



OFFICE OF THE BOARD OF TRUSTEES

Public Meeting Notice

May 8, 2025

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 the financial dashboard, a periodic management report, and an investment report.

Information and discussion items include a vice president's report consisting of a Higher Education Coordinating Commission update, SOU impacts of governmental changes, and other general updates. Other items on the agenda include an SOU government relations update; Fiscal Year (FY) 2025 budget update and review of the FY 2026 draft budget; and the Core Information System Replacement Project budget update. The committee will also discuss student debt recovery.

The meeting will occur as follows:

Thursday, May 15, 2025
5:00 p.m. to 7:00 p.m. (or until business concludes)
Visit governance.sou.edu for the meeting materials.
SOU Ashland Campus, Hannon Library, Meese Room
1290 Ashland Street, Ashland, OR, 97520

Members of the public may view the proceedings at <https://sou.zoom.us/j/88323556067> at the time of the meeting.

If ADA accommodations for persons with disabilities are required, please contact Holly Frazier at (541) 552-8055 or email trustees@sou.edu. Accommodation requests should be made at least 48 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 to speak, or 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
May 15, 2025

Call to Order / Roll / Declaration of a Quorum



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

**Thursday, May 15, 2025
5:00 – 7:00 p.m. (or until business concludes)
Meese Room, Hannon Library, SOU Campus
Zoom: <https://sou.zoom.us/j/88323556067>**

AGENDA

Persons wishing to provide live public comments 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.

- | | | | |
|-----------|----------|---|--|
| 5:00 p.m. | 1 | Call to Order/Roll/Declaration of a Quorum | |
| | 1.1 | Welcome and Opening Remarks | Chair Liz Shelby |
| | 1.2 | Roll and Declaration of a Quorum | Sabrina Prud'homme,
SOU, Board Secretary |
| | 1.3 | Agenda Review | Chair Liz Shelby |
| 5:05 | 2 | Public Comment | |
| 5:20 | 3 | Consent Agenda (Action) | Chair Liz Shelby |
| | 3.1 | Financial Dashboard | |
| | 3.2 | Periodic Management Report | |
| | 3.3 | Third Quarter Investment Report | |
| 5:25 | 4 | Vice President's Report | Dr. Carson Howell, Vice
President for Finance and
Administration |
| | 4.1 | HECC Update | |
| | 4.2 | SOU Impacts of Governmental Changes | |
| | 4.3 | Other General Updates | |
| 5:35 | 5 | Action, Information and Discussion Items | |
| | 5.1 | SOU Government Relations Update | Marc Overbeck, SOU,
Director of Government
Relations; Rob Partridge,
SOU, General Counsel |

**Southern Oregon University
Board of Trustees
Finance and Administration Committee Meeting
Thursday, May 15, 2025**

AGENDA (Continued)

5:45	5.2	Fiscal Year (FY) 2025 Budget Update and Review of FY 2026 Budget Draft	Dr. Carson Howell; Josh Lovern, SOU, Director of Budget and Planning; Krista Darrah, SOU, Controller and Director of Business Services
6:30	5.3	Student Debt Recovery	Dr. Casey Shillam, SOU, Provost and Executive Vice President for Academic and Student Affairs
6:45	5.4	Core Information System Replacement Project: Project Budget Update	Dr. Carson Howell
6:55	5.5	Future Meetings	Chair Liz Shelby
7:00 p.m.	6	Adjournment	Chair Liz Shelby

Public Comment

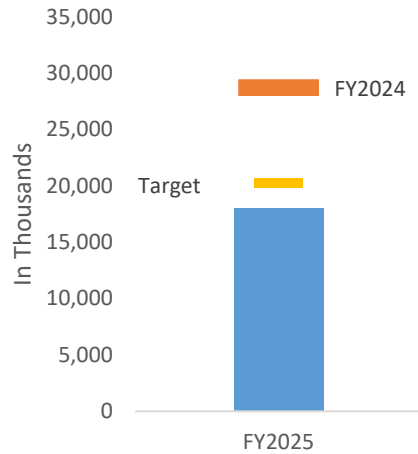
Consent Agenda (Action)

(Investment report added May 9)

