



OFFICE OF THE BOARD OF TRUSTEES

**Public Meeting Notice**

March 14, 2024

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

FROM: Sabrina Prud'homme, University Board Secretary

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

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

Action items for the meeting include a consent agenda consisting of minutes from the January 2024 meeting of the committee and a financial dashboard.

Information and discussion items include a vice president's report consisting of updates about the recent legislative session, the FY 2023 external audit, an independent third-party budget review, and organizational updates. The committee also will discuss an overview and update on tuition and student fees including the tuition-setting process, a tuition advisory council update, the mandatory student incidental fee, and a proposed amendment to the assessment of mandatory student fees. Other topics include an FY 2024 budget update including a budget forecast and review of the financial pro forma; an Institutional Budget Committee update; discussion of a financial stability target; an update on SOU properties; and the Core Information System Replacement Project.

The meeting will occur as follows:

Thursday, March 21, 2024

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

Meese Room, 3<sup>rd</sup> Floor, Hannon Library, SOU Campus

Members of the public may view the proceedings at <https://sou.zoom.us/j/88105718975> at the time of the meeting.

Materials for the meeting are available at [governance.sou.edu](https://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 Sabrina Prud'homme at (541) 552-6060 at least 72 hours in advance.**

**Public Comment**

Members of the public who wish to provide live public comments in person or remotely during

the meeting are invited to sign up at least 24 hours in advance of the meeting using the Board of Trustees' email address: [trustees@sou.edu](mailto:trustees@sou.edu). Written comments also may be emailed to [trustees@sou.edu](mailto:trustees@sou.edu), or delivered to: SOU Board of Trustees, 1250 Siskiyou Boulevard, Churchill Hall, Room 107, Ashland, OR 97520.



**Board of Trustees**

**Finance and Administration Committee Meeting**

**March 21, 2024**

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# Call to Order / Roll / Declaration of a Quorum



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

**Thursday, March 21, 2024  
5:00 p.m. – 7:00 p.m. (or until business concludes)  
Meese Room, Hannon Library, SOU Campus  
Zoom: <https://sou.zoom.us/j/88105718975>**

**AGENDA**

Persons wishing to provide live public comments during the meeting or in writing may sign up at [trustees@sou.edu](mailto:trustees@sou.edu).  
Please note: timing is approximate and items may be taken out of order.

- |         |          |   |   |
|---------|----------|---|---|
| 5 min.  | <b>1</b> | <b>Call to Order/Roll/Declaration of a Quorum</b>                                       | Chair Shaun Franks  |
|         | 1.1      | Welcome and Opening Remarks   |   |
|         | 1.2      | Roll and Declaration of a Quorum  | Sabrina Prud'homme, SOU,<br>Board Secretary   |
|         | 1.3      | Agenda Review   | Chair Franks  |
|         | <b>2</b> | <b>Public Comment</b>   |   |
| 5 min.  | <b>3</b> | <b>Consent Agenda</b>   | Chair Franks  |
|         | 3.1      | January 18, 2024, Minutes   |   |
|         | 3.2      | Financial Dashboard   |   |
| 15 min. | <b>4</b> | <b>Reports</b>  |   |
|         | 4.1      | Vice President's Report   | Dr. Neil Woolf, SOU,<br>Executive Vice President  |
|         | 4.1.1    | Legislative Update  |   |
|         | 4.1.2    | FY 2023 External Audit Update   |   |
|         | 4.1.3    | Independent Third-Party Budget Review   |   |
|         | 4.1.4    |   |   |
|         | 4.1.5    | Organizational Updates  |   |
| 25 min. | <b>5</b> | <b>Action, Information and Discussion Items</b>   |   |
|         | 5.1      | Tuition and Student Fees Overview and Update  | Dr. Casey Shillam, SOU,<br>Provost and Vice President<br>for Academic and Student<br>Affairs; Josh Lovern, SOU,<br>Director of Budget and<br>Planning |
|         | 5.1.1    | Tuition and Mandatory Enrollment<br>Fees Process and Tuition<br>Advisory Council Update |   |

**Southern Oregon University  
Board of Trustees  
Finance and Administration Committee Meeting  
Thursday, March 21, 2024**

**AGENDA (Continued)**

	5.1.2	Mandatory Student Incidental Fee Process and Update	Julissa Taitano, SOU, Student Fee Committee Chair
	5.1.3	Proposed Amendment to Assessment of Mandatory Student Fees	Josh Lovern
15 min.	5.2	FY 2024 Budget Update	President Rick Bailey; Dr. Neil Woolf, SOU, Executive Vice President; Josh Lovern
	5.2.1	Budget Forecast and Review of Pro Forma	
10 min.	5.3	Institutional Budget Committee Update	Dr. Neil Woolf; Josh Lovern
15 min.	5.4	Discussion of Financial Stability Target	President Rick Bailey; Dr. Neil Woolf; Josh Lovern
10 min.	5.5	SOU Properties Update	Dr. Neil Woolf; Leon Crouch, SOU, Director of Facilities
10 min.	5.6	Core Information System Replacement Project	Dr. Neil Woolf
5 min.	5.7	Future Meetings	Chair Franks
	<b>6</b>	<b>Adjournment</b>	Chair Franks

# Public Comment

# Consent Agenda



**Board of Trustees  
Finance and Administration Committee Meeting  
Thursday, January 18, 2024**

**Minutes**

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

Committee Chair Shaun Franks called the meeting to order at 5:00 p.m. Board Secretary Sabrina Prud'homme called the roll and a quorum was verified.

**Committee Members:**

Sheila Clough	Present	Liz Shelby	Present
Shaun Franks, Chair	Present	Bill Thorndike	Present
Christina Medina	Present		

**Public Comment**

No members of the public provided comments.

**Consent Agenda (Action)**

Trustee Clough moved to approve the consent agenda consisting of the minutes of October 19, 2023, meeting and FY 24 First Quarter Investment Report. Trustee Thorndike seconded the motion and it passed unanimously.

**Reports**

Higher Education Coordinating Commission (HECC) Updates

Executive Vice President Neil Woolf reported the HECC is updating their website as well as their strategic mission; there is an opportunity for Oregon Public Universities (OPU) to engage in the discussions and planning. President Bailey emphasized the need for SOU to be proactive in those conversations, recalling that higher education was not named as a top ten issue at the Oregon Business Summit. Continuing, Dr. Woolf reported that progress and good work were taking place with the HECC's Transfer Council, which Dr. Stillman serves on for SOU.

Fiscal Year 2023 External Audit Update

Dr. Woolf reported that work on the external audit continues and that completion of the audit is later than CliftonLarsonAllen's normal timeline with SOU.

Tuition Advisory Council Update

Dr. Woolf shared that Provost Walsh chairs the Tuition Advisory Council (TAC) and that the first meeting of the year will take place on Jan 29<sup>th</sup>. As mentioned in the Academic and Student Affairs Committee, SOU is in compliance with the state's requirements for the TAC.

SOU Forward Updates

Dr. Woolf reminded the committee that Finance and Administration (F&A) administrative unit of the university had areas in the plan that were put on hold until

the efficiencies of Workday could be identified. That analysis has begun and the F&A unit's recommendations for its contribution to *SOU Forward* will be forthcoming.

### **Action, Information and Discussion Items**

#### **Core Information System Replacement Project (CISR)**

Tom Battaglia presented an update on the Workday implementation, highlighting the successful conversion of payroll that went live on January 2, 2024. The implementation was not flawless and Mr. Battaglia reported on the ongoing efforts to address issues such as file transfer processes and data migration. The implementation partner is working closely with the team to ensure a smooth transition for change management. Two parallel payroll testing runs were conducted, with the second achieving 99 percent accuracy, surpassing the accuracy of SOU's former system. The budget for the current phase was \$2.489M, project expenditures are at \$2.406M, and a slight overspend is expected for the next invoice.

For Phase II, Mr. Battaglia is collaborating with Drs. Matt Stillman and Karen Stone to initiate the student CISR project in March 2024. They are focusing on pre-planning, assembling a project team, and identifying staff needs. President Bailey praised the efforts of the staff involved in the project. The president is committed to seeking external federal funding for the CISR project with the next round of congressionally directed spending. In response to Trustee Thorndike's comments on Workday security, Mr. Battaglia explained that SOU requires dual authentication through a process SOU maintains.

#### **FY 2024 Budget Update**

##### **Revenue Forecast and Review of Pro Forma**

President Bailey provided an update on the university's financial status, expressing gratitude for the Technical and Regional University and Portland State University funding. He mentioned that SOU is in a better position than a month ago, with expectations of receiving the funding, pending HECC's vote on the allocation. Dr. Woolf discussed the Benefits Navigator position, now funded by a grant, relieving the Education and General fund (E&G) of that expenditure. He outlined the reconciliation or "true-up" of state funding based on the funding model, resulting in a reduction of \$162,733 from HECC's July projection. President Bailey also discussed ongoing efforts to clean up the budget, including identifying errors such as those that led to an overestimation of revenue by \$872K due to coding issues with the university's OLLI credit hours. A third-party consultant will be engaged to further analyze SOU's budget processes.

