



OFFICE OF THE BOARD OF TRUSTEES

Public Meeting Notice

May 11, 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.

There will be a vice president's report with updates on the Higher Education Coordinating Commission and the Core Information System Replacement Project. The committee also will discuss the *SOU Forward* accountability framework for implementation; a budget update and review of the financial pro form for Fiscal Year 2023; and a draft budget for Fiscal Year 2024.

Action items on the agenda include an expenditure request for the continuation of the Education Advisory Board (EAB) Navigate software and a consent agenda consisting of past meeting minutes and a financial dashboard.

The meeting will occur as follows:

Thursday, May 18, 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/85195157302> 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 during 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

May 18, 2023

Call to Order / Roll / Declaration of a Quorum



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

Thursday, May 18, 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/85195157302>

AGENDA

Persons wishing to provide public comment at 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 Call 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	April 20, 2023, Minutes	
	3.2	Financial Dashboard	
	4	Reports	
15 min.	4.2	Vice President's Report	Greg Perkinson, SOU, Vice President for Finance and Administration
	4.2.1	Higher Education Coordinating Commission Update	
	4.2.2	Core Information System Replacement Project Update	
	5	Action, Information and Discussion Items	
15 min.	5.1	SOU Forward: Accountability Framework for Implementation	President Bailey; Greg Perkinson

**Southern Oregon University
Board of Trustees
Finance and Administration Committee Meeting
Thursday, May 18, 2023**

AGENDA (Continued)

15 min.	5.2	Budget Update and Pro Forma Review for Fiscal Year 2023	Greg Perkinson
45 min.	5.3	Draft of Fiscal Year 2024 Budget	Greg Perkinson; Steve Larvick, SOU, Interim Budget Director
15 min.	5.4	Expenditure Request: Continuation of Education Advisory Board Navigate Software (Action)	Greg Perkinson
5 min.	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, April 20, 2023**

MINUTES

Call to Order/Roll/Declaration of a Quorum

Committee Chair Shaun Franks called the meeting to order at 5:00 p.m. He welcomed all attendees and special guests: Penny Burgess, Executive Director and Treasury Management Services Director at USSE; ASSOU Director of Finance and Administration, Jose Guillen; and Dean of Students, Carrie Vath. He gave a special thanks to the staff members who always show up to support the committee, Greg Perkinson, Sue Walsh, and 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 March 16, 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's recent meeting where it was emphasized that the Governor's Recommended Budget (GRB) does not prioritize higher education; however, there was discussion of a \$15M investment in the Technical and Regional Universities (TRUs). He also commented on the governor's focus on workforce issues and noted SOU's corresponding focus on these issues, as demonstrated by the certificates seen in the Academic and Student Affairs Committee. Mr. Perkinson explained that President Bailey's presentation of *SOU Forward* at the HECC meeting was well received. Mr. Perkinson noted that Jim Pinkard talked about tuition and fees and there was a discussion on the current state of play and an expectation that none of the seven public universities would increase tuition beyond five percent. He commented on the lively discussion on financial ratios and whether these lagging indicators accurately measure the financial health of an institution.

Core Information Replacement Systems (CISR) Update

Reviewing the CISR project's status, Mr. Perkinson displayed and explained a dashboard used by Alchemy and project manager, Tom Battaglia. Mr. Perkinson likes that it is active and in real time and it is a good tool for managing project status and provides a detailed picture of each work stream. He said there is a separate team devoted to the change management piece and best practices.

State Funding for the 2023-24 Biennium

In the analysis of state funding allocation through the public university support fund, Mr. Perkinson showed a chart of the three scenarios: 1) the Oregon Public Universities' (OPU) request for \$1.052B; 2) the Ways and Means co-chairs proposal for \$9.47M; 3) and the GRB of \$9.33M, and he explained that SOU is budgeting conservatively at the GRB amount. President Bailey pointed out that both proposals are below the current service level and talked about what the means. There was a short discussion on how the disinvestment in high education is further emphasizing the need and importance for SOU's realignment plan.

Action, Information, and Discussion Items

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

Vice Chair Clough, who has been leading the board's policy workgroup, said that when this policy came up the group deferred it to the experts, Penny Burgess and Greg Perkinson. Before handing the discussion over to Mr. Perkinson, Vice Chair Clough noted that no changes are recommended at this time. Mr. Perkinson agreed and clarified the difference between the university and foundation endowments.

Penny Burgess explained the history and the reason for the two separate funds. She added that the university endowment funds were donations either received prior to the establishment of the foundation, or many years ago and a donor requested their donation not be managed by the SOU Foundation.

The original goal of the statement was to look for small programs that keep costs minimal with available strategies and cost-effective solutions. The Oregon State Treasury was managing all OPU assets prior to the dissolution of the Oregon University System. Treasury continues to provide a limited set of investment options to SOU and other universities in order for the institutions to benefit from economies of scale and the state's relationship with State Street Bank.

Ms. Burgess affirmed that no changes are recommended to the policy at this time. The long-term target allocation has been about 75 percent to equities and 25 percent to fixed income. The objective is to cover the spend rate, up to 4 percent determined over a 20-quarter moving average and to protect inflation. Prior to the past 12 months, the funds were maintaining 8.5. to 9.5 percent return, gross of fees and inflation. The 5-year return declined to 3.0 percent with the effects of inflation and fees. Ms. Burgess thinks it will stabilize but inflation is a "wildcard" and challenging to predict.

Following the trustees' discussions on how the endowment funds scholarships and the effects of the downturn on students, she further discussed the impact of inflation and

its effect on the market and the allocation of assets. She suggested the committee might reconsider the four percent spend rate next year, as well as diversification of these assets and including real assets.

Trustee Shelby moved to approve the Board Statement on Investments for the SOU Endowment, as presented, for recommendation to the Executive, Audit, and Governance Committee. Trustee Medina seconded the motion and it passed unanimously.

Financial Sustainability

Mr. Perkinson reminded the committee of Strategic Direction 5 and that the key to SOU's success is to have revenues greater than or equal to costs. He reviewed SOU's plan to budget conservatively in terms of state, tuition, and miscellaneous revenue, and that no one-time monies are included. Regarding enrollment revenue, he said there has been little or no change. President Bailey stated leadership is working on an enrollment and retention plan with the hopes to have a working document available by time of the Welcome Back Breakfast.