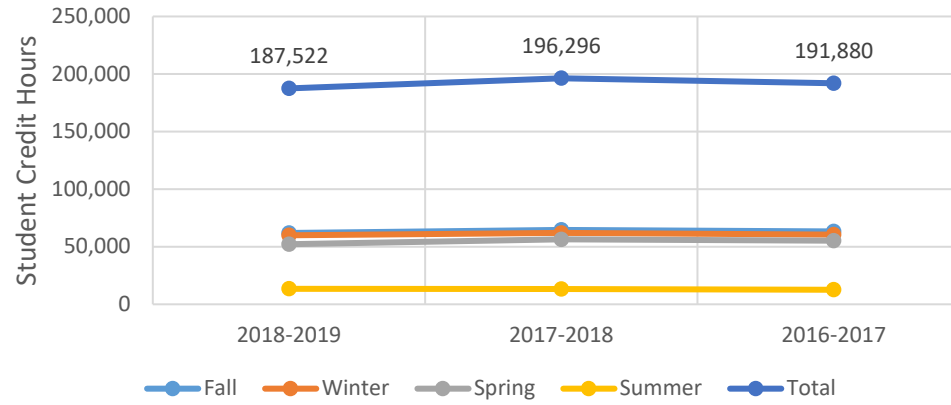
Financial Dashboard

For FY2025
As of April 30, 2025

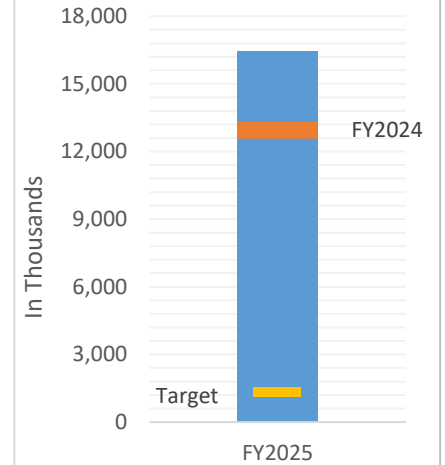
Operating Cash



Total Student Credit Hours by Term of the Fiscal Year



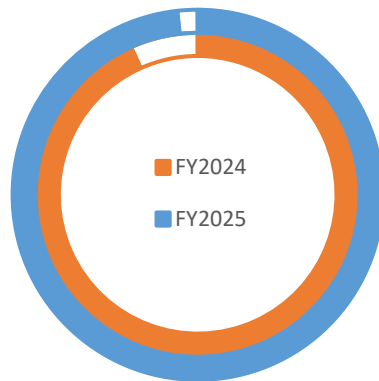
E&G Fund Balance



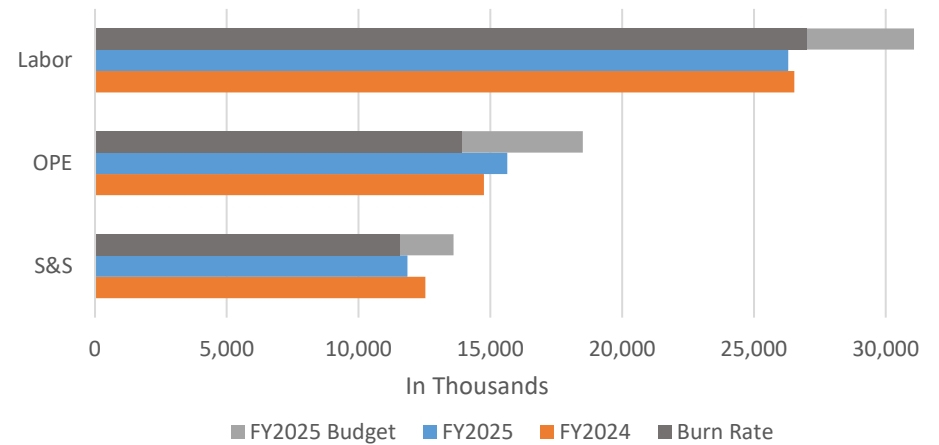
E&G YTD Revenues

Tuition and Fees are based on student credit hours. Actuals may vary as the feed to Workday was not complete as of the day of this report.