The committee delved into budget refinement efforts, such as validating data, updating pro forma formulas, reinstating the Institutional Budget Committee (IBC), and enhancing periodic management reports (PMR). External review, updated enrollment reporting, trip-wires in Workday, and process improvements were outlined as forthcoming efforts. Regarding E&G revenue, Mr. Lovern emphasized SOU's conservative approach due to uncertainties and President Bailey discussed TRU plus PSU funding, approximating a second tranche of \$2.7M, with a conservative estimate of \$2M. Regarding expenses, Dr. Woolf focused on E&G labor, and on Supplies and Services (S&S), noting a plan to hire a Title IX Coordinator to reduce costs. The overall

E&G fund balance was slightly out of balance by \$195K for the current fiscal year, and President Bailey assured the committee that SOU will be scrutinizing the budget for savings and ongoing monitoring. Trustee concerns about future goals, faculty negotiations, and staff salary increases were addressed, and President Bailey noted efforts to explore additional federal funding sources.

#### FY 2025 Budget Committee Update

Dr. Woolf discussed the re-formation of the Institutional Budget Committee at SOU, emphasizing its role in advising the president on creating an annual budget within a multi-year planning context. The committee aims to maintain transparency, integrate strategic planning with budgeting, and analyze budgetary impacts on the institution. An organizational representation of committee membership, inclusive of students, staff, and faculty, was presented, and the vice president for finance and administration will serve as the chair. The committee will undergo training on various budget-related topics, including the funding model, tuition and fee setting, labor projections, other personnel expenses, supplies and services, and planning assumptions.

Josh Lovern outlined the budget development schedule from December to June, involving labor extraction, baseline budget creation, assumption identification, initial budget development, tuition and student fee rates, updates in February, finalizing labor updates in March, auxiliary budget review, April approval of tuition rates, and the June presentation and adoption of E&G, auxiliary, and designated operations budgets by the Board of Trustees.

#### **Facilities and Capital Projects**

##### Capital Projects Prioritization (Action)

Vice President Woolf explained that the prioritization of capital projects remains unchanged from the last cycle. He reviewed the process of how projects get funded through the HECC and announced that the 2025-2027 project request is due in April of 2024. SOU intends to resubmit its creative industries project; it scored sixth overall last year, and SOU's Central Hall scored fifth, but only the top three were funded. SOU hopes to score highly again, as the HECC's scoring matrix remains unchanged.

Leon Crouch explained that the creative industries project remodels the Music Building; it would add 10,000 sq. ft. of useable space, bring SOU's Digital Media Center (DMC) into campus, and provide a cohesive Oregon Center for the Arts unit. The second half of the project would renovate the current DMC to serve as wrestling and ROTC facilities. Mr. Crouch further reviewed the five projects for prioritization: The Creative Industries Center and Digital Media Center conversion; Central Hall Phase 4; Stevenson Union Mechanical Repairs; Affordable Housing (Greensprings); and a Business Sustainability Center at The Farm.

Trustee Clough moved to recommend the approval of the capital projects prioritization, as presented. Trustee Thorndike seconded the motion and it passed unanimously.

##### Expenditure Authorization Request: Design Services Contract for SOU Softball Project (Action)

President Bailey and Matt Sayre, Director of Athletics, presented a request for the committee's approval for exploratory design services for a proposed softball complex.

The project is timely, given the SOU Softball Team's success in winning three national championships. The existing field was built in 2001, lacks major updates, and requires costly upkeep; the goal is to create a field befitting of SOU's national champions.

The proposed complex includes a turf field, cobblestone area, bathrooms, concession stand, bleachers, and a press box. The estimated cost is \$2.5M – \$3.7M. A request for proposals was issued and KSW Architects would provide design services at a cost of \$305K, funded by a philanthropic donation. A donor has pledged \$1M, providing half of the funds to the foundation already. Fundraising will commence after the design is complete and the construction cost is known. Construction will only begin once sufficient funds are committed. The project timeline is aggressive, aiming for completion by next season. Operating costs are expected to decrease with the installation of turf, and potential benefits to attendance and recruitment were discussed. Vice Chair Clough clarified that the costs will be filled with philanthropic funds and inquired about operating costs. Mr. Sayre or Mr. Crouch suggested operational savings with reduced personnel costs for upkeep, which Dr. Woolf provided his confidence that the impact on operations and capital projects budgets would be nonmaterial.

Trustee Thorndike moved to recommend approval of the resolution to the full board. Trustee Clough seconded the motion and it passed unanimously.

#### Discussion of Financial Stability Target

President Bailey initiated a discussion on defining targets and measuring success at SOU, focusing on three categories: student enrollment and success, goals in equity, diversity, and inclusion (EDI), and financial resilience. The discussion stemmed from conversations during the board retreat and Bailey noted that success means SOU is not one crisis away from financial ruin since SOU has the smallest percentage of reserves among the universities, although the university is headed in the right direction. The goal is to have enough reserved for operating for one term. To accomplish this, three scenarios were modeled: aggressive growth (+10% per year), limited (3% per year), and balanced (5% per year) until the metric is met. The aggressive growth model indicated austere measures, the limited model showed achievement by 2049, and the balanced approach reached the goal by 2038. Trustees liked the balanced approach. President Bailey highlighted the importance of setting realistic targets and noted that trustees will be asked to act on the proposed target and approach in April.

#### **Future Meetings**

Chair Franks announced that the next meeting of the committee is scheduled to take place on March 21, 2024 at 5:00 p.m. If any trustee has a specific item to suggest for a future meeting, please send them to the board secretary.

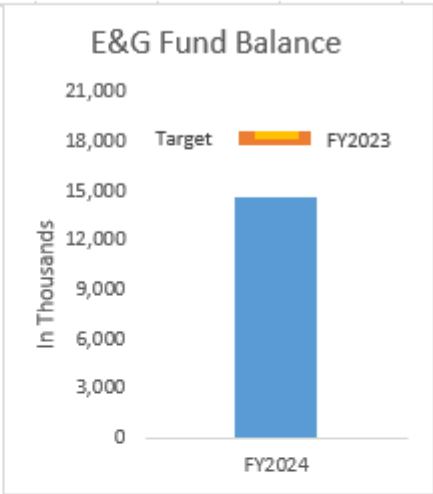
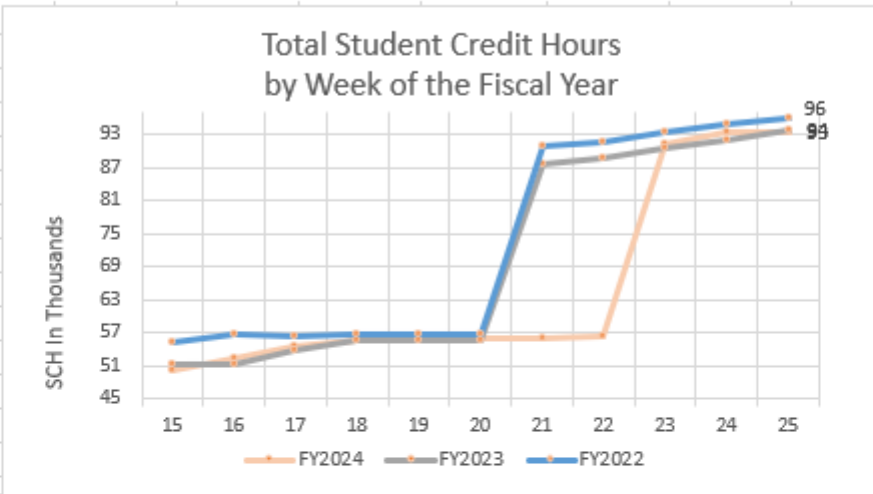
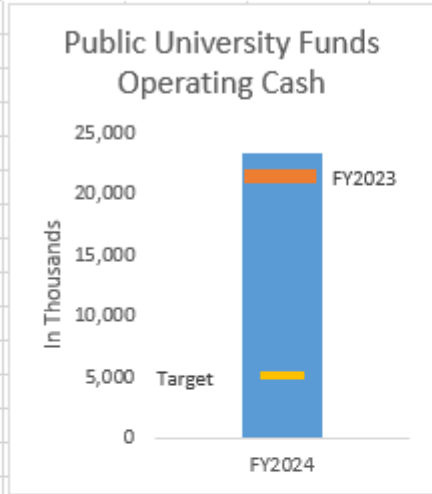
#### **Adjournment**

Chair Franks adjourned the meeting at 7:00 p.m.

