

Action items on the agenda include a consent agenda consisting of past meeting minutes and a financial dashboard.

There will be a vice president's report with updates on the Higher Education Coordinating Commission; fiscal impacts of proposed legislative initiatives; the university's Core Information System Replacement project; and capital projects.

Information and discussion items include updates from the Tuition Advisory Council; the Student Fee Budget Committee; and the Student Fee Allocation Committee. The committee also will discuss the budget development process and the timeline for fiscal year 2023-24; financial sustainability including revenue and expense projections; and the budget forecast with a review of the financial pro forma.

The meeting will occur as follows:

Thursday, March 16, 2023

5:00 p.m. to 7:00 p.m. (or until business is concluded)

Meese Room, 3rd Floor, Hannon Library, SOU Campus

Members of the public may view the proceedings at <https://sou.zoom.us/j/89480071663> 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 at the meeting are invited to sign up to speak remotely or in person, 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 the SOU Board of Trustees, 1250 Siskiyou Boulevard, Churchill Hall, Room 107, Ashland, OR 97520.



Board of Trustees
Finance and Administration Committee Meeting
March 16, 2023

Call to Order / Roll / Declaration of a Quorum



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

**Thursday, March 16, 2023
5 p.m. – 7 p.m. (or until business concludes)
Meese Room, Hannon Library, SOU Campus
Zoom: <https://sou.zoom.us/j/89480071663>**

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.

- | | | | |
|---------|------------|--|--|
| 5 min. | 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 | Chair Franks |
| | 3.1 | January 19, 2023, Minutes | |
| | 3.2 | Finance Committee Dashboard | |
| 20 min. | 4 | Reports | |
| | 4.1 | Vice President's Report | Greg Perkinson, SOU, Vice
President for Finance and
Administration |
| | 4.1.1 | Higher Education Coordinating
Commission Updates | |
| | 4.1.2 | Fiscal Impacts of Proposed Legislative
Initiatives | |
| | 4.1.3 | Core Information System Replacement
Project Update | |
| | 4.1.4 | Capital Projects Update | |
| 25 min. | 5.1 | Budget Development Process and Timeline
for Fiscal Year 2023-24 | Greg Perkinson |

**Southern Oregon University
Board of Trustees
Finance and Administration Committee Meeting
Thursday, March 16, 2023**

AGENDA (Continued)

- | | | |
|----------|---|---|
| 5 | Action, Information and Discussion Items | |
| 15 min. | 5.2 Tuition Advisory Council Update | Dr. Susan Walsh, SOU, Provost and Vice President for Academic Affairs; Greg Perkinson |
| 15 min. | 5.3 Student Fee Budget Committee and Student Fee Allocation Committee Updates | Jose Guillen, ASSOU, Director of Finance and Administration; Julissa Taitano, ASSOU, Vice President |
| 25 min. | 5.4 Financial Sustainability | |
| | 5.4.1 Revenue Update and Forecast | Greg Perkinson; Dr. Neil Woolf, SOU, Vice President for Enrollment Management and Student Affairs |
| | 5.4.2 Expense Update | Greg Perkinson |
| | 5.4.3 Budget Forecast and Review of Pro Forma | Greg Perkinson |
| | 5.5 Future Meetings | Chair Franks |
| | 6 Adjournment | Chair Franks |

Public Comment

Consent Agenda

**Board of Trustees of Southern Oregon University
Finance and Administration Committee Meeting
Thursday, January 19, 2023**

MINUTES

Call to Order/Roll/Declaration of a Quorum

Committee Chair Franks called the meeting to order at 5:01 pm. He welcomed all to the new year, the Year of the Water Rabbit.

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

Committee Members:

Katherine Cable	Present	Christina Medina	Present
Sheila Clough	Present	Liz Shelby	Present
Shaun Franks, Chair	Present	Bill Thorndike	Present
Andrew Gay	Present		

Other trustees in attendance: Daniel Santos and President Rick Bailey.

Public Comment

Student Chandler Campbell addressed the Board of Trustees regarding the ancillary services provided by SOU. When speaking with other students, he rarely hears complaints about the instruction and focused his comments on his dissatisfaction with SOU's dining options and food quality for students.

Consent Agenda (Action)

Trustee Gay moved to approve the consent agenda consisting of minutes of the October 20, 2023 meeting. Trustee Thorndike seconded the motion and it passed.

Vice President's Report

Organizational Updates

Vice President Greg Perkinson introduced SOU's director of facilities management and planning (FMP), Leon Crouch; SOU's new controller, Agnes Maina; and he welcomed SOU's new general counsel, Rob Patridge. Mr. Perkinson expressed appreciation for Vice President Cooper's work to include equity in the transformation process with the Core Information System Replacement System (CISR).

Higher Education Coordinating Commission (HECC) Updates

Mr. Perkinson reported that the HECC's focus on the community college funding model continues and has been a contentious dialog. The issue of transfers also has been a longstanding discussion which will require ongoing collaboration.

Innovations in Business Affairs Council

Mr. Perkinson expressed that the Facility Planning and Utilization Committee is maturing and the tri-chairs format that includes Provost Walsh, Vice President Woolf,

and himself is going well. He expressed appreciation for making issues more visible by bringing in additional stakeholders to gain a better understanding and involvement.

Update on Student-Requested Installation of Security Cameras

Students provided constructive input and would like to see improvements in both capability and scope of security cameras on campus. A lot of research was completed in order to put out a Request for Proposals (RFP); a technical evaluation committee was established to look at the proposals; and SOU received eleven responses with a median cost of approximately \$200,000. The plan is to use deferred maintenance bond dollars to pay for the replacement of the old system.

Core Information Replacement System (CISR)

Reviewing the CISR project status as presented in the materials, Mr. Perkinson showed that SOU has finished the configuration phase and has started testing and Agnes Maina is leading the test phase; Tom Battaglia later added that this marks a milestone. Finishing touches are being made to the configuration of the human resources module. The project is a heavy lift and therefore, Mr. Perkinson, Provost Walsh, and Dr. Woolf meet with Tom Battaglia every other week. An executive steering committee meets weekly to discuss the project, identify foreseeable issues, and work through any current issues. Mr. Perkinson stated that there are some issues as [CISR] is complex with a lot of moving parts. Responding to Vice Chair Clough, Mr. Perkinson said campus engagement is happening with configuration and testing. A separate group is focused on change management with Alchemy. Trustee Cable commended the collaboration with the student-side of Workday.

Vice Chair Clough honored student Chandler Campbell's bravery for his public comments during the prior meeting regarding internet issues. She urged that cybersecurity may be worthy to include as a future agenda item. Mr. Perkinson assumed that Tom Battaglia already has the technical data and is ready to discuss the internet comments. Vice Chair Clough also commented on her love of the food at The Hawk and appreciated their openness to feedback, while Mr. Perkinson expressed his appreciation for the chefs and their work with the students.

Action, Information, and Discussion Items

Financial Sustainability

President Bailey expressed his gratitude for an environment that allows for students to come speak their truths and where union partners, faculty, and staff members can speak their minds in a thoughtful, open manner. He commented that the [realignment] is complex and that there is much personal as well as emotional gravity to it. He acknowledged that not everyone will be happy but stated that efforts will be made to meet expectations and that he already is using feedback to tweak the process. He reiterated his appreciation for those who spoke to the board earlier.

Revenue Forecast

Mr. Perkinson reviewed SOU's major revenue streams, as presented in the meeting materials. Regarding enrollment, which makes up 51 of revenue from tuition and fees,

there are no changes to the model after a spring term review. SOU will receive 51 percent of its biennial allocation from the state in FY '23, which makes up 39 percent of revenue; and miscellaneous revenues make up 4 percent of SOU revenue.

Speaking about enrollment, Vice President Neil Woolf presented final Fall Term 2022 enrollment numbers. Headcount increased 1.9 percent with the total number of students at 5,182. However, full-time equivalency (FTE) is down by 1.2 percent. President Bailey added that SOU was one of only two universities in the state that had an increase in total headcount and that most other universities are seeing five to seven times the decline in FTE that SOU is experiencing. President Bailey acknowledged the hard work of everyone who had a hand in keeping enrollment from declining further.

Regarding the forthcoming alternative revenue streams that have been presented to the board, Mr. Perkinson discussed the solar energy project. He acknowledged the team, including Becs Walker, that secured a \$1M grant from the state and \$2M in federal funding. In response to Trustee Cable's question regarding the cost of solar and the cost-savings the project will bring, Mr. Perkinson stated that the numbers for the cost-savings had not yet been run and that supply chain issues are still a problem. President Bailey noted the increasing costs of electricity and the potential to eliminate or greatly reduce those. Trustee Medina asked if materials for the project were being sourced ethically and Mr. Perkinson reported on the newly implemented procurement policies that include sustainability requirements.

Mr. Perkinson also referred to the interim campus master plan, which was provided to the City of Ashland. It highlighted SOU's capital projects including the Cascade Project, the University District, updates at the Farm, near-term solar project sites, and other development opportunities. There was further discussion and excitement that the City Council is talking about this and already referring to the "University District."

Cost Management Update

Mr. Perkinson showed the projected expense elements for FY' 23, noting labor and related expenses at 78 percent of the total expense portfolio, leaving little availability for flexible spending. Supplies and Services (S&S) at 22 percent of expenses, is increasing. He showed the path forward including continued austerity, bending the cost curve, and stabilizing and increasing revenue. He also noted that the fuller cost management discussion would be discussed during the full board meeting.

President Bailey reflected on the board's listening session noting APSOU President Sara Adams' challenge to SOU not to make the same [fiscal] mistakes as in the past. President Bailey said the difference is that the cost management is only one of four strategies. Dr. Bailey also emphasized the cultural shift of requiring revenue to be greater than or equal to cost. Responding to trustees, President Bailey explained how the SOU realignment plan will be shared with the campus and expressed his reluctance to give details regarding positions that may be affected without first informing those individuals. Vice Chair Clough questioned how the input from campus is being utilized

in the plan. President Bailey reiterated that all thoughts, ideas, and plans are welcome and will be considered.

Budget Forecast and Review of Pro Forma

Greg Perkinson explained that due to a key staff member's absence, the pro forma forecast has not changed and he provided updates on revenue and expenses. While he previously was cautiously optimistic about tuition revenue, it is now softening and is \$2.3M less than forecasted. Miscellaneous revenue is up to \$3.3M due to the ground lease "reserve" transfer to the Education and General fund. Labor expenses are also coming in \$2.9M under budget as SOU is taking advantage of vacant positions.

Expenditure Authorization: Ruffalo Noel Levitz (RNL) Demand Builder Demand Builder

Vice President Neil Woolf described the RNL Demand Builder tool that helps universities build enrollment capacities. It helps to generate interest, applications, and enrollment for new freshmen. He reviewed numerous aspects of the proposal: what RNL does; the communication architecture to prospective students, parents, and counselors; examples of the inquiry emails; faculty highlights; the communication tracker; parent engagement strategies; and others.

SOU did a one-year trial contract with RNL and Dr. Woolf reviewed the results. For Fall Term 2022, there were 43,134 leads generated among seniors resulting in 76 enrolled students. For Fall Term 2023, RNL already has generated 77,995 leads. Much discussion with trustees ensued regarding the RNL capabilities, other lead-generations activities, SOU's recruitment capabilities, and the return on investment (ROI) for these. Regarding ROI, Dr. Woolf explained that \$541K in net revenue was generated from the \$249K cost of the 2021-22 trial year. Trustees further discussed ROI as well as SOU's own marketing capabilities and activities in contrast to those of the Demand Builder.

Trustee Gay moved to recommend to the full board, approval to enter into a three-year contract with RNL Demand Builder. Trustee Medina seconded the motion and it passed unanimously.

Facilities and Capital Projects Update

Mr. Perkinson discussed three upcoming projects: Central Hall; Cascade Hall demolition; and a proposed retirement living community (RLC). Leon Crouch, explained that the construction on Central Hall would begin in two days and should be complete by December 31. Supply chain issues with HVAC equipment, electrical equipment, and supplies could cause delays.

Mr. Perkinson acknowledged the \$3.5M award from the State of Oregon to demolish Cascade Hall. The university targets starting the project in the third quarter of 2024 and hopes to incorporate site planning [for the RLC] into demolition to save time and

money. Mr. Crouch said the hazmat survey has been completed and will be included in the RFP for bids. He described plans to relocate the departments in Cascade to Central Hall after that Phase II is complete. Responding to Chair Franks, Mr. Perkinson said the demolition of Cascade will result in operational cost savings of \$120,000.

Regarding the RLC project, Mr. Perkinson said benchmarks are being developed. He and President Bailey visited Arizona State University (ASU), toured three sites, and learned about their business models. President Bailey said the RFP is still in draft form and that high-level discussions are beginning. He explained how ASU's Foundation had to restructure in order to house some entrepreneurial projects. Thoughtful conversations will continue to take place regarding how to structure this venture.