E&G YTD Revenues



E&G YTD Select Expenses



Periodic Management Report



As of April 30, 2025
Fiscal Year Ending June 30, 2025

	<u>Year-to-Date</u>			<u>Budget</u>
(in thousands)	FY2024 Results	Prior YTD Actual	Current YTD Actual	% Change compared to last year
Education & General				
State General Fund	\$ 28,978	\$ 28,862	\$ 28,628	-1%
Tuition & Resource Fees, net of Remissions	32,842	31,757	34,282	8%
Other	2,488	2,654	2,356	-11%
Total Revenues	\$ 64,308	\$ 63,274	\$ 65,267	
Personnel Services	\$ 52,574	\$ 41,278	\$ 41,948	2%
Supplies & Services & Capital Outlay	13,829	11,664	12,242	5%
Total Expenditures	\$ 66,403	\$ 52,942	\$ 54,190	2%
Net from Operations	\$ (2,095)	\$ 10,332	\$ 11,076	7%
Net Transfers In (Out)	350	(2,189)	(589)	
Total Expenses & Transfers	1,745	(8,143)	(10,488)	29%

FY2025 Q3 Investment Reports

BACKGROUND

The Southern Oregon University (university) investment report for the third quarter (Q3, January 1 – March 31, 2025) of fiscal year (FY) 2025 is presented in the following sections:

- **FY2025 Q3 Southern Oregon University Investment Report** – This section includes a report on the investments of the operating and endowment assets of the university. This report reflects the university's operating assets that are invested by the Oregon State Treasury in the Oregon Short-Term Fund and the university's endowment investments managed by the Oregon State Treasury.
- **FY2025 Q3 Market Commentary** – This section provides a general discussion of the investment markets and related performance data for the third quarter of FY2025 (i.e., January 1 – March 31, 2025).

FY2025 Q3 SOUTHERN OREGON UNIVERSITY INVESTMENT REPORT

The schedule of Southern Oregon University's investments is shown in the investment summary below.

Southern Oregon University Operating Assets

Southern Oregon University's operating assets are invested in the Oregon Short Term Fund (OSTF). As of March 31, 2025, SOU had \$13.8 million on deposit in the OSTF.

The OSTF increased 1.2% for the quarter and rose 3.7% fiscal year-to-date, outperforming its benchmark by 20 basis points for the quarter and 10 basis points fiscal-year-to-date.

Southern Oregon University Endowment Fund

The SOU Endowment Fund (Fund) declined 0.9% for the quarter and rose 4.1% fiscal year-to-date, underperforming its policy benchmark by 60 basis points for the quarter and by 10 basis points fiscal year-to-date. The three-year average return was 4.8%, exceeding its benchmark by 10 basis points. The five-year average return of 11.2% outperformed its benchmark by 80 basis points. The Fund ended the quarter with a balance of \$3.1 million.

The majority of the Fund's assets (76.5%) were allocated to a global equity index strategy, while 23.5% of the portfolio was allocated to cash. The Western Asset Core Bond Fund was liquidated in December 2024.

For the three months ending March 31, 2025, the Blackrock All-Country World Index declined 1.5%, performing better than its benchmark by 10 points.

Subsequent to March 31, 2025, approximately \$714,000 was invested into the Fidelity Total Bond Fund during April 2025.

Southern Oregon University
Investment Summary
as of March 31, 2025
(Net of Fees)

	Quarter Ended 3/31/2025	Current Fiscal YTD	Prior Fiscal YTD	3 Yr Avg	5 Yr Avg	10 Yr Avg	Market Value	Actual Asset Allocation	Policy Allocation Target
SOU Operating Assets									
Oregon Short - Term Fund	1.2%	3.7%	3.6%	3.9%	2.7%	2.1%	\$ 13,836,593	100.0%	N/A
Benchmark - 91 day T-Bill	1.0%	3.6%	4.0%	4.2%	2.6%	1.9%			
SOU Endowment Assets									
BlackRock ACWI IMI B	-1.5%	4.1%	15.7%	6.6%	15.3%	8.8%	\$ 2,349,061	76.5%	75.0%
Benchmark - MSCI ACWI IMI Net	-1.6%	3.8%	15.6%	6.3%	15.0%	8.6%			
Under Review1	N/A	N/A	N/A	N/A	N/A	N/A	-	0.0%	25.0%
Benchmark - Bloomberg Barclays Aggregate Index	2.4%	5.0%	2.6%	2.2%	0.8%	1.9%			
Cash	1.2%	3.7%	3.6%	3.9%	2.7%	2.1%	720,307	23.5%	0.0%
Benchmark - 91 day T-Bill	1.0%	3.6%	4.0%	4.2%	2.6%	1.9%			
Total Endowment Assets	-0.9%	4.1%	12.3%	4.8%	11.2%	7.0%	\$ 3,069,368	100.0%	
Policy Benchmark ²	-0.3%	4.2%	11.7%	4.7%	10.4%	N/A			

¹ The Western Asset Core Bond Fund was liquidated in December 2024. A replacement fund is under review.