Dr. Matt Stillman reviewed the student categories noting great strides in new freshman and non-degree seeking students; however, the impact of COVID negatively affects returning and continuing students. Headcount is surging due to OLLI, Advanced Southern Credit, and dual enrollment but that does not increase full time equivalency (FTE). He reiterated the conservative approach in enrollment projections and the corresponding tuition income.

Discussion ensued regarding the trustees' agreement with a conservative budgeting approach and the aspiration to increase enrollment. It was acknowledged that SOU has capacity to increase enrollment without greatly increasing cost. President Bailey discussed the importance of growing strategically, to ensure student services, and of identifying the "right size" of enrollment for SOU.

Cost Management Update

Mr. Perkinson reviewed the pro forma. He explained that SOU finished last year better than expected to meet the \$3.664 in cost savings target. In response to Trustee Shelby's question, Mr. Perkinson explained that the difference in fund balance between the end and beginning of the two fiscal years was because the board approved the budget prior to the fiscal year's closing.

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

Chair Franks announced that student incidental fees and tuition and fees would be voted on in a single motion and that the committee will need to make a recommendation to the board for final approval the following day. President Bailey introduced the topic, commented on the sophistication of the process, and praised the amazing, thoughtful work that the SFBC has done. Jose Guillen stated that the Student Senate approved a 4.25 percent increase or \$17 to incidental fees and the

reasoning behind the decision. In response to Trustee Shelby's question regarding a deficit in the student fees, Dr. Vath explained that the SFAC had to make \$20M in reductions. In response to Chair Franks question on process, Mr. Guillen complimented the collaboration of all those involved and noted his own gratification in his role. President Bailey thanked Mr. Guillen for his work and Mr. Perkinson awarded him a Service in Excellence coin.

Trustee Thorndike commented on how grateful he was that the Student Recreation Center was built at the time it was (prior to COVID) so that it benefits SOU students today. He acknowledged the students' decision to fund this state-of-the-art facility.

Tuition and Mandatory Student Enrollment Fees

President Bailey introduced the topic and acknowledged the Tuition Advisory Council's (TAC) efforts to keep tuition from skyrocketing in light of challenges and the cost alignment plan. His goal is to have the lowest increase in the state among OPUs and he noted that the increase is the lowest SOU has had in about a decade.

Dr. Susan Walsh reminded the committee that the TAC recommends the tuition to the President and she described the composition and process of the TAC, as required by law. She emphasized the importance of consensus and transparency. Mr. Perkinson presented the data-centric charts that broke down the tuition categories and mandatory enrollment fees with the current and proposed cost of each. He pointed out that his recommendation was to keep debt-service fees and technology infrastructure fees flat in order to offset the other increases.

President Bailey commented on the rumors regarding the Student Health and Wellness Center (SHWC) and acknowledged that SOU management has been investigating the possibility of partnering with an outside provider with two goals in mind: 1) keep the current service level to students; and 2) save students money. He emphasized that no decisions have been made and that talks are preliminary.

Mr. Perkinson reviewed a chart that depicted the tuition and fee impact to a resident undergraduate student. He further explained that this reflected the 3.01 percent increase that will be shared with the HECC and that matriculation fees are flat. In the context of the cost of attendance, he complimented SOU's housing director for bringing him a low increase of 3 percent.

Vice Chair Clough said it was impressive that the increases were kept so low with all the increased costs in supplies and labor and questioned if cost cutting measures were taken. Mr. Perkinson stated that she was correct. Finally, as presented in the materials, Mr. Perkinson showed the total cost of attendance for an undergraduate resident, which is \$28,340 including full time tuition, enrollment fees, incidental fees, housing, and meals.

Further discussion ensued about the tuition revenue stream and the emphasis to keep costs low for students. Trustee Clough mentioned the national conversation regarding

the value of higher education. It was discussed that an affordable education would hopefully result in increased enrollment. In response to Trustee Cable's question regarding impact of fee reductions on student services and support, President Bailey talked about the SFAC and their work to manage resource constraints and create efficiencies, as the student incidental fee budget is the SFAC's purview.

Vice Chair Clough moved to approve the resolution to recommend Tuition and Fees for Academic Year 2023-24 to the Board of Trustees. Trustee Shelby seconded the motion and it passed unanimously.

Budget Forecast and Review of Pro Forma Including Proposed Realignment Impacts

Mr. Perkinson described revenue assumptions including a conservative state revenue allocation, tuition revenue modeled with the TAC/President's recommendation and a slight decline in enrollment. He briefly discussed miscellaneous revenue that is up to \$3.3M due to the ground lease transfer and the final increment of federal support of \$2.9M. He also stated that one-time monies have not been included in the budget forecast; these included \$3.3M for CISR; \$15M for TRUs, and \$2.5M for the Oregon Behavioral Health Institute.

Moving to cost assumptions, Mr. Perkinson stated that the \$9M in recurring savings from the [realignment] plan are reflected in the pro forma. Supplies and services are being modeled with 2.5 percent growth, which is well below the current inflation rate and will continue to be monitored. Trustee Gay questioned whether the pro forma assumed a hiring freeze and Mr. Perkinson responded that it did not but reflected the SOU Forward Plan and explained that some positions will still be filled. There was further discussion on the plan and how the budget is a working document.

Trustee Thorndike and President Bailey both commented on the plan and the need to continually reevaluate and look for creative solutions. They acknowledged the comments and input from the campus and larger communities. Trustee Thorndike talked about artificial intelligence (AI) and how that could impact students and the future of higher education.

Future Meetings

Chair Franks announced the next committee meeting on May 18, 2023, at 5:00 p.m. He asked that any requests for future agenda items be submitted to the board secretary.

Adjournment

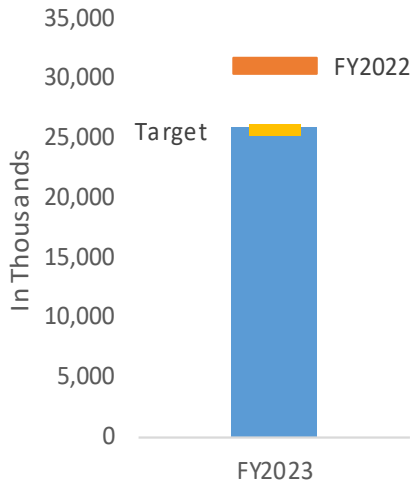
Chair Franks adjourned the meeting at 6:49 p.m.