Adjournment

Chair Franks adjourned the meeting at 5:50 p.m.

Financial Dashboard

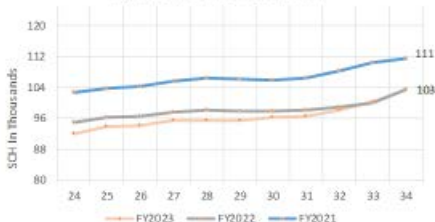
For FY2023

As of February 28, 2023 with close numbers

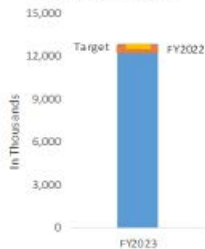
Public University Funds Operating Cash



Total Student Credit Hours by Week of the Fiscal Year



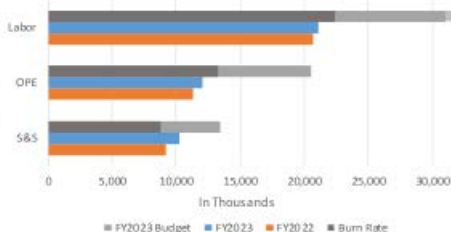
E&G Fund Balance



E&G YTD Revenues



E&G YTD Select Expenses



"Institution" portion of Federal Relief Funds in hand.
\$3.3m allocated to E&G during FY2023

Finance Dashboard:

Notes and Take-aways

- \$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 a slight decrease in tuition revenue projection, anticipate we'll still come in just over \$5.2m ending fund balance (EFB) (around 8.2% of EFB metric)
- Cash (all funds): not meeting 'target', due to slight decrease in enrollment projection. In December, SOU received \$3m from reserve account held by Collegiate Housing Foundation (CHF)—there is another \$1.4m in reserves
 - Occupancy in Housing is strong (exceeding projections)
- Student Credit Hours: Enrollment declines continue, but are 'variable'
- Expenses: Compared to budget, total labor expenses are down \$2.9m as part of FY23 cost reduction measures. In summary:
 - Direct labor costs (YTD) expected to decrease \$1.8m;
 - OPE is down by about \$1m; and
 - Supplies and Services spending is up, based on inflationary pressures

Vice President's Report

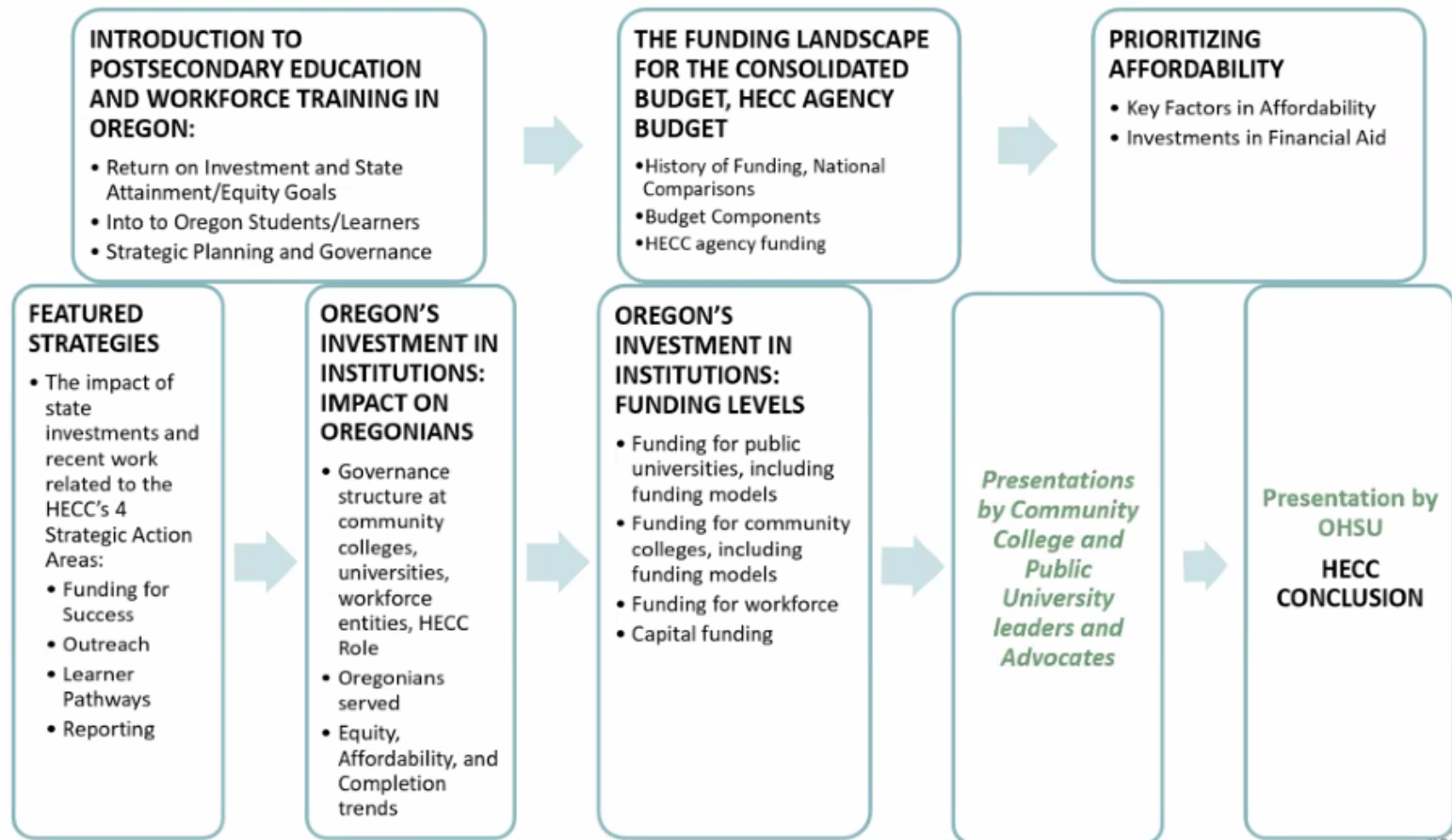
Roadmap for Vice President's Report

- Higher Education Coordinating Commission (HECC) Update
- Fiscal Impacts of Proposed Legislative Initiatives
 - Revenue forecast...
- Core Information Replacement System (CISR) Update
 - Focus on schedule and time, budget/budget transitions
- Capital Projects Update

Higher Education Coordinating Commission Updates

Higher Education Coordinating Commission (HECC) Update

2023 HECC Budget Presentation Structure



Fiscal Impacts of Proposed Legislative Initiatives

Public University Support Fund (PUSF): Funding and Inflation

- Inflation is currently running around 6.4% (2.4% above CSL).
- Total E&G expenses for all institutions are expected to be approximately \$2 billion per year.
 - If we want to keep tuition below 5%, we are going to need to cover between 2% and 2.5% of inflation on all E&G funds (tuition and state appropriations) beyond current service level (CSL) of approximately 4.0% each year to match cost increases.
 - Covering 2.0% of inflation on \$2 billion would cost around \$40 million per year or \$80 million for the biennium beyond CSL.
 - Covering 2.5% of inflation on \$2 billion would cost around \$50 million per year or \$100 million for the biennium beyond CSL.
 - Note that this does assume that higher inflation affects two years of university budgets.
- The Oregon Council of Presidents' recommendation of an increase of PUSF funding to \$1.05 billion is necessary if we are going to keep tuition low while minimizing service level cuts and the unsustainable use of reserves.
- \$972 million CSL level plus \$50 million (one year of 250 bps inflation) = \$1.02 B
- \$972 million CSL level plus \$80 million (two years of 200 bps inflation) = \$1.05 B

A much simpler way of saying this without numbers is: The CSL increase only covers about 4% of cost increases per year. Inflation is currently running around 6.4%. If we want to keep tuition below 5%, we need additional funds to cover the gap between CSL and tuition rate increases, and the actual rate at which costs are increasing.

Fiscal Impacts...

Reading the tea leaves

Latest Revenue Forecast: More Positive, as “Soft Landing” Seems More Likely

From Senator Dembrow:

- “Life as an economic forecaster is not easy! With their latest revenue forecast, released on Wednesday, State Economists Mark McMullen and Josh Lehner signaled another shift in their prognosis for Oregon’s economy over the next biennium—fortunately in a positive direction...
- In their latest forecast, the OEA has flipped back to their earlier, slightly more positive position, based on what we’ve been seeing in the economy over the last few months: Inflation is slowing, employment is up, income is up, and the likelihood of ongoing growth (albeit slow) is increasing...
- So it now appears that a “soft landing” is the more possible scenario. That is the basis of their new “baseline scenario.” There’s still a chance for a mild recession, but if so, it will likely occur further into the future.
- Bottom line: We’re in a stronger position than anticipated. . .
- We remain in a good position for the future thanks to our healthy reserves. . .
- Although we’ll have a significant amount of additional resources to work with as we craft the 2023-25 budget over the next few months, there’s still a tremendous amount of uncertainty out there.”

Core Information System Replacement Project Update

Core Information System Replacement (CISR) Change Management Communication

What is the new timeline?

- The go-live date of Phase 1 (HR, Payroll, and Finance) will move from July 1, 2023 to January 1, 2024. Time entry for all employees will begin in mid December.
- Phase 2 (Student Information System) will start in March of 2024 and will be completed by September 2026.

Why was this decision made?

Extending the project timeline will:

- Eliminate the high-stress period of the overlap of the phases and allow additional time to complete Phase 1.
- Address workload stress issues and enable better quality by allowing for more thorough testing and completion at the end of Phase 1.
- The January 2024 start also aligns with the tax year, which will ease and simplify the Payroll transition to Workday.
- It will allow us time to include additional Workday tools in the implementation, including *Talent, Recruiting, and Advanced Compensation*. These additional tools will allow us to create more efficient and effective processes in the human resources and budgeting areas.

How does this change impact the project budget?

- Amending the schedule will extend the three-year project to four years. This extension does not substantially change the budget of the overall project contract, but will require additional operating costs of approximately \$1M to extend the use of the Banner ecosystem, which would be an Education and General Fund expense in the 2026 fiscal year.

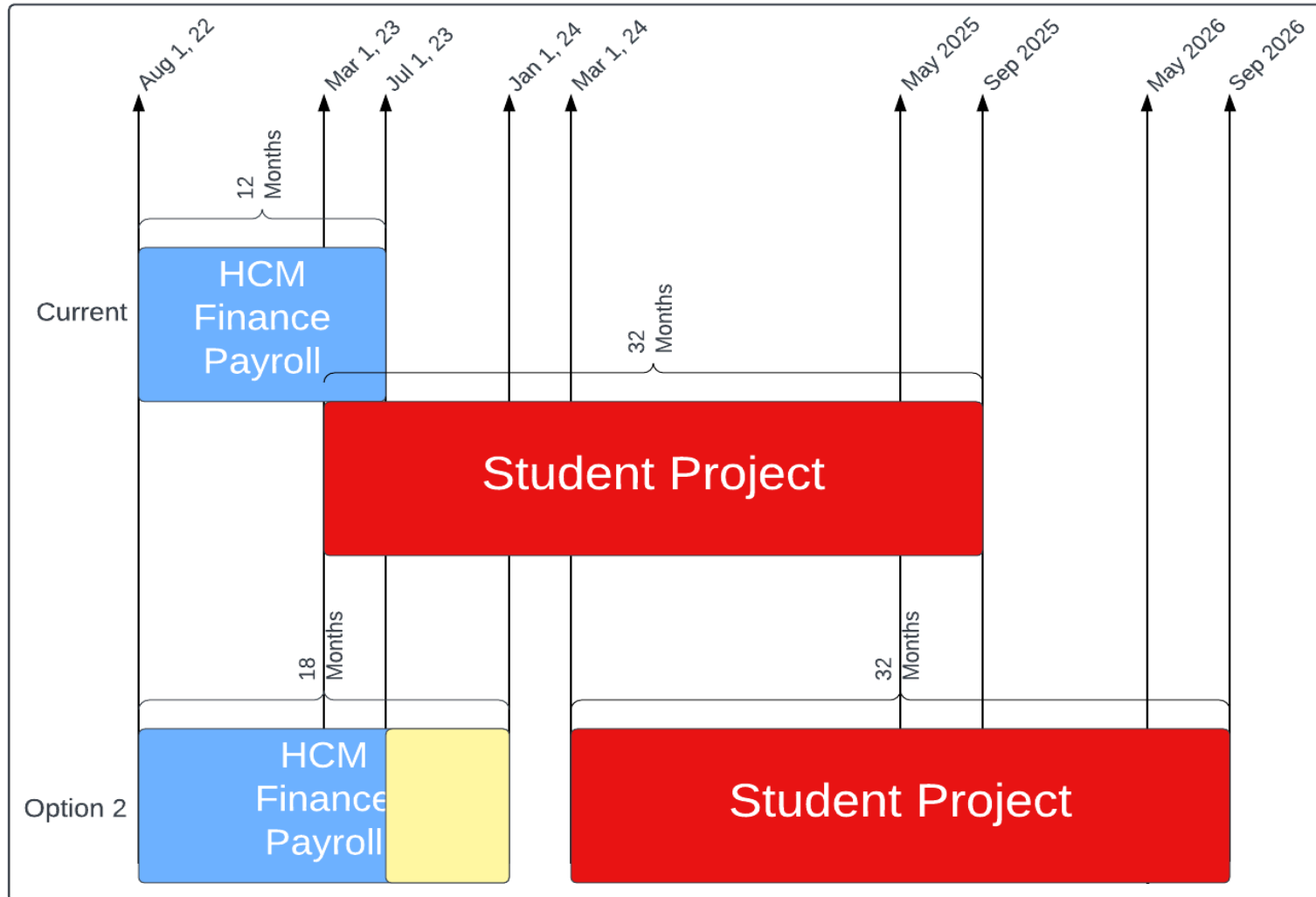
How does this impact the current proposed plan to reduce the university budget?