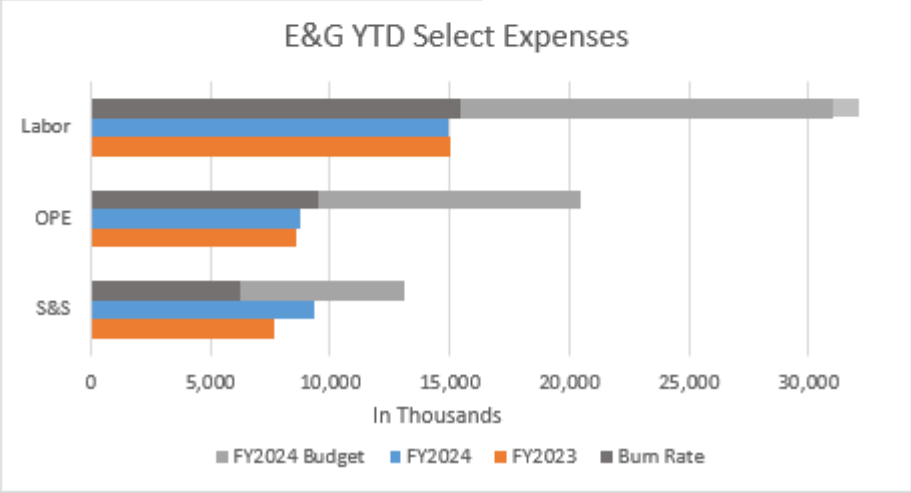
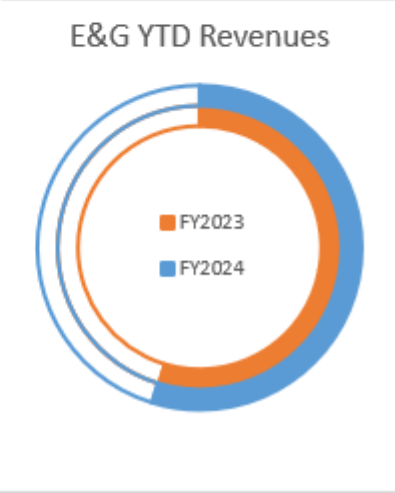
### Financial Dashboard

For FY2024

As of December 31, 2023 close numbers



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



## Periodic Management Report



**As of December 31, 2023  
Fiscal Year Ending June 30, 2024**

	<u>Year-to-Date</u>			<u>Budget</u>
	Prior YTD <b>Actual</b>	Current YTD <b>Actual</b>	% Change compared to last year	FY2024 Initial Budget
<i>(in thousands except enrollment)</i>				
<b>Education &amp; General</b>				
State General Fund	\$ 16,183	\$ 17,712	9%	\$ 29,157
Tuition & Resource Fees, net of Remissions	23,033	23,424	2%	35,013
Other	1,329	1,651	24%	3,675
<b>Total Revenues</b>	<b>\$ 40,545</b>	<b>\$ 42,787</b>		<b>\$ 67,846</b>
Personnel Services	\$ 23,665	\$ 23,764	0%	\$ 54,272
Supplies & Services & Capital Outlay	6,781	8,483	25%	13,660
<b>Total Expenditures</b>	<b>\$ 30,446</b>	<b>\$ 32,247</b>	6%	<b>\$ 67,933</b>
<b>Net from Operations</b>	<b>\$ 10,099</b>	<b>\$ 10,540</b>	4%	<b>\$ (87)</b>
Net Transfers In (Out)	1,940	(1,533)		57
Change in Fund Balance	\$ 12,039	\$ 9,007	-25%	\$ (30)
Beginning Fund Balance	7,113	5,554	-22%	5,554
Ending Fund Balance	<u>\$ 19,152</u>	<u>\$ 14,561</u>	-24%	<u>\$ 5,524</u>
Ending FB as a % Operating Revenues	47.2%	34.0%		8.1%

# Vice President's Report

# FY 2023 External Audit Update



## Financial Audit Update

- Completed and published
- Unmodified Opinion

## Single Audit

- Completed and Published
- Unmodified Opinion with findings



# **Tuition & Mandatory Enrollment Fees Process and Tuition Advisory Council Update**

# Tuition Advisory Council

## Creation of Tuition Advisory Council

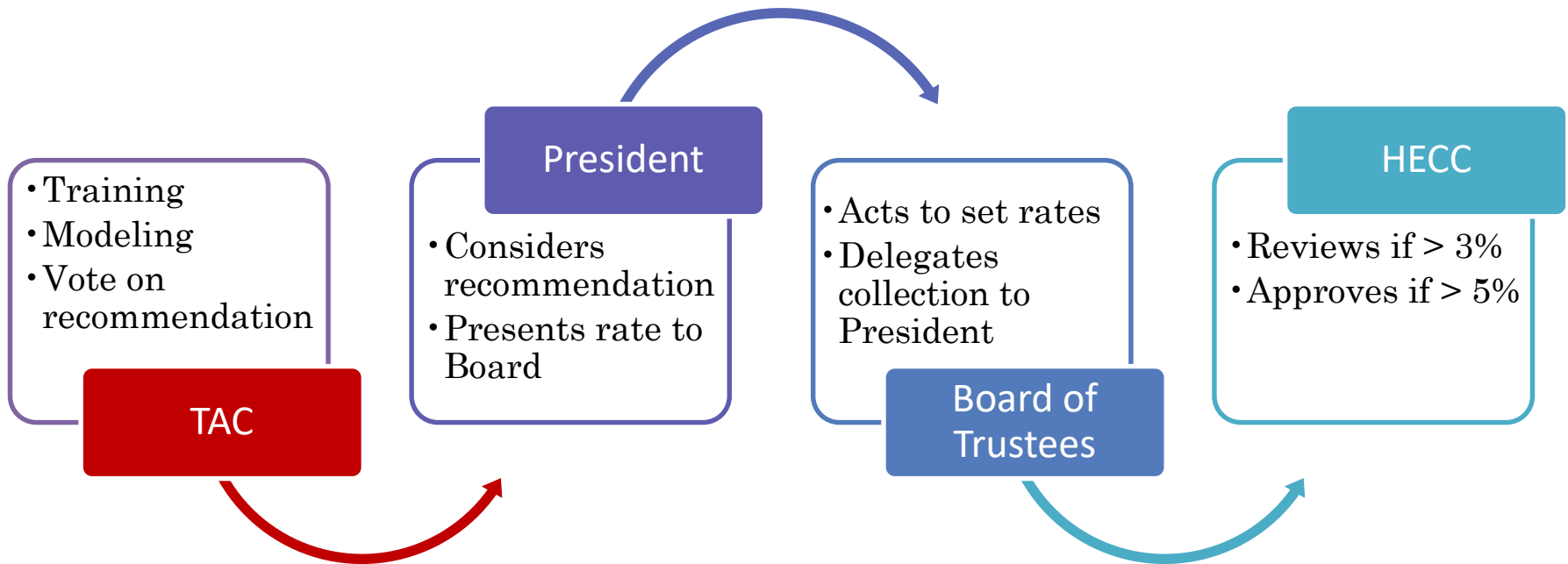
- House Bill 4141 – 2018 Regular Session
  - Largely based on SOU's legacy process
- Statute: 352.103
  - Advisory body for tuition and mandatory enrollment fees; composition; process for recommendation
- Checklist for compliance

# Tuition Advisory Council

Make up: Chaired by University Provost

- 8 additional members
  - 4 Students
    - 2 ASSOU
    - 2 Historically underrepresented
  - 2 Administrators
  - 2 Faculty
  
- Ex-officio, Advising Capacity:
  - Executive VP/ VP Finance and Administration
  - Director of Budget and Planning
  - Others as requested

# Process Starts with TAC



# Tuition Advisory Council

## TAC's Role with Mandatory Enrollment Fees

- Recommended by TAC to the President
  - These fees are part of composite Tuition & Fees reviewed by HECC
  - Not to be confused with Mandatory Incidental Fees
- Presented by the President to the Board
- Board adopts fee rates for collection (assessment)

# Mandatory Enrollment Fees

- **Established by ORS 352.102**
  
- **Matriculation Fee**
  - Fee used for on-boarding new students – one-time fee
  - Recommended by TAC to the President
  - Recommended by the President to the Governing Board
  - Adopted by the Governing Board; not included in HECC review/approval
  
- **Health Center Fee**
  - Recommended by the Director, Student Health and Wellness Center to TAC
  - Recommended by the President to the Governing Board
  - Adopted by the Governing Board – included in HECC review/approval
  
- **Building & Technology Fees**
  - Recommended by Administration to the TAC
  - Recommended by the President to the Governing Board
  - Adopted by the Governing Board – included in HECC review/approval

# Mandatory Incidental Fees

- **Established by ORS 352.105**
- **Student Incidental Fee (including Green Tag)**
  - Recommended by ASSOU to the President
  - Recommended by the President to the Governing Board
  - Adopted by the Governing Board – not included in HECC review/approval
- **Student Recreation Center Fee**
  - Recommended by ASSOU to the President
  - Recommended by the President to the Governing Board
  - Adopted by the Governing Board – not included in HECC review/approval

NOTE: TAC does not work with these fees!

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## What About Housing?

