



OFFICE OF THE BOARD OF TRUSTEES

Public Meeting Notice

April 13, 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 Board of Trustees of Southern Oregon University will hold a regular meeting on the date and at the location set forth below.

Topics of the meeting include a consent agenda consisting of past meeting minutes; a vice president's report with updates on the Higher Education Coordinating Commission, the Core Information System Replacement Project, and state funding for the 2023-2025 biennium.

Action items on the agenda include the Board Statement on Investments for the SOU Endowment Fund; mandatory student fees for the 2023-2024 academic year; and tuition and mandatory student enrollment fees for the 2023-2024 academic year, including a discussion on the cost of attendance.

The committee also will discuss financial sustainability including the revenue outlook, a cost management update, and the projected year-end as well as a budget forecast with a review of the financial pro forma including impacts of the proposed realignment plan.

The meeting will occur as follows:

Thursday, April 20, 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/84528323866> 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

April 20, 2023

Call to Order / Roll / Declaration of a Quorum



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

**Thursday, April 20, 2023
5:00 p.m. – 7:00 p.m. (or until business concludes)
Meese Room, Hannon Library, SOU Campus
[Zoom: https://sou.zoom.us/j/84528323866](https://sou.zoom.us/j/84528323866)**

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 | March 16, 2023, Minutes | |
| | 3.2 | Finance Committee Dashboard | |
| 10 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 Update | |
| | 4.1.2 | Core Information System Replacement
Project Update | |
| | 4.1.3 | State Funding for the 2023-2025
Biennium | |
| | 5 | Action, Information and Discussion Items | |

**Southern Oregon University
Board of Trustees
Finance and Administration Committee Meeting
Thursday, April 20, 2023**

AGENDA (Continued)

10 min.	5.1 Board Statement on Investments for the SOU Endowment Fund (Action)	Vice Chair Sheila Clough; Greg Perkinson; Penny Burgess, USSE, Executive Director and Treasury Management Services Director
10 min.	5.2 Financial Sustainability	President Rick Bailey; Greg Perkinson
	5.2.1 Revenue Outlook	Dr. Neil Woolf, SOU, Vice President for Enrollment Management and Student Affairs
	5.2.2 Cost Management Update	Greg Perkinson
	5.2.3 Projected Year-End	Greg Perkinson
15 min.	5.3 Mandatory Student Incidental Fees for Academic Year 2023-2024 (Action)	Jose Guillen, ASSOU, Director of Finance and Administration; Dr. Carrie Vath, SOU, Dean of Students
40 min.	5.4 Tuition and Mandatory Student Enrollment Fees for Academic Year 2023-2024 (Action)	President Bailey; Dr. Susan Walsh, SOU, Provost and Vice President for Academic Affairs; Greg Perkinson
	5.4.1 Cost of Attendance	
15 min.	5.5 Budget Forecast and Review of Pro Forma Including Proposed Realignment Impacts	Greg Perkinson
5 min.	5.6 Future Meetings	Chair Franks
	6 Adjournment	Chair Franks

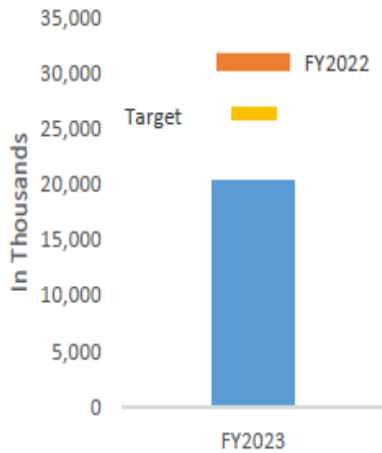
Consent Agenda

Financial Dashboard

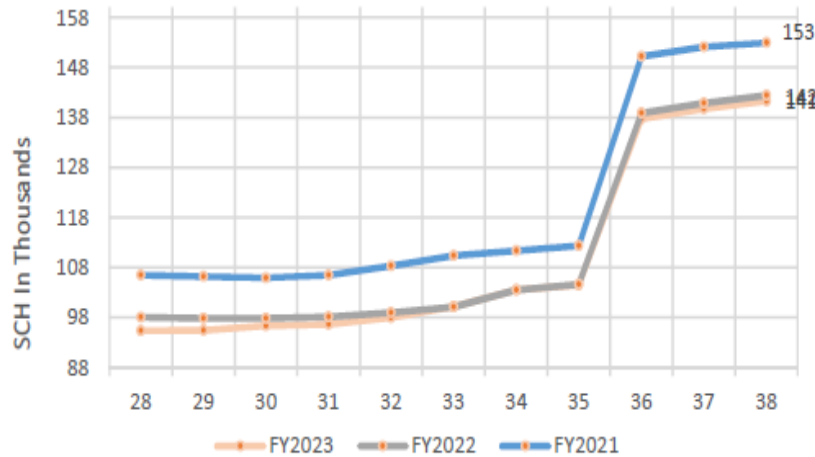
For FY2023

As of March 31, 2023 prior to close numbers

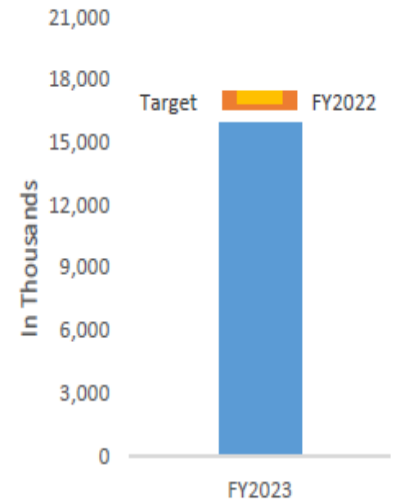
Public University Funds Operating Cash



Total Student Credit Hours by Week of the Fiscal Year

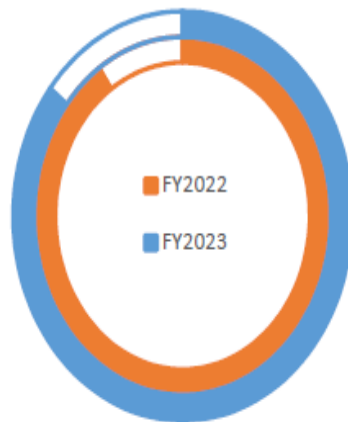


E&G Fund Balance

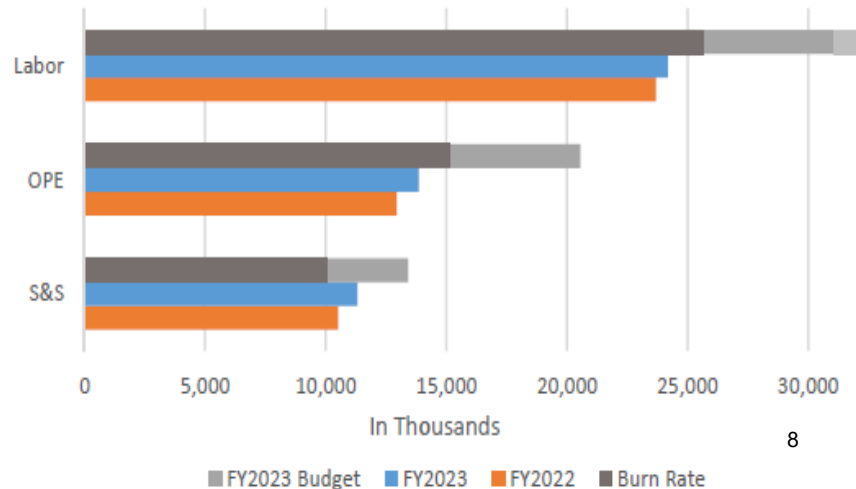


**"Institution" portion of Federal Relief Funds in hand.
\$3.3m allocated to E&G during FY2023**

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 a slight decrease in tuition revenue projection, anticipate we'll still come in at ~ \$5.2M ending fund balance (EFB) (around 8.22% of EFB metric)
- Cash (all funds) down from February's report largely due to the timing of receipt of Federal Financial Aid fund (aid disbursed at end of March, received in April: \$5.4M). Also impacted due to slight decreases 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 ~\$3M as part of FY23 cost reduction measures. In summary:
 - Direct labor costs (YTD) and OPE are below burn rate
 - Supplies and Services spending is up, based on inflationary pressures and forecasting early retirement expenses (~\$700K)

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

MINUTES

Call to Order/Roll/Declaration of a Quorum

Committee Chair Franks called the meeting to order at 5:01 p.m. and welcomed all attendees. He also welcomed ASSOU Director of Finance and Administration, Jose Guillen, ASSOU Vice President Julissa Taitano; and SOU Dean of Students, Dr. Carrie Vath. He extended special thanks to Greg Perkinson, Dr. Sue Walsh, and Dr. Neil Woolf.