Financial Dashboard

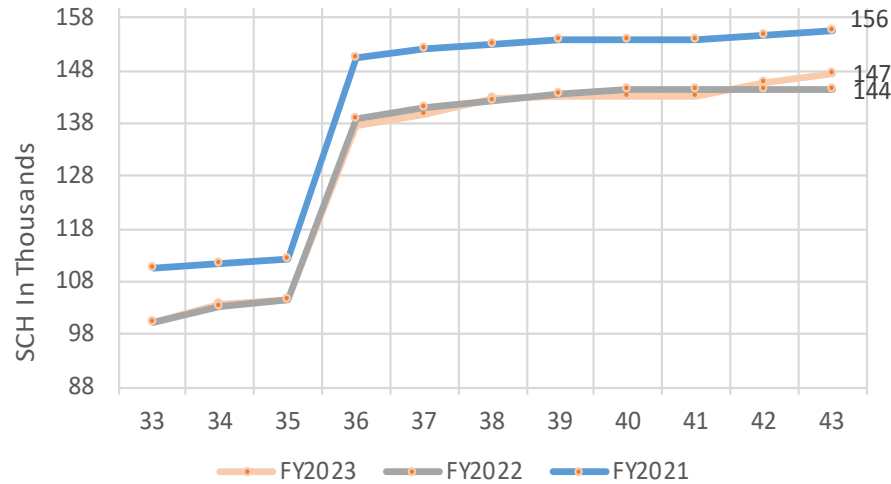
For FY2023

As of April 30, 2023 prior to close numbers

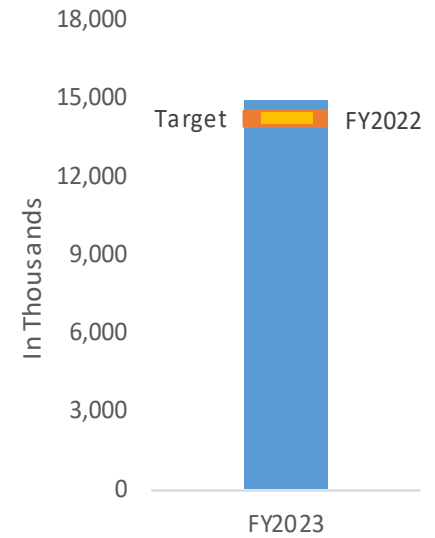
Public University Funds Operating Cash



Total Student Credit Hours by Week of the Fiscal Year

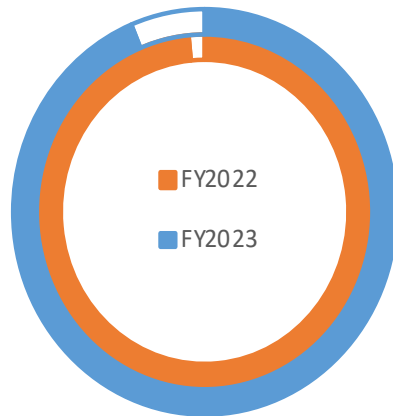


E&G Fund Balance

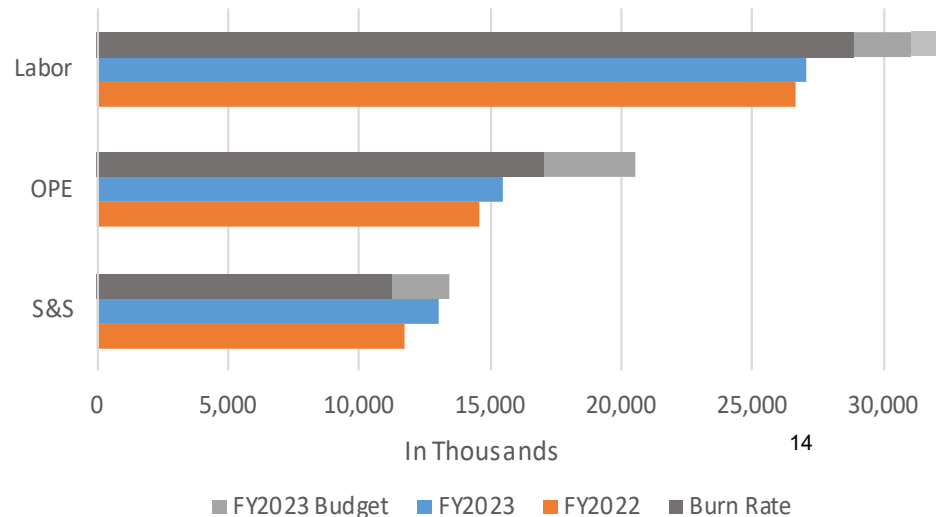


"Institution" portion of Federal Relief Funds in hand.
\$3.3m allocated to E&G during FY2023

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 the 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, SOU still expects ~ \$5.5M ending fund balance (around 8.66% of EFB metric)
- Cash (all funds) is back on target (after a "timing disconnect" last month). 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 over \$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 of early retirement expenses (~\$700K)

Vice President's Report

Refresher on Current Service Level (from HECC)

Current Service Level (CSL)

What is
CSL?

An estimate of the cost to continue current, legislatively approved programs into the next biennium.

How is it
calculated?

For support funds, a blended rate that assumes the standard inflation for non-state employee personnel and adjusts for increases in health/retirement benefits and pension bond debt.