² Policy Benchmark Composition: 75% Morgan Stanley Capital Indices All-Country World Investable Market Index Net , 25% Bloomberg Barclays Aggregate Bond Index.

Oregon Short Term Fund

March 31, 2025

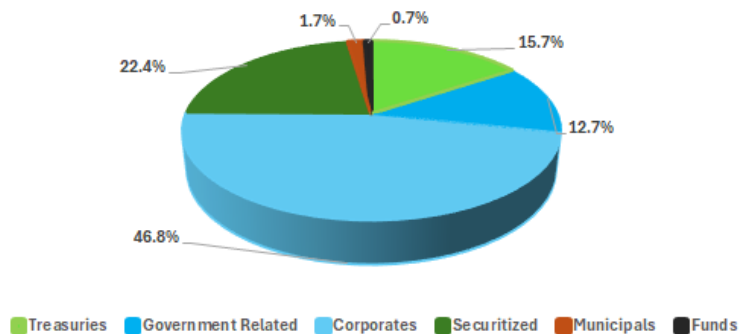
Portfolio Characteristics

Market Value 3/31/2025	\$ 335,164,369
Weighted Average Credit Quality	AA
Book Yield (%)	4.71%
Weighted Average Maturity (days)	93 days
Duration (years)	0.22
Spread Duration (years)	0.69

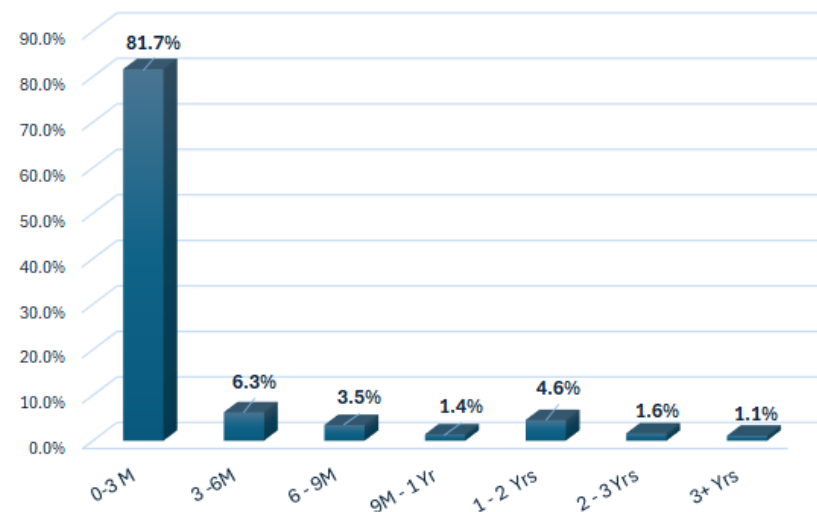
Top 10 Issuers

United States Treasury	15.7%
Federal Farm Credit Banks	3.7%
Canada Pension Plan Investment Board Capital Incorporated	2.5%
American Honda Finance Corporation	2.1%
Capital One Multi-Asset Execution Trust	1.9%
National Rural Utilities Cooperative Finance Corporation	1.7%
The Toronto-Dominion Bank	1.6%
New York Life Global Funding	1.6%
Toyota Motor Credit Corp	1.6%
Royal Bank of Canada	1.5%
Total	33.9%