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

There were no public comments.

Consent Agenda (Action)

Trustee Thorndike moved to approve the consent agenda consisting of minutes of the January 19, 2023 meeting and the Finance Committee Dashboard. Trustee Shelby seconded the motion and it passed unanimously.

Vice President's Report

Higher Education Coordinating Commission (HECC) Updates

Mr. Perkinson reported on the HECC as it relates to the budget cycle and the Governor's Recommended Budget (GRB). He said the two key aspects are tied to the funding of the Public University Support Fund (PUSF) and capital projects. SOU currently has two capital projects that scored well with HECC.

Fiscal Impacts of Proposed Legislative Initiatives

Mr. Perkinson explained the GRB is below current service levels for universities and with inflation around 6.4 percent, this poses more of a challenge. Although the revenue forecast is better than expected and state reserves are healthy, there is still concern.

Core Information Replacement Systems (CISR) Update

Reviewing the CISR project status, Mr. Perkinson referred to communication that was previously sent to the trustees and to the campus community. The original timeline was

aggressive and had overlap between the Human Capital Management (HCM)/Finance/Payroll module and the student module. The team identified issues and people were feeling the stress of burning the candle at both ends; so, it made sense to improve the flow of the work to have a better-quality start on the student phase. He stated that the pro forma will reflect the costs that will be incurred by the delay and that the break-even point will be deferred by a year. There was discussion on what was learned in the process, the risks involved, and how to manage risk. By eliminating the overlap and delaying the start of the student project, there will be more training with phase two before that meter starts running with Alchemy. SOU will continue to communicate additional information regarding the CISR project and any changes moving forward.

Mr. Perkinson reviewed the status updates and the next actions for the CISR project which included adding Alchemy senior leadership to the Steering Committee, creating a Change Management CISR network, and submitting a Congressionally Directed Spending (CDS) proposal to the US Senate for \$3.3M in matching funds. President Bailey noted that the four technical and regional university (TRU) presidents wrote to the governor thanking her for her consideration of the TRUs and how they could use one-time money for long-term return on investment, which included the CISR project.

Capital Projects Update

Mr. Perkinson provided an update on the Central Hall project. The phase 2 construction contract was awarded to Outlier Construction for approximately \$4.8M. Onsite construction has begun, substantial completed is expected by October 2023, although there are supply chain issues. Mr. Perkinson highlighted capital improvement projects in which SOU has a little over \$4M for deferred maintenance. These include repairs and replacement of Britt Hall's exterior concrete stairs; repairs to the roof and HVAC for Facilities Management and Planning; resurfacing of campus pathways and parking lots; and roof replacement for the Ed-Psych building. President Bailey added that there is no money allocated for the list of HECC projects in the GRB; there is an emphasis on deferred maintenance and the legislature is considering funding them but needs to see what the Ways and Means Committee decides.

Action, Information, and Discussion Items

Budget Development Process and Timeline for Fiscal Year (FY) 2023-24

Vice President Perkinson described the budget development process, as presented in the meeting materials and emphasized that the goal is to have revenues greater than expenses. He also emphasized the importance of a healthy ending fund balance and noted that SOU has the least flexibility of the seven public institutions in the depth of its fund balance, which was shown at 11.17 percent at the end of the 2022 fiscal year. The Legacy Oregon University System's key performance indicator (KPI) is a 10 percent fund balance and SOU's has been up and down, with a recent rebound from federal funding. President Bailey emphasized that the last two years showed a "false bump up" due to COVID money SOU received. Trustee Clough later reminded the committee, that it was known that the federal funding was a one-time payment and not permanent. She stated that it was also known that the institution had to change course in order to survive. The committee saw this deficit two to three years ago.

Mr. Perkinson explained that the budget cycle is not linear but iterative and that it is both operational and strategic. President Bailey added that SOU had a strategic decision to make when considering the SOU Forward Plan and how to consider enrollment and retention. SOU is building an Enrollment and Retention strategy and needs to communicate this to the campus community. As the legislature does their work, the HECC needs to take the PUSF and run it through the funding model to get SOU's allocation. Mr. Perkinson later reviewed the Student Success and Completion Model. He said that 17 percent of the PUSF goes to mission, then there is a 60/40 split between activities and outcomes. Outcomes are based on degrees conferred, cost weights, areas of student bonus, and targeted populations.

In response to Trustee Thorndike's comments about whether the state is appropriately delineating state funding from tuition support, President Bailey noted that in his conversations with legislators, he is led to believe that it is "a both and," with programs like the Oregon Opportunity Grant (OOG) and funding to help students from tribal communities—both of which will determine how the legislators make value judgements and allocate limited resources. These legislators see how seriously SOU is taking changing the model. Chair Santos added his belief that the state is investing in resources to students. He suggested that the money follows the students and it is up to SOU to recruit it comes down to recruitment and retention. There was further discussion on attracting students, as well as making SOU appealing and affordable.

Regarding tuition as it feeds into the budgeting process, in April, the committee will see tuition rates in a granular way. They will be broken down into class rank (graduate versus undergraduate); resident versus non-resident versus Western Undergraduate Exchange; online versus in-person; and differential tuition. Mandatory Enrollment Fees also vary.

Mr. Perkinson gave a quick review of expenses, as presented in the meeting materials. He also explained that labor expenses comprise approximately 80 percent of SOU's total expenses and that supplies and services (S&S) are escalating.

Tuition Advisory Council Update

Chair Franks noted that SOU and all of Oregon's public universities are statutorily required to follow a prescriptive process to formulate a recommendation for undergraduate tuition and mandatory fees for the university. A key part of that is the formation of a Tuition Advisory Council, or the TAC. He stated that in April, the committee will be asked to review and recommend the proposed tuition and fees for Academic Year 2023-24 to the Board of Trustees for approval.

Provost Walsh, provided an overview of the TAC process as well as an update on their activities and progress toward formulating a recommendation. She highlighted that the statutes from HB 4141 are largely based on SOU's legacy process and she reviewed the TAC's composition and membership. Dr. Walsh noted that the TAC is not a decision-making body but an advisory group to the president and that they strive for consensus. She stated that all recommendations are presented to the president both in writing and

in person including all minority views. There are ambassadors on the committee with students talking to students and faculty talking to faculty. The committee is very transparent with detailed minutes and a website. A recommendation will come after spring break.

In response to Trustee Gay's question regarding the online versus in-person instruction, Dr. Stillman indicated that these rates are being discussed but no decisions have been made, as it is complicated because of the hybrid component. General discussion ensued regarding the process. President Bailey commented that with the assumption that state funding is constant, tuition would need to increase by 12 to 15 percent for SOU to break-even.

Student Fee Budget Committee (SFBC) and Student Fee Allocation Committee Updates

Jose Guillen stated that the committee took an intense look at the statue and kept two things in mind: impartiality and impact. He explained the purposes of the incidental fees were to provide funding to student organizations; foster a marketplace of ideas; increase recruitment and retention of underrepresented students; and consolidate student resources to create student power and voice. The committee members are from vastly different backgrounds and keep in mind the needs of all students as well as their own biases. He stated that he reiterated to the SFBC the need to think of others, beyond the student body and to consider the university.

Mr. Guillen reviewed the incidental fee rate between 2006 and 2022. The increase has been roughly 3.5 to 4.5 percent annually. The committee felt that an increase above 5 percent or below 3.5 percent at this time would have negative effects on students. It was decided to take a conservative approach and budget just below the forecasted enrollment. He spoke further about the progress and the weeks of deliberation to ensure fairness to students and the clubs offered. The recommendation is a 3.25 percent increase or \$17, resulting in a budget of \$3.25M, which is still a deficit. The committee felt this was a nice middle ground to balance retention and engagement.