2023-25 Comparison	Base	CSL
Colleges	12.2%	8.7%
Universities	8.7%	7.9%

Base – the increase in general fund spending from 2021-23 to 2023-25 as estimated by the institutions regardless of revenue source; theoretically, all revenue sources would have to increase the same amount to prevent a budget deficit from occurring

CSL – the calculation made by DAS CFO staff using the blended rate approach

CISR Project Update

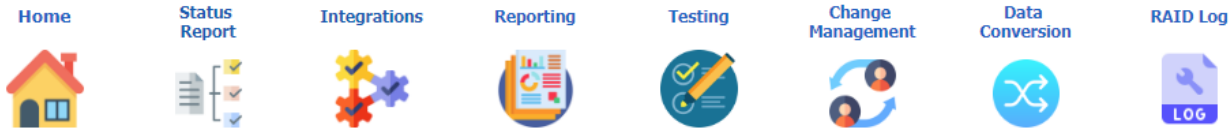
Enterprise Resource Planning (ERP) and Student Information System (SIS) Update

- Project team still focused
- Good change management operating rhythm
- Next key issue: resolving organization structure prior to testing

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



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

Key Resources



Project Status

Days to Go Live
Go Live **232**

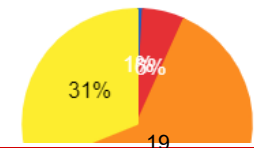
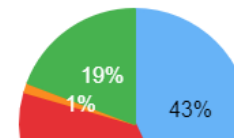
Project Completion %

SOU - Weekly Status Report			
Week Ending	Workstream	Current Status	Trending Status
05/05/23	TEC - Data Conversion	●	●

RAID Status

RAID Status

RAID Priority



SOU Forward: Accountability Framework for Implementation

Accountability - Creating the Culture

How will SOU handle new proposals and initiatives?

These five questions must be answered before any approval is given:

1. What resources will this new proposal require?
2. What are the anticipated fiscal or performance benefits from this initiative?
3. What is the time horizon for these expected benefits?
4. What metrics and measurements will be used to monitor progress?
5. What actions will be taken if the expected milestones are not achieved?

“By embracing this cultural shift, we can help mitigate the likelihood of uncontrolled programmatic cost increases. All of us must acknowledge our responsibility to keep the institution on sound fiscal footing...”

From Plan to Action



- How do the four planks get ‘actualized’? This becomes the art of executing strategic imperatives.
- Develop “project plans” and create a management dashboard enabling top-level oversight
- Update and track: Issues, Risks and Opportunities

SOU FORWARD STRATEGY



Cost Management | We must adopt a mindset of long-term fiscal stability by balancing our budget year after year (ensuring that revenue is always greater than or equal to cost) and building a robust reserve fund to manage through future external uncertainties. This work requires a variety of painful decisions that impact all academic and administrative programs and all employee groups. See remaining document (sections II - V below) for additional information.



Grants | Numerous funding opportunities are available from state, federal, foundations and other private entities for a variety of uses. Some may directly affect SOU’s current expenditures, while others may allow us to augment or add value to existing programs. University Advancement’s Office of Sponsored Programs is supporting faculty and staff who are actively pursuing and managing grants and other “sponsored” funding opportunities.



Philanthropy | We have achieved a series of fundraising records in recent years, and we have repositioned ourselves to continue its dynamic growth. The two single largest philanthropic gifts in the university’s 150-year history were made in the last 12 months, and they cap a 125% increase in giving in five years. As the campus embarks on its inaugural comprehensive campaign, the opportunity for donors to support academic programs, faculty positions, and student services has never been greater. To be successful, we will need the entire campus community moving forward together—to support our fundraising priorities and bring new donors into our Raider family.



Revenue Diversification | Our efforts to explore entrepreneurial projects to diversify our revenue streams has caught the attention of our legislative and political leaders throughout the state. They are commenting publicly about the bold steps we are taking to manage our current reality and plan for the future.

The projects below are just the beginning; these current revenue projects are in the discovery phase and all are moving forward at various speeds.

Implementing SOU Forward



Focus on the main thing...the execution paradigm:

- Focus on Wildly Important Goals
- Measure 'leading indicators' (influence and behavior)
- Put up a scoreboard
- Conduct regular 'accountability' talks / meetings



Complete near-term milestones and develop action plan

- Implement Phase 1 personnel actions
 - (Notices issued 5/1/23: Classified, 6 completed; Unclassified Admin, 12 complete / 3 pending)
- Finish amendments to FAST (Budget system of record) not later than 6/31/23
- Continue hiring key positions (Provost, Title IX Coordinator, etc.)





Cost Management Milestones

Mid-term:

- Complete plan to reorganize Academic and Student Affairs (6/15/23)
- Continue University Housing reorganization (9/1/23)
- Transition Facilities Management to “Asset Management” technology and mindset (9/15/23)
- Plan for phase 2, personnel actions (9/15/23)
- Hire new Provost and Vice President of Academic and Student Affairs (12/31/23)
- Implement CISR on time and with quality (go-live 1/1/24)

Long-term:

- Monitor culture change tied to equity, accountability and the transformation (technology, processes and tools)

Budget Update and Pro Forma Review: Revenue and Expenses for FY 2023

FY23 E&G Estimate to Complete (as of 5/4/23)

- Tuition Revenue “softening” (\$1.2M less than forecasted)
- Remissions ‘burning hot’
- 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 \$5.5M EFB (ties to 8.7% 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	33,438
Fees	3,581	4,015	3,719
Raider Aid (remissions)	(3,915)	(3,476)	(3,691)
<i>Oth tuition & fee adjustments</i>			
Tuition, net of Raider Aid	33,947	35,149	33,467
Misc. Other Revenue	1,476	2,964	3,462
TOTAL REVENUES	61,643	64,974	63,789
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.)	(2,758)	(3,500)	(2,883)
OPE Sub-total	(17,586)	(20,497)	(18,933)
Net Personnel Services	(50,346)	(56,036)	(52,417)
<u>Supplies & Services (S&S)</u>			
S&S Expenses	(10,503)	(13,835)	(11,761)
AP Program Share (AP)	(1,608)		(1,328)
Capital Expenses (CapEx)	(117)	(263)	(93)
Total S&S, CapEx, AP	(12,228)	(14,098)	(13,183)
Cost Reductions, Savings, Outside Support		3,664	0
Recurring S&S Cuts			0
<i>Personnel and S&S before Transfers</i>	(62,574)	(66,469)	(65,600)
Net from Operations Before Transfers	(931)	(1,496)	(1,811)
Budgeted Transfers (In & Out)	251	192	222
<i>Transfers Adjustments</i>			
Transfers Net (In & Out of E&G)	251	192	222
TOTAL EXPENSES & TRANSFERS	(62,323)	(66,277)	(65,378)
FUND BALANCE			
Change in Fund Balance	(680)	(1,303)	(1,589)
Beginning Fund Balance	7,793	6,501	7,113
Ending Fund Balance	7,113	5,198	5,524
% Operating Revenues	11.54%	8.00%	8.66%
Days of Operations	41.66	29.63	30.84
Months of Operations	1.39	0.99	1.03

