



OFFICE OF THE BOARD OF TRUSTEES

Public Meeting Notice

September 14, 2022

TO: Southern Oregon University Board of Trustees

FROM: Sabrina Prud'homme, University Board Secretary

RE: Board of Trustees Retreat

The Southern Oregon University Board of Trustees will hold its annual retreat on September 16-17, 2022. Details of the meeting appear below.

The meeting will occur as follows:

September 16, 2022, from 1:15 – 5:00 p.m. (or until business concludes)

September 17, 2022, from 9:00 – 11:45 a.m. (or until business concludes)

1250 Siskiyou Boulevard, Stevenson Union, Room 202, Ashland, OR

Members of the public may view the proceedings at

<https://sou.zoom.us/j/82202189538> at the time of the meeting. Materials for the meeting are available at governance.sou.edu.

Discussion topics for the retreat include a budget orientation for new trustees and review for continuing trustees. Other topics include a discussion of the vision for SOU; fiscal sustainability and embracing entrepreneurship; changing the fiscal model; a discussion of guiding principles; communication planning; timing of activities; and the role of the board.

If special accommodations are required, please contact Sabrina Prud'homme at (541) 552-6060 for assistance at least 24 hours in advance of the meeting.

Before the start of the meeting, the board will engage in team-building exercises. The board will have dinner at Harvey's Restaurant in Ashland. On day 2, the board will attend a breakfast as well as an SOU athletics event following the conclusion of the retreat. A quorum of the board is expected to be present at these events.



**Board of Trustees Retreat
September 16-17, 2022**

Call to Order / Roll / Declaration of a Quorum

Land Acknowledgement



Retreat of the Board of Trustees

Friday, September 16, 2022

1:15 – 5:00 p.m. (or until business concludes)

1250 Siskiyou Blvd., SU 202, Ashland, OR

Public viewing: <https://sou.zoom.us/j/82202189538>

AGENDA

Please note: Agenda items may be taken out of order.

1 Call to Order/Roll/Declaration of a Quorum

- | | | |
|-----|----------------------------------|---|
| 1.1 | Welcome and Opening Remarks | Chair Daniel Santos |
| 1.2 | Land Acknowledgement | Vice Chair Sheila Clough |
| 1.3 | Roll and Declaration of a Quorum | Sabrina Prud'homme, SOU,
Board Secretary |
| 1.4 | Agenda Review | Chair Santos |

2 Information and Discussion Items

- | | | |
|-----|--|---|
| 2.1 | Budget Orientation for New Trustees and Review
for Continuing Trustees | Greg Perkinson, SOU, Vice
President for Finance and
Administration; Josh Lovern,
SOU, Director of Budget and
Planning |
| 2.2 | Fiscal Sustainability and Embracing
Entrepreneurship: Changing the Fiscal Model | President Rick Bailey |
| 2.3 | Guiding Principles for Decision-Making | President Bailey |
| 2.4 | Communication Planning | President Bailey |

3 Adjourn for the Day

Chair Santos

Saturday, September 17, 2022
9:00 – 11:45 a.m. (or until business concludes)
1250 Siskiyou Blvd., SU 202, Ashland, OR
Public viewing: <https://sou.zoom.us/j/82202189538>

AGENDA (Continued)

Please note: Agenda items may be taken out of order.

- | | | |
|----------|---|-----------------------------------|
| 4 | Information and Discussion Items (Continued) | Chair Santos and President Bailey |
| 4.1 | Review of Day 1 | President Bailey |
| 4.2 | General Timing of Activities | President Bailey |
| 4.3 | The Role of the Board | Chair Santos and President Bailey |
| 4.4 | Vision for SOU | President Bailey |
| 5 | Adjournment | Chair Santos |