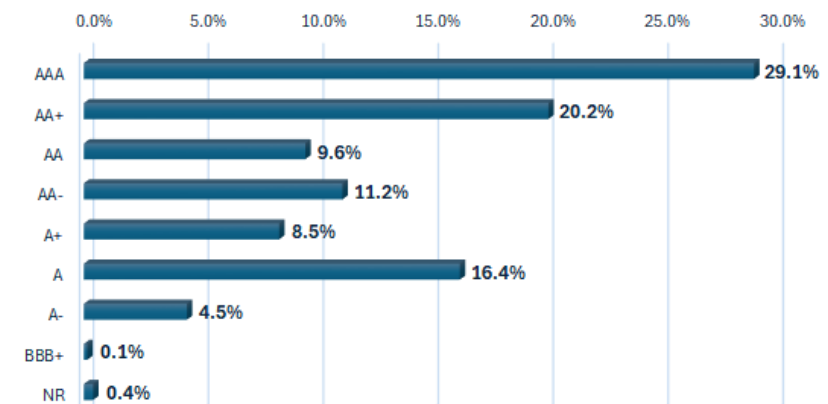
Sector Allocations



Maturity Breakdown



Credit Quality Distribution



Source: Oregon State Treasury

FY2025 Q3

MARKET COMMENTARY

(Prepared by Meketa Investment Group, consultants to the Oregon Investment Council)

Report on Investments – as of March 31, 2025

Economic and Market Update

In the first calendar quarter of 2025, investment flows rotated out of U.S. stocks to non-U.S. stocks while bonds rallied on uncertainty related to tariffs and growth.

- Domestic equities sold off in the first calendar quarter with the (S&P 500) declining (-4.3%) with growth underperforming value, small-cap trailing large-cap, and defensive sectors outperforming.
- Non-U.S. developed market stocks (Morgan Stanley Capital Indices (MSCI) Europe Australasia Far-East (EAFE)) increased 6.9% outperforming U.S. markets at the start of the year, supported by rate cuts from the European Central Bank (ECB), European Union planned increases in defense spending, and a weakening U.S. dollar.
- Emerging market stocks rose 2.9% in the first calendar quarter, largely supported by a rally in Chinese stocks (+15.0%) on DeepSeek AI enthusiasm.
- In February, the Federal Reserve held rates steady with inflation, while improving, remaining above target with the unemployment rate at near historic lows.
- Most fixed income markets posted positive returns for the quarter. The broad U.S. bond market (Bloomberg U.S. Aggregate) rose 2.8% for the quarter. Long Treasuries (+4.7%) were the best performer in the falling rate environment while high yield bonds (+1.0%) produced the smallest gains given the economic uncertainty in the U.S.
- Looking ahead, continued uncertainty related to the U.S. administration's tariff policies and their impact on the economy, inflation, and Fed policy will be key. The path of China's economy and relations with the U.S., as well as concerns over elevated valuations and technology-driven concentration in the U.S. equity market will also be important focuses of 2025.

Vice President's Report

Government Relations Update

Items in this Report

- University Funding
- SOU Capital Construction Proposal
- Other Items of Note
- Bills of Interest
- Thank you to Trustees

University Funding

- OCOP Request: \$1.275 Billion
- Governor's Recommended Budget: \$1.07 Billion
- Ways & Means Co-Chair Budget \$1.09 Billion
- Strong messaging from Co-Chairs and Leadership that “Current Service Level” is what universities will receive (aligned with theme of funding “core services”)

SOU Capital Request

- Creative Industries Proposal - *#2 of ranked university projects on prioritized list*
- Many meetings with Subcommittee Members
- SOU continues to pursue a media/video/visit campaign to receive approval this session.
- Optimistic we will be successful

Other Issues

- May 14 Revenue Forecast
 - SOU has built a relationship with Carl Riccadonna, the new State Economist
- Legislative Sine Die (Adjournment) by June 29

Bills of Interest

Far fewer bills remaining during the session left to consider

- HB 3213 – University Foundation Bill – dead
- HB 3129 – University BH Workforce Bill – in W&M
- HB 3458 – HECC study on reporting mandates – put into HB 3026, should continue to move
- HB 2551 – Higher Education Campus Public Safety Bill – passed the Senate
- HB 2649 – Taiwan Student Proposal – In committee, but should be passed this session.

Thank you!

Thank you to ALL Trustees for your support and questions – particularly

- Chair Clough
- Vice-Chair Franks
- Trustee Chavez
- Trustee Mendoza
- Trustee Santos

for testimony and advocacy at legislative events in Salem and elsewhere!!!