Draft Fiscal Year 2023-2024 Budget

Roadmap

- Pro Forma:
 - Year to date status; then,
 - Out-year projection (conservative data set with aid and controls)
- Proposed Budget (summary, observations and assumptions, presentation by fund and transfers)
- Reminder of the Path Forward

FY 24 Revenue Assumptions

- Conservative State Revenue allocation:
 - Using \$26.4M based on GRB (versus W&M co-chairs' budget)
- Tuition Revenue:
 - Modeled with increases of under 3% (from 1.94–2.87%) and enrollment (SCH) down slightly (-1.6%)
 - Miscellaneous Revenues budget increase
 - Refinancing North Campus Village bonds worked!
 - Ground lease income restored/created new reserve accounts
- Last increment of Federal support (\$2.9M) shown
- Reminder—Not considered (one-time monies)
 - Congressionally directed spending - \$3.3M ask for CISR (SIS)
 - \$15M earmark for TRUs (uncertain outcome / allocation)
 - ~ \$2.5M ask for Mental Health Center of Excellence

FY 24 Cost Assumptions

- Vacant positions (identified in SOU Forward) removed from FAST; filled positions coded for removal based on timing identified
- Services and Supplies
 - Projected savings from reduced shared services work effort
 - Projected IT savings in Facilities Management
- Updated transfers in and out of E&G, based on changes in Athletics (less cost) and Housing reorganization
- Note: will monitor cost relationship with Physical Plant Fund / E&G and Auxiliaries (Housing and Athletics)

Education and General (in thousands of dollars)	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	33,438	34,583	35,904	36,896	38,072
Fees	3,581	4,015	3,719	3,729	3,932	4,010	4,154
Raider Aid (remissions)	(3,915)	(3,476)	(3,691)	(3,448)	(3,585)	(3,682)	(3,800)
<i>Oth tuition & fee adjustments</i>							
Tuition, net of Raider Aid	33,947	35,149	33,467	34,865	36,251	37,224	38,425
Misc. Other Revenue	1,476	2,964	3,462	3,540	3,620	3,031	3,099
TOTAL REVENUES	61,643	64,974	63,789	65,301	67,844	69,053	71,478
EXPENSES & TRANSFERS					3.98%	2.68%	3.23%
<u>Personnel Services</u>							
Faculty	(15,129)	(15,971)	(14,913)	(14,652)	(14,366)	(14,654)	(14,883)
Admin	(9,922)	(10,532)	(10,276)	(10,085)	(9,754)	(9,724)	(9,954)
Classified	(6,642)	(7,450)	(6,965)	(6,666)	(6,432)	(6,772)	(7,084)
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)	(33,059)	(32,206)	(32,788)	(33,625)
PERS & ORP (Retirement Pgms)	(8,042)	(8,524)	(8,065)	(8,094)	(8,321)	(8,472)	(8,688)
PEBB (Healthcare)	(6,786)	(8,473)	(7,985)	(8,471)	(8,894)	(9,339)	(9,806)
Other (FICA, SAIF, etc.)	(2,758)	(3,500)	(2,883)	(2,946)	(2,870)	(2,922)	(2,997)
OPE Sub-total	(17,586)	(20,497)	(18,933)	(19,511)	(20,085)	(20,733)	(21,490)
Net Personnel Services	(50,346)	(56,036)	(52,417)	(52,569)	(52,291)	(53,521)	(55,116)
<u>Supplies & Services (S&S)</u>							
S&S Expenses	(10,503)	(13,835)	(11,761)	(10,905)	(11,150)	(11,601)	(10,840)
AP Program Share (AP)	(1,608)		(1,328)	(1,210)	(1,188)	(1,187)	(1,184)
Capital Expenses (CapEx)	(117)	(263)	(93)	(95)	(97)	(99)	(102)
Total S&S, CapEx, AP	(12,228)	(14,098)	(13,183)	(12,210)	(12,436)	(12,888)	(12,125)
Cost Reductions, Savings, Outside Support		3,664	0	2,879	As Modeled	As Modeled	700
Recurring S&S Cuts			0	(1,121)			
<i>Personnel and S&S before Transfers</i>	<i>(62,574)</i>	<i>(66,469)</i>	<i>(65,600)</i>	<i>(61,901)</i>	<i>(64,727)</i>	<i>(66,409)</i>	<i>(66,541)</i>
Net from Operations Before Transfers	(931)	(1,496)	(1,811)	3,400	3,117	2,645	4,936
Budgeted Transfers (In & Out)	251	192	222	(2,555)	(2,542)	(2,587)	(2,665)
<i>Transfers Adjustments</i>				-			
Transfers Net (In & Out of E&G)	251	192	222	(2,555)	(2,542)	(2,587)	(2,665)
TOTAL EXPENSES & TRANSFERS	(62,323)	(66,277)	(65,378)	(64,456)	(67,269)	(68,996)	(69,206)
FUND BALANCE							
Change in Fund Balance	(680)	(1,303)	(1,589)	845	575	57	2,272
Beginning Fund Balance	7,793	6,501	7,113	5,524	6,369	6,944	7,001
Ending Fund Balance	7,113	5,198	5,524	6,369	6,944	7,001	9,273
% Operating Revenues	11.54%	8.00%	8.66%	9.75%	10.24%	10.14%	12.97%
Days of Operations	41.66	29.63	30.84	36.06	37.68	37.04	48.91
Months of Operations	1.39	0.99	1.03	1.20	1.26	1.23	1.63

FY 23 Summary of Expenditures by Fund



Implementing SOU Forward—Cost Management

FY24 Summary of Expenditures by Fund

FUND	2022 Actuals	FY23 Adopted + Adjustments	FY23 Year End Est Projection	FY24 DRAFT Budget
Budgeted Ops (Fund Type 11)	\$ 62,323,356	\$ 69,928,152	\$ 65,400,552	\$ 64,455,604
Auxiliary Ops (Fund Type 20)	\$ 12,292,302	\$ 15,635,696	\$ 13,868,537	\$ 14,556,140
Designated Ops & Service Centers (Fund Types 12 & 13)	\$ 4,230,726	\$ 5,710,970	\$ 5,566,013	\$ 5,885,456
Combined Ops	\$ 78,846,384	\$ 91,274,819	\$ 84,835,102	\$ 84,897,200