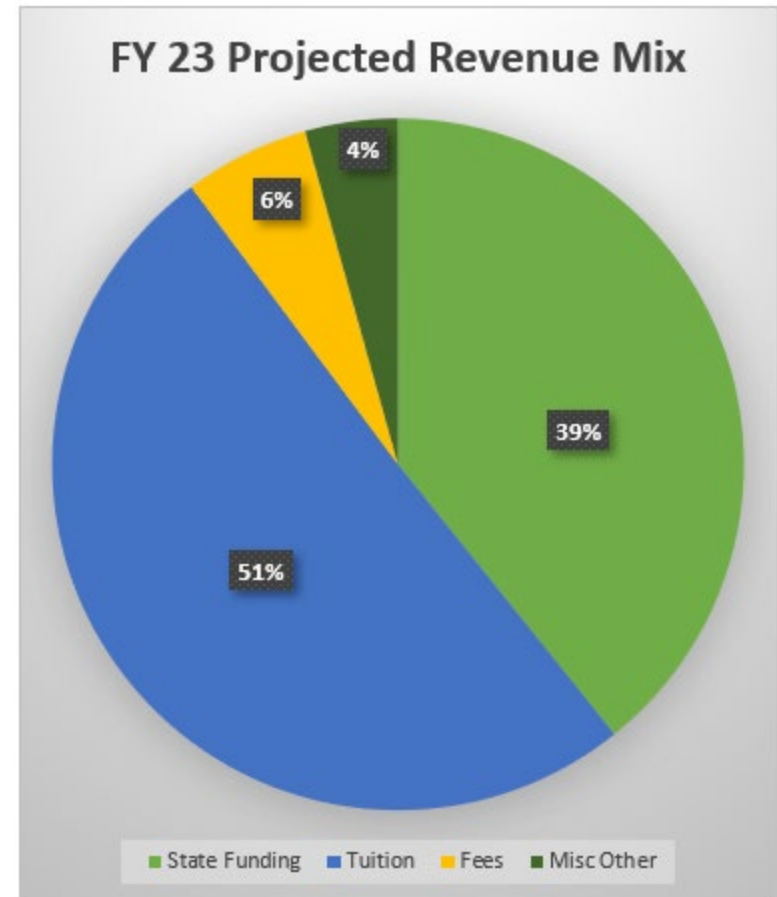
Budget Orientation for New Trustees and Review for Continuing Trustees

Roadmap for Discussion

- State Funding
- Sources of Funding (revenues)
- Enrollment
- Pro Forma Review
- Transfers: A Deeper Dive

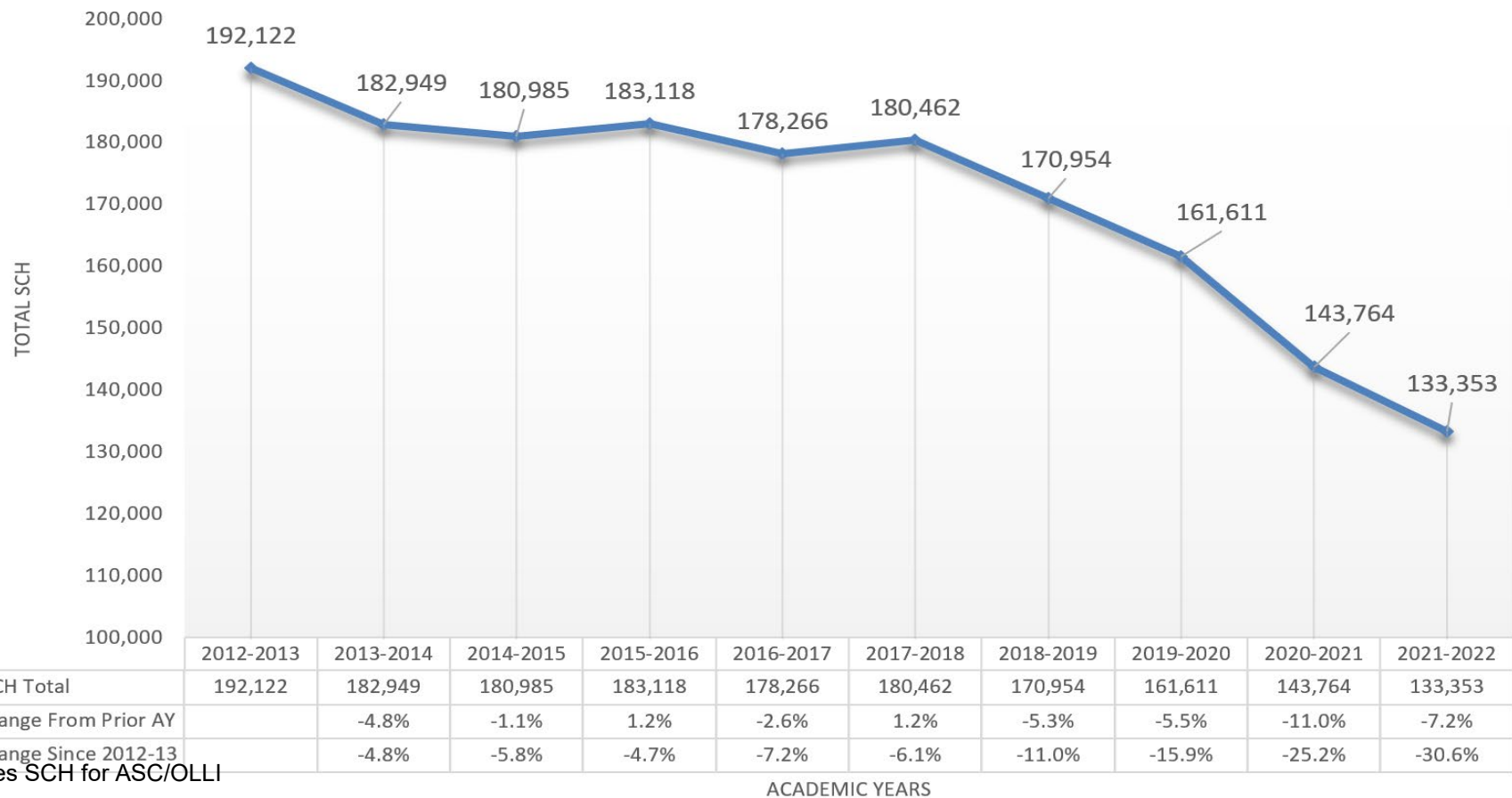
FY23 Education and General-Revenue Streams