- The SOU-Forward realignment plan will not have an impact on the current cost management realignment process. The additional operating funds for the Banner ecosystem would not be expensed until the 2026 fiscal year. In addition, once Workday is live and we are no longer using Banner, there will be significant cost savings.

What's Next

- We will continue to communicate additional information regarding the CISR project and any changes moving forward. If you have questions, please send them to CISR@sou.edu.

CISR Schedule



Status Update and Next Actions

- Added Alchemy senior leadership to the Steering Committee operating rhythm (help us see around the corner)
- Created a Change Management CISR network (group of ~25 early adopters in addition to the project team)
- Submitted a Congressionally Directed Spending (CDS) proposal (US Senate) for \$3.3M for matching funds for the Student Information System portion of CISR
- Responding to the Governor's Office—invited the technical and regional universities to outline how we would deploy the Governor's proposed *"\$15M investment in funding for regional university planning and support to support innovative approaches to sustainability of the regional Universities"*

Capital Projects Update

Central Hall Project Update

- Phase II Construction Contract Awarded to Outlier Construction (~\$4.8M)
- Onsite construction has begun, partition framing well underway
- Outlier planning to be substantially complete by 10/31/23
- Continuing to mitigate supply chain issues with electrical & HVAC equipment



CIR* Projects Planned/Scheduled

**Capital Improvement and Renewal (CIR) funds allocated by the state for capital improvements and repair of E&G buildings & infrastructure...not institution's funds*

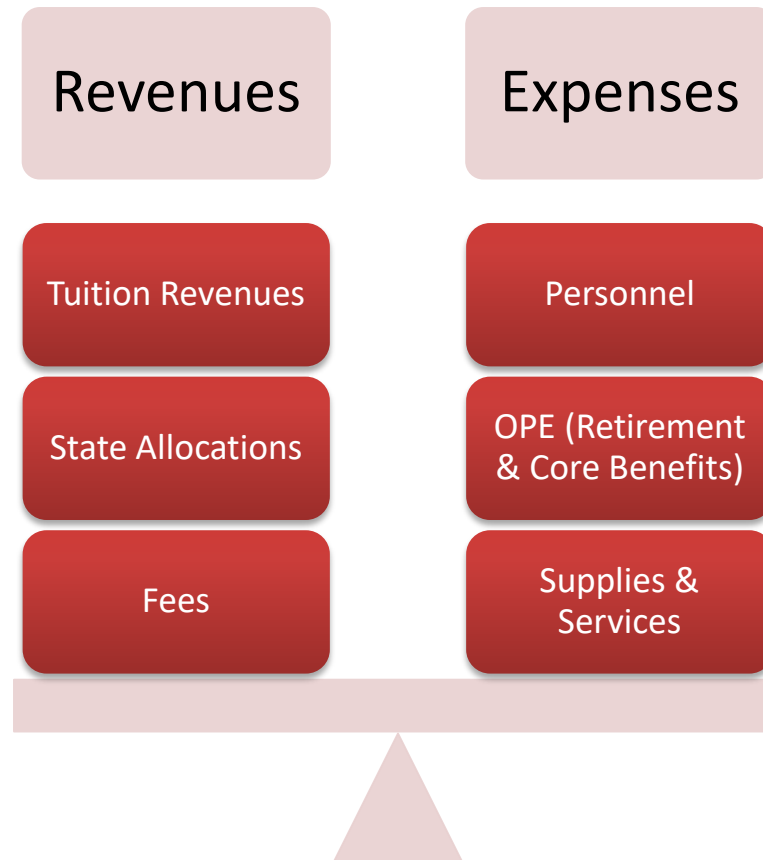
- Britt Hall exterior concrete stair repairs and replacements (spring)
- Facilities Management & Planning roof, HVAC, and consolidated mechanic's shop (summer)
- Campus pathway and parking lot resurfacing (summer)
- Ed/Psych roof replacement (late summer)

Budget Development Process and Timeline for Fiscal Year 2023-24

Roadmap for Discussion

- How SOU Budgets
 - Working from May backwards: Cycle, Process and Outcomes
- Revenues
 - State Funding and the Public University Support Fund
 - The Student Success and Completion Model
 - Tuition and Fees
- Expenses
 - Labor and Other Personnel Expenses (OPE)
 - Supplies and Services (S&S)
- Tuition Rate Setting (background)
- Total Cost of Attendance

How SOU Budgets



Budget Big Picture

“Budgets are a continuum, not a single snapshot”

Budgets are a representation of your plan

- Current = Operational
- Forecasts = Strategic
- Pro Forma shows performance using actuals against the plan

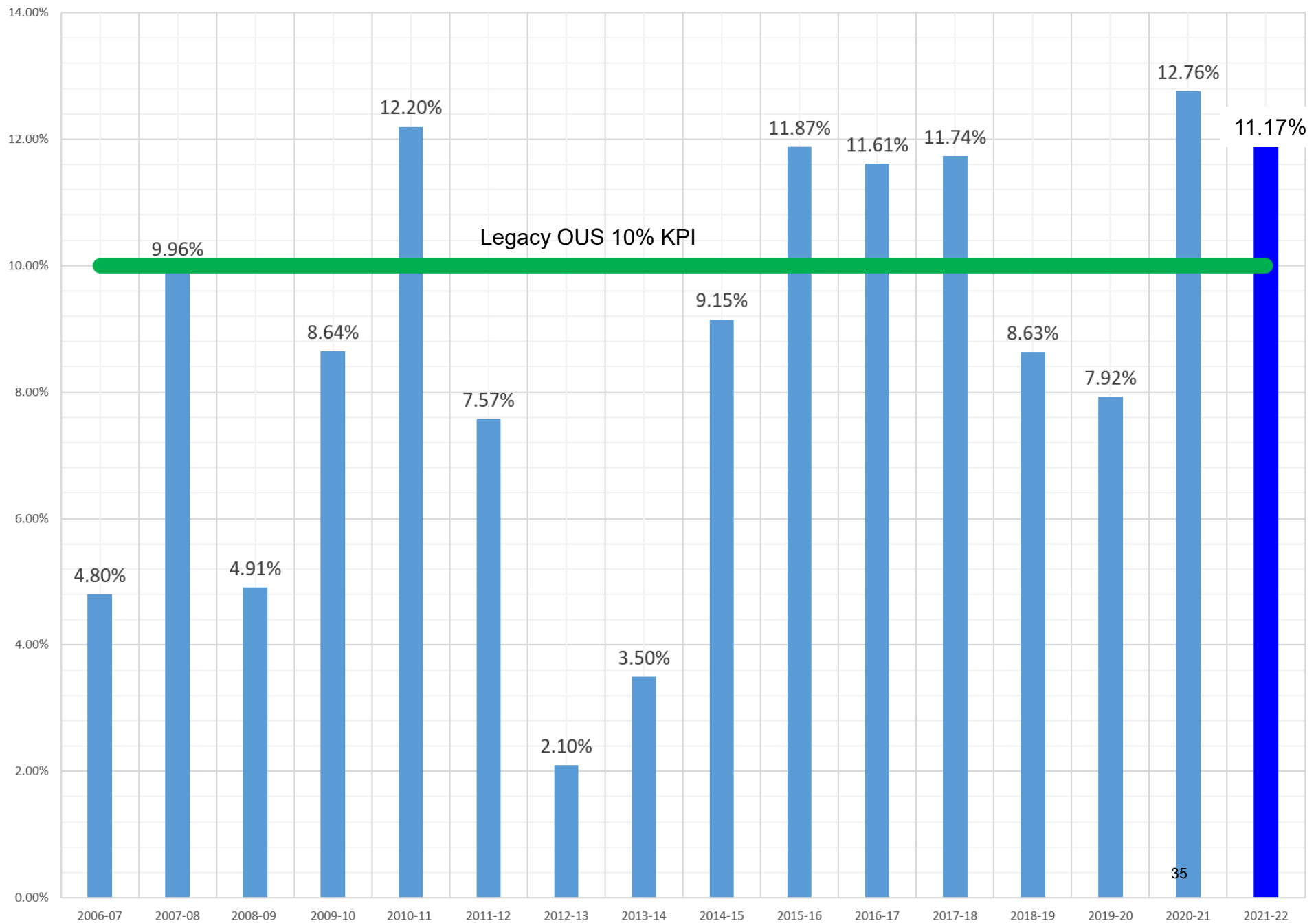


Why is Ending Fund Balance so Important?

Goal: A healthy ending fund balance

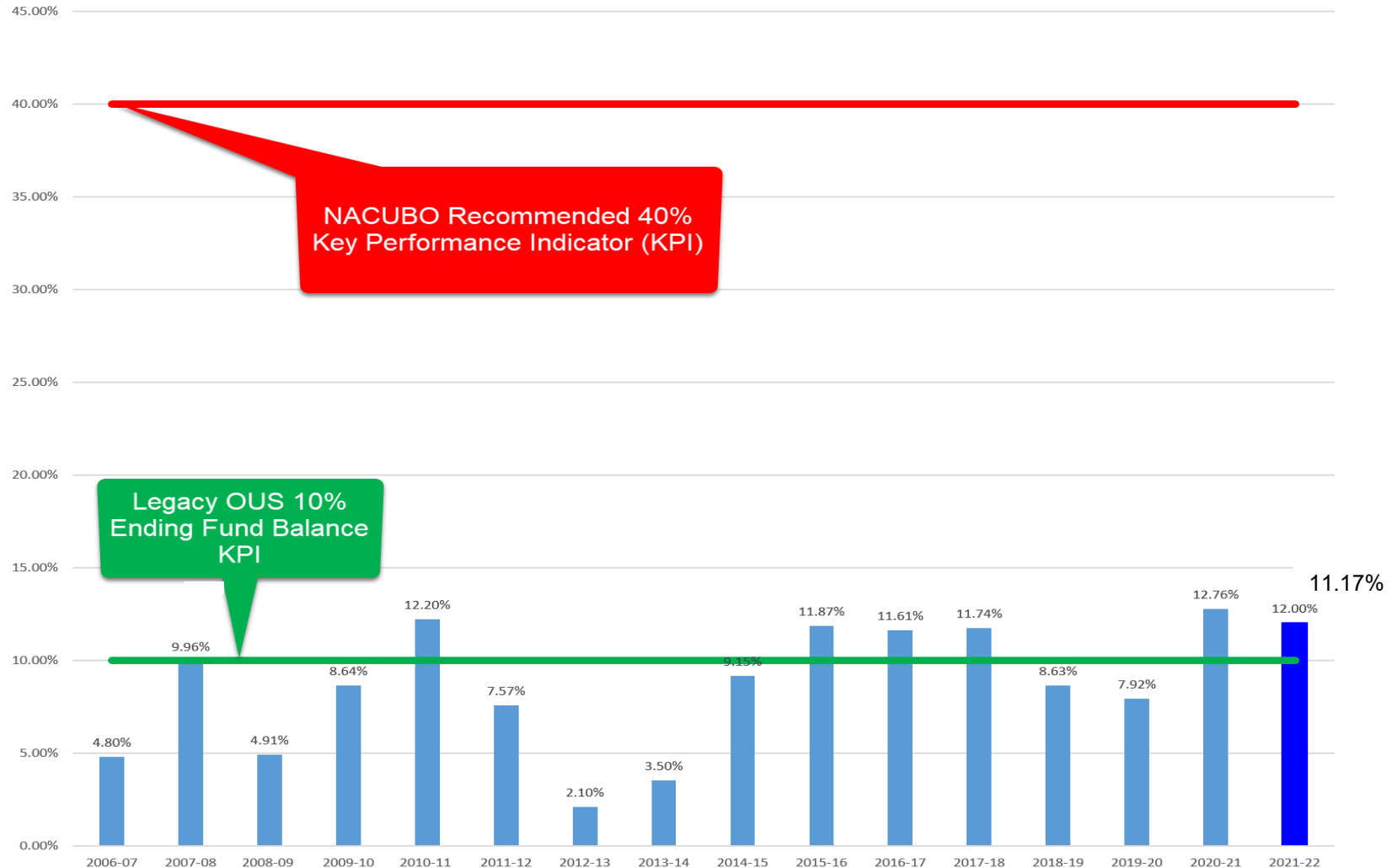
- Ability to:
 - Withstand future uncertainties
 - Our fund balance has taken the brunt of a couple years enrollment declines
 - Federal Stimulus supported its health only temporarily
 - Invest to support student and grow future enrollment
 - Support the Mission of being a regional university

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



How Does this Compare with Higher-Ed?