Southern Oregon University

Budgeted Operations

	2022 Actuals	FY23 Adopted + Adjustments	FY23 Year End Est Projection	FY24 DRAFT Budget
REVENUES				
Enrollment Fees	33,946,951	35,148,939	33,466,562	34,864,596
Gov't Resources and Allocations	26,219,576	26,860,486	26,860,486	26,895,858
Misc. Other Revenues	1,476,478	2,964,336	3,462,187	3,540,086
REVENUES Total	61,643,005	64,973,761	63,789,235	65,300,540
LABOR				
Unclassified	(24,942,478)	(26,507,366)	(25,188,263)	(24,736,878)
Classified	(6,642,080)	(7,362,946)	(6,965,234)	(6,666,458)
Grad Assist	(171,602)	(169,356)	(191,116)	(190,354)
Student Labor	(894,810)	(1,455,587)	(1,139,458)	(1,464,661)
Benefits & OPE	(17,695,230)	(20,561,232)	(18,932,930)	(19,510,821)
LABOR Total	(50,346,200)	(56,056,488)	(52,417,001)	(52,569,172)
SUPPLIES AND SERVICES	(12,111,423)	(13,828,068)	(13,089,744)	(12,115,274)
CAPITAL EXPENSES	(116,636)	(285,508)	(93,071)	(95,165)
TRANSFERS				
Transfers In	3,801,168	3,534,864	3,717,710	108,188
Transfers Out	(3,550,265)	(3,292,952)	(3,518,446)	(2,663,220)
TRANSFERS Total	250,903	241,912	199,264	(2,555,032)
Total Expenditures	(62,323,356)	(69,928,152)	(65,400,552)	(67,334,642)
Federal Relief, Cost Cutting, Savings		3,664,000		2,879,038
FY24 Est Expenditures				³⁸ (64,455,604)
Total Revenue - Expenses	(680,351)	(1,290,391)	(1,611,316)	844,936

Southern Oregon University

Designated and Service Center Operations

	2022 Actuals	FY23 Adopted + Adjustments	FY23 Year End Est Projection	FY24 DRAFT Budget
REVENUES				
Enrollment Fees	891,519	1,202,080	1,259,303	1,021,687
Gov't Resources and Allocations	0	0	0	0
Misc. Other Revenues	2,972,263	4,472,589	4,547,952	4,450,389
REVENUES Total	3,863,782	5,674,669	5,807,255	5,472,076
LABOR				
Unclassified	(1,366,344)	(1,680,709)	(1,535,898)	(1,687,644)
Classified	(412,350)	(418,656)	(421,671)	(571,768)
Grad Assist	0	0	0	0
Student Labor	(91,690)	(180,537)	(143,092)	(195,537)
Benefits & OPE	(1,083,457)	(1,299,630)	(1,315,115)	(1,474,557)
LABOR Total	(2,953,842)	(3,579,532)	(3,415,776)	(3,929,507)
SUPPLIES AND SERVICES	(1,745,858)	(2,608,135)	(2,337,801)	(2,400,926)
CAPITAL EXPENSES	0	(12,086)	(162,416)	(12,086)
TRANSFERS				
Transfers In	801,906	633,088	929,348	599,320
Transfers Out	(332,932)	(144,305)	(579,367)	(142,257)
TRANSFERS Total	468,974	488,783	349,980	457,063
Total Expenditures	(4,230,726)	(5,710,970)	(5,566,013)	(5,885,456)
Federal Relief, Cost Cutting, Savings FY23 Est Expenditures				
Total Revenue - Expenses	(366,944)	(36,301)	241,243	(413,380)

Projected Ending
Fund Balance for
FY24³⁴ in excess of
\$2m

Southern Oregon University

Auxiliary Operations

	2022 Actuals	FY23 Adopted + Adjustments	FY23 Year End Est Projection	FY24 DRAFT Budget
REVENUES				
Enrollment Fees	5,131,267	5,479,681	5,264,642	5,184,867
Gov't Resources and Allocations	1,257,759	1,257,759	1,257,759	1,257,759
Misc. Other Revenues	8,548,591	6,509,236	9,120,306	6,743,713
REVENUES Total	14,937,617	13,246,676	15,642,708	13,186,340
LABOR				
Unclassified	(3,021,967)	(3,359,980)	(3,176,632)	(3,071,276)
Classified	(970,757)	(1,093,688)	(866,754)	(1,025,958)
Grad Assist	0	0	0	0
Student Labor	(687,270)	(1,205,154)	(805,439)	(1,195,846)
Benefits & OPE	(2,334,757)	(2,863,214)	(2,543,707)	(2,760,837)
LABOR Total	(7,014,750)	(8,522,036)	(7,392,532)	(8,053,916)
SUPPLIES AND SERVICES	(7,235,150)	(9,798,553)	(9,160,898)	(8,300,193)
CAPITAL EXPENSES	0	0	0	0
TRANSFERS				
Transfers In	3,429,356	3,789,626	3,789,626	3,164,969
Transfers Out	(1,471,758)	(1,104,733)	(1,104,733)	(1,367,000)
TRANSFERS Total	1,957,598	2,684,893	2,684,893	1,797,969
Total Expenditures	(12,292,302)	(15,635,696)	(13,868,537)	(14,556,140)
Federal Relief, Cost Cutting, Savings FY22 Net Expenditures	6,197,850	(3,318,812)	(3,318,012)	(2,879,038)
Total Revenue - Expenses	2,645,315	(2,389,020)	1,774,170	(1,369,800)

(A) = Federal Relief funds deposited to an Auxiliary Reserve, and later transferred out to support E&G. This is being excluded from the Transfer lines to reflect the remaining transfers that are impacting Auxiliary operations.