- 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: Student Credit Hours

Total SCH Per AY
2012-2013 through 2021-2022



ACADEMIC YEARS

AY SCH Total

% Change From Prior AY

% Change Since 2012-13

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.

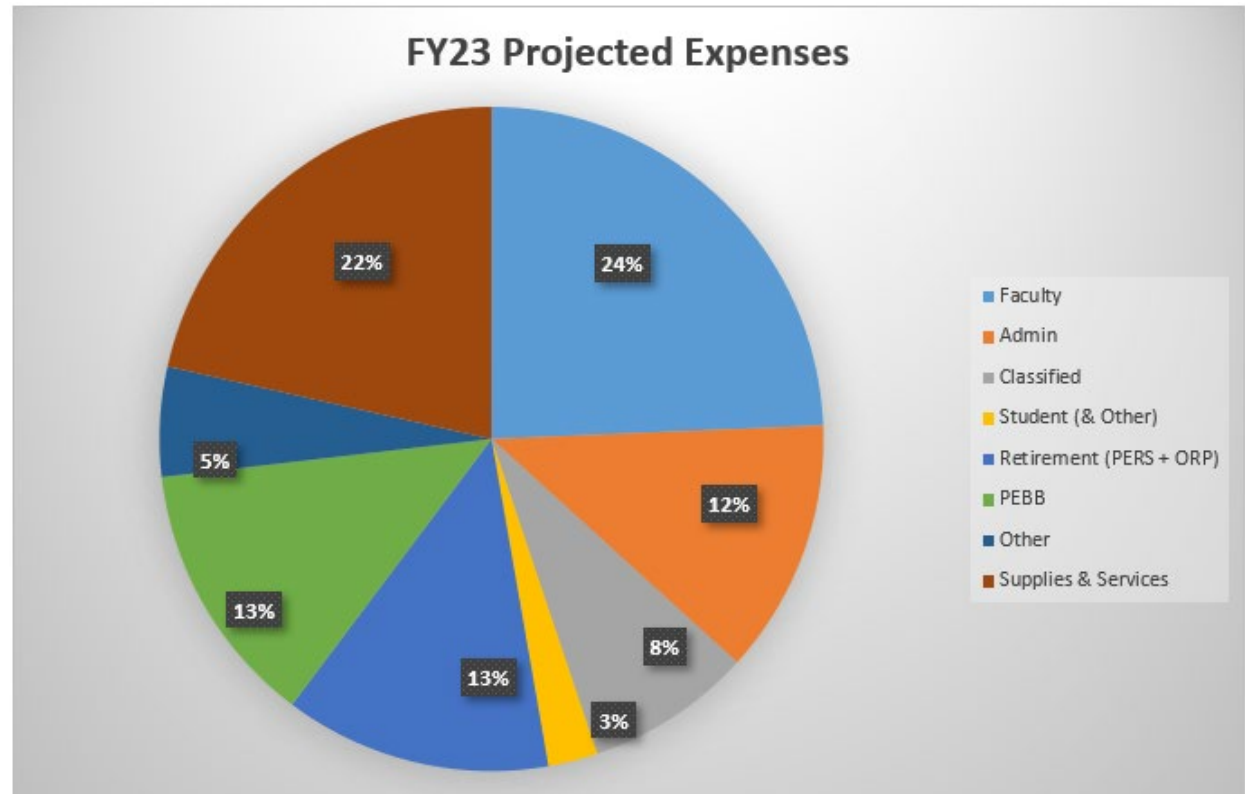
82% of increased costs are wages and benefits