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



Prior Fiscal Year, FY '22

(AY 2021 - 2022)

What happened with SOU budgets in FY22?

- Student Credit Hours (SCH) contracted
 - Tuition revenues decreased \$2.2m (from FY21)
 - FY21 year contraction -10.6%
- State Allocations continued to barely keep up with inflation (did see a \$2.2m increase).
- Ending Fund Balance was challenged (lost \$900k)
 - Labor expenses grew \$4m
 - Continued one-time Cost Cutting measures
- And President Bailey announced Realignment (remember the formula: $R > C$)

Current Fiscal Year, FY '23

(AY 2022-2023)

What is happening with SOU budgets in FY23?

- Projected SCH decline
 - Tuition revenue down **\$1.2m** from budget
 - Student Fee areas hit hard (but only down \$300k from budget)
- State Allocations remain tight
 - Better than expected; still need more support
- Board approved a balanced budget, which is contingent on **\$3.6m** cost reduction / savings
 - We are carefully managing all expenses, watching for revenue/cost cutting opportunities
 - Have increased miscellaneous revenues;
 - Cost reductions this FY at **~\$3m**



Next Fiscal Year, FY24

(AY 2023-2024)

Student Credit Hours and Fee Projections Continue to Evolve

- Budget & Planning, Institutional Research, Registrar's Office

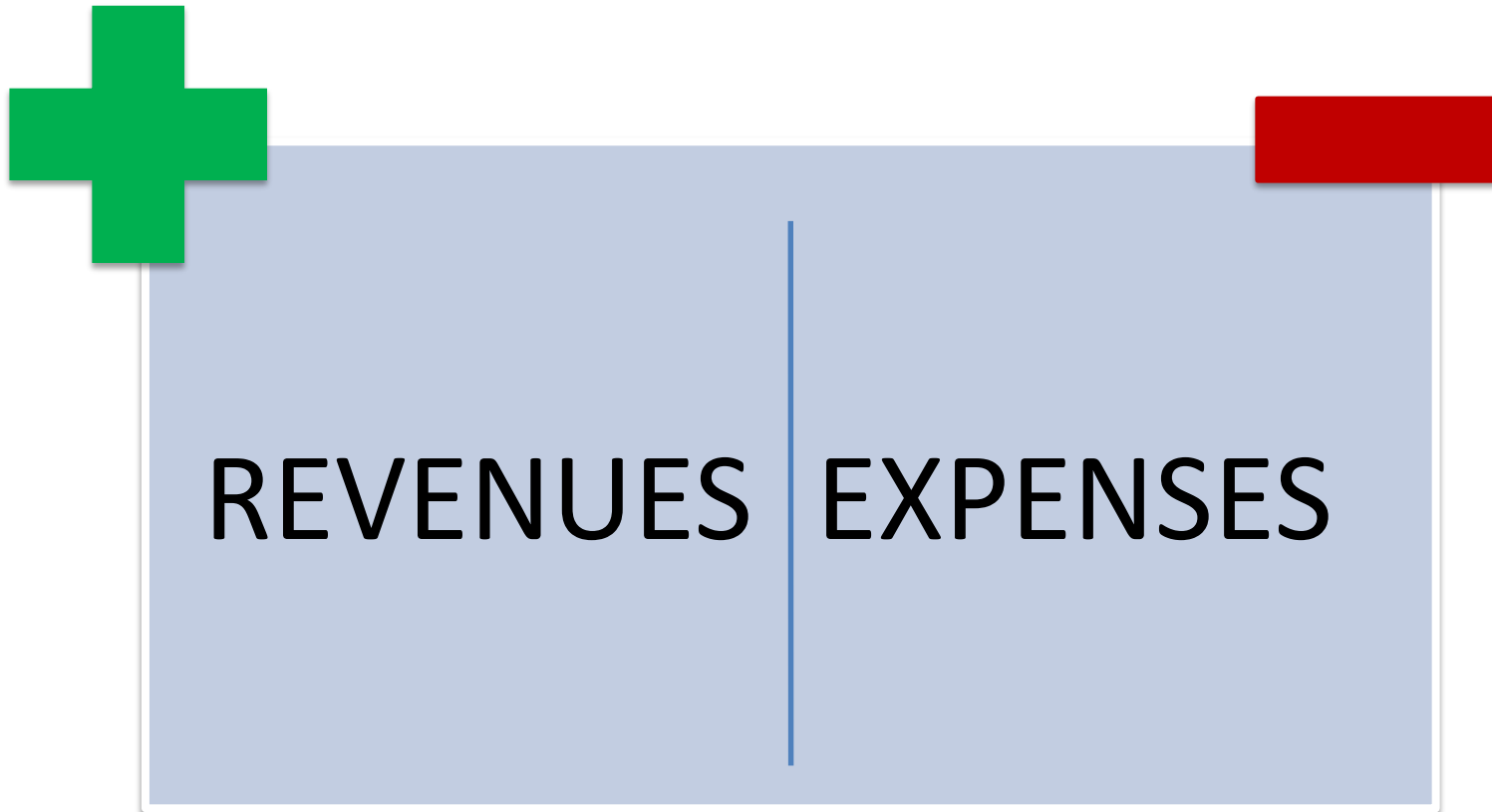
Modeling Enhancements

- Transitioning from Banner ecosystem to Workday (CISR project)
- Cost Management plan / data updated in pro forma
- SCH forecasting updates
- Model biennia through 2035
- Forecast scenarios developed during TAC process

Affordability, Affordability, Affordability

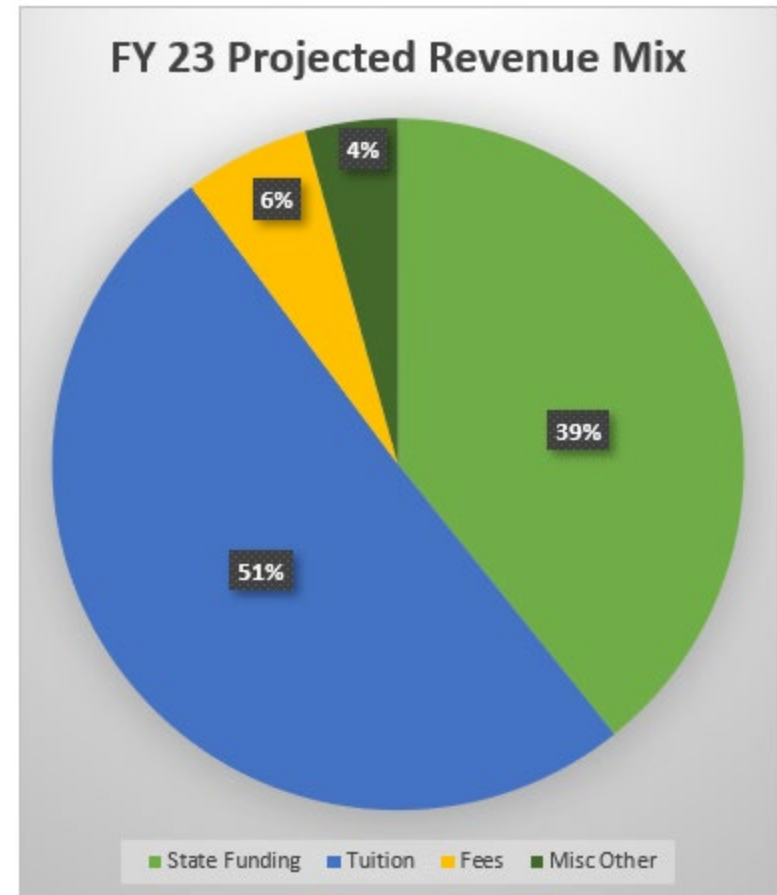
- How to address it without putting finances at risk for both SOU and our students!

Target: Approve Fiscal Year 2024 Budget in May



Fiscal Year 2023 E&G Revenue Streams

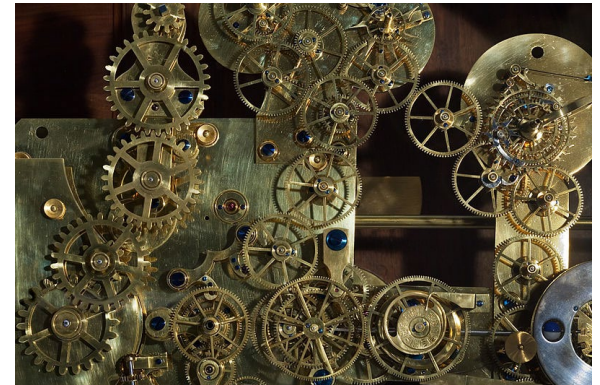
- Enrollment Projection
 - No changes to model after Spring Term review
- State Funding
 - 51% of biennium
 - Benefits Navigator
- Miscellaneous Revenues
 - Growth in land lease (\$3m)
 - Offset by bad-debt allowance



June—Firm up State Revenue Allocations



The HECC uses the Student Success and Completion Model (SSCM) to allocate the PUSF to the Universities

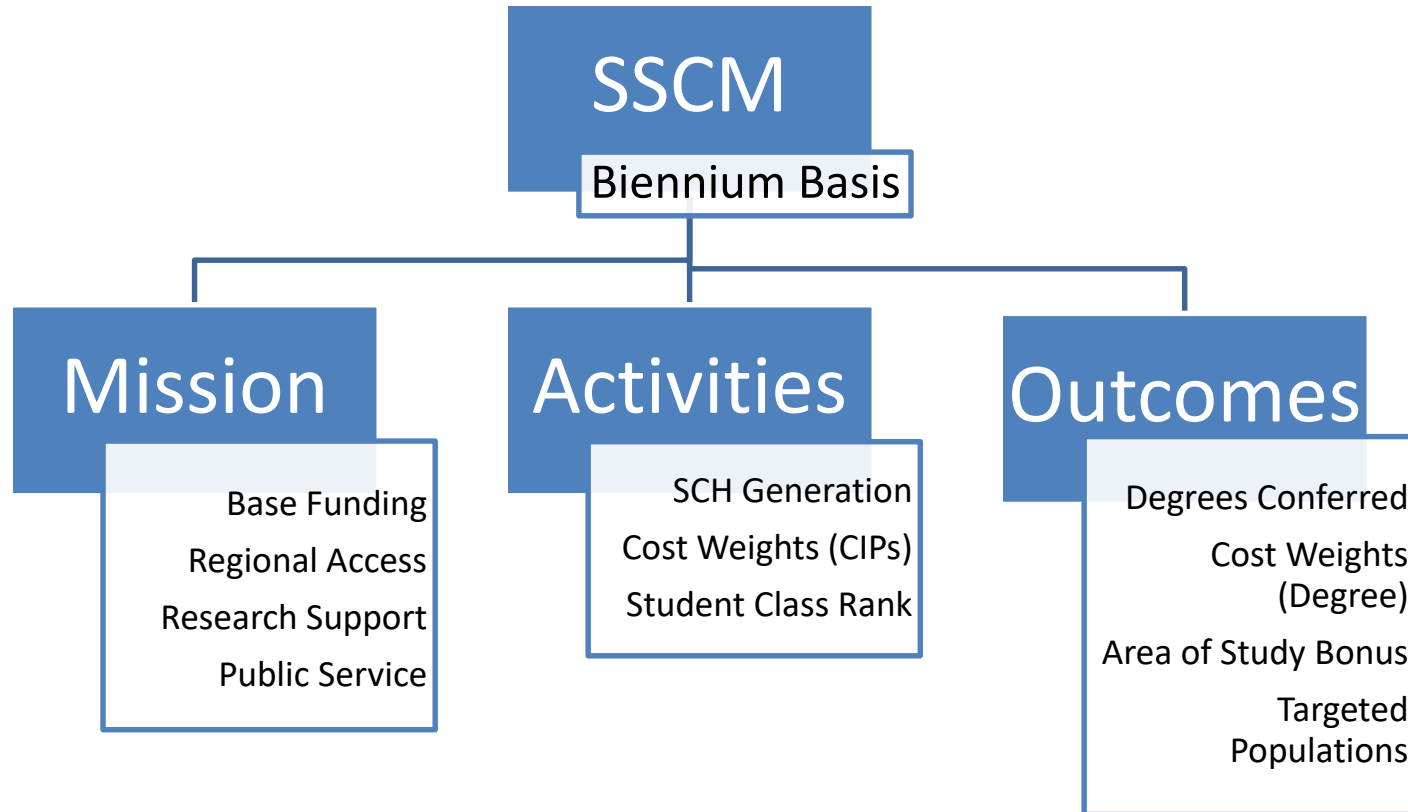


SOU receives its State Funding based on the Elements of the SSCM



The Legislature allocates funds to the Public University Support Fund (PUSF)