Projected Ending
Fund Balance for
FY24 in excess of
\$6m

Southern Oregon University

Combined Operations

	2022 Actuals	FY23 Adopted + Adjustments	FY23 Year End Est Projection	FY24 DRAFT Budget
REVENUES				
Enrollment Fees	39,969,737	41,830,699	39,990,507	41,071,150
Gov't Resources and Allocations	27,477,335	28,118,245	28,118,245	28,153,617
Misc. Other Revenues	12,997,332	13,946,161	17,130,446	14,734,188
REVENUES Total	80,444,405	83,895,106	85,239,198	83,958,956
LABOR				
Unclassified	(29,330,788)	(31,548,056)	(29,900,793)	(29,495,797)
Classified	(8,025,187)	(8,875,290)	(8,253,659)	(8,264,183)
Grad Assist	(171,602)	(169,356)	(191,116)	(190,354)
Student Labor	(1,673,770)	(2,841,277)	(2,087,989)	(2,856,044)
Benefits & OPE	(21,113,444)	(24,724,077)	(22,791,752)	(23,746,215)
LABOR Total	(60,314,792)	(68,158,056)	(63,225,309)	(64,552,594)
SUPPLIES AND SERVICES	(21,092,431)	(26,234,756)	(24,588,443)	(22,816,393)
CAPITAL EXPENSES	(116,636)	(297,594)	(255,487)	(107,251)
TRANSFERS				
Transfers In	8,032,430	7,957,578	8,436,683	3,872,477
Transfers Out	(5,354,955)	(4,541,990)	(5,202,546)	(4,172,477)
TRANSFERS Total	2,677,475	3,415,588	3,234,137	(300,000)
Total Expenditures	(78,846,384)	(91,274,819)	(84,835,102)	(87,776,238)
Federal Relief, Cost Cutting, Savings				2,879,038
FY22 Net Expenditures				³⁶ (84,897,200)
Total Revenue - Expenses	1,598,021	(7,379,713)	404,097	(938,244)

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)

**Expenditure Request:
Continuation of EAB Navigate Software
(Action)**

Navigate Extension

Board of trustees May 2023



Indicators of Success

- Summary:
 - Higher persistence and retention for users
 - Improved attempted and completed credits
 - Improved registration (shorter time for registration holds to resolve)
 - Mixed results on GPA
 - Some terms where average GPA improves, some where it doesn't
 - No significant difference between average GPA for non-users compared to users
 - Improved communication between students and advisors
 - Early warnings when off track; personal outreach

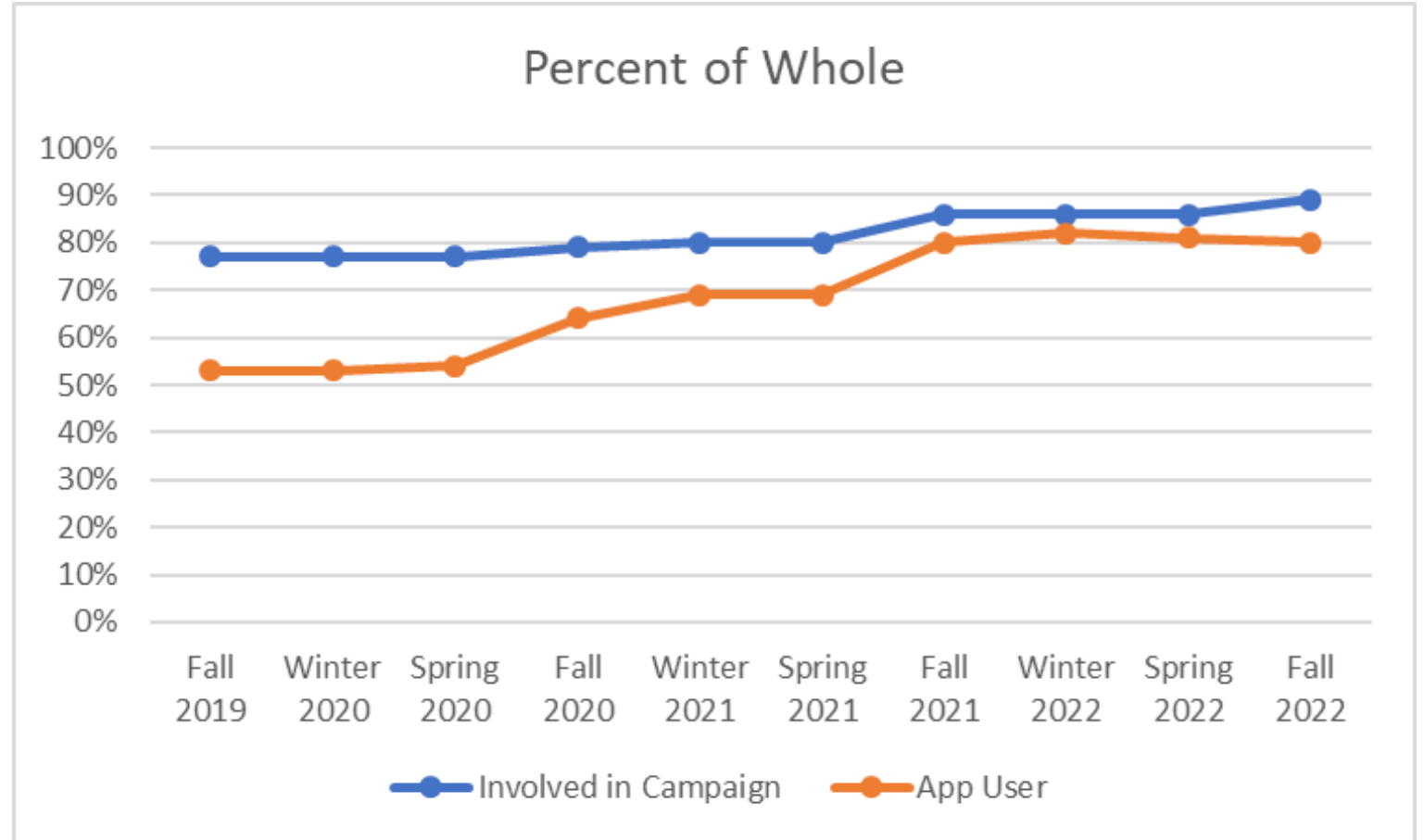
Navigate, what is it?