- **Housing Room/Meal rates**
  - Set by University Administration, not included in HECC review/approval

# Mandatory Student Incidental Fee Process and Update





ASSOCIATED STUDENTS OF SOUTHERN OREGON UNIVERSITY

# Student Fee Committee Update

# Purposes of Student Incidental Fee

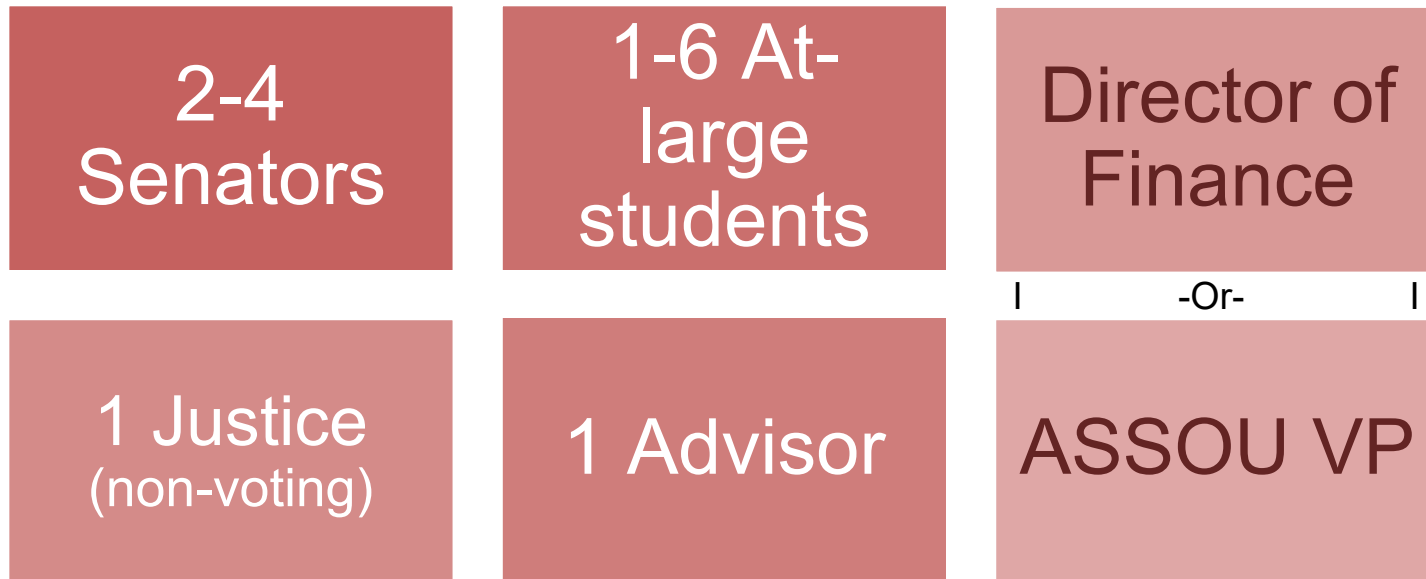
- Provide funding to student organizations
- Foster a marketplace of ideas
- Increase recruitment and retention of underrepresented students
- Consolidating student resources to create student power & voice



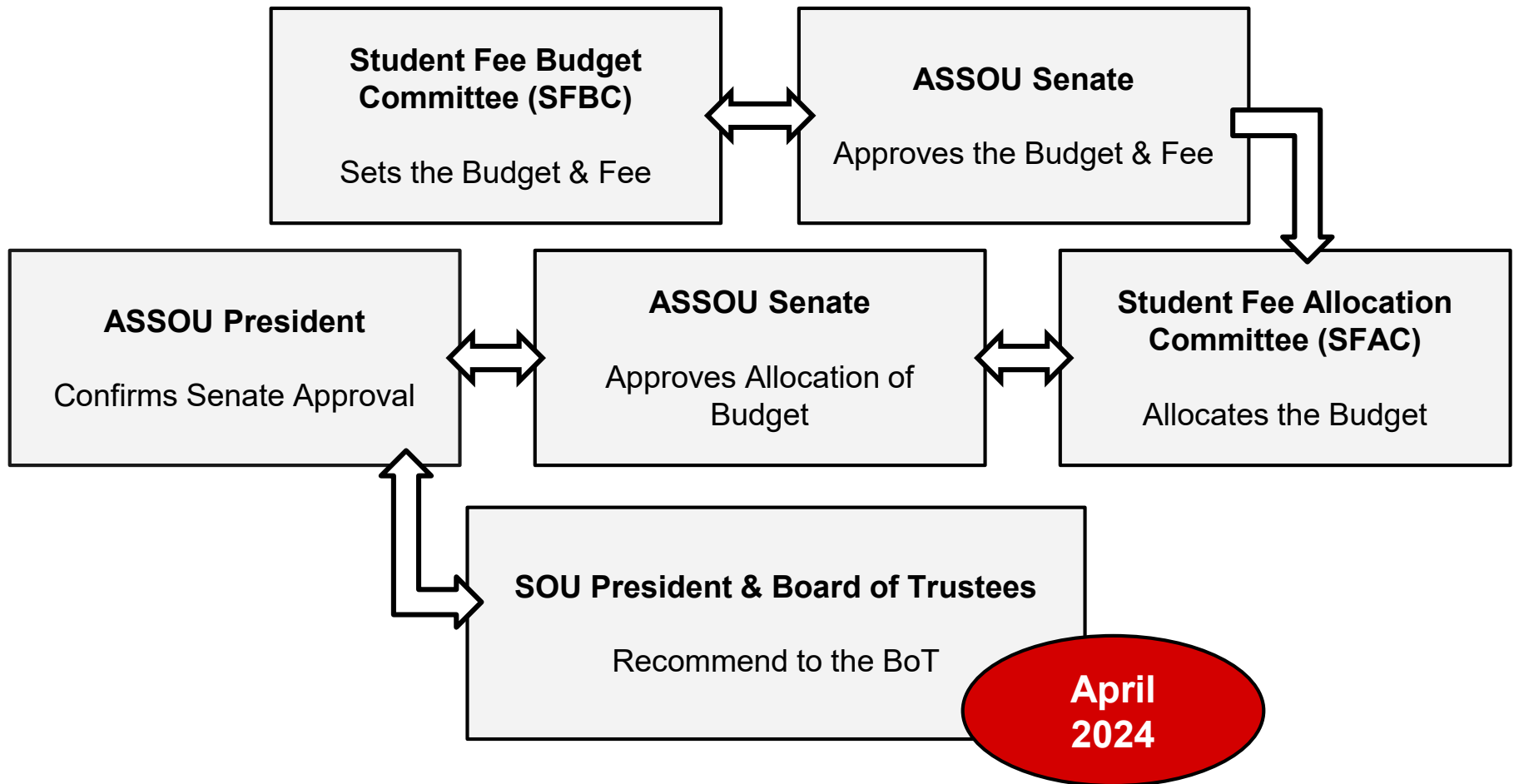
# Student Money, Student Control



ASSOU and the students we represent have a significant amount of control over the student fee process ORS.352.105



# Process for Approving the Mandatory Student *Incidental* Fee



# What SFBC Considers

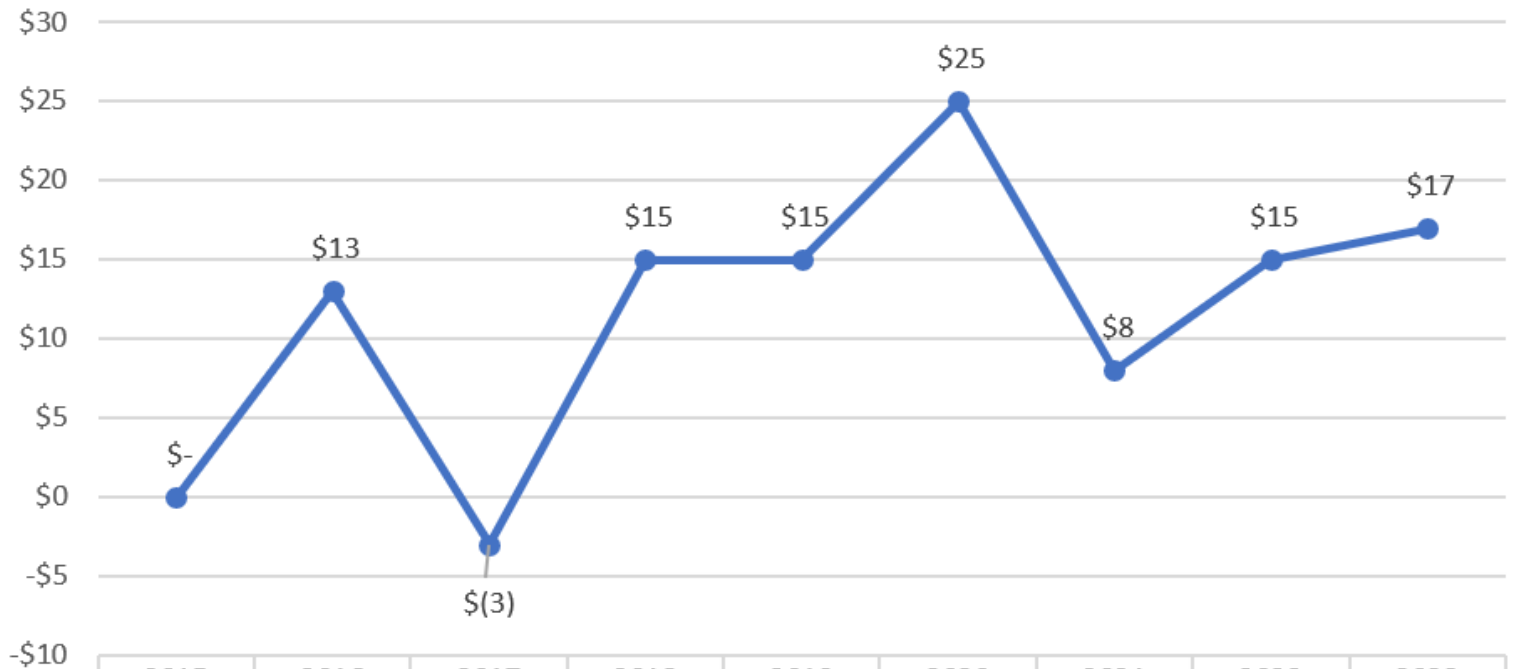
- Inflation
- **Student Fee Historically**
- **Student Enrollment Projection**
- Student Fee Options/Implications
- Fee Modeling
- Recommendation