Julissa Taitano stated that members of the committees are well-trained and expected to maintain viewpoint neutrality. She explained that the SFBC is responsible for setting the student fee and it is the job of the Student Fee Allocation Committee (SFAC) to spend it. She talked about the process and the make-up of the committee which is representative of the student body. Members are encouraged to "play" with the numbers in order to offer up their recommendations during the deliberations. Members are encouraged not to advocate for their special interests but to think of all students. The committee will meet after spring break and have three weeks to make decisions. A recommendation will be made to the Student Senate and hopefully, they will approve it. If all goes well, President Gerrity will present it for approval.

President Bailey commended the level of sophistication of that SFBC and SFAC display. He said the process is thoughtful, detailed, sophisticated and thorough. He

acknowledged there are more requests than funding and there is a \$440K shortfall. The students are dealing with similar, impossible choices and doing so with grace, love for the institution, and remarkable leadership. Trustee Clough shared her opinion that this was by far the best presentation she had seen in her numerous years on the committee. In response to Chair Santos' question regarding the development of the Student Rec Center fees, Dr. Woolf explained that it was a separate committee. There was further discussion on the potential use of grant funding to supplement some of the shortfalls in the student fees to support student services.

Financial Sustainability and Revenue Outlook

Mr. Perkinson provided a summary of the pro forma forecast, as presented in the materials. Regarding state funding, Vice President Perkinson explained that the universities are seeking \$1.05B and the GRB is at \$933M, based on Governor Kotek's priorities.

Discussing the revenue outlook based on enrollment, Vice President Neil Woolf explained that while headcount is up at this point in time by 224 students, the course-taking behavior of students is lower and full-time equivalency (FTE) is arguably more important than headcount. At this early stage, Spring Term numbers can't be relied upon until the add/drop period completes. Responding to Trustee Gay's question, Dr. Woolf attributed the increase to a combination of efforts such as Demand Builder, getting back on the road to recruit, conducting more recruitment events, and students' applications through data share partnerships.

Regarding the predictions of fall enrollment, Dr. Woolf said it's still early in the fall admissions cycle but there is enough data to make projections, which is both an art and science. Admission applications are up 16.4 percent over last year at this time. New student enrollment is returning to pre-pandemic levels; the outlook is positive on new transfer students; and new graduate students are down due to sunset programs. Due to decreases in enrollment during the pandemic, the number of continuing students is down and SOU is rebuilding enrollment. Responding to Board Chair Santos, Dr. Stillman noted that SOU cannot retain more students than it starts with so the projection is flat. Discussion ensued regarding retention and cautious projections. Trustee Thorndike encouraged connections with Klamath Community College, which is seeing increases and is a rich target environment for recruitment.

Budget Forecast and Review of Pro Forma

Mr. Perkinson reviewed the budget and pointed out key changes in the forecast, which included a tuition revenue deficit of \$1.4M, an increase in miscellaneous revenue of \$3.3M, and labor expenses at \$3.7M under budget. He followed up with additional revenue assumptions for FY 2024 with a conservative state revenue allocation of \$26.4M which is \$1M less than previously planned. Further cost assumptions were a \$9M recurring savings from the cost management plan and a 2.5 percent increase in

S&S expenses due to inflation. In review of the pro forma, Mr. Perkinson point out fund balance growth over the next biennium.

Trustee Gay requested to see the numbers with a zero percent tuition increase. Mr. Perkinson answered that this was done with the TAC and results were painful. Chair Franks asked for that information to be posted on the website and Provost Walsh indicated that it would be simple to do. A conversation ensued about how to hold President Bailey and the administration accountable for the realignment plan. President Bailey assured the trustees that if things aren't working, the plan would be reevaluated and the university will change course.

In response to Trustee Thorndike's request for information about monies from the SOU Foundation, Vice President Fratella said that about 70 percent is scholarship dollars, and most of the rest goes to auxiliary programs. She referred to the capital campaign and its intention to provide stable funding to the institution. Trustee Shelby asked if that would affect tuition if the legislature put forward a budget that gives SOU an additional \$1M. Mr. Perkinson said that tuition would be set before that decision is made. He suggested that the scenario could be plugged into the pro forma.

Future Meetings

Chair Franks announced the committee meeting will be on April 20, 2023 at 5 p.m. He asked that any requests for future agenda items be submitted to himself or the board secretary.

Adjournment

Chair Franks adjourned the meeting at 7:04 p.m.

Vice President's Report

Roadmap

- Higher Education Coordinating Commission (HECC) Update
- Core Information System Replacement (CISR) Update
- Update on State Funding

HECC Financial Conditions Report

SOUTHERN OREGON UNIVERSITY

FINANCIAL RATIOS SUMMARY

Ratio	FY18	FY19	FY20	FY21	FY22	Benchmark
Primary Reserve Ratio	0.08	0.03	(0.04)	0.06	0.04	>0.4
Viability Ratio	0.16	0.07	(0.10)	0.14	0.11	>1.0
Return on Net Assets	15.3%	(2.9%)	(5.0%)	7.5%	3.5%	>6%
Net Operating Revenues	(3.7%)	(9.3%)	(10.5%)	(8.6%)	0.7%	>4%
Composite Financial Index	1.59	(0.85)	(1.50)	0.38	0.61	N/A
Adjusted Composite Financial Index	3.53	1.15	0.78	3.11	(0.02)	>3.0

CISR Dashboards and Tools



🕒 SOU - Team Dashboard ☆

Home | Status Report | Integrations | Reporting | Testing | Change Management | Data Conversion | RAID Log



Useful Links

[People](#) | [Documents](#) | [Timeline](#) | [Smartsheet Reference Guide](#) | [Workday Community](#)

Key Resources

- 📄 SOU - Key Dates & Activities
- 📄 SOU - Status Report
- 📄 SOU - Integrations Tracking
- 📄 SOU - RAID Log
- 📄 SOU - Testing Defects
- 📄 SOU - Reporting Inventory [Platform]

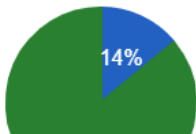


Project Status

Days to Go Live

Go Live **63**

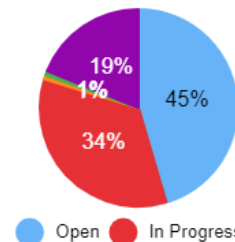
Project Completion %



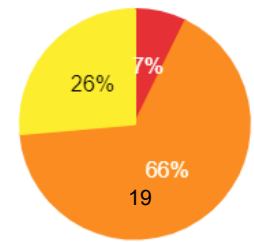
SOU - Weekly Status Report			
Week Ending	Workstream	Current Status	Trending Status
03/24/23	PRJ - Change Management	●	●
03/24/23	TEC - Data Conversion	●	●
03/24/23	TEC - Integrations	●	●

RAID Status

RAID Status



RAID Priority



Analysis of State Funding Allocation (PUSF): 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

Ways and Means Co-chairs' budget has PUSF at \$947,746,033

Board Statement on Investments for the SOU Endowment Fund (Action)

Board Statement on Investments for the SOU Endowment Fund Board of Trustees of Southern Oregon University

1.0 Introduction

This statement governs the investment of the Southern Oregon University Endowment Fund (the "Fund").

This statement is set forth in order that the Board, the Investment Advisor, its investment managers and others entitled to such information may be made aware of the Policy of the Fund with regard to the investment of its assets.

This statement of investment policy sets forth the following:

- a. There will be a clear understanding by the Board, the Investment Advisor and staff of the investment goals and objectives of the portfolio.
- b. The Board and management have a basis for evaluation of the investment managers.
- c. The investment managers be given guidance and limitation on investing the funds.

It is intended the objectives in this policy to be sufficiently specific to be meaningful, but flexible enough to be practical. It is expected that the policy and objectives will be amended as necessary to reflect the changing needs of the endowment; however, all modifications shall be made in writing and approved by the Board.

2.0 Southern Oregon University Endowment Fund

The Fund is permanent and expected to operate in perpetuity, so these funds will be invested long-term. It is important to follow coordinated policies regarding spending and investments to protect the principal of the Fund and produce a reasonable total return.

3.0 Responsibility of the Board

The role of the Board is to recommend broad investment goals to the Investment Advisor, including spending rate information and to provide input into the asset allocation process.