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%

FY23 Education and General-Expense Elements

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



Pro Forma		2019-21 Biennium		2021-23 Biennium			2023-25 Biennium	
Education and General		2019-20	2020-21	2021-22	2021-22	2022-23	2023-24	2024-25
(in thousands of dollars)		Actual	Actual	FY22 BUDGET	FYE Forecast	FORECAST	FORECAST	FORECAST
Revenue		(000's)	(000's)	(000's)	(000's)	(000's)	(000's)	(000's)
State Appropriations: SSCM		22,696	23,559	24,864	25,720	26,361	27,340	28,394
Total State Funding (SSCM,ETSF,SELP)		23,074	23,937	25,242	26,220	26,860	27,839	28,893
Tuition		39,365	36,451	36,340	34,472	34,611	33,820	33,682
Fees		3,127	3,457	3,293	3,574	4,015	4,014	3,952
Raider Aid		(3,927)	(3,245)	(3,276)	(3,895)	(3,476)	(3,405)	(3,387)
Tuition, net of Raider Aid		35,567	36,663	36,358	34,151	35,149	34,429	34,247
Misc. Other Revenue		2,453	481	2,101	927	2,964	3,031	3,099
TOTAL REVENUE		64,589	61,081	63,701	61,298	64,974	65,299	66,239
Personnel Services								
Faculty		(16,083)	(17,991)	(17,118)	(15,199)	(15,971)	(16,654)	(17,111)
Admin.		(9,617)	(8,127)	(10,261)	(9,835)	(10,532)	(10,675)	(11,144)
Classified		(6,307)	(5,309)	(6,900)	(6,692)	(7,450)	(7,656)	(8,181)
Student (800 hrs)		(1,455)	(1,005)	(1,615)	(1,079)	(1,586)	(1,655)	(1,654)
Salaries Total		(33,508)	(29,132)	(35,894)	(32,805)	(35,539)	(36,640)	(38,091)
Retirement (PERS + CalPERS)		(7,881)	(7,050)	(8,355)	(8,055)	(8,524)	(10,364)	(10,799)
PEES		(7,312)	(7,026)	(7,780)	(6,829)	(8,473)	(8,744)	(9,024)
Other		(3,275)	(3,172)	(3,612)	(3,206)	(3,500)	(3,608)	(3,751)
OPE		(18,469)	(17,249)	(19,747)	(18,090)	(20,497)	(22,717)	(23,574)
Net Personnel		(51,977)	(46,381)	(55,184)	(50,895)	(56,036)	(59,357)	(61,666)
Supplies & Services		(10,477)	(10,337)	(12,160)	(12,066)	(13,835)	(14,146)	(14,464)
Capital Expenses			(124)	(260)	(135)	(263)	(269)	(275)
Total Supplies & Services, Capital Expenses		(10,477)	(10,461)	(12,420)	(12,201)	(14,098)	(14,415)	(14,739)
Cost Reductions, Savings, Outside Support				8,178	DONE 3312	3,664	3,312	As Modeled
TOTAL EXPENDITURES		(62,454)	(56,842)	(59,427)	(63,097)	(66,469)	(70,460)	(76,405)
Net from Operations Before Transfers		1,641	4,239	4,274	(1,799)	(1,496)	(5,161)	(10,166)
Budgeted Transfers		(1,913)	(1,526)	(2,513)	506	192	(3,227)	(3,353)
NET TRANSFERS		(1,913)	(1,526)	(2,513)	506	192	(3,227)	(3,353)
Change in Fund Balance		(273)	2,713	1,761	(1,293)	(1,303)	(8,388)	(13,519)
Beginning Fund Balance		5,354	5,081	7,794	7,794	6,501	5,198	(3,190)
Ending Fund Balance		5,081	7,794	9,556	6,501	5,198	(3,190)	(16,709)
% Operating Revenues		7.92%	12.76%	15.00%	10.61%	8.00%	-4.89%	-25.23%
Days of Operations		28.81	48.74	56.31	37.91	28.62	-15.80	-76.47
Months of Operations		0.96	1.62	1.88	1.26	0.95	-0.53	-2.55