Fiscal Year (FY) 2025 Budget Update and Review of FY 2026 Budget Draft

***Fiscal Year (FY) 2025 Budget Update**

- Remissions analysis
- Other Personnel Expenses (OPE) Analysis
- TRU+ sustainability funding
- Future projections

*Note: Some rows in pro forma have been collapsed for readability

FY 2026 Draft Budget: Key Assumptions

- Education and General (E&G) Fund
 - -3% Student Credit Hours across all categories
 - Tuition at April adopted rates
 - Labor
 - Classified: Per Collective Bargaining Agreements
 - Faculty: Estimate of Bargaining Outcomes
 - Unclassified: 1% Across the Board
- Supplies and Services (S&S) flat except contracts being reviewed for FY 26; principally IT related
- Transfers modeled after labor increases, but final budget dependent on ASSOU Allocations

***FY 2026 Draft E&G Budget Outstanding Items**

- May revenue forecast
- PUSF updates
- Funding requests
- Bargaining outcomes
- Enrollment shifts (focus on yield)

As a result, a “drafty” draft appears in subsequent slides

*Note: Some rows in pro forma have been collapsed for readability

E&G Revenues

	2023-25 Biennium			2025-27 Biennium	
	2023-24 Actual (000's)	2024-25 FY25 Budget (000's)	2024-25 Est FY25 (000's)	2025-26 DRAFT BUDGET (000's)	2026-27 FORECAST (000's)
REVENUES					
Total State Funding (SSCM,ETSF,SELP)	27,856	28,706	28,706	29,481	30,529
Tuition	33,204	34,845	34,897	35,316	36,188
Fees	4,479	4,247	4,591	4,646	4,821
Raider Aid (remissions)	(4,853)	(4,000)	(5,206)	(5,269)	(5,005)
<i>Oth tuition & fee adjustments</i>		(1,100)			
Tuition, net of Raider Aid	32,830	33,992	34,282	34,694	36,004
Misc. Other Revenue	4,044	3,742	3,742	4,187	4,290
TOTAL REVENUES	64,730	66,439	66,730	68,361	70,822

MAY UPDATE TO REVENUE PROJECTIONS & OBSERVATIONS

- FY25 Remissions “deep dive” revealed a much larger than expected growth from prior year (+28%) that is having a very large impact to revenues
- Significant impact to overall fund balance for coming years

FY2026 Draft Budget

- Tuition nearly unchanged from April (+70K)
- No major updates to tuition, fee, or state revenue assumptions
- Update to Miscellaneous Other Revenues projections
- Update to remissions to reflect cohort continuation at updated discount rate

E&G Revenues Variance Analysis

	2023-25 Biennium		
	2024-25 FY25 Budget (000's)	2024-25 Est FY25 (000's)	2024-25 VARIANCE (000's)
REVENUES			
Total State Funding (SSCM,ETSF,SELP)	28,706	28,706	0
Tuition	34,845	34,897	52
Fees	4,247	4,591	344
Raider Aid (remissions)	(4,000)	(5,206)	(1,206)
<i>Oth tuition & fee adjustments</i>	(1,100)		1,100
Tuition, net of Raider Aid	33,992	34,282	290
Misc. Other Revenue	3,742	3,742	-
TOTAL REVENUES	66,439	66,730	290

MAY BUDGET vs PROJECTION VARIANCE ANALYSIS - REVENUES

FY2025 Budget vs Estimate to Complete*

- Tuition (+\$52k) and Fees (+\$344k)
- Remissions (-\$1,206) – large increase over budget requiring extra monitoring
- Total Revenue Variance: \$290k

*NOTE: FY 2025 Revenue data feed process is not yet finalized

E&G Labor

		2023-25 Biennium			2025-27 Biennium	
		2023-24	2024-25	2024-25	2025-26	2026-27
		Actual	FY25 Budget	Est FY25	DRAFT BUDGET	FORECAST
		(000's)	(000's)	(000's)	(000's)	(000's)
EXPENSES & TRANSFERS						
<u>Personnel Services</u>						
Faculty		(14,370)	(14,678)	(13,985)	(14,922)	(15,381)
Unclassified Staff		(9,908)	(9,896)	(9,595)	(9,780)	(10,002)
Classified Staff		(7,036)	(7,426)	(7,241)	(7,797)	(8,176)
Students, GA's, etc		(1,334)	(1,499)	(1,408)	(1,589)	(1,603)
Salaries Sub-total		(32,648)	(33,499)	(32,228)	(34,088)	(35,162)
PERS & ORP (Retirement Pgms)		(8,015)	(7,534)	(7,998)	(8,336)	(8,708)
PEBB (Healthcare)		(8,112)	(7,793)	(8,094)	(8,303)	(8,586)
Other (FICA, SAIF, OPL, etc.)		(3,187)	(3,184)	(3,180)	(3,314)	(3,462)
OPE Sub-total		(19,313)	(18,511)	(19,271)	(19,954)	(20,756)
Net Personnel Services		(51,962)	(52,010)	(51,500)	(54,420)	(56,760)