4.0 Investment Advisor Responsibility

The Investment Advisor, and/or a designee, serves as consultant to the Board and

will have the responsibility and authority to establish the asset allocation for the Fund and approve the retention and termination of all investment managers. The Investment Advisor, and/or a designee, will recommend to the Board a specific asset mix reflecting judgments of the investment environment as well as the specific needs of the Fund. Other duties assigned to the Investment Advisor, and/or a designee, include:

- a. Recommending professional investment managers;
- b. Negotiating and/or monitoring Fund investment expenses;
- c. Monitoring investment managers, on an ongoing basis;
- d. Assuring proper custody of the investments; and
- e. Reporting to the Board, on a quarterly basis, the Fund's investment results, its composition and any other information the Board may request.

5.0 Spending Policy

The amount of endowment return available for spending (distribution) is based on a percentage of the average unit market value of the 20 quarters preceding the current fiscal year. The distribution per unit (under Exhibit A) is determined by the Board. The distribution amount per unit is multiplied by the current number of units and any additional units added during the current year as new endowment money comes into the Fund. This shall be exclusive of investment management fees.

6.0 Investment Policy Guidelines

6.1 Asset Allocation. The most important component of an investment strategy is the allocation among the various classes of securities available to the Fund. The Investment Advisor, in consultation with the Board, will establish the target asset allocation for the investments that will most likely achieve the investment goals of the Fund, taking into consideration the appropriate level of portfolio risk.

6.2 The risk/return profile shall be maintained by establishing the following long-term "target" strategic asset allocations:

<u>Asset Class</u>	<u>Policy</u>	<u>Target</u>	<u>Benchmark</u>
Global Equities	70-80%	75%	MSCI ACWI IMI Net
Fixed Income	20-30%	25%	Barclays Aggregate
Cash	0-3%	0%	91 Day T-Bill

6.3 Investment Time Horizon. In making investment strategy decisions for the Fund, the focus shall be on a long-term investment time horizon that encompasses a

complete business cycle (usually three to five years). An interim evaluation will be performed by the Investment Advisor, and/or a designee, if a significant change in fees, manager personnel, investment strategy or manager ownership occurs.

- 6.3.1 While the quantitative assessment of managerial competence will be measured over a complete market cycle, the Board anticipates that the Investment Advisor will make period qualitative assessments as well. Specific qualitative factors considered by the Investment Advisor may include, but are not limited to, fundamental changes in the manager's investment philosophy, changes in the manager's organizational structure, financial condition and personnel, and any changes, relative to peers, in a manager's fee structure.

7.0 Prudence and Ethical Standards

7.1 Prudence. All participants in the investment process shall act responsibly. The standard of prudence to be applied by the Board, the Investment Advisor, selected designees, SOU staff and external service providers shall be the "prudent investor" rule, which states: "Investments shall be invested and the investments managed as a prudent investor would do, under the circumstances then prevailing and in light of the purposes, terms, distribution requirements and laws governing each investment fund."

7.2. Ethics and Conflicts of Interest. Board members, Investment Advisory staff, selected designees, SOU staff and external service providers involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program or that could impair their ability to make impartial decisions. These parties are required to reveal all relationships that could create or appear to create a conflict of interest in their unbiased involvement in the investment process.

8.0 Investment Objectives

The investment objective of the Fund is to seek consistency of investment return with emphasis on capital appreciation over long periods of time, since the Fund will operate in perpetuity. In keeping with the performance goals included in the Policy, achievement of this objective shall be done in a manner that, over a long-term planning horizon, will meet the spending rate established by the Board (under Exhibit A) and maintain the purchasing power of the principal.

9.0 Manager(s) Responsibilities

9.1 Legal Compliance. The investment manager(s) is (are) responsible for strict compliance with the provisions of their investment management agreement.

9.2 Authority of Investment Manager(s) in the Managed Accounts. Subject to the terms and conditions of this Policy and the investment management agreement, manager(s) shall have full discretionary authority to direct investments of assets in the managed accounts. The Investment Advisor, and/or a designee, will recommend changes to this Policy when the advisor(s) views any part of this Policy to be inconsistent with overall market, economic conditions, or investment policies.

9.2.1 The Investment Advisor directs all managers to vote proxies and to vote them in the best economic interest of the Fund. When requested, managers will report to the Investment Advisor regarding how proxies were voted.

9.2.2 Meetings between Fund managers and the Investment Advisor will occur consistent with the policies established for the Investment Advisor's other managers, to discuss items including, but not limited to, the manager's performance, outlook, and investment decision process.

10.0 Reporting Requirements

Investment results will be regularly monitored by the Investment Advisor, selected designees and Board staff.

A representative of the Investment Advisor, and/or a designee, shall report investment results, or other information, to the Board no less frequently than annually. Any material non-compliance with the Investment Policy, Guidelines and Objectives of the Fund or with the investment management agreement will be reported to the Board immediately.

11.0 Investment Guidelines

11.1 Cash. The Fund shall maintain minimal cash, consistent with short-term requirements. Short term cash will be invested in a liquid cash equivalent investment.

11.2 Fixed Income. Fixed-income securities, for purposes of these guidelines, shall mean mortgage-backed securities, U.S. government securities, investment-grade domestic or global corporate bonds, and other fixed income securities, such as certificates of deposit and commercial paper. The objective of this component of the Fund is to preserve capital in keeping with prudent levels of risk, through a combination of income and capital appreciation. Realization of income will be subordinate to safety, liquidity, and marketability (i.e., securities should be readily marketable). This component of the Fund shall adhere to the following criteria:

- 11.2.1 Average portfolio credit quality shall be A or better;
- 11.2.2 With the exception of U.S. Government and Agency issues, no more than 10 percent of the bond portfolio, at market value, will be invested in the securities of a single issuer or 5 percent of the individual issue;
- 11.2.3 Below investment grade bonds shall not exceed 20 percent of the bond portfolio; and
- 11.2.4 Non-U.S. bonds shall not exceed 20 percent of the bond portfolio.

Fixed-income managers have full discretion over the allocation between long-term, intermediate, and cash equivalent investments.

11.3 Equities.

- 11.3.1 Objective: The objective of the equity portfolio is to enhance total return by investing in a broadly diversified portfolio of domestic and international stocks.
- 11.3.2 Strategy: Hold a fully invested, diversified portfolio of global equity securities, including emerging markets.
- 11.3.3 Permitted Holdings: Publicly traded domestic and international common stock, and other financial instruments consistent with the guidelines of the investment management agreements.
- 11.3.4 Diversification: The Investment Advisor shall recognize the need for diversification to minimize the risk of significant losses to the Fund. Diversification by capitalization, style, and sector distribution shall be obtained through the selection of complementary investment managers, or index strategies. Not more than 5 percent of the market value of any investment fund will be invested in any single issuer or security, unless part of an index fund.
- 11.3.5 Portfolio Restrictions: There will be no engagement in short sales, purchases on margin, or investments in options, futures, or private placements unless consistent with the underlying investment management agreements.

11.4. Performance. Performance expectations for each of the asset classes are described in Exhibit A.

12.0 Asset Custody and Securities Lending

Custodial responsibility for all securities is to be determined by the Board or its designee(s).

13.0 Conclusion

Implementation of this Policy, including investment manager selection, shall be the responsibility of the Investment Advisor, subject to the necessary approvals from the Board.

This Policy shall be reviewed by the Board at least every two years.

Approved on March 22, 2019

Board Chair

A handwritten signature in cursive script, appearing to read "Sabina Redd", is written over a horizontal line.

Board Secretary

Revision	Change	Date
	Initial Version	January 20, 2017
1.	Investment Guidelines, Fixed Income components revised; basic edits and corrections.	March 22, 2019
2.	No revisions.	April 22, 2023

EXHIBIT A

Spending Policy

The distribution rate for the Fund is up to 4 percent of the five-year moving average unit market value.

Performance Monitoring

Global equities are expected to match the performance of the passive benchmark assigned.

Fixed income accounts are expected to exceed the return of the Barclays Capital Aggregate Bond Index by 0.5 percent (after fees) over a market cycle for core bond investments.