SSCM Inner Workings



Revenues: Tuition & Fees



Tuition rates vary:

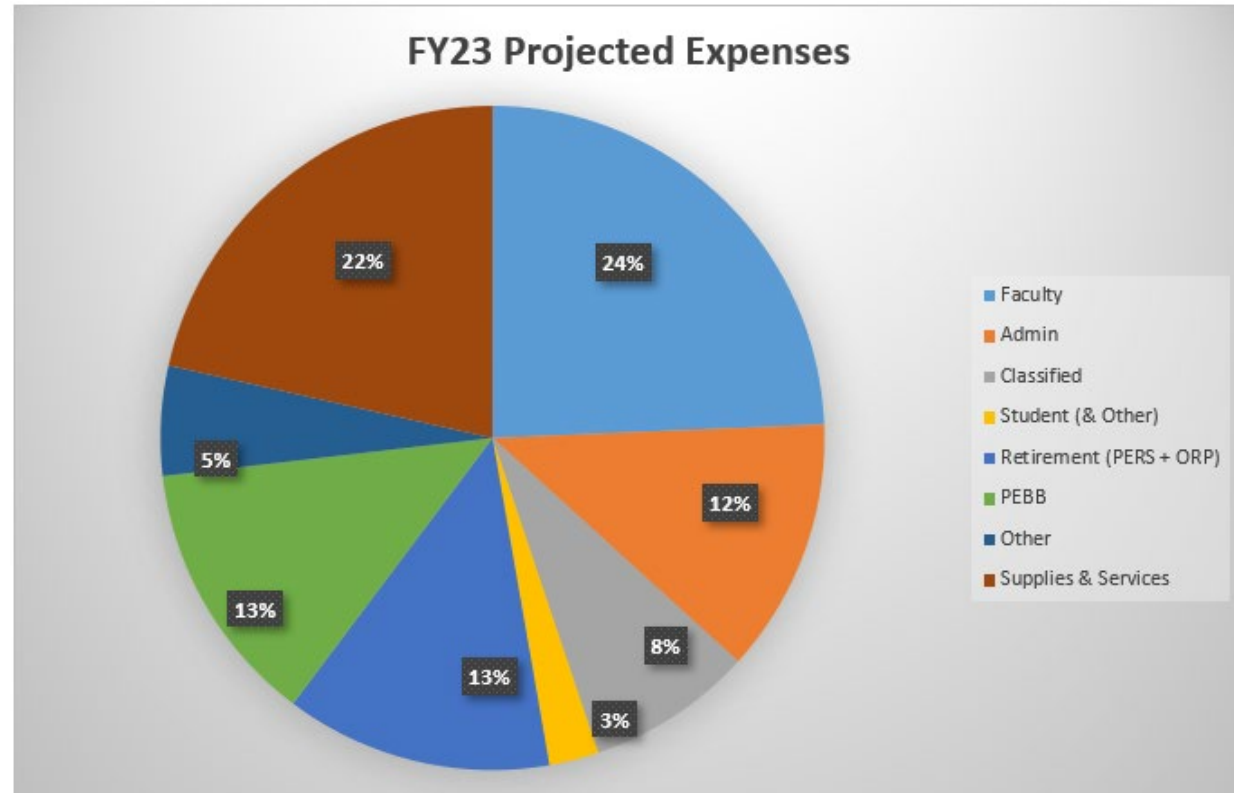
- Class rank (Graduate vs Undergraduate)
- Resident vs Non-resident vs **Western Undergraduate Exchange**
- Online vs In-person
- Differential Tuition (ex: Honors)

Mandatory Enrollment Fees also vary:

- Health Fee
- Building Fee
- Matriculation Fee

FY23 E&G Expense Elements

- Labor & OPE
Comprises ~80%
of total expense
portfolio
- Very little flexible
spending available
- S&S costs
escalating



Tuition Advisory Council Update

Tuition Advisory Council

Who created the Tuition Advisory Council?

- House Bill 4141 – 2018 Regular Session
 - Largely based on SOU's legacy process
- Statute: [352.103](#)
 - Advisory body for tuition and mandatory enrollment fees; composition; process for recommendation
- Checklist for compliance

ORS 352.103 Checklist

*Formerly HB4141 Checklist

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

Tuition Advisory Council

- Make up: 8 members, chaired by University Provost
 - ✓ 4 Students
 - ✓ 2 ASSOU & 2 Historically Underrepresented
 - ✓ 2 Administrators
 - ✓ 2 Faculty
- Ex-officio – advising capacity:
 - VP Enrollment Management & Student Affairs
 - VP Finance and Administration
 - Director of Budget and Planning
 - Others as requested

Tuition Advisory Council

This Council's Role

- Tuition rates recommended by the Tuition Advisory Council to the President *
- Presented by the President to the Governing Board
- Governing Board decides on rates for collection
- Reviewed by the HECC
 - If over 3%, Tuition and Mandatory Fees
- Approved by the HECC
 - If over 5%, Tuition and Mandatory Fees
 - Any rates above 5% necessitate “Stringent review process”

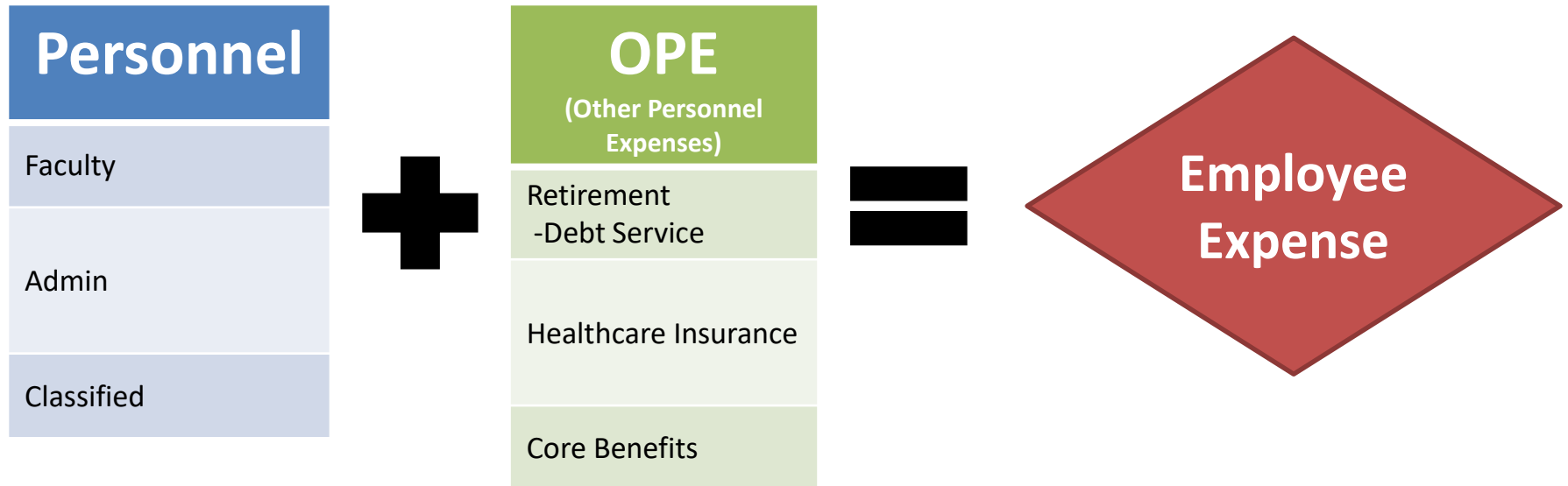
* - Disclaimer: Online Masters degrees, part of Academic Partners contractual relationship, utilize market-based rate-setting; which is outside the framework of the TAC outside

Tuition Advisory Council

Tuition Process:

- **Review relative data:**
 - Basic overview of University Financial Operation and Tuition's role in the financial health of the institution
 - SOU's tuition rate, compared to competitor schools
 - Historical data relating to tuition & fees and state appropriations
 - SOU's financial situation – The pro forma
 - Revenue Projections vs expenditure projections
 - Guidance from the Board
 - Ending Fund Balance thresholds, impacts to students, etc.
- **Gather feedback** from around the Campus
- **Deliberate** – Deliverable: a recommendation
- Traditionally focused on credit based tuition
 - Rate proposals or other non-traditional tuition rates can also be considered

Expenses: Personnel & OPE



Oregon Public University Cost Drivers

Public University Cost Drivers

The universities identified nearly 400 required mandates.

- Nearly 250 are federal, ranging from discrimination provisions to copyright requirements.
- 91 are state mandates for all universities with 33 more for specific universities.
- These range veterans health care to underrepresented students and beyond.

82% of increased costs are wages and benefits

Budget Cost Drivers

	Projected Increase over 2021-23	
Compensation	143,009,280	7.7%
Health Benefits	30,463,683	7.8%
Retirement Benefits	72,959,933	17.4%
Other Personnel	18,343,380	7.4%
Services & Supplies	57,021,436	7.2%
Total	\$321,797,712	8.7%

March and April—Tuition Rate Setting

- Tuition rate comparators (for context and price sensitivity)
- President's recommendation (from last year)
- Total Cost of Attendance

Student Fee Budget and Allocation Committees Updates

Roadmap

- Introduction and reminder of the legal statute
- Student Incidental Fee recommendation
- Reminder of Purpose and Process
- President's recommendation

Mandatory *Incidental* Fees

Statute: ORS 352.105

- The board for each public university listed in [ORS 352.002 \(Public universities\)](#) shall collect mandatory incidental fees upon the request of the recognized student government under a process established by the recognized student government of a university in consultation with the board.
- The process may include a student body referendum conducted under procedures established by the recognized student government.
- Mandatory incidental fees collected under this section shall be allocated by the recognized student government.

Mandatory Student Incidental Fees

- Established by ORS 352.105
 - oregonlaws.org/ors/352.105
- Proposed fee schedule as approved by ASSOU on 2/28/23
 - Incidental Fee increase from \$395 to \$412/term
 - Green Tag Fee to stay at \$14/term
- Student Incidental Fee (including Green Tag)
 - Recommended by ASSOU to the President
 - Recommended by the President to the Governing Board
 - Adopted by the Governing Board – not included in HECC review/approval
- **Student Recreation Center Fee – still being developed**
 - Recommended by ASSOU to the President
 - Recommended by the President to the Governing Board
 - Adopted by the Governing Board – not included in HECC review/approval

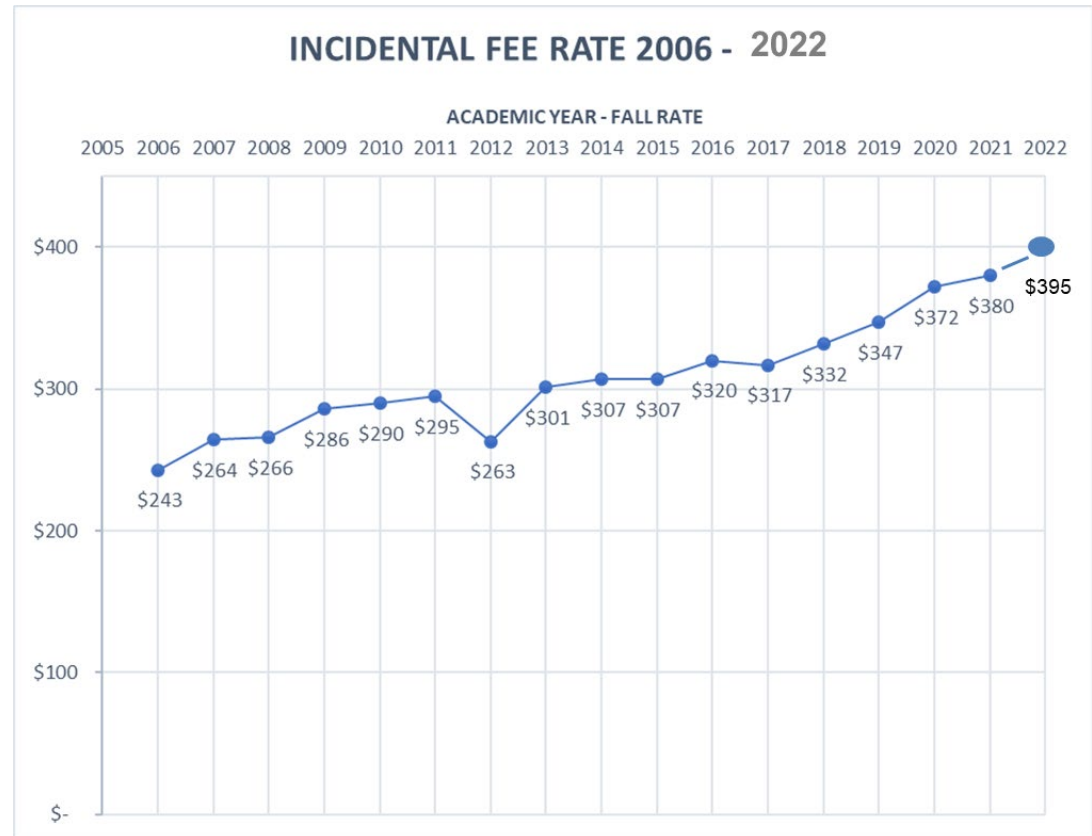
Purposes of Incidental Fees

- Provide funding to student organizations
- Foster a marketplace of ideas
- Increase recruitment and retention of underrepresented students
- Consolidating student resources to create student power & voice