# Student Fee Historically



Mandatory Incidental Fee Rates: AY 2015 - 2023

PER TERM (excludes Green Tag)

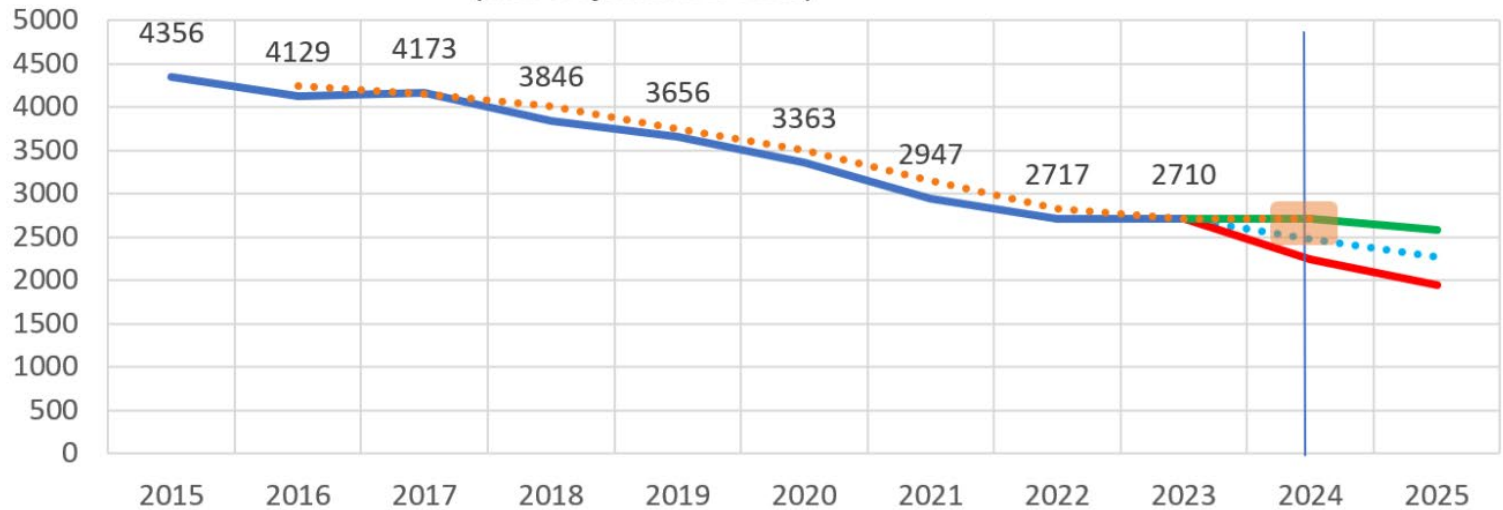


	2015	2016	2017	2018	2019	2020	2021	2022	2023
Rate Change Per Term	\$-	\$13	\$(3)	\$15	\$15	\$25	\$8	\$15	\$17
Fee Rate Per Term	\$307	\$320	\$317	\$332	\$347	\$372	\$380	\$395	\$412
Percent Change	0.0%	4.2%	-0.9%	4.7%	4.5%	7.2%	2.2%	3.9%	4.3%

# Student Enrollment Projection



2015 - 2023 Incidental Fee Paying Headcounts  
(with Projections to 2025)



— Actuals    ..... Forecast    — Lower Forecast    — Upper Forecast    ..... 2 per. Mov. Avg. (Actuals)

## Fall 2023

Students used 2500 for budget projection

<b>Forecast</b>	2524
<b>Lower</b>	2300
<b>Upper</b>	2748

## Fall 2024

Students used 2575 for budget projection

<b>Forecast</b>	2479
<b>Lower</b>	2241
<b>Upper</b>	2716

# **Proposed Amendment to Assessment of Mandatory Student Fees**



# Current Fee Assessment

## Incidental Fees

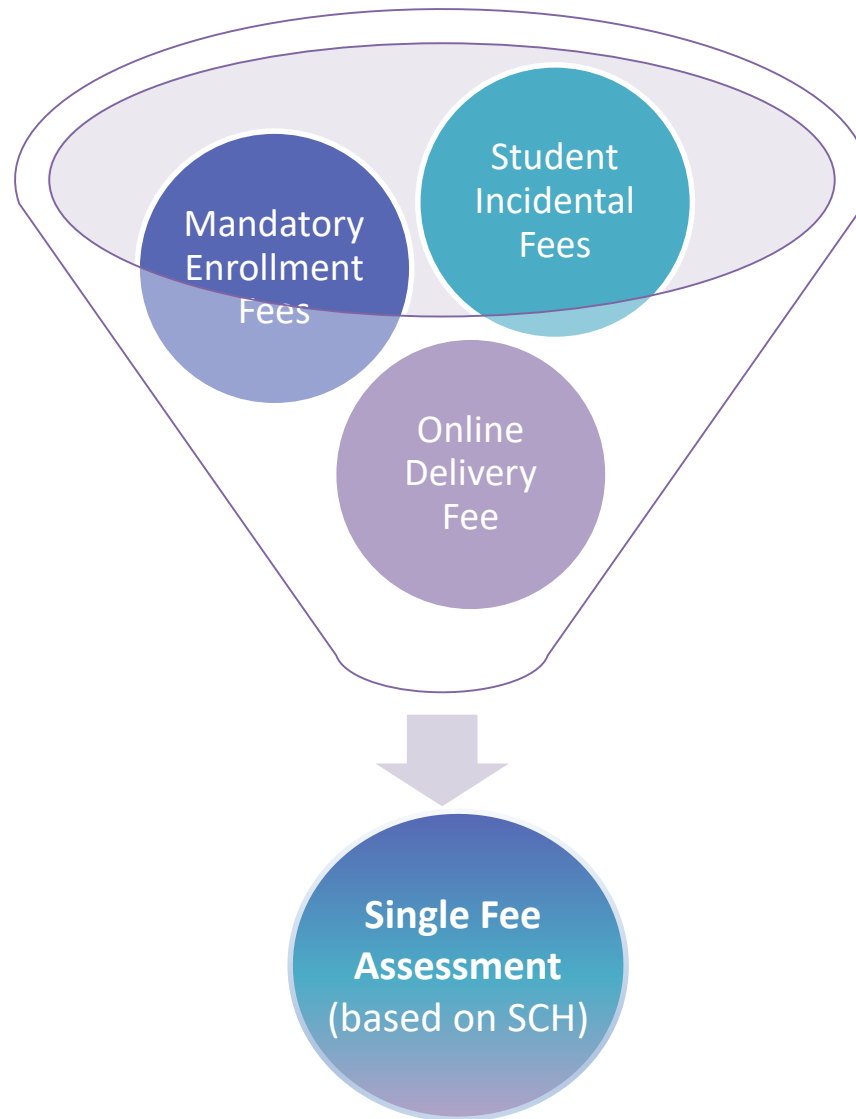
- Student Incidental
- Green Tag
- Rec Center

## Enrollment Fees

- Health
- Building
- Technology

## Online Delivery Fee (per SCH)

# Proposed Fee Assessment



# Proposed Single Fee Concept

**CHALLENGE:** Can SOU develop a fee assessment schedule that simplifies the process, enhances affordability, and meets revenue goals?

## Goals:

- Fix the fee-related challenges associated with students simultaneously registered for in-person and online courses
- Maintain at-least current revenue levels
- Make low-credit thresholds more affordable
- Increase access to non-traditional students

# Proposed Single Fee Concept

**CHALLENGE:** Can SOU develop a fee assessment schedule that simplifies the process, enhances affordability, and meets revenue goals?

Goals (continued):

- Stabilize mandatory fee revenue, maintain fee solvency, provided for greater elasticity
- Improve transparency and simplify billing
- Prepare for Workday Student

# Proposed Single Fee Concept

## Methodology:

- Carefully modeled fee revenue production & credit distribution using the full 2022-23 academic year
- Reverse engineered into 2023-24 reality
- Arrayed hundreds of potential scenarios in order to find a “best fit” for the aforementioned goals

# Proposed Single Fee Concept

Fee recommendation process unaltered

- All current processes DO NOT CHANGE
  - TAC
    - Health
    - Building
    - Technology
  - SFC
    - Incidental
    - Rec Center
    - Green Tag
- Fees to be commensurate with course-taking behavior

# Comparative Fee Schedule

CR	23-24 ACTUAL FACE:FACE	23-24 PROPOSED FACE:FACE	CHANGE		23-24 ACTUAL ONLINE	23-24 PROPOSED ONLINE	CHANGE
1	\$533	\$105	-\$428		\$75	\$105	+\$30
2	\$552	\$210	-\$342		\$150	\$210	+\$60
3	\$570	\$315	-\$255		\$225	\$315	+\$90
4	\$776	\$420	-\$356		\$300	\$420	+\$120
5	\$780	\$525	-\$255		\$375	\$525	+\$150
6	\$784	\$630	-\$154		\$450	\$630	+\$180
7	\$787	\$735	-\$52		\$525	\$735	+\$210
8	\$791	\$840	+\$49		\$600	\$840	+\$240
9	\$795	\$840	+\$45		\$675	\$840	+165
10	\$799	\$840	+\$42		\$750	\$840	+90
11	\$804	\$840	+\$38		\$825	\$840	+\$15
12	\$806	\$840	+\$34		\$900	\$840	-\$60
13	\$806	\$840	+\$34		\$975	\$840	-\$135
14	\$806	\$840	+\$34		\$1050	\$840	-\$210
15	\$806	\$840	+\$34		\$1125	\$840	-\$285
16	\$806	\$840	+\$34		\$1200	\$840	-\$360