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 Outlook
- Cost Management Update
- 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 and indirect labor escalated
- Supplies and Services (S&S) based on known cost escalation
- And, bad-debt write-offs

Revenue Outlook

Weekly Executive Enrollment Reports

(as of 4/3/23)



- **Winter 2023 Enrollment Report:** At the end of term, Winter headcount was 5,507, up 189 from last year (3.6%). FTE was 3,410, which was up 23 (0.7%). Non-admitted student headcount is 2286, up 22.3% over last Winter term.
- **Spring 2023 Enrollment Report:** As of the start of term, Spring headcount is 3,169, down 163 from the same time last year (-4.9%). Continuing students is at 2,813, down 120 (-4.1%) over Spring 2022 at the same point in time.
- **Fall 2023 Enrollment Report:** As of 25 weeks prior to the start of Fall term, total Fall 23 admission applications total 2,525 or 14.5% more than last year at this same point in time. Of the 2,037 First-year applicants, 457 have been admitted and have confirmed to attend which is 52% more than last year at 25 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](#)

SOUTHERN OREGON UNIVERSITY FALL 2023 ENROLLMENT PROJECTIONS - APRIL 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	607	50	9.0%
NEW TR	283	290	7	2.5%
NEW GR	152	140	-12	-7.9%
CONTINUING	2109	2040	-69	-3.3%
RETURNING	280	255	-25	-8.9%
NON-DEGREE SEEKING	1801	1850	49	2.7%
TOTAL HEADCOUNT	5182	5182	0	0.0%
TOTAL FTE	3268	3215	-53	-1.6%

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 overall and slightly negative enrollment for budget purposes as supported by pro-forma and associated projection analysis.
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

Cost Management Update

E&G Budget with Forecast to Complete

- Tuition Revenue “softening” (\$1.4M less than forecasted)
- Miscellaneous Revenue up \$100K, 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 \$5.2m EFB (ties to 8.2% KPI and roughly 1 month of operations)

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			
Total State Funding (SSCM,ETSF,SELP,1-Time)	26,220	26,860	26,860
Tuition	34,281	34,611	33,200
Fees	3,581	4,015	3,754
Raider Aid (remissions)	(3,915)	(3,476)	(3,691)
<i>Oth tuition & fee adjustments</i>			
Tuition, net of Raider Aid	33,947	35,149	33,264
<i>Growth Opportunities Revenue External to modeling</i>			
Misc. Other Revenue	1,476	2,964	3,090
TOTAL REVENUES	61,643	64,974	63,214
EXPENSES & TRANSFERS			
<u>Personnel Services</u>			
Faculty	(15,129)	(15,971)	(14,913)
Admin	(9,922)	(10,532)	(10,276)
Classified	(6,642)	(7,450)	(6,965)
Students, GA's, etc	(1,066)	(1,586)	(1,331)
Salaries Sub-total	(32,760)	(35,539)	(33,484)
PERS & ORP (Retirement Pgms)	(8,042)	(8,524)	(8,065)
PEBB (Healthcare)	(6,786)	(8,473)	(7,985)
Other (FICA, SAIF, etc.)	(2,987)	(3,500)	(2,883)
OPE Sub-total	(17,815)	(20,497)	(18,933)
Net Personnel Services	(50,575)	(56,036)	(52,417)
<u>Supplies & Services (S&S)</u>			
S&S Expenses	(10,503)	(13,835)	(11,517)
AP Program Share (AP)	(1,608)		(1,323)
Capital Expenses (CapEx)	(117)	(263)	(93)
Total S&S, CapEx, AP	(12,228)	(14,098)	(12,933)
Cost Reductions, Savings, Outside Support		3,664	0
Recurring S&S Cuts			0
<i>Personnel and S&S before Transfers</i>	(62,803)	(66,469)	(65,350)
Net from Operations Before Transfers	(1,160)	(1,496)	(2,136)
Budgeted Transfers (In & Out)	251	192	222
<i>Transfers Adjustments</i>			
Transfers Net (In & Out of E&G)	251	192	222
TOTAL EXPENSES & TRANSFERS	(62,552)	(66,277)	(65,128)
FUND BALANCE			
Change in Fund Balance	(909)	(1,303)	(1,914)
Beginning Fund Balance	7,793	6,501	7,113
Ending Fund Balance	7,113	5,198	5,199
% Operating Revenues	11.54%	8.00%	8.22%
Days of Operations	41.51	29.63	29.14
Months of Operations	1.38	0.99	0.97

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

Mandatory Student Incidental Fees Recommendation for Academic Year 2023-24 (Action)

AY 2023-24 SFC and TAC Mandatory Incidental Fee Recommendations



Mandatory Incidental Fees (Student Fee Process)	Current	Per AY	Proposed	Per AY	\$ ▲ Per Term	\$ ▲ per AY	% ▲
Student Incidental	\$395.00	\$1,185.00	\$412.00	\$1,236.00	\$17.00	\$51.00	4.30%
Green Tag	\$14.00	\$42.00	\$14.00	\$42.00	\$0.00	\$0.00	0.00%
Student Rec Center	\$104.00	\$312.00	\$118.00	\$354.00	\$14.00	\$42.00	13.46%
Composite <u>Incidental</u> Fees:	\$513.00	\$1,539.00	\$544.00	\$1,632.00	\$31.00	\$93.00	6.04%



MANDATORY STUDENT INCIDENTAL FEES – JOINT RECOMMENDATION
For July 1, 2023 through June 30, 2024

Date: April 19, 2023 Approval pending, document to be updated on April 19th
 To: The Board of Trustees of Southern Oregon University
 From: Associated Students of Southern Oregon University (ASSOU)

DESCRIPTION OF REQUEST

Joint Recommendation for Mandatory Incidental Fees for Academic Year 2023-24 & Summer Term 2023

DESCRIPTION OF FUNDS

Mandatory Incidental Fees as authorized and collected according to ORS 352.105. Fees include:

<u>STUDENT INCIDENTAL FEE</u>	
Incidental Fee - Academic Year 2023 - 24	\$412
Incidental Fee - Prior Academic Year 2022 - 23	\$395
\$ Change from Prior Year:	\$17
% Change from Prior Year:	4.30%
Incidental Fee - Summer Term 2023	\$92
Incidental Fee - Prior Summer Term	\$88
\$ Change from Prior Year:	\$4
% Change from Prior Year:	4.30%

Programs Supported

Athletics (Incidental Fee Supported Programs), Campus Recreation (Incidental Fee Supported Programs), Student Life & Educational Activities, Indirect Budget Authority Support (e.g. OCA Art Gallery), Building/Equipment Reserves & General Liability Easements, Incidental Fee Reserve

	<u>Est. AY Collections</u>
Incidental Fee Estimated Collections AY23 -24:	<u>\$2,905,226</u>

<u>GREEN TAG FEE</u>	
Green Tag Fee - Academic Year 2023 - 24	\$14
Incidental Fee - Prior Academic Year 2022 - 23	\$14
\$ Change from Prior Year:	\$0
% Change from Prior Year:	0.00%

	<u>Est. AY Collections</u>
Green Tag Projects	<u>\$98,721</u>

<u>RECREATION CENTER FEE</u>	
Recreation Center Fee - Academic Year 2023 - 24	\$118
Recreation Center Fee - Prior Academic Year 2022 - 23	\$104
\$ Change from Prior Year:	\$14
% Change from Prior Year:	13.46%

	<u>Est. AY Collections</u>
Recreation Center (Building, Debt Service, Core Salaries, etc.)	<u>\$832,079</u>

Recommended by
Student Recreation
Center Advisory
Committee; ASSOU
vote scheduled for
April 18th

JOINT RECOMMENDATION

Approve Disapprove

President, Associated Students
of Southern Oregon University
Alicia Gerrity

Date

Approve Disapprove

President, Southern Oregon University
Dr. Richard Bailey

Date

Tuition and Mandatory Student Enrollment Fees Recommendation for Academic Year 2023-2024 (Action)

Tuition Advisory Council Website:

<https://sou.edu/president/tuition-advisory-council/#2023-meetings-closed>

Roadmap

- Summary of the Tuition Advisory Council's Recommendation
 - Tuition Rates
 - Mandatory Enrollment Fees
 - Total Tuition and Fee Cost Impact to Students
 - One-time Matriculation Fee
- President's Enrollment Fee Recommendation
- President's Tuition Rate Recommendation
- Cost of Attendance
 - Housing and Dining Fee (provided for information only)
 - Summary of Resident Undergraduate (UG) Cost of Attendance