Pro Forma **AUG 1, 2022**

Education and General

(In thousands of dollars)

Revenue

Total State Funding (SSCM,ETSF,SELP,1-Time)

Tuition

Fees

Raider Aid

Tuition, net of Raider Aid

Misc. Other Revenue

TOTAL REVENUES

Personnel Services

Faculty

Admin

Classified

Student (& Other)

Salaries Total

Retirement (PERS + ORP)

PEBB

Other

OPE

Net Personnel

Supplies & Services

Capital Expenses

Total Supplies & Services, Capital Expenses

Cost Reductions, Savings, Outside Support

TOTAL EXPENDITURES

Net from Operations Before Transfers

Budgeted Transfers

NET TRANSFERS

Change in Fund Balance

Beginning Fund Balance

Ending Fund Balance

% Operating Revenues

Total Expenses & Transfers

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)

2023-25 Biennium

2023-24

FORECAST

(000's)

2024-25

FORECAST

(000's)

26,220

34,281

3,581

(3,915)

33,947

1,046

61,212

(15,129)

(9,922)

(6,642)

(1,066)

(32,760)

(8,042)

(6,786)

(2,758)

(17,586)

(50,346)

(12,111)

(117)

(12,228)

0

(62,574)

(1,362)

251

251

(1,111)

7,794

6,683

10.92%

(62,323,356)

39.14

1.30

26,860

34,611

4,015

(3,476)

35,149

2,964

64,974

(15,971)

(10,532)

(7,450)

(1,586)

(35,539)

(8,524)

(8,473)

(3,500)

(20,497)

(56,036)

(13,835)

(263)

(14,098)

3,664

(66,469)

(1,496)

192

192

(1,303)

6,501

5,198

8.00%

(66,277,133)

29.63

0.99

26,860

34,789

4,015

(3,476)

35,327

2,964

65,152

(15,971)

(10,532)

(7,450)

(1,586)

(35,539)

(8,524)

(8,473)

(3,500)

(20,497)

(56,036)

(13,835)

(263)

(14,098)

3,664

(66,469)

(1,318)

192

192

(1,125)

6,683

5,558

8.53%

(66,277,133)

30.61

1.02

27,839

34,144

4,053

(3,438)

34,760

3,031

65,630

(16,654)

(10,675)

(7,656)

(1,655)

(36,640)

(10,364)

(8,744)

(3,608)

(22,717)

(59,357)

(14,146)

(269)

(14,415)

3,312

(70,460)

(4,830)

(3,227)

(3,227)

(8,057)

5,558

(2,499)

-3.81%

(73,687,007)

(12.38)

(0.41)

28,893

33,916

3,970

(3,410)

34,477

3,099

66,469

(17,111)

(11,144)

(8,181)

(1,654)

(38,091)

(10,799)

(9,024)

(3,751)

(23,574)

(61,666)

(14,464)

(275)

(14,739)

As Modeled

(76,405)

(9,936)

(3,353)

(3,353)

(13,289)

(2,499)

(15,788)

-23.75%

(79,757,832)

(72.25)

(2.41)