# Fee Scenarios by Course Modality

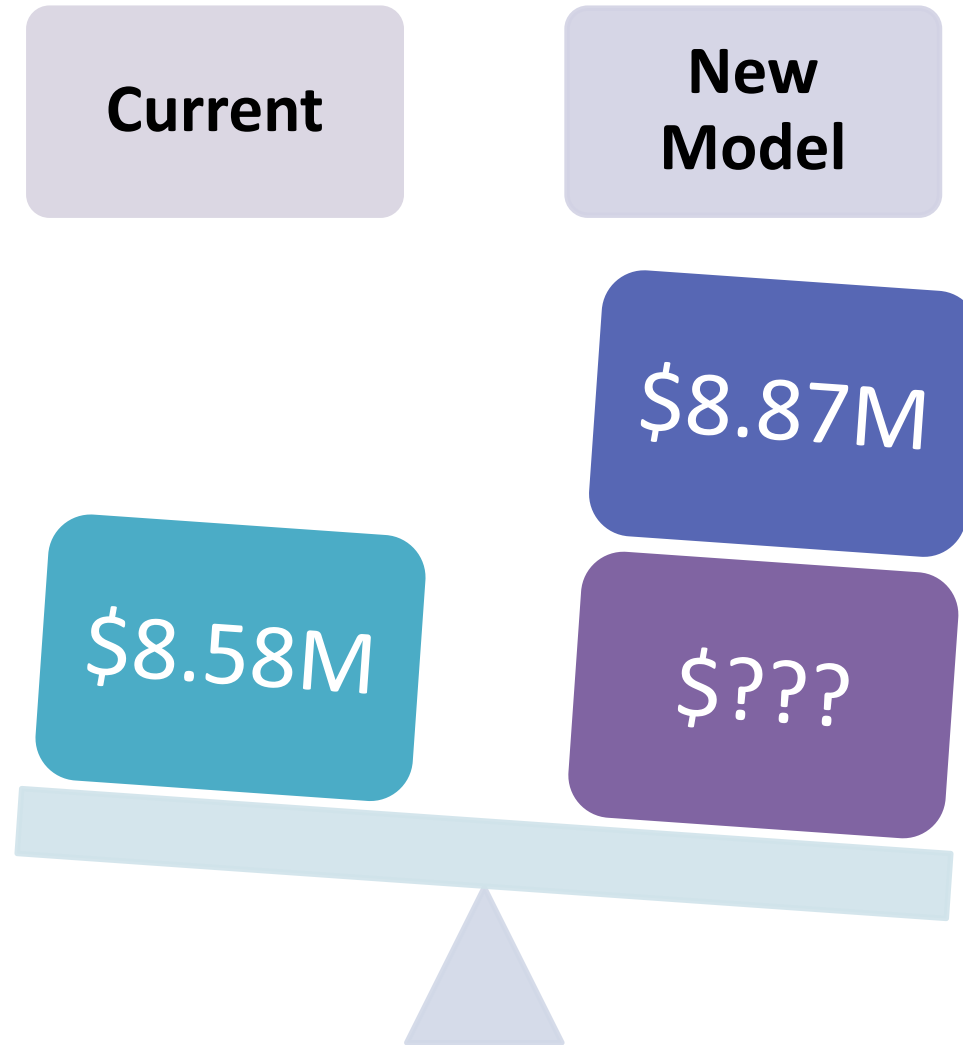
SCENARIO (Fees only)	23-24 ACTUAL	23-24 PROPOSED	CHANGE
1 CREDIT FACE TO FACE	\$533	\$105	\$428 SAVINGS
4 CREDITS FACE TO FACE	\$776	\$420	\$356 SAVINGS
8 CREDITS FACE TO FACE	\$791	\$840	\$49 SAVINGS
12 CREDITS FACE TO FACE	\$806	\$840	\$34 INCREASE
16 CREDITS FACE TO FACE	\$806	\$840	\$34 INCREASE
1 CREDIT ONLINE	\$75	\$105	\$30 INCREASE
4 CREDITS ONLINE	\$300	\$420	\$120 INCREASE
8 CREDITS ONLINE	\$600	\$840	\$240 INCREASE
12 CREDITS ONLINE	\$900	\$840	\$60 SAVINGS
16 CREDITS ONLINE	\$1200	\$840	\$360 SAVINGS
4 CREDITS ONLINE + 4 FACE TO FACE	\$1076	\$840	\$236 SAVINGS
8 CREDITS ONLINE + 4 FACE TO FACE	\$1376	\$840	\$536 SAVINGS
12 CREDITS ONLINE + 4 FACE TO FACE	\$1676	\$840	\$836 SAVINGS
8 CREDITS FACE TO FACE + 4 ONLINE	\$1091	\$840	\$251 SAVINGS



# Tuition + Fee Scenarios with Course Modality Examples

SCENARIO (Tuition + Fees; UG Res)	23-24 ACTUAL	23-24 PROPOSED	CHANGE
1 CREDIT FACE TO FACE	\$748	\$320	\$428 SAVINGS
4 CREDITS FACE TO FACE	\$1,636	\$1280	\$356 SAVINGS
8 CREDITS FACE TO FACE	\$2,511	\$2462	\$49 SAVINGS
12 CREDITS FACE TO FACE	\$3386	\$3420	\$34 INCREASE
16 CREDITS FACE TO FACE	\$4246	\$4280	\$34 INCREASE
1 CREDIT ONLINE	\$290	\$320	\$30 INCREASE
4 CREDITS ONLINE	\$1160	\$1280	\$120 INCREASE
8 CREDITS ONLINE	\$2320	\$2560	\$240 INCREASE
12 CREDITS ONLINE	\$3480	\$3420	\$60 SAVINGS
16 CREDITS ONLINE	\$4640	\$4280	\$360 SAVINGS
4 CREDITS ONLINE + 4 FACE TO FACE	\$2796	\$2560	\$236 SAVINGS
8 CREDITS ONLINE + 4 FACE TO FACE	\$3956	\$3420	\$536 SAVINGS
12 CREDITS ONLINE + 4 FACE TO FACE	\$5116	\$4280	\$836 SAVINGS
8 CREDITS FACE TO FACE + 4 ONLINE	\$3671	\$3420	\$251 SAVINGS

# Budget Implications



# Fiscal Year 2024 Budget Update

# FY 2024 Budget Update

- Projection models being updated to Workday logic – extremely challenging
- Labor impacts for FY24 less acute; future years more impactful
- FY25 Assumptions shared with campus
  - Reviewed with IBC and Cabinet
  - Development in FAST started in Feb

# Education and General Fund (E&G) Revenues

Education and General (in thousands of dollars)	2021-23 Biennium	2023-25 Biennium			2025-27 Biennium	
	2022-23 Actual (000's)	2023-24 FY24 Budget (000's)	2023-24 Est FY24 (000's)	2024-25 FORECAST (000's)	2025-26 FORECAST (000's)	2026-27 FORECAST (000's)
<b>REVENUES</b>						
<b>Total State Funding (SSCM,ETSF,SELP,BenNav)</b>	27,001	28,157	27,879	29,002	30,158	31,373
Tuition	33,178	34,711	33,804	35,137	36,676	38,095
Fees	4,254	4,157	4,033	4,349	4,466	4,677
Raider Aid (remissions)	(4,002)	(4,055)	(4,301)	(4,105)	(4,285)	(4,450)
<i>Oth tuition &amp; fee adjustments</i>		200	200	200		
<b>Tuition, net of Raider Aid</b>	33,430	35,013	33,736	35,581	36,858	38,322
<i>Growth Opportunities Non-Recurring 1-Time Revenue</i>		1,000	1,000	1,000	1,000	
Misc. Other Revenue	3,933	3,675	4,046	3,820	3,987	4,142
<b>TOTAL REVENUES</b>	<b>64,364</b>	<b>67,846</b>	<b>66,662</b>	<b>69,403</b>	<b>72,003</b>	<b>73,836</b>

## MARCH UPDATE TO REVENUE PROJECTIONS & OBSERVATIONS

- Slight increase to fee revenue for FY24
- Slight tuition estimate increase for FY2025 based on conservative approach
- Future forecasts tempered by FY2025 projection update

# E&G Labor

## Education and General

(in thousands of dollars)