MAY UPDATE TO LABOR PROJECTIONS & OBSERVATIONS

- Mostly unchanged from April estimates if even slight improvements

FY2026 Draft Budget

- OPE extra analysis necessitates update to draft (+543k) compared to April
 - Person-by-person analysis underway for June budget
- FY26 will be final year of SOU Forward planned retirements/separations

E&G Labor Variance Analysis

2023-25 Biennium		
2024-25 FY25 Budget (000's)	2024-25 Est FY25 (000's)	2024-25 VARIANCE (000's)
(14,678)	(13,953)	725
(9,896)	(9,859)	36
(7,426)	(7,401)	26
(1,499)	(1,411)	88
(33,499)	(32,624)	874
(7,534)	(8,018)	(484)
(7,793)	(8,115)	(322)
(3,184)	(3,188)	(4)
(18,511)	(19,321)	(810)
(52,010)	(51,945)	65

MAY BUDGET vs PROJECTION VARIANCE ANALYSIS - LABOR

FY2025 Budget vs Estimate to Complete

- Salaries - \$874k under budget; mostly Faculty deferral issue being monitored
- OPE - \$810 over budget; Retirement & Health need new modeling
- Net LABOR - \$65k under budget

Supplies & Services (S&S)

Supplies & Services (S&S)

	2023-25 Biennium			2025-27 Biennium	
	2023-24 Actual (000's)	2024-25 FY25 Budget (000's)	2024-25 Est FY25 (000's)	2025-26 DRAFT BUDGET (000's)	2026-27 FORECAST (000's)
S&S Expenses	(14,120)	(12,231)	(11,726)	(12,527)	(12,840)
RisePoint Program Share (AP)	(1,383)	(1,249)	(1,225)	(1,307)	(1,354)
Capital Expenses (CapEx)	(49)	(125)	(90)	(92)	(94)
Total S&S, CapEx, AP	(15,552)	(13,605)	(13,040)	(13,926)	(14,288)

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

- S&S Full fiscal year projections now show impact of TRU+ Sustainability
 - Intentionally more conservative than modeling suggests
 - Final round of TRU+ Sustainability to be submitted in June

FY2026 Draft Budget

- Draft Budget needs more finessing to account for software changes before final budget in June; lots of contract updates occurring

Supplies & Services Variance Analysis

	2023-25 Biennium		
	2024-25 FY25 Budget (000's)	2024-25 Est FY25 (000's)	2024-25 VARIANCE (000's)
<u>Supplies & Services (S&S)</u>			
S&S Expenses	(12,231)	(11,726)	505
RisePoint Program Share (AP)	(1,249)	(1,225)	24
Capital Expenses (CapEx)	(125)	(90)	35
Total S&S, CapEx, AP	(13,605)	(13,040)	565

MAY VARIANCE ANALYSIS – S&S

FY2025 Budget vs Estimate to Complete

- General Supplies & Services – now \$505k **UNDER** budget
 - Intentionally conservative compared to model
- AP Program – \$24k under budget
 - Program shrinkage in models
- Capital Expenses - \$35k under budget
- Net impact, \$565k under budget

- June update will integrate final TRU+ Sustainability funding

Transfers

	2023-25 Biennium			2025-27 Biennium	
	2023-24 Actual (000's)	2024-25 FY25 Budget (000's)	2024-25 Est FY25 (000's)	2025-26 DRAFT BUDGET (000's)	2026-27 FORECAST (000's)
Budgeted Transfers (In & Out)	(2,529)	(2,706)	(2,706)	(2,831)	(2,953)
Transfers Net (excluding relief funds)	(2,529)	(2,706)	(2,706)	(2,831)	(2,953)
Federal Relief Funds Transferred to E&G	2,879				
Transfers Net (In & Out of E&G)	350	(2,706)	(2,706)	(2,831)	(2,953)

MAY TRANSFERS PROJECTIONS & OBSERVATIONS

FY2025

- Automatic processes still being established in Workday
- Estimate set to Budget until more fidelity can be achieved