New Total
Transfers + Expenses



Transfers

Fund Type Group -->>	Budgeted Operations		Designated Operations					Auxiliary Operations							Agency Operations		To Index
From Index	General Fund	Grants	DMC	JPR	Outreach & Engagement	Svc Ctrs	Reserves	Athletics	Student Affairs	SRC	Res Halls	Housing Dining	Family	Rentals	Reserves	*North Campus Village* NCV Rev NCV Ops	
ATHCRS	300,000							(300,000)									To ATHADM - Profit from PEA Courses
ATHZGF	1,850,757							(1,850,757)									To ATHADM - Athletics Base Support from General Fund
ATHZGF	16,500							(16,500)									To ATHEDR - Depreciation
ATHZGF	175,000							(175,000)									To ATHMNT - Men's 5 yr Post Season travel budget
ATHZGF	55,150							(55,150)									To ATHSBD - Support for Sports Band
ATHZGF	125,000							(125,000)									To ATHWNT - Women's 5 yr Post Season travel budget
GRMRES	108,188	(108,188)															To SOUGMR - Grant matching funds
JPRGNA	297,606				(297,606)												To JPRGOA - Support for Jefferson Public Radio
RVTXGF	159,457		(159,457)														To RTVGAF - Support for Academic program use of DMC
REXCGF	140,000									(140,000)							To RECNTN - Support for Academic program use of SRC
ECPLRP					18,000												To ECPSAP - OLLIE Support of SOLIR
ECPSAP					(18,000)												* From ECPLRP - Support from OLLIE to SOLIR
RESHLS											294,500				(294,500)		To RESBMR - Res Halls Building Maintenance Reserve
RESHLS											11,500				(11,500)		To RESEDR - Res Halls Equipment Depreciation
RESDEX												218,000			(218,000)		To RESDBR - Dining Building Maintenance Reserve
RESDEX												176,500			(176,500)		To RESCDR - Dining Equipment Depreciation
SUFHAD													242,000		(242,000)		To SUFBMR - Family Housing Building Maintenance Reserve
SUFHAD													14,000		(14,000)		To SUFHDR - Family Housing Equipment Depreciation
SURPAD														68,500	(68,500)		To SUREDR - Rental Property Asset replace/Equip Reserve
RESNCR																1,759,211 (1,759,211)	To RESANC - NCV Mgmt Fee
DUPGOP						12,728	(12,728)										To DUPEDR - Print Copy Equipment Reserve
ITCCOE						11,027	(11,027)										To ITCEDR - IT Equipment Reserve
PPEPOL						150,000	(150,000)										To PPEPDR - FMP Equipment Reserve
PPMPOL						35,000	(35,000)										To PPMPDR - FMP Motor Pool Reserve
RECNTN										40,000					(40,000)		To RECBMR - Rec Ctr Building Maintenance Reserve
RECNTN										20,000					(20,000)		To RECEDR - Rec Ctr Equipment Reserve
RECNTN										52,000					(52,000)		To RESPRG - Rec Ctr support to programming
Group Total Out/(In)	3,227,658	(108,188)	(159,457)	(297,606)	-	208,755	(208,755)	(2,522,407)	-	(28,000)	306,000	394,500	256,000	68,500	(1,137,000)	1,759,211 (1,759,211)	Transfers Balance: \$0
Net Total Out/(In)	3,119,470					(248,308)	(208,755)	(2,522,407)	-	(28,000)				1,025,000	(1,137,000)		