	2021-23 Biennium	2023-25 Biennium			2025-27 Biennium	
	2022-23 Actual (000's)	2023-24 FY24 Budget (000's)	2023-24 Est FY24 (000's)	2024-25 FORECAST (000's)	2025-26 FORECAST (000's)	2026-27 FORECAST (000's)
<b>EXPENSES &amp; TRANSFERS</b>						
<u>Personnel Services</u>						
Faculty	(14,626)	(14,539)	(14,524)	(14,048)	(14,334)	(14,757)
Unclassified Staff	(10,229)	(10,174)	(10,071)	(9,815)	(9,780)	(10,002)
Classified Staff	(6,845)	(7,335)	(6,802)	(7,263)	(7,779)	(8,119)
Students, GA's, etc	(1,365)	(1,787)	(1,411)	(1,670)	(1,676)	(1,759)
<b>Salaries Sub-total</b>	(33,065)	(33,835)	(32,807)	(32,796)	(33,569)	(34,636)
PERS & ORP (Retirement Pgms)	(7,890)	(8,323)	(7,993)	(8,280)	(8,571)	(8,958)
PEBB (Healthcare)	(7,907)	(8,651)	(8,157)	(8,435)	(8,721)	(9,018)
Other (FICA, SAIF, OPL, etc.)	(2,683)	(3,423)	(3,028)	(3,318)	(3,434)	(3,589)
<b>OPE Sub-total</b>	(18,480)	(20,397)	(19,178)	(20,033)	(20,726)	(21,564)
<i>Vacancy Adj.</i>		250				
<i>Other Adj. to Labor</i>		(260)			(377)	(842)
<b>Net Personnel Services</b>	(51,545)	(54,241)	(51,986)	(52,829)	(54,673)	(57,042)

## MARCH UPDATE TO LABOR PROJECTIONS & OBSERVATIONS

Faculty – tracking as anticipated

- Unclassified COLA planning still in process
- Classified salary projections now updated
  - FY24 projection (green column) showing slight decrease due to timing
  - FY25 & FY26 projections updated per bargaining update
- OPE Estimates showing savings from budget
  - PEBB cost projections for FY25 and onward have been re-baselined
  - 'Other' category to get updated during budget development

# Supplies and Services (S&S)

Education and General (in thousands of dollars)	2021-23 Biennium	2023-25 Biennium			2025-27 Biennium	
	2022-23 Actual (000's)	2023-24 FY24 Budget (000's)	2023-24 Est FY24 (000's)	2024-25 FORECAST (000's)	2025-26 FORECAST (000's)	2026-27 FORECAST (000's)
<u>Supplies &amp; Services (S&amp;S)</u>						
S&S Expenses	(12,863)	(12,292)	(13,235)	(12,231)	(12,527)	(12,840)
AP Program Share (AP)	(1,104)	(1,128)	(1,307)	(1,223)	(1,197)	(1,125)
Capital Expenses (CapEx)	(99)	(240)	(143)	(246)	(251)	(257)
<i>Program Investment</i>						
<i>S&amp;S Adjustments</i>						
<b>Total S&amp;S, CapEx, AP</b>	(14,066)	(13,660)	(14,685)	(13,700)	(13,975)	(14,222)
1x Cost Reductions, Savings, Outside Support				As Modeled	As Modeled	As Modeled
Recurring S&S Cuts				0	0	750
<i>Personnel and S&amp;S before Transfers</i>	(65,611)	(67,901)	(66,671)	(66,529)	(68,648)	(70,514)

## SUPPLIES & SERVICES (S&S) PROJECTIONS & OBSERVATIONS

S&S Full fiscal year projections are currently exceeding budget

- Some unexpected increases include:

- Title IV & Clery outsourcing
- Building repairs
- Professional services
- Timing?

AP Program share increasing

- More revenue = more revenue share
- Program growth

# Transfers

Education and General (in thousands of dollars)	2021-23 Biennium	2023-25 Biennium			2025-27 Biennium	
	2022-23 Actual (000's)	2023-24 FY24 Budget (000's)	2023-24 Est FY24 (000's)	2024-25 FORECAST (000's)	2025-26 FORECAST (000's)	2026-27 FORECAST (000's)
Budgeted Transfers (In & Out)	(3,304)	(2,822)	(2,822)	(2,749)	(2,845)	(2,968)
<i>Transfers Adjustments</i>						
<b>Transfers Net</b> (excluding relief funds)	(3,304)	(2,822)	(2,822)			
<b>Federal Relief Funds Transferred to E&amp;G</b>	3,312	2,879	2,879			
<b>Transfers Net (In &amp; Out of E&amp;G)</b>	8	57	57	(2,749)	(2,845)	(2,968)

## TRANSFERS PROJECTIONS & OBSERVATIONS

- Slight change from last update
  - Related to labor contract updates as expected
  - Careful monitoring during coming weeks of budget development as fees are determined for Auxiliaries
  
- Reminder:
  - Final year of Federal HEERF support as offset of expenses
    - Extra monitoring of regular operations post-HEERF for all transfers out of E&G
    - Detailed examination of transfers to commence during Workday transition



# Budget Forecast and Review of Proforma

# E&G Fund Balance

## Education and General

(in thousands of dollars)

	2021-23 Biennium	2023-25 Biennium			2025-27 Biennium	
	2022-23 Actual (000's)	2023-24 FY24 Budget (000's)	2023-24 Est FY24 (000's)	2024-25 FORECAST (000's)	2025-26 FORECAST (000's)	2026-27 FORECAST (000's)
<b>FUND BALANCE</b>						
Change in Fund Balance	<b>(1,239)</b>	<b>1</b>	<b>48</b>	<b>125</b>	<b>511</b>	<b>354</b>
Beginning Fund Balance	6,886	5,883	5,647	5,695	5,820	6,330
Ending Fund Balance	5,647	5,884	5,695	5,820	6,330	6,685
<b>% Operating Revenues</b>	<b>8.77%</b>	<b>8.67%</b>	<b>8.54%</b>	<b>8.39%</b>	<b>8.79%</b>	<b>9.05%</b>
Gross Tuition Contribution Ratio	50.6%	51.2%	50.7%	50.7%	51.3%	51.8%
Net Tuition Dependency Ratio	51.9%	51.6%	50.6%	51.3%	51.2%	51.9%
<b>Days of Operations</b>	29.91	30.37	29.91	30.66	32.32	33.20
<b>Months of Operations</b>	1.00	1.01	1.00	1.02	1.08	1.11

## FUND BALANCE PROJECTIONS & OBSERVATIONS

- Current fund balance projections very slightly increased from January
  - Largely due to updates to projections for labor cost escalation
- Larger labor impacts felt in FY25 – FY27
  - Contracts + CISR Surge
  - Carries forward into future fiscal years
- Continued monitoring to ensure  $R \geq C$

# E&G Pro Forma Projections to FY 27

Education and General (in thousands of dollars)	2021-23 Biennium	2023-25 Biennium			2025-27 Biennium	
	2022-23 Actual (000's)	2023-24 FY24 Budge (000's)	2023-24 Est FY24 (000's)	2024-25 FORECAST (000's)	2025-26 FORECAST (000's)	2026-27 FORECAST (000's)
<b>REVENUES</b>						
<b>Total State Funding (SSCM,ETSF,SELP,BcaNav)</b>	27,001	28,157	27,879	29,002	30,158	31,373
Tuition	33,178	34,711	33,804	35,137	36,676	38,095
Fees	4,254	4,157	4,033	4,349	4,466	4,677
Raider Aid (remissions)	(4,002)	(4,055)	(4,301)	(4,105)	(4,285)	(4,450)
<i>Dth tuition &amp; fee adjustments</i>		200	200	200		
<b>Tuition, net of Raider Aid</b>	33,430	35,013	33,736	35,581	36,858	38,322
<i>Non-Recurring 1-Time Revenue</i>		1,000	1,000	1,000	1,000	
Misc. Other Revenue	3,933	3,675	4,046	3,820	3,987	4,142
<b>TOTAL REVENUES</b>	<b>64,364</b>	<b>67,846</b>	<b>66,662</b>	<b>69,403</b>	<b>72,003</b>	<b>73,836</b>
<b>EXPENSES &amp; TRANSFERS</b>						
<u>Personnel Services</u>						
Faculty	(14,626)	(14,539)	(14,524)	(14,048)	(14,334)	(14,757)
Unclassified Staff	(10,229)	(10,174)	(10,071)	(9,815)	(9,780)	(10,002)
Classified Staff	(6,845)	(7,335)	(6,802)	(7,263)	(7,779)	(8,119)
Students, GA's, etc	(1,365)	(1,787)	(1,411)	(1,670)	(1,676)	(1,753)
<b>Salaries Sub-total</b>	(33,065)	(33,835)	(32,807)	(32,796)	(33,569)	(34,636)
PERS & ORP (Retirement Pgm)	(7,890)	(8,323)	(7,993)	(8,280)	(8,571)	(8,958)
PEBB (Healthcare)	(7,907)	(8,651)	(8,157)	(8,435)	(8,721)	(9,018)
Other (FICA, SAIF, OPL, etc.)	(2,683)	(3,423)	(3,028)	(3,318)	(3,434)	(3,589)
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Capital Expenses (CapEx)	(99)	(240)	(143)	(246)	(251)	(257)
<b>Total S&amp;S, CapEx, AP</b>	(14,066)	(13,660)	(14,685)	(13,700)	(13,975)	(14,222)
1x Cost Reductions, Savings, Outside Support				As Modeled	As Modeled	As Modeled
Recurring S&S Cuts				0	0	750
<i>Personnel and S&amp;S before Transfers</i>	(65,611)	(67,901)	(66,671)	(66,529)	(68,648)	(70,514)
Net from Operations Before Transfers	(1,247)	(56)	(9)	2,873	3,355	3,322
<b>Transfers Net (excluding relief funds)</b>	(3,304)	(2,822)	(2,822)			
<b>Federal Relief Funds Transferred to E&amp;G</b>	3,312	2,879	2,879			
<b>Transfers Net (In &amp; Out of E&amp;G)</b>	8	57	57	(2,749)	(2,845)	(2,968)
<b>TOTAL EXPENSES &amp; TRANSFERS</b>	<b>(65,603)</b>	<b>(67,845)</b>	<b>(66,614)</b>	<b>(69,278)</b>	<b>(71,493)</b>	<b>(73,482)</b>
<b>TOTAL EXPENSES (excluding Federal Relief)</b>	<b>(68,907)</b>	<b>(70,667)</b>	<b>(69,436)</b>			
<b>FUND BALANCE</b>						
Change in Fund Balance	(1,239)	1	48	125	511	354
Beginning Fund Balance	6,886	5,883	5,647	5,695	5,820	6,330
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Gross Tuition Contribution Ratio	50.6%	51.2%	50.7%	50.7%	51.3%	51.8%
Net Tuition Dependency Ratio	51.3%	51.6%	50.6%	51.3%	51.2%	51.3%
					51	
<b>Days of Operations</b>	29.91	30.37	29.91	30.66	32.32	33.20
<b>Months of Operations</b>	1.00	1.01	1.00	1.02	1.08	1.11