- Navigate is higher education's leading student CRM, built based on a decade of research to improve recruitment, student success, and the student experience.
 - 850 colleges and universities
 - serving more than 10 million students
- Navigate unites administrators, faculty, staff, and students in a collaborative network to measurably improve outcomes across the entire student journey.
- Membership in the Student Success Collaborative, gaining access to decades of research, an EAB expert dedicated to their success, events designed to share best practices, and a close-knit community of peers.
- Navigate helps academic advisors, faculty, and other staff scale interventions, streamline day-to-day work and create a truly coordinated network for student success
 - 360-degree student profiles
 - multimodal student communications
 - in-app appointment scheduling.
- Actionable student data
 - See personal information, academic performance, app activity, credit trends, and more-all in one place.
- Appointment scheduling and Communication
 - Email, text, and call individual students or groups from within the app to schedule and manage appointments.
- Campaign Management
 - Segment data by a range of criteria to generate and deliver custom campaigns for effective outreach to students.

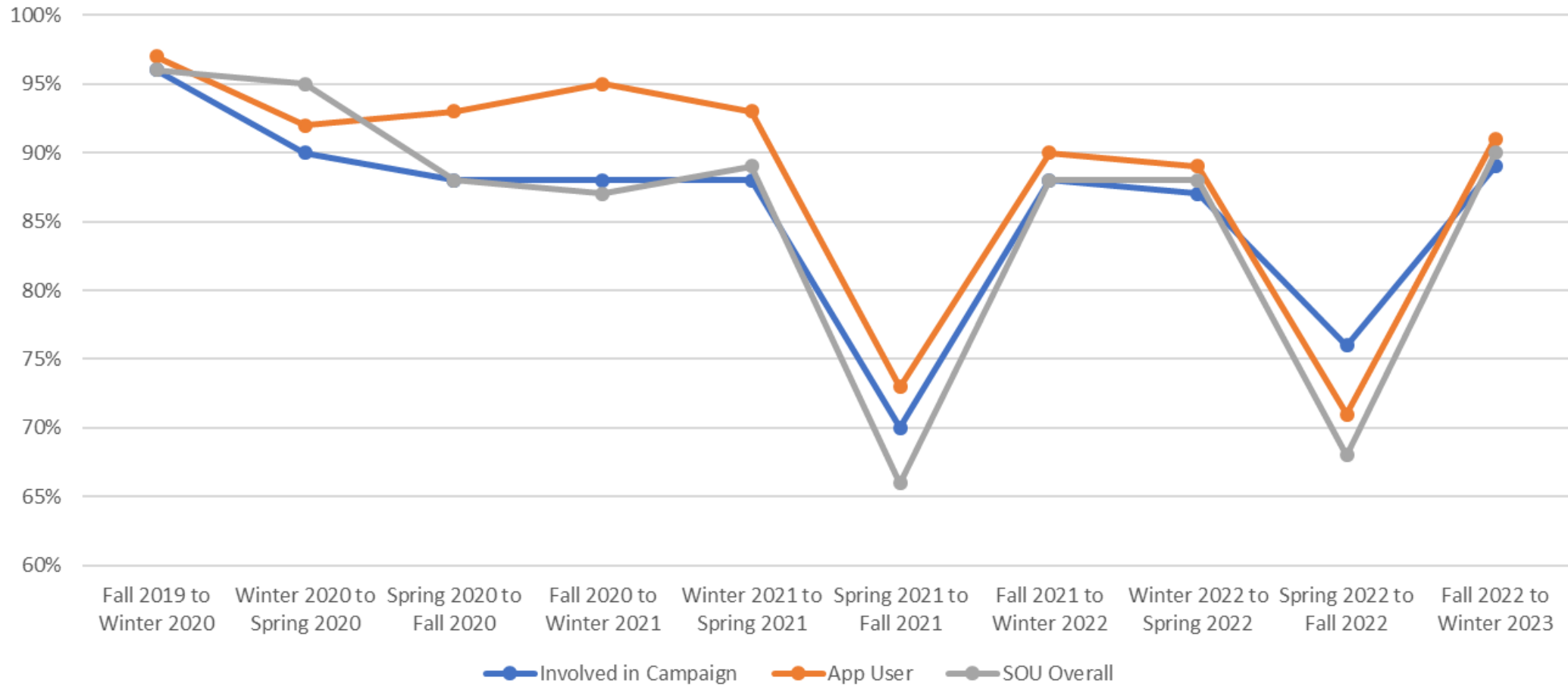
Navigate, what is it?

- Student Empowerment Tools
 - Navigate's student interface helps you connect with students on their terms, building belonging and a deeper sense of purpose at your institution. The Navigate mobile app provides structure for the college journey and proactive guidance at students' pivotal moments. Navigate also enables virtual student onboarding, peer support communities, and more.
- Integrated Analytics
 - Navigate's student success analytics and predictive modeling help you understand which interventions are working and how to best adjust your strategy. Standardized reports offer insight into ongoing advising activities and staff dashboards continuously monitor student progress to identify opportunities for better student support.

Student Usage



Retention Data Comparison



Return on Investment Estimates

- 8 of the past 10 terms retention to next term is higher for app users than non app users
- Return on Investment: are we saving more by virtue of the app that outweighs the annual cost?

Academic Year	Ave. Headcount	Annual Ave Retention Difference (users v non-users)	Headcount Retained	Ave Annual Tuition and Fee Revenue Per Student	Annual Price of Navigate	Approx ROI (Headcount retained x Ave Revenue Per Student - Cost of Contract)
Fall 19- Spring 20	3,002	0.50%	15.01	\$ 24,000	\$ 177,065	\$ 183,175
Fall 20 - Spring 21	2629	6.50%	170.885	\$ 25,800	\$ 181,816	\$ 4,227,017
Fall 21 - Spring 22	2426	2%	48.52	\$ 27,600	\$ 187,269	\$ 1,151,883
Fall 22 - Winter 23	2410	2%	48.2	\$ 30,300	\$ 192,888	\$ 1,267,572

Contract Proposal

	Navigate	Student Success Collaborative	Strategic Care	Total
Sept 2024 - 25	\$204,365	\$7,500	Included	\$212,135
Sept 25 - 26	\$210,774	\$7,500	Included	\$218,274
Sept 26 - 27	\$217,097	\$7,500	Included	\$224,597

Future Meetings

Adjournment