President's Recommendation to Board



	2022-23		2023-24						
Undergraduate Tuition Rate per SCH	Current		Proposed		% Change From Prior AY	Difference Per SCH	Difference Per Term @ 15 SCH	Difference Per Term @ 45 SCH	Annual Tuition Cost
01-WUE SCH	\$ 314.00	\$	\$ 323.00		2.87%	\$ 9.00	\$ 135.00	\$ 405.00	\$ 14,535.00
02-UG Resident SCH (incl. EXRES)	\$ 209.00	\$	\$ 215.00		2.87%	\$ 6.00	\$ 90.00	\$ 270.00	\$ 9,675.00
02.2-UG JackJo Pledge	\$ 156.00	\$	\$ 160.00		2.56%	\$ 4.00	\$ 60.00	\$ 180.00	\$ 7,200.00
03-UG Non Resident SCH	\$ 617.00	\$	\$ 629.00		1.94%	\$ 12.00	\$ 180.00	\$ 540.00	\$ 28,305.00
04.1-UG Online SCH RES	\$ 209.00	\$	\$ 215.00		2.87%	\$ 6.00	\$ 90.00	\$ 270.00	\$ 9,675.00
04.2-UG Online SCH NON-RES	\$ 314.00	\$	\$ 323.00		2.87%	\$ 9.00	\$ 135.00	\$ 405.00	\$ 14,535.00
04.3-UG Online SCH WUE	\$ 314.00	\$	\$ 323.00		2.87%	\$ 9.00	\$ 135.00	\$ 405.00	\$ 14,535.00
Graduate Tuition Rate per SCH									
05-GR Resident SCH (incl. EXRES)	\$ 525.00	\$	\$ 539.00		2.67%	\$ 14.00	\$ 210.00	\$ 630.00	\$ 19,404.00
06-GR Non Resident SCH	\$ 630.00	\$	\$ 643.00		2.06%	\$ 13.00	\$ 195.00	\$ 585.00	\$ 23,148.00
07.0-GR AP MBA Online SCH	\$ 430.00	\$	\$ 430.00		0.00%	\$ -	\$ -	\$ -	\$ 15,480.00
07.1-GR Online SCH RES	\$ 525.00	\$	\$ 539.00		2.67%	\$ 14.00	\$ 210.00	\$ 630.00	\$ 19,404.00
07.2-GR Online SCH NON-RES	\$ 525.00	\$	\$ 536.00		2.10%	\$ 11.00	\$ 165.00	\$ 495.00	\$ 19,296.00
07.3-GR AP MS.Ed Online SCH	\$ 369.00	\$	\$ 369.00		0.00%	\$ -	\$ -	\$ -	\$ 13,284.00
08-GR - MEDU SCH	\$ 450.00	\$	\$ 462.00		2.67%	\$ 12.00	\$ 180.00	\$ 540.00	\$ 16,632.00
Other Categories Tuition Rate per SCH									
09-Staff	\$ 62.00	\$	\$ 64.00		3.23%	\$ 2.00	\$ 30.00	\$ 90.00	\$ 2,880.00
10-Waived Tuition SCH	\$ -	\$	\$ -		0.00%	\$ -	\$ -	\$ -	\$ -
11-Course Based Tuition SCH	\$ 118.00	\$	\$ 121.00		2.54%	\$ 3.00	\$ 45.00	\$ 135.00	\$ 5,445.00
12-Adv Southern Credit SCH	\$ 52.00	\$	\$ 53.00		1.92%	\$ 1.00	\$ 15.00	\$ 45.00 ⁴³	\$ 2,385.00
13-Early Entry Credit SCH	\$ 193.00	\$	\$ 198.00		2.59%	\$ 5.00	\$ 75.00	\$ 225.00	\$ 8,910.00

Mandatory Enrollment Fees

- **Established by ORS 352.102**
 - oregonlaws.org/ors/352.102

- **Building Debt-Service & Technology Infrastructure Fee**
 - Recommended by Administration to the President
 - Recommended by the President to the Governing Board
 - Adopted by the Governing Board – included in HECC review/approval

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

- **Proposed fee schedules as recommended by TAC on April 5th, 2023**

Mandatory Enrollment Fees	Current	Per AY	Proposed	Per AY	\$ ▲ Per Term	\$ ▲ per AY	% ▲
Student Health Services	\$175.00	\$525.00	\$187.00	\$561.00	\$12.00	\$36.00	6.86%
Building Debt-Service Fee	\$50.00	\$150.00	\$50.00	\$150.00	\$0.00	\$0.00	0.00%
Technology Infrastructure Fee	\$25.00	\$75.00	\$25.00	\$75.00	\$0.00	\$0.00	0.00%
Composite <u>Enrollment</u> Fees:	\$250.00	\$750.00	\$262.00	\$786.00	\$12.00	\$36.00	4.80%

AY 2023-2024 Tuition and Fees Impact to Resident Undergraduate Students

Tuition	Current per Term	Current Per AY	Proposed per Term	Proposed Per AY	\$ ▲ Per Term / Per Credit	\$ ▲ per AY	% ▲
Resident Undergrad	\$3,135	\$9,405	\$3,225.00	\$9,675.00	\$6.00	\$270.00	2.87%
Mandatory Enrollment & Incidental Fees							
Student Incidental & Green Tag	\$409	\$1,227	\$426.00	\$1,278.00	\$17.00	\$51.00	4.16%
Student Rec Center	\$104	\$312	\$118.00	\$354.00	\$14.00	\$42.00	13.46%
Student Health Services	\$175	\$525	\$187.00	\$561.00	\$12.00	\$36.00	6.86%
Building Debt-Service Fee	\$50	\$150	\$50.00	\$150.00	\$0.00	\$0.00	0.00%
Technology Infrastructure Free	\$25	\$75	\$25.00	\$75.00	\$0.00	\$0.00	0.00%
Composite Fees:	\$763	\$2,289	\$806.00	\$2,418.00	\$43.00	\$129.00	5.64%
Composite Tuition and Fees:	\$3,898	\$11,694	\$4,031.00	\$12,093.00	\$49.00	\$399.00	3.41%
HECC - Tuition & Mandatory Enrollment Fees:	\$3,385	\$10,155	\$3,487	\$10,461	\$18	\$306	3.01%

One-Time Fees: Matriculation

- Assessed only **once** to new undergrads
 - Often deferred until fully enrolled/taking courses
- Designed to reduce (not eliminate) other student administrative fees that once existed:
 - Orientation, Scheduling, transcripts, degree applications, re-enrollment, etc.
 - Also supports first-year interest groups and learning
- Fee was approved to be raised up to \$350 last year (from \$300), but was maintained at \$300 during 2022-2023.

Recommendation:

Begin assessing the Matriculation Fee at \$350 going into 2023-2024, to support cost growth in areas supported by the fee.

Mandatory One-Time Fees	Current	Per AY	Proposed	Per AY	\$ ▲ Per Term	\$ ▲ per AY	% ▲
Matriculation Fee	\$350.00	\$1,050.00	\$350.00	\$1,050.00	\$0.00	\$0.00	0.00%

MANDATORY ENROLLMENT and ONE-TIME FEES RECOMMENDATION

For July 1, 2023 through June 30, 2024

Date: April 12, 2023

To: The Board of Trustees of Southern Oregon University

From: Dr. Richard Bailey, President

DESCRIPTION OF REQUEST

Recommendation for Mandatory Enrollment Fees for Academic Year 2023-24 & Summer Term 2023 and Recommendation of an update to the Matriculation Fee for Academic Year 2023-24

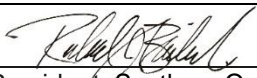
DESCRIPTION OF FUNDS

Mandatory Enrollment Fees as authorized and collected according to ORS 352.102 and One-time fee collection as authorized and collected according to ORS 352.102. Fees include:

<u>BUILDING DEBT SERVICE</u>	
Building Debt Service Fee - Academic Year 2023 - 24	\$50.00
Building Fee (Debt Portion) - Prior Academic Year	\$50.00
\$ Change from Prior Year:	\$0.00
% Change from Prior Year:	0.00%
Building Debt Service Fee - Summer Term 2023	\$37.50
Building Fee (Debt Portion) - Prior Summer Term	\$37.50
\$ Change from Prior Year:	\$0
% Change from Prior Year:	0.00%
<u>Programs Supported</u>	<u>Est. AY Collections</u>
Building Debt-Service Reserve	\$352,576
<u>TECHNOLOGY INFRASTRUCTURE FEE</u>	
Technology Infrastructure Fee - Academic Year 2023 - 24	\$25.00
Building Fee (Technology portion) - Prior Academic Year	\$25.00
\$ Change from Prior Year:	\$0.00
% Change from Prior Year:	0.00%
Technology Infrastructure Fee - Summer Term 2023	\$18.75
Building Fee (Technology portion) - Prior Summer Term	\$18.75
\$ Change from Prior Year:	\$0
% Change from Prior Year:	0.00%
<u>Programs Supported</u>	<u>Est. AY Collections</u>
Technology Infrastructure	\$176,288
<u>STUDENT HEALTH SERVICES FEE</u>	
Health Services Fee - Academic Year 2023 - 24	\$187.00
Health Services Fee - Prior Academic Year	\$175.00
\$ Change from Prior Year:	\$12.00
% Change from Prior Year:	6.86%
Health Services Fee - Summer Term 2023	\$133.00
Health Services Fee - Prior Summer Term	\$125.00
\$ Change from Prior Year:	\$8.00
% Change from Prior Year:	6.40%
<u>Programs Supported</u>	<u>Est. AY Collections</u>
Student Health and Wellness Center and Programs	\$1,318,634
<u>ONE-TIME FEES</u>	
Matriculation Fee - Academic Year 2023 - 24	\$350
Matriculation Fee - Prior Academic Year	\$350
\$ Change from Prior Year:	\$0
% Change from Prior Year:	0.00%
<u>Programs Supported</u>	<u>Est. AY Collections</u>
Matriculation Funded Indexes	\$320,000

PRESIDENT'S RECOMMENDATION

Approve Disapprove



President, Southern Oregon University
Dr. Richard Bailey

4/12/2023

Date



ACADEMIC YEAR 2022-23 TUITION RATE RECOMMENDATION
For July 1, 2023 through June 30, 2024

Date: April 12, 2023

To: The Board of Trustees of Southern Oregon University Board of Trustees

From: Dr. Richard Bailey, President

DESCRIPTION OF REQUEST

Recommendation of Tuition Rates for Academic Year 2023-24

DESCRIPTION OF FUNDS

Tuition Rates as authorized and collected according to ORS 352.102. Rates include:

Undergraduate Tuition Rate per SCH	2022-23		2023-24		% Change From Prior AY	Difference Per SCH	Difference Per Term @ 15 SCH	Difference Per Term @ 45 SCH	Annual Tuition Cost
	Current		Proposed						
01-WUE SCH	\$ 314.00	\$	\$ 323.00		2.87%	\$ 9.00	\$ 135.00	\$ 405.00	\$ 14,535.00
02-UG Resident SCH (incl. EXRES)	\$ 209.00	\$	\$ 215.00		2.87%	\$ 6.00	\$ 90.00	\$ 270.00	\$ 9,675.00
02.2-UG JackJo Pledge	\$ 156.00	\$	\$ 160.00		2.56%	\$ 4.00	\$ 60.00	\$ 180.00	\$ 7,200.00
03-UG Non Resident SCH	\$ 617.00	\$	\$ 629.00		1.94%	\$ 12.00	\$ 180.00	\$ 540.00	\$ 28,305.00
04.1-UG Online SCH RES	\$ 209.00	\$	\$ 215.00		2.87%	\$ 6.00	\$ 90.00	\$ 270.00	\$ 9,675.00
04.2-UG Online SCH NON-RES	\$ 314.00	\$	\$ 323.00		2.87%	\$ 9.00	\$ 135.00	\$ 405.00	\$ 14,535.00
04.3-UG Online SCH WUE	\$ 314.00	\$	\$ 323.00		2.87%	\$ 9.00	\$ 135.00	\$ 405.00	\$ 14,535.00
Graduate Tuition Rate per SCH									
05-GR Resident SCH (incl. EXRES)	\$ 525.00	\$	\$ 539.00		2.67%	\$ 14.00	\$ 210.00	\$ 630.00	\$ 19,404.00
06-GR Non Resident SCH	\$ 630.00	\$	\$ 643.00		2.06%	\$ 13.00	\$ 195.00	\$ 585.00	\$ 23,148.00
07.0-GR AP MBA Online SCH	\$ 430.00	\$	\$ 430.00		0.00%	\$ -	\$ -	\$ -	\$ 15,480.00
07.1-GR Online SCH RES	\$ 525.00	\$	\$ 539.00		2.67%	\$ 14.00	\$ 210.00	\$ 630.00	\$ 19,404.00
07.2-GR Online SCH NON-RES	\$ 525.00	\$	\$ 536.00		2.10%	\$ 11.00	\$ 165.00	\$ 495.00	\$ 19,296.00
07.3-GR AP MS.Ed Online SCH	\$ 369.00	\$	\$ 369.00		0.00%	\$ -	\$ -	\$ -	\$ 13,284.00
08-GR - MEDU SCH	\$ 450.00	\$	\$ 462.00		2.67%	\$ 12.00	\$ 180.00	\$ 540.00	\$ 16,632.00
Other Categories Tuition Rate per SCH									
09-Staff	\$ 62.00	\$	\$ 64.00		3.23%	\$ 2.00	\$ 30.00	\$ 90.00	\$ 2,880.00
10-Waived Tuition SCH	\$ -	\$	\$ -		0.00%	\$ -	\$ -	\$ -	\$ -
11-Course Based Tuition SCH	\$ 118.00	\$	\$ 121.00		2.54%	\$ 3.00	\$ 45.00	\$ 135.00	\$ 5,445.00
12-Adv Southern Credit SCH	\$ 52.00	\$	\$ 53.00		1.92%	\$ 1.00	\$ 15.00	\$ 45.00	\$ 2,385.00
13-Early Entry Credit SCH	\$ 193.00	\$	\$ 198.00		2.59%	\$ 5.00	\$ 75.00	\$ 225.00	\$ 8,910.00

PRESIDENT'S RECOMMENDATION

[X] Approve [] Disapprove

President, Southern Oregon University
Dr. Richard Bailey

4/12/2023

Date

Cost of Attendance

Housing & Dining Rates Update



Housing & Dining Rates Updates

-For informational purposes



Housing	Current	Curr/AY	New Rate	New/AY	Inc \$/Term	Inc \$/AY	Inc %
Greensprings - Double	\$2,851	\$8,553	\$2,937	\$8,553	\$86	\$0	3.00%
Greensprings - Double-as-Single	\$3,766	\$11,298	\$3,879	\$11,298	\$113	\$0	3.00%
Madrone - Single Apartment	\$4,399	\$13,197	\$4,531	\$13,197	\$132	\$0	3.00%
Shasta - Double	\$3,219	\$9,657	\$3,316	\$9,657	\$97	\$0	3.00%
Shasta - Single	\$3,921	\$11,763	\$4,039	\$11,763	\$118	\$0	3.00%
McLoughlin - Double	\$3,390	\$10,170	\$3,492	\$10,170	\$102	\$0	3.00%
McLoughlin - Single	\$4,212	\$12,636	\$4,338	\$12,636	\$126	\$0	3.00%
McLoughlin - Super Single	\$4,633	\$13,899	\$4,772	\$13,899	\$139	\$0	3.00%
McLoughlin - Studio Single	\$4,727	\$14,181	\$4,869	\$14,181	\$142	\$0	3.00%

Meals	Current	Curr/AY	New Rate	New/AY	Inc \$/Term	Inc \$/AY	Inc %
Red Plan	\$2,050	\$6,150	\$2,100	\$6,300	\$50	\$150	2.44%
Black Plan	\$2,050	\$6,150	\$2,100	\$6,300	\$50	\$150	2.44%
S Plan	\$1,705	\$5,115	\$1,775	\$5,325	\$70	\$210	4.11%
O Plan	\$1,705	\$5,115	\$1,775	\$5,325	\$70	\$210	4.11%
U Plan	\$1,705	\$5,115	\$1,775	\$5,325	\$70	\$210	4.11%
Rocky Plan	\$1,390	\$4,170	\$1,400	\$4,200	\$10	\$30	0.72%
Hawk Plan	\$950	\$2,850	\$980	\$2,940	\$30	\$90	3.16%
Madrone Plan	\$900	\$2,700	\$900	\$2,700	\$0	\$0	0.00%