What the SFBC Considers

- Inflation
- Student Fee Historically
- Student Enrollment Projection
- Student Fee Options/ Implications
 - Keep Same
 - \$410 (3.75%)
 - \$411 (4.00%)
 - \$412(4.25%)
 - \$413 4.50%)
 - \$414 (4.75%)
 - Breakeven Fee (13.67%)
- Fee Comparison
- Recommendations



Student Enrollment Projection

5-Year Avg: -6.38%

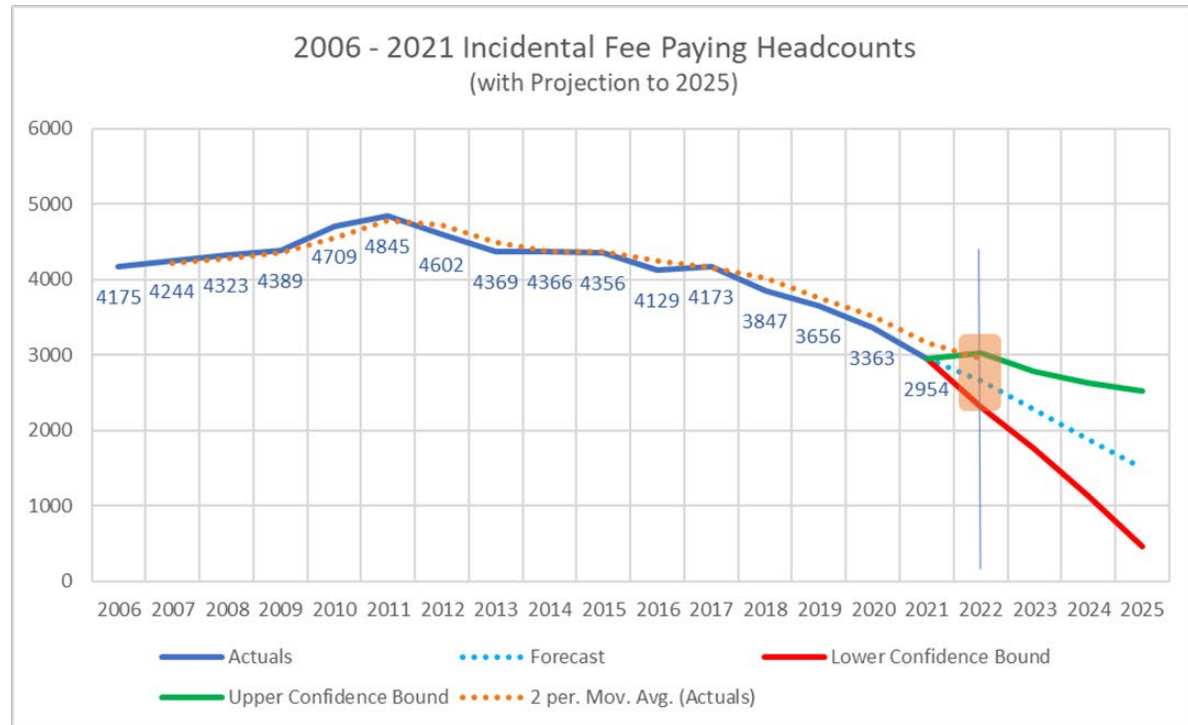
- 20-21: -12.17%
- 19-20: -8.01%
- 18-19: -4.97%
- 17-18: -7.82%
- 16-17: +1.07%

FY22: 2700 -8.6%

- Fall: 2,842
- Winter: 2,691
- Spring: 2,554

5-Year Attrition AVG

- F-W: 5.4%
- W-S: 5.1%



Headcount Forecasts	
Fall 2023	
Forecast	2524
Lower	2300
Upper	2748

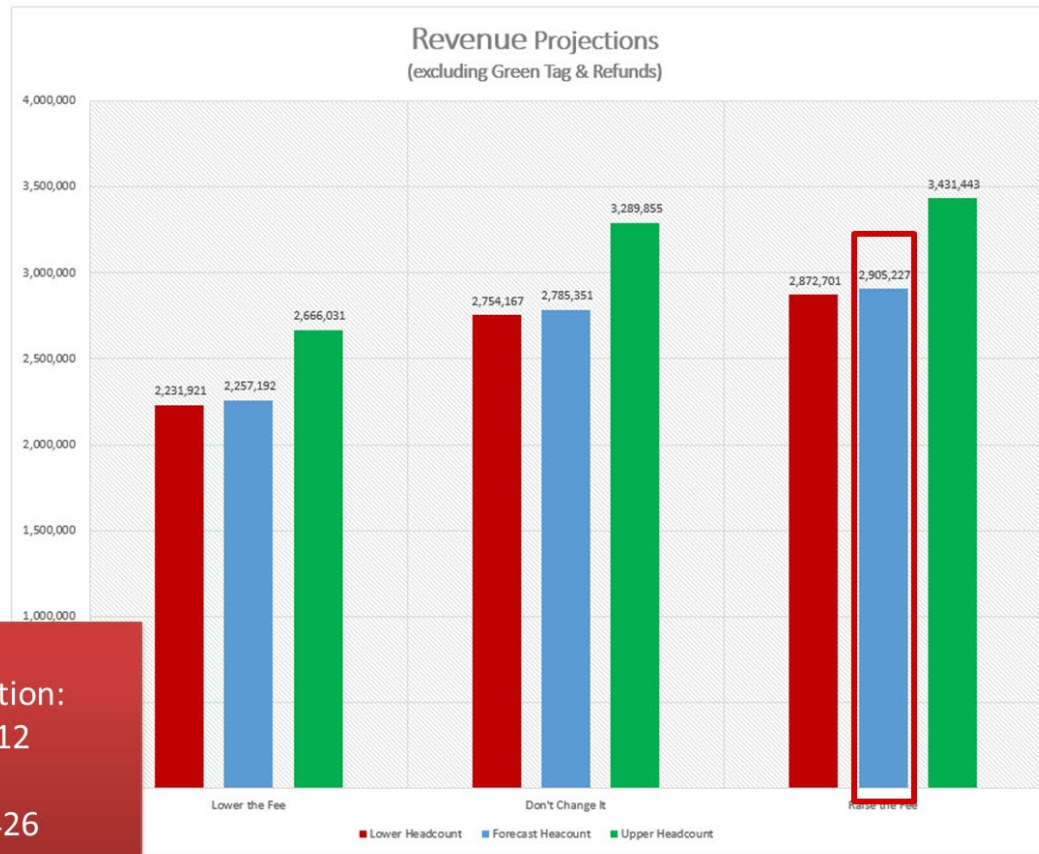
Incidental Fee Modeling - SFBC

2023 <--Forecast Year

		7.50%	
-10% <			> 10%
Headcount	Slider		
Forecasts	Adjustment:		
Forecast	2524	2501	
Lower	2300	2473	
Upper	2748	2954	

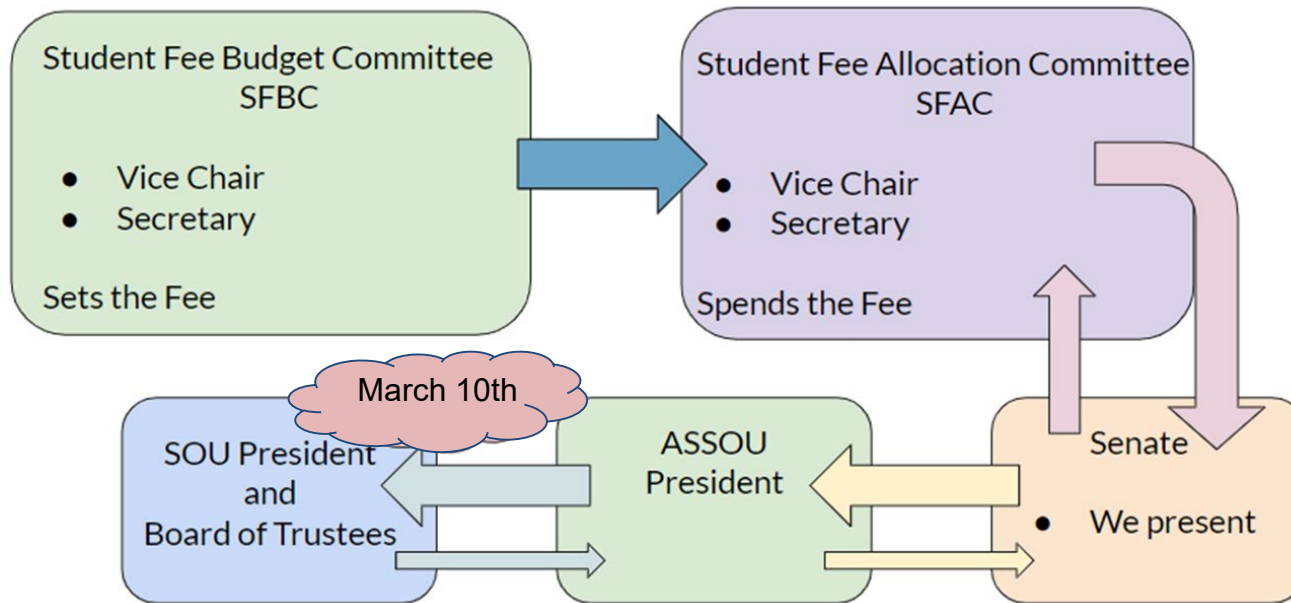
FEE RATES			
Raise	Lower	Current Rate	
412	320.1	395	
100	0		
^	^		
0	-100		
% Change -->	4.30%	-18.96%	
Per Term Chg:	17	-74.9	
Per AY Chg:	51	-224.7	

***NOTE: Use sliders only. Do not manually change any values.



FINAL Recommendation:
Incidental Fee: \$412
Green Tag: \$14
Total Incidental: \$426

Approving the Incidental Fee – Process



Student Fees at SOU*

Provided by ASSOU for Trustee Reference only

*** This information will not be presented during committee meetings and is intended to be part of read ahead materials for trustees.**

Objectives

- Develop a shared knowledge around the purpose of the student fee
- Place student fees in a historical context
- Describe the ever-strengthening legal foundation supporting the use of student fees in Oregon
- Recognize the power of student autonomy in maintaining the student fee process
- Understand the mechanism by which student fees are collected and disbursed at SOU

Recent Developments for Student Fees

2000: In *UW Madison v. Southworth*, SCOTUS unanimously rules in favor of student fees as constitutional, when facilitating the free and open exchange of ideas

- Extra-curricular student speech may be funded as long as funding process is **Viewpoint Neutral**.

2021: [Oregon HB 3012](#), Regarding Student Fee Autonomy; alters requirements for adoption of a student fee; restricts when a university governing board may reject that fee; requires the student government to collaborate with institutional leadership with a 'good faith effort'; If rejected by institution, must be accompanied by a written explanation and can be appealed to the HECC.