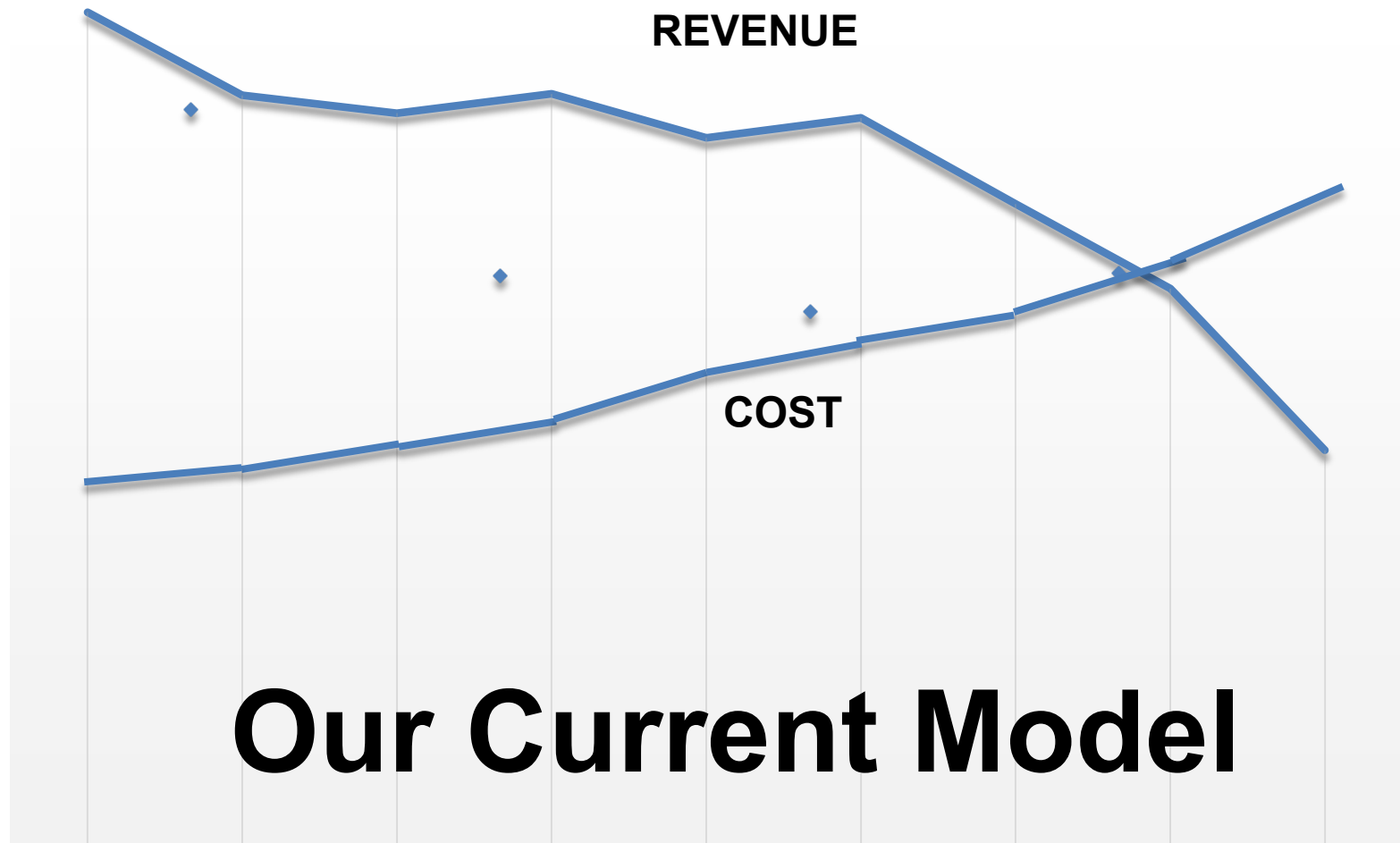
***NOTE: Transfers Out represented as positive whole numbers; expense accounts of the Index
Transfers In represented as negatives in parentheses; contra-expense account totals



SOU Board Retreat A Vision for 2026

September 16-17 2022

Bottom Line Up Front



SOU Pro Forma Estimates

	<u>COSTS (T)</u>	<u>REVENUE</u>	<u>DIFFERENCE</u>
• 2022	62.323M	61.212M	-\$1.3M
• 2023	66.623M	65.152M	-\$1.5M
• 2024	73.687M	65.630M	-\$8.1M
• 2025	79.758M	66.469M	-\$13.3M
• 2026	81.811M	67.249M	-\$14.6M

The VISION CHANGING THE MODEL

$$R \geq C$$

- **Cost Management**
- **Reimagining Grants**
- **Philanthropic Investments**
- **Revenue Diversification**

COST MANAGEMENT

- **Reduce Recurring Expenses**
 - **Energy**
 - **CISR**
- **Programmatic Changes**

GUIDING PRINCIPLES

- Integrity
- Focus on Students
- Transparency
- Compassion
- Long-term Vision
- JEDI
- Universality
- Humility

TRANSPARENCY

– All Stakeholders

- **Faculty Senate**
- **Staff Assembly**
- **ASSOU**
- **APSOU**
- **SEIU**
- **Alumni**
- **Donors**
- **Board of Trustees**
- **Community**
- **Legislature**
- **Foundation**
- **HECC**
- **Media**

Reiterating The VISION for 2026

Questions and Discussion

Adjournment

The board will temporarily adjourn when business concludes on September 16, 2022
and will resume meeting at 9:00 a.m. on September 17, 2022