UG Resident Cost of Attendance for Academic Year 2023-24



Tuition	Current per Term	Current Per AY	Proposed per Term	Proposed Per AY	\$ ▲ Per Term / Per Credit	\$ ▲ per AY	% ▲
Resident Undergrad	\$3,135	\$9,405	\$3,225.00	\$9,675.00	\$6.00	\$270.00	2.87%
Mandatory Enrollment & Incidental Fees							
Student Incidental & Green Tag	\$409	\$1,227	\$426.00	\$1,278.00	\$17.00	\$51.00	4.16%
Student Rec Center	\$104	\$312	\$118.00	\$354.00	\$14.00	\$42.00	13.46%
Student Health Services	\$175	\$525	\$187.00	\$561.00	\$12.00	\$36.00	6.86%
Building Debt-Service Fee	\$50	\$150	\$50.00	\$150.00	\$0.00	\$0.00	0.00%
Technology Infrastructure Free	\$25	\$75	\$25.00	\$75.00	\$0.00	\$0.00	0.00%
Composite Fees:	\$763	\$2,289	\$806.00	\$2,418.00	\$43.00	\$129.00	5.64%
Composite Tuition and Fees:	\$3,898	\$11,694	\$4,031.00	\$12,093.00	\$49.00	\$399.00	3.41%
HECC - Tuition & Mandatory Enrollment Fees:	\$3,385	\$10,155	\$3,487	\$10,461	\$18	\$306	3.01%
Housing/Meals							
Shasta Double	\$3,219	\$9,657	\$3,316	\$9,657	\$97	\$0	3.00%
Red Plan	\$2,050	\$6,150	\$2,100	\$6,300	\$50	\$150	2.44%
Composite Housing/Meals Change:	\$5,269	\$15,807	\$5,416	\$16,247	\$147	\$440	2.78%
Cost of Attendance *							
Resident Undergrad	\$9,167	\$27,501	\$9,447	\$28,340	\$196	\$839	3.05%

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

**RESOLUTION
Tuition and Fees for Academic Year 2023-24**

Whereas, the Southern Oregon University Board of Trustees (“the board”) has the authority to establish tuition and mandatory enrollment fees in accordance with Oregon Law and other applicable laws and policy, including the Board Statement on Delegation of Authority;

Whereas, the board previously adopted a process for Establishing Tuition and Mandatory Fees;

Whereas, the board authorizes the collection of mandatory student incidental fees that have been recommended jointly by the university president and the recognized student government, and established in accordance with Oregon Law;

Whereas, the university’s Tuition Advisory Council, which is comprised of representatives from various campus constituencies including but not limited to students, student government, faculty, and staff, has recommended to the university president tuition and mandatory enrollment fees for Academic Year 2023-24;

Whereas, after considering numerous factors including but not limited to historical tuition and fee trends, comparative data of peer institutions, the university’s budget and projected costs, anticipated funding including anticipated state appropriation levels, and applicable fee recommendations, the university president has provided tuition and mandatory enrollment fee recommendations for consideration;

Whereas, the University President has recommended to the Finance and Administration Committee that the proposed tuition and mandatory student incidental and enrollment fees schedules be submitted to the full Board of Trustees for consideration and approval; and

Whereas, the president and the board consider a number of factors, including the desire to: create affordable access to programs and courses; encourage a diverse student body; maintain quality academic programs; encourage enrollment, persistence, and graduation of students; maintain the university infrastructure necessary to support the academic, cultural and physical development of its students; and support the educational goals of the State of Oregon;

Now, therefore, be it resolved, that the Finance and Administration Committee of the Board of Trustees of Southern Oregon University hereby recommends the Board of Trustees approve the tuition rates, mandatory student incidental fees and mandatory

enrollment fees as proposed, to become effective July 1, 2023. With this approval, the committee further recommends the board authorize the collection of tuition and mandatory fees for the 2023-2024 academic year.

VOTE:

DATE: April 20, 2023

University Board Secretary

Budget Forecast and Review of Pro Forma Including Proposed Realignment Impacts

Revenue Assumptions, FY 24

- Conservative State Revenue Allocation:
 - Assuming Governor's Recommended Budget of \$26.4M (versus Ways & Means Co-Chairs' Budget)
- Tuition Revenue:
 - Modeled with increases of under 3% (from 1.94% to 2.87%) and enrollment/student credit 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 CISR student phase
 - \$15M earmark for technical and regional universities (uncertain outcome)
 - ~ \$3M ask for Oregon Behavioral Health Institute

Cost Assumptions, FY 24

- Refined Cost Management recurring savings (about 82 FTE) projection
 - Specific timing of affected positions included
 - 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)
- Updated transfers in and out of E&G based on reduced costs in Athletics, and Housing reorganization.

Note: Will monitor cost relationship with Physical Plant Fund / E&G / Auxiliaries

Education and General

(in thousands of dollars)

(as of 4/6/23)

	2021-23 Biennium			2023-25 Biennium		2025-27 Biennium	
	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)
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	34,306	35,625	36,589	37,819
Fees	3,581	4,015	3,754	3,731	3,951	4,019	4,174
Raider Aid (remissions)	(3,915)	(3,476)	(3,691)	(3,423)	(3,562)	(3,655)	(3,779)
<i>Oth tuition & fee adjustments</i>							
Tuition, net of Raider Aid	33,947	35,149	33,264	34,614	36,015	36,953	38,214
<i>Growth Opportunities Revenue External to modeling</i>							
Misc. Other Revenue	1,476	2,964	3,090	3,160	3,231	2,223	2,273
TOTAL REVENUES	61,643	64,974	63,214	64,669	67,219	67,975	70,441
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)	(9,940)	(9,671)	(9,640)	(9,868)
Classified	(6,642)	(7,450)	(6,965)	(6,694)	(6,727)	(7,082)	(7,408)
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)	(32,404)	(32,159)	(32,674)	(33,452)
PERS & ORP (Retirement Pgms)	(8,042)	(8,524)	(8,065)	(8,379)	(8,316)	(8,449)	(8,650)
PEBB (Healthcare)	(6,786)	(8,473)	(7,985)	(7,720)	(8,106)	(8,511)	(8,937)
Other (FICA, SAIF, etc.)	(2,987)	(3,500)	(2,883)	(2,790)	(2,769)	(2,813)	(2,880)
OPE Sub-total	(17,815)	(20,497)	(18,933)	(18,889)	(19,190)	(19,773)	(20,467)
Net Personnel Services	(50,575)	(56,036)	(52,417)	(51,293)	(51,350)	(52,447)	(53,919)
Supplies & Services (S&S)							
S&S Expenses	(10,503)	(13,835)	(11,517)	(10,276)	(10,548)	(11,828)	(11,115)
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)	(12,933)	(11,574)	(11,827)	(13,107)	(12,391)
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
<i>Personnel and S&S before Transfers</i>	(62,803)	(66,469)	(65,350)	(59,988)	(63,176)	(65,554)	(66,310)
Net from Operations Before Transfers	(1,160)	(1,496)	(2,136)	4,681	4,043	2,421	4,130
Budgeted Transfers (In & Out)	251	192	222	(3,227)	(2,769)	(2,813)	(2,892)
<i>Transfers Adjustments</i>				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)	(65,128)	(62,754)	(65,945)	(68,367)	(69,203)
FUND BALANCE							
Change in Fund Balance	(909)	(1,303)	(1,914)	1,915	1,274	(392)	1,238
Beginning Fund Balance	7,793	6,501	7,113	5,199	7,114	8,388	7,995
Ending Fund Balance	7,113	5,198	5,199	7,114	8,388	7,995	9,233
% Operating Revenues	11.54%	8.00%	8.22%	11.00%	12.48%	11.76%	13.11%
Days of Operations	41.51	29.63	29.14	41.08	46.42	42.69	48.70
Months of Operations	1.38	0.99	0.97	1.37	1.55	1.42	1.62

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