Oregon State Attorney General Opinion #8289

2015: Oregon Attorney General reconsiders the limitations of Student fees, determining

- Speech of Student Groups is NOT Government Speech
- Student fees are not restricted in their funding of groups which intend to influence political campaigns or ballot measures
- Viewpoint Neutrality reigns supreme as determinant of constitutionality of Student fee use

Viewpoint Neutrality

Viewpoint Neutral funding means:

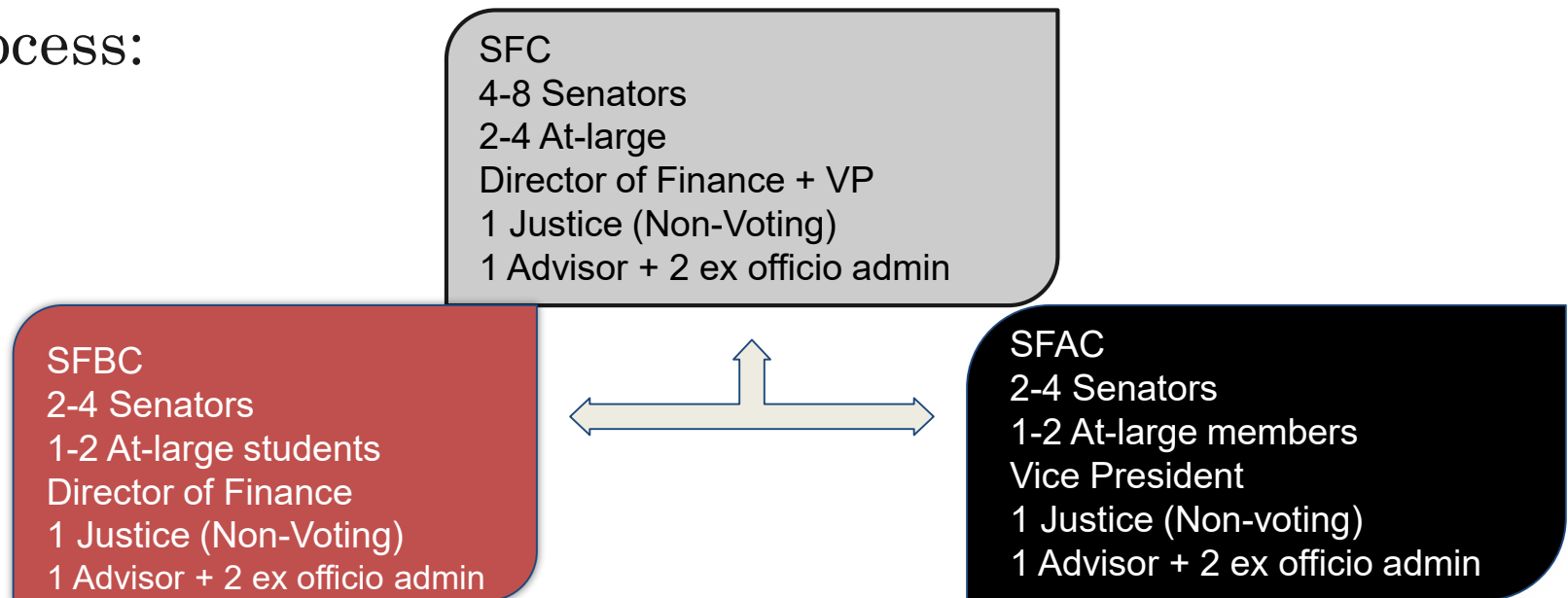
Decisions should include specific, written, objective criteria and must contain sufficient procedural safeguards to ensure neutrality and to guard against exercise of unbridled discretion

Viewpoint Neutral funding does NOT mean:

- Student groups themselves must be viewpoint neutral
- All groups must be allocated same amount of money
- Funding one partisan viewpoint requires funding a group for the opposing viewpoint

Student Money, Student Control.

ASSOU and the students we represent have a significant amount of control over the student fee process:



Maintaining Student Autonomy

Requires:

- Students work collaboratively with SOU staff on the fee process but ultimately the fee is set and decided on by students
- Passing of knowledge from one year's student body to the next
- A well-established fee policy and documentation of the means by which student fees stay within student control
- Staffing fee committees with dedicated students who will develop their roles as advocates for the student body, and **maintain Viewpoint Neutrality**

Checks Within the Process

ASSOU Senate may reject the SFC-approved budget

- May make changes upon second rejection

The ASSOU President may reject the Senate-approved budget

- Sends the budget back to Senate
- Senate may override an ASSOU Presidential Veto and send the budget directly to the University President

The University President may reject the ASSOU-approved budget

- Must collaborate with ASSOU on reasoning, justification, etc
- Send Back to ASSOU with the expectation that appropriate changes will be made

The University President and BOT may reject a proposed budget

- If it is illegal or breaks pre-existing contracts
 - This includes if there is sufficient evidence to demonstrate that viewpoint neutrality was not followed or if conflicts of interest were not resolved
- If a notification of process changes made by ASSOU has not been presented to the BOT

Financial Sustainability

Strategic Direction 5 (SD5)

Financial Sustainability

- Definition: **SOU will maintain financial stability and invest for institutional vitality.**
- Key to our success: Revenues greater than or equal to Cost

$$R \geq C$$

Road Map

- Revenue Forecast
- Cost (Status of Expense elements)
- Pro Forma

Pro Forma Forecast Model Variables



Revenues

- State Funding – Public University Support Fund (PUSF)
 - Conservative SSCM Model with final HECC updates
 - Any one-time monies still in the pipeline not considered (until approved)
- Tuition revenue – based on current enrollment forecast
- Miscellaneous revenue: history and current context

Expenses

- Labor costs modeled based on cost management plan
- Direct & indirect labor escalated
- Supplies and Services (S&S) based on inflation or known cost escalation
- And, bad-debt write-offs

Analysis of State PUSF Funding Allocation: Options and Outcomes

Total Calculated Allocation											
	EOU	OIT	OSU	OSUC	OSU Total	PSU	SOU	UO	WOU	Total	
FY2023 Final	\$ 22,193,485	\$ 32,136,328	\$ 138,299,925	\$ 9,024,408	\$ 147,324,334	\$ 113,641,551	\$ 26,497,548	\$ 85,623,888	\$ 31,582,867	\$ 459,000,001	

	PUSF	FY24 (49%)	FY25 (51%)
GRB	933,165,324	457,251,009	475,914,315
DAS CSL	972,047,213	476,303,134	495,744,079
OPU Request	1,050,000,000	514,500,000	535,500,000

Showing changes for FY24, assuming only PUSF amount changes, no changes in underlying enrollment or outcomes data:

FY24	EOU	OIT	OSU	OSUC	OSU Total	PSU	SOU	UO	WOU	Total
GRB	\$ 22,108,918	\$ 32,013,873	\$ 137,772,941	\$ 8,990,019	\$ 146,762,961	\$ 113,208,529	\$ 26,396,580	\$ 85,297,623	\$ 31,462,524	\$ 457,251,008
Chg from FY23	\$ (84,567)	\$ (122,455)	\$ (526,984)	\$ (34,389)	\$ (561,373)	\$ (433,022)	\$ (100,968)	\$ (326,265)	\$ (120,343)	\$ (1,748,993)
DAS CSL	\$ 23,030,123	\$ 33,347,785	\$ 143,513,479	\$ 9,364,604	\$ 152,878,083	\$ 117,925,549	\$ 27,496,439	\$ 88,851,692	\$ 32,773,462	\$ 476,303,133
Chg from FY23	\$ 836,638	\$ 1,211,457	\$ 5,213,554	\$ 340,196	\$ 5,553,749	\$ 4,283,998	\$ 998,891	\$ 3,227,804	\$ 1,190,595	\$ 17,303,132
OPU Request	\$ 24,877,011	\$ 36,022,091	\$ 155,022,465	\$ 10,115,593	\$ 165,138,059	\$ 127,382,525	\$ 29,701,500	\$ 95,977,104	\$ 35,401,712	\$ 514,500,002
Chg from FY23	\$ 2,683,526	\$ 3,885,763	\$ 16,722,540	\$ 1,091,185	\$ 17,813,725	\$ 13,740,974	\$ 3,203,952	\$ 10,353,216	\$ 3,818,845	\$ 55,500,001

Weekly Executive Enrollment Reports

(as of 3/7/23)



- **Winter 2023 Enrollment Report:** As of 8 weeks after the start of term, Winter headcount is 5,244, up 224 from the same time last year (4.5%). FTE is 3,284, which is down 1 (0%). Non-admitted student headcount is 2,037, up 29.7% over last Winter term at the same point in time.
- **Spring 2023 Enrollment Report:** As of 4 weeks before the start of term, Spring headcount is 2,620, down 124 from the same time last year (-4.5%). Continuing students is at 2,448, down 36 (1.4%) over Spring 2022 at the same point in time.
- **Fall 2023 Enrollment Report:** As of 29 weeks prior to the start of Fall term, total Fall 23 admission applications total 2,333 or 16.4% more than last year at this same point in time. Of the 1,922 First-year applicants, 332 have been admitted and have confirmed to attend which is 69% more than last year at 29 weeks before the start of the term.

Any reports referenced above have also been posted to the SOU [Executive Enrollment Data](#) website. The site also includes other enrollment reports, admission reports, completion reports, and a variety of graphics displaying categories used by the Student Success and Completions Model (SSCM) to calculate SOU's annual state appropriation. Also posted to the site are charts with longitudinal student headcounts, FTE, fee paying categories, and retention & graduation rates. For additional enrollment information visit the [SOU Institutional Research website](#)

Winter 2023 Enrollment

(as of 3/7/2023)

SCH by Student Level Within Tuition Category
Winter 2022 Week Ending 2/27/22 vs. Winter 2023 Week Ending 3/5/23
8 Weeks after Start of Term

Tuition Category	Winter 2022	Winter 2023	Change	% Change
UG WUE	8,330	7,804	-526	-6.3%
UG Resident	16,622	17,489	867	5.2%
UG Jack/Jo Pledge	436	417	-19	-4.4%
UG Non-resident	370	494	124	33.5%
UG Online	10,100	8,776	-1,324	-13.1%
Subtotal - Undergraduates	35,858	34,980	-878	-2.4%
GR Resident	460	398	-62	-13.5%
GR Non-resident	308	295	-13	-4.2%
GR AP MBA Online	1,005	908	-97	-9.7%
GR AP ED Online	483	512	29	6.0%
GR Online	120	195	75	62.5%
GR Education Differential	1,227	715	-512	-41.7%
Subtotal - Graduates	3,603	3,023	-580	-16.1%
Staff Rates	232	341	109	47.0%
Waived Tuition	444	389	-55	-12.4%
Course Based Tuition	597	685	88	14.7%
Advanced Southern Credit	7,408	8,658	1,250	16.9%
Early Entry HS	64	95	31	48.4%
Grand Total - SCH	48,206	48,171	-35	-0.1%

Spring 2023 Enrollment Snapshot

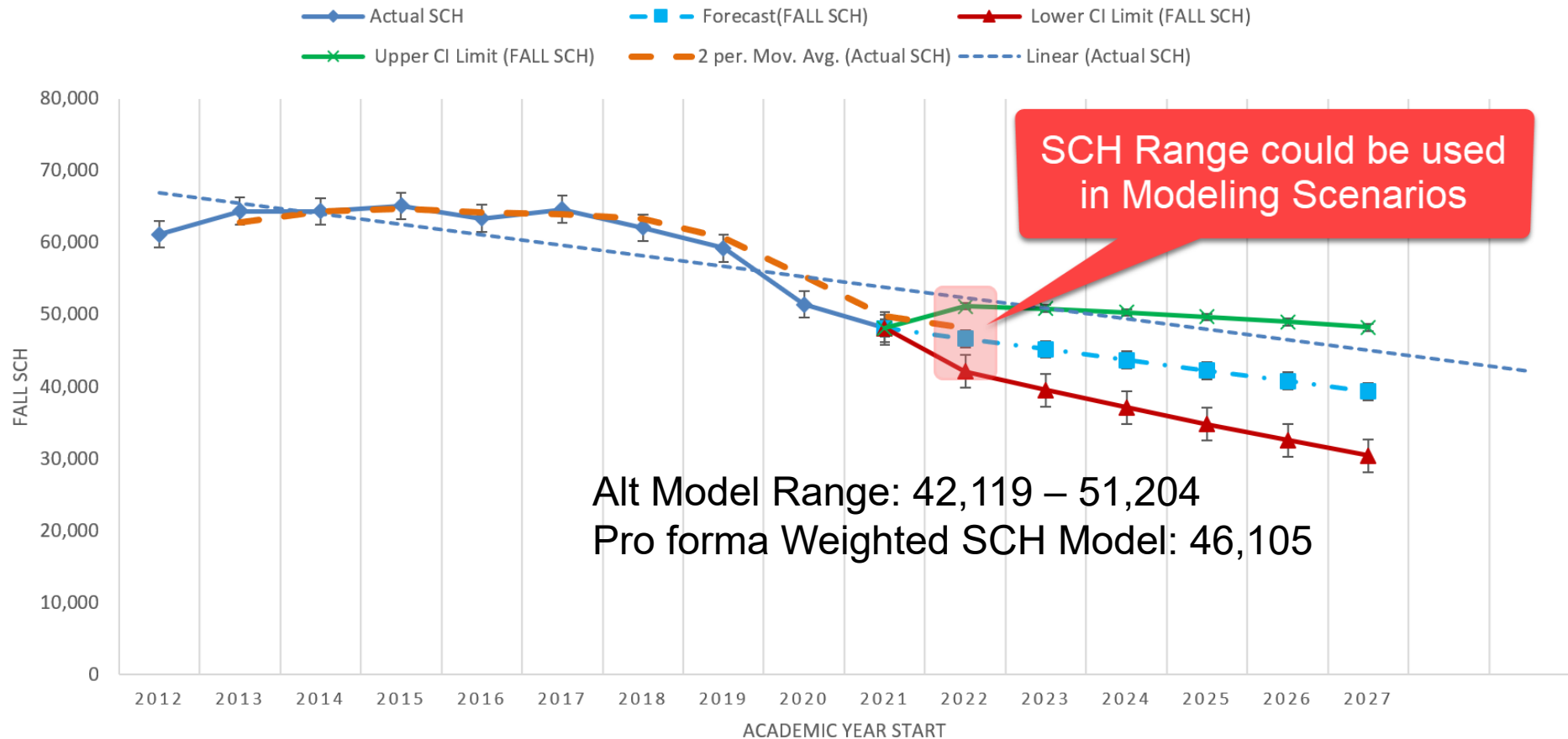
(as of 3/7/23)