# Institutional Budget Committee Update

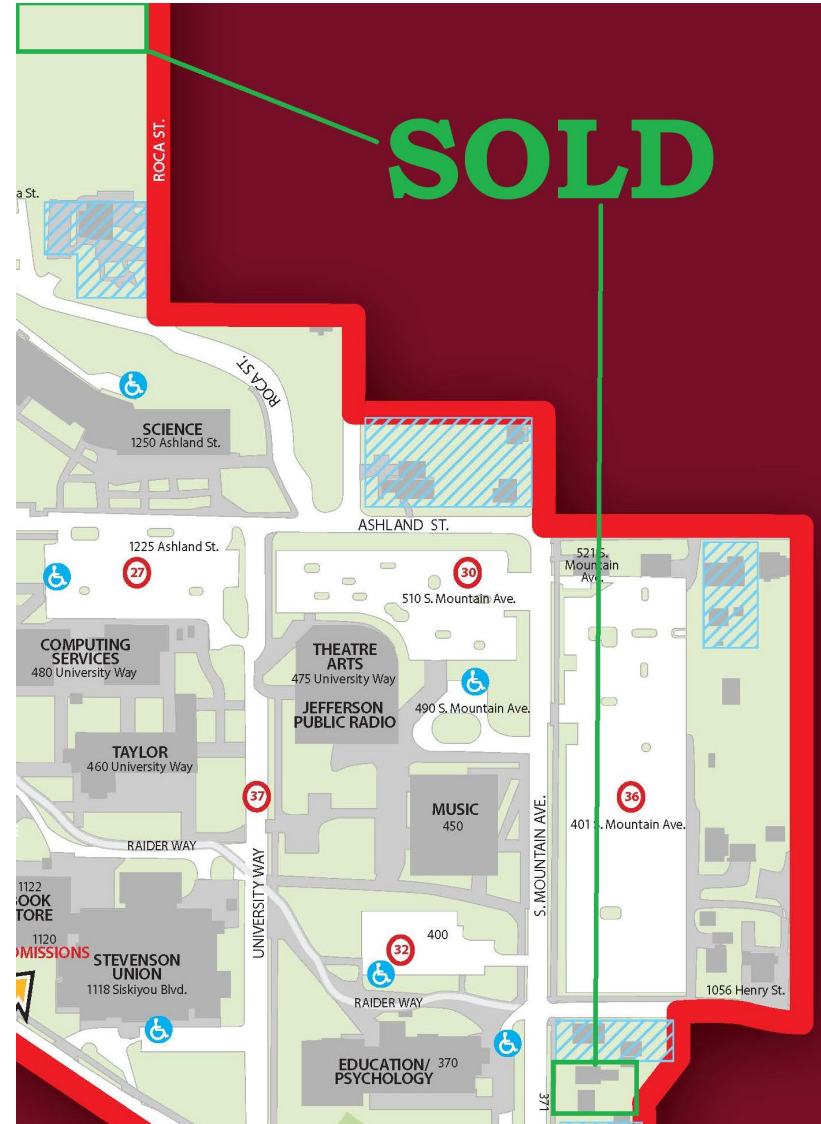
# IBC Update

- Active participation from members
- Bi-weekly meetings scheduled for remainder of year
- In-depth training on Student Success and Completions Funding Model (SSCM), and tuition model
- Reviewed assumptions and implications
- Stability target explained and discussed

# SOU Properties Update

# Properties Sold In 2022

- 668 Roca - \$283,425
- 381 South Mt - \$354,450
- 391 South Mt - \$283,425
- Remainder of Property Task Force recommendations on hold pending completion of SOU Forward



# 697 Indiana/Madrone Residence Hall Lot Adjustments



Problem: Madrone Residence Hall driveway crossed existing tax lot for 697 Indiana St.

- Polaris Land Surveying contracted to correct tax lots
- 697 Indian Revised to .18 Acres
- Tax Lot Between 697 Indiana & 1383 Oregon St. revised to .17 Acres
- Madrone driveway now part of Madrone tax lot



# 1383 Oregon St Insurance Work Complete

- 2020 interior water damage
- Belfor completed interior renovations
- SOU contracted roof replacement & exterior paint
- Ready for Housing to rent



# 1060 Henry St

- Landscape “simplification” removed invasive vegetation
- Only functional house on Henry St.
- Garage has been repeatedly vandalized/illegally accessed



# The Rest Of Henry St

- Houses boarded up to prevent illegal access
- Frequently graffitied and vandalized
- Properties used as “paths” to other properties in neighborhood



# Walker Avenue Houses

- Frequently illegally accessed & vandalized. Intent appears to be property destruction, not shelter.



- Largely boarded up, except for street views when possible.
- Landscape simplified to allow more efficient fire safety maintenance.

# Discussion of Financial Stability Target

# Financial Stability Target Update

- **GOAL:** Reserve enough for 1 full term
  - Reserves based on expenses not % of revenues
  - Use prior Fall expenses as baseline for budgeted reserve target in the coming fiscal year

+ Labor & OPE

+ S&S

+ Transfers Out

= Reserve **GOAL**

# Financial Stability Target

## FY 2025 GOAL: \$23,835,177

Education and General (in thousands of dollars)		2021-23 Biennium	2023-25 Biennium			2025-27 Biennium	
		2022-23 Actual (000's)	2023-24 FY24 Budget (000's)	2023-24 Est FY24 (000's)	2024-25 FORECAST (000's)	2025-26 FORECAST (000's)	2026-27 FORECAST (000's)
<b>FUND BALANCE</b>							
	Change in Fund Balance	(1,239)	1	48	125	511	354
	Beginning Fund Balance	6,886	5,883	5,647	5,695	5,820	6,330
	Ending Fund Balance	5,647	5,884	5,695	5,820	6,330	6,685

- Estimated Ending Fund Balance FY25: \$5,694,940
- Estimated Percent Towards GOAL: 23.89%
- Adopt the **GOAL** and budget reserve growth annually

# Modeling: Aggressive Growth

	RESERVES GOAL (Prior Fall Expense +5% escalation)	AGGRESSIVE (+10% towards GOAL per FY)	
Fiscal Year		Ending Fund Balance*	Additional Reserve \$ Per FY
2025	\$23,222,115	\$9.3M	\$2.4M
2026	\$24,383,221	\$12.2M	\$2.9M
2027	\$25,602,382	\$15.4M	\$3.2M
2028	\$26,882,501	\$18.8M	\$3.5M
2029	\$28,226,626	\$22.6M	\$3.8M
2030	\$29,637,957	\$26.7M	\$4.1M
2031	\$31,119,855	\$31.1M	\$4.4M

\*Assumes 100% fund balance retained year-over-year



# Modeling: Balanced Approach

Fiscal Year	RESERVES GOAL (Prior Fall Expense +5% escalation)	BALANCED (+5% towards GOAL per FY)	
		Ending Fund Balance*	Additional Reserve \$ Per FY
2025	\$23,222,115	\$8.1M	\$1.2M
2026	\$24,383,221	\$9.8M	\$1.6M
2027	\$25,602,382	\$11.5M	\$1.8M
2028	\$26,882,501	\$13.4M	\$1.9M
2029	\$28,226,626	\$15.5M	\$2.1M
2030	\$29,637,957	\$17.8M	\$2.3M
*Assumes 100% fund balance retained year-over-year <b>8yrs later...</b>			
2038	\$43,788,761	\$43.8M	\$4.2M

# Modeling: Limited Savings

	<b>RESERVES GOAL (Prior Fall Expense +5% escalation)</b>	<b>LIMITED (+3% towards GOAL per FY)</b>	
Fiscal Year		Ending Fund Balance*	Additional Reserve \$ Per FY
2025	\$23,222,115	\$7.7M	\$757k
2026	\$24,383,221	\$8.8M	\$1.1M
2027	\$25,602,382	\$10.0M	\$1.2M
2028	\$26,882,501	\$11.3M	\$1.3M
2029	\$28,226,626	\$12.7M	\$1.4M
2030	\$29,637,957	\$14.2M	\$1.5M
		*Assumes 100% fund balance retained year-over-year <b>19yrs later...</b>	
2049	\$72,753,823	\$72.8M	\$5.5M

# Core Information System Replacement Project Update

# Future Meetings

# Adjournment