SCH by Student Level Within Tuition Category
Spring 2022 Week Ending 2/27/22 vs. Spring 2023 Week Ending 3/5/23
4 Weeks before Start of Term

Tuition Category	Spring 2022	Spring 2023	Change	% Change
UG WUE	6,705	6,470	-235	-3.5%
UG Resident	12,728	13,501	773	6.1%
UG Jack/Jo Pledge	362	347	-15	-4.1%
UG Non-resident	302	346	44	14.6%
UG Online	7,815	6,858	-957	-12.2%
Subtotal - Undergraduates	27,912	27,522	-390	-1.4%
GR Resident	353	334	-19	-5.4%
GR Non-resident	187	240	53	28.3%
GR AP MBA Online	966	819	-147	-15.2%
GR AP ED Online	364	429	65	17.9%
GR Online	147	92	-55	-37.4%
GR Education Differential	588	415	-173	-29.4%
Subtotal - Graduates	2,605	2,329	-276	-10.6%
Staff Rates	169	286	117	69.2%
Waived Tuition	303	350	47	15.5%
Course Based Tuition	373	344	-29	-7.8%
Advanced Southern Credit	-	-	-	
Early Entry HS	74	87	13	17.6%
Grand Total - SCH	31,436	30,918	-518	-1.6%

Fall SCH Projections AY22 – AY27

FALL SCH PROJECTIONS AY22 - AY27



SOUTHERN OREGON UNIVERSITY FALL 2023 ENROLLMENT PROJECTIONS - MARCH 2023

DR. MATT STILLMAN - ASSISTANT VICE PRESIDENT FOR ENROLLMENT MANAGEMENT & UNIVERSITY REGISTRAR

CATEGORY:	FALL 22 ACTUAL	FALL 23 PROJECTION	RAW CHANGE	% CHANGE
NEW FR	557	610	53	9.5%
NEW TR	283	295	12	4.2%
NEW GR	152	145	-7	-4.6%
CONTINUING	2109	2090	-19	-0.9%
RETURNING	280	270	-10	-3.6%
NON-DEGREE SEEKING	1801	1850	49	2.7%
TOTAL HEADCOUNT	5182	5260	78	1.5%
TOTAL FTE	3268	3300	32	1.0%

NOTES:

1. Produced by collaboration between EMSA & IR - both art and science
2. Assumes linear trajectory based on current data for new FR and new TR
3. Assumes some depreciation on new GR due to continued trends and sunseting of programs
4. Without an increase in retention, continuing/returning students will continue to decrease (at a lesser decline than past couple of years) because of ongoing pipeline diminishment
5. Anticipating some increase in non-degree mainly from OLLI and staff training/development program starting this summer - these are intentionally under-projected as a hedge
6. Headcount will likely continue to outpace FTE because of the student mix (more non-degree population drags down average SCH, etc.)
7. Suggest planning on flat enrollment for budget purposes and anticipating new FR increase for academic planning
8. Does not attempt to account for any negative PR/student engagement/student behavior reaction to re-alignment, which is partially why planning on flat may be prudent

E&G Budget with Forecast to Complete

- Tuition Revenue “softening” (\$1.4M less than forecasted)
- Miscellaneous Revenue up \$300K, due to Ground Lease ‘reserve’ transfer into E&G
- Total labor expenses coming in \$3.7M under budget (good indicator we’ll achieve \$3.6m cost reduction target)
- S&S expense pressure...burning hot due to inflation and adjusted to include early retirement (watch item)
- \$3.3M transferred into E&G
- Glide slope to close with projected \$5.16m EFB (ties to 8.15% KPI and roughly 1 month 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)

REVENUES	
Total State Funding (SSCM,ETSF,SELP,1-Time)	
Tuition	
Fees	
Raider Aid (remissions)	
<i>Oth tuition & fee adjustments</i>	
Tuition, net of Raider Aid	
Misc. Other Revenue	
TOTAL REVENUES	
EXPENSES & TRANSFERS	
<u>Personnel Services</u>	
Faculty	
Admin	
Classified	
Students, GA's, etc	
Salaries Sub-total	
PERS & ORP (Retirement Pgms)	
PEBB (Healthcare)	
Other (FICA, SAIF, etc.)	
OPE Sub-total	
Net Personnel Services	
<u>Supplies & Services (S&S)</u>	
S&S Expenses	
AP Program Share (AP)	
Capital Expenses (CapEx)	
Total S&S, CapEx, AP	
Cost Reductions, Savings, Outside Support	
Recurring S&S Cuts	
<i>Personnel and S&S before Transfers</i>	
Net from Operations Before Transfers	
Budgeted Transfers (In & Out)	
<i>Transfers Adjustments</i>	
Transfers Net (In & Out of E&G)	

TOTAL EXPENSES & TRANSFERS

FUND BALANCE

Change in Fund Balance	
Beginning Fund Balance	
Ending Fund Balance	

% Operating Revenues

Days of Operations	
Months of Operations	

2021-23 Biennium		
2021-22 Actual (000's)	2022-23 FY23 BUDGET (000's)	2022-23 FYE Forecast (000's)
26,220	26,860	26,860
34,281	34,611	33,200
3,581	4,015	3,719
(3,915)	(3,476)	(3,691)
33,947	35,149	33,229
1,476	2,964	3,235
61,643	64,974	63,324
(15,129)	(15,971)	(14,913)
(9,922)	(10,532)	(10,276)
(6,642)	(7,450)	(6,965)
(1,066)	(1,586)	(1,331)
(32,760)	(35,539)	(33,484)
(8,042)	(8,524)	(8,065)
(6,786)	(8,473)	(7,985)
(2,987)	(3,500)	(2,783)
(17,815)	(20,497)	(18,833)
(50,575)	(56,036)	(52,317)
(10,503)	(13,835)	(11,767)
(1,608)		(1,323)
(117)	(263)	(93)
(12,228)	(14,098)	(13,183)
	3,664	0
		0
(62,803)	(66,469)	(65,500)
(1,160)	(1,496)	(2,175)
251	192	222
251	192	222
(62,552)	(66,277)	(65,278)
(909)	(1,303)	(1,954)
7,793	6,501	7,113
7,113	5,198	5,159
11.54%	8.00%	8.15%
41.51	29.63	28.85
1.38	0.99	0.96

Revenue Assumptions, FY 24

- Conservative state revenue allocation: \$26.4M at GRB – **\$1M less than planned** (\$27.4M projected in last pro forma)
- Tuition revenue modeled at 3% increase and enrollment (SCH) down slightly
- Miscellaneous Revenue up to **\$3.3M**, due to ground lease 'reserve' transfer into E&G. Strong in FY 24; then levels out
- Last increment of federal support (**\$2.9M**) shown
- Not considered (one-time monies)
 - Congressionally Directed Spending - \$3.3M ask for SIS
 - \$15m earmark for TRUs (uncertain outcome / allocation)

Cost Assumptions, FY 24

- Refined Cost Management recurring savings (about 80 FTE) projection... “time activated the plan”
 - Plan ties to ~ \$9m in recurring savings
- S&S expense pressure...burning hot due to inflation and early retirement (watch item)...modeling growth at 2.5% (very aggressive, less than inflation)
- Forecast (update) transfers from E&G, based on changes in Athletics (less cost) and Housing reorganization.
- Will monitor cost relationship with Physical Plant Fund / E&G and Auxiliaries (Housing and Athletics)

Education and General		2021-23 Biennium			2023-25 Biennium		2025-27 Biennium	
(in thousands of dollars)		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)	2025-26 FORECAST (000's)	2026-27 FORECAST (000's)
(as of 3/9/23)								
REVENUES								
Total State Funding (SSCM,ETSF,SELP,1-Time)		26,220	26,860	26,860	26,896	27,973	28,798	29,953
Tuition		34,281	34,611	33,200	34,328	35,649	36,627	37,863
Fees		3,581	4,015	3,719	3,715	3,926	3,999	4,152
Raider Aid (remissions)		(3,915)	(3,476)	(3,691)	(3,424)	(3,562)	(3,656)	(3,781)
Oth tuition & fee adjustments								
Tuition, net of Raider Aid		33,947	35,149	33,229	34,619	36,013	36,969	38,233
Misc. Other Revenue		1,476	2,964	3,235	3,308	3,382	2,223	2,273
TOTAL REVENUES		61,643	64,974	63,324	64,823	67,369	67,991	70,460
EXPENSES & TRANSFERS								
Personnel Services								
Faculty		(15,129)	(15,971)	(14,913)	(14,115)	(14,107)	(14,313)	(14,471)
Admin		(9,922)	(10,532)	(10,276)	(9,846)	(9,573)	(9,540)	(9,767)
Classified		(6,642)	(7,450)	(6,965)	(6,675)	(6,708)	(7,063)	(7,387)
Students, GA's, etc		(1,066)	(1,586)	(1,331)	(1,655)	(1,654)	(1,638)	(1,705)
Salaries Sub-total		(32,760)	(35,539)	(33,484)	(32,291)	(32,042)	(32,554)	(33,330)
PERS & ORP (Retirement Pgms)		(8,042)	(8,524)	(8,065)	(8,349)	(8,284)	(8,417)	(8,617)
PEBB (Healthcare)		(6,786)	(8,473)	(7,985)	(7,701)	(8,086)	(8,490)	(8,915)
Other (FICA, SAIF, etc.)		(2,987)	(3,500)	(2,783)	(2,684)	(2,663)	(2,706)	(2,770)
OPE Sub-total		(17,815)	(20,497)	(18,833)	(18,733)	(19,033)	(19,612)	(20,302)
Net Personnel Services		(50,575)	(56,036)	(52,317)	(51,024)	(51,075)	(52,167)	(53,632)
Supplies & Services (S&S)								
S&S Expenses		(10,503)	(13,835)	(11,767)	(10,491)	(10,727)	(11,969)	(11,216)
AP Program Share (AP)		(1,608)		(1,323)	(1,203)	(1,181)	(1,180)	(1,174)
Capital Expenses (CapEx)		(117)	(263)	(93)	(95)	(97)	(99)	(102)
Total S&S, CapEx, AP		(12,228)	(14,098)	(13,183)	(11,790)	(12,006)	(13,248)	(12,492)
Cost Reductions, Savings, Outside Support			3,664	0	2,879	As Modeled	As Modeled	As Modeled
Recurring S&S Cuts				0	906	0	0	0
Personnel and S&S before Transfers		(62,803)	(66,469)	(65,500)	(59,935)	(63,081)	(65,414)	(66,124)
Net from Operations Before Transfers		(1,160)	(1,496)	(2,175)	4,888	4,288	2,576	4,336
Budgeted Transfers (In & Out)		251	192	222	(3,227)	(2,769)	(2,813)	(2,892)
Transfers Adjustments					461			
Transfers Net (In & Out of E&G)		251	192	222	(2,766)	(2,769)	(2,813)	(2,892)
TOTAL EXPENSES & TRANSFERS		(62,552)	(66,277)	(65,278)	(62,701)	(65,849)	(68,228)	(69,016)
FUND BALANCE								
Change in Fund Balance		(909)	(1,303)	(1,954)	2,122	1,519	(237)	1,444
Beginning Fund Balance		7,793	6,501	7,113	5,159	7,281	8,800	8,564
Ending Fund Balance		7,113	5,198	5,159	7,281	8,800	8,564	10,008
% Operating Revenues		11.54%	8.00%	8.15%	11.23%	13.06%	12.60%	14.20%
Days of Operations		41.51	29.63	28.85	42.07	48.78	45.81	52.93
Months of Operations		1.38	0.99	0.96	1.40	1.63	1.53	1.76

Path Forward

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

Future Meetings

Adjournment