• **DRAFT FY2026**

- Estimate based on labor & OPE increase assumptions in E&G transfer supported areas; principally Athletics

MAY VARIANCE ANALYSIS – TRANSFERS

FY2025 Budget vs Estimate to Complete

- No observable deviations from budget currently

E&G Fund Balance	2023-25 Biennium			2025-27 Biennium	
	2023-24 Actual (000's)	2024-25 FY25 Budget (000's)	2024-25 Est FY25 (000's)	2025-26 DRAFT BUDGET (000's)	2026-27 FORECAST (000's)
TOTAL EXPENSES & TRANSFERS	(67,164)	(68,321)	(67,246)	(71,177)	(73,252)
TOTAL EXPENSES (excluding Federal Relief)	(69,693)				
FUND BALANCE	25,853				
Non-Recurring 1-Time Revenue	1,122	1,458	729	334	
Non-Recurring 1-Time Expense			(1,500)		
Adjusted Ending Fund Balance	4,336	3,912	3,048	567	(1,863)
% Operating Revenues (Adjusted)	6.70%	5.89%	4.57%	0.83%	-2.63%
Change in Fund Balance	(2,433)	(1,881)	(517)	(2,815)	(2,429)
Beginning Fund Balance	5,647	3,214	3,214	2,697	(118)
Ending Fund Balance	3,214	1,332	2,697	(118)	(2,547)
% Operating Revenues (Regular Ops)	4.96%	2.01%	4.04%	-0.17%	-3.60%
Days of Operations	16.75	19.09	14.64	(0.61)	(12.69)
Months of Operations	0.56	0.64	0.49	(0.02)	(0.42)

MAY UPDATE FUND BALANCE PROJECTIONS & OBSERVATIONS

- FY25 fund balance significantly changed from April estimate.
 - TRU+ Sustainability funding but tempered by Remissions
- Future biennium prospects turning negative
 - Remissions and labor updates; extra review S&S contracts
- Continued monitoring to ensure $R \geq C$

E&G Fund Balance Variance Analysis	2023-25 Biennium		
	2024-25	2024-25	2024-25
	FY25 Budget	Est FY25	VARIANCE
	(000's)	(000's)	(000's)
TOTAL EXPENSES & TRANSFERS	(68,321)	(67,246)	1,075
TOTAL EXPENSES (excluding Federal Relief)			
FUND BALANCE			
Non-Recurring 1-Time Revenue	1,458	729	(729)
Non-Recurring 1-Time Expense		(1,500)	(1,500)
Adjusted Ending Fund Balance	3,912	3,048	(864)
% Operating Revenues (Adjusted)	5.89%	4.57%	-1.32%
Change in Fund Balance	(1,881)	(517)	1,365
Beginning Fund Balance	3,214	3,214	0
Ending Fund Balance	1,332	2,697	1,365
% Operating Revenues (Regular Ops)	2.01%	4.04%	2.04%
Days of Operations	19.09	14.64	(4.45)
Months of Operations	0.64	0.49	(0.15)

APRIL VARIANCE ANALYSIS – FUND BALANCE

FY2025 Budget vs Estimate to Complete

- Total Expenses & Transfers \$315k over budget, largely due to OPE estimate
- Change in Fund Balance pressure stemming from Remissions/Labor
- Currently, estimates still better than budgeted, but more work remains

E&G Pro Forma Projections to FY2027

Education and General <small>(in thousands of dollars)</small>	2023-25 Biennium				2025-27 Biennium	
	2023-24 Actual (000's)	2024-25 FY25 Budget (000's)	2024-25 Est FY25 (000's)	2024-25 VARIANCE (000's)	2025-26 DRAFT BUDGET (000's)	2026-27 FORECAST (000's)
REVENUES						
Total State Funding (SSCM,ETSF,SELP)	27,856	28,706	28,706	0	29,481	30,529
Tuition	33,204	34,845	34,897	52	35,316	36,188
Fees	4,479	4,247	4,591	344	4,646	4,821
Raider Aid (remissions)	(4,853)	(4,000)	(5,206)	(1,206)	(5,269)	(5,005)
<i>Oth tuition & fee adjustments</i>		(1,100)		1,100		
Tuition, net of Raider Aid	32,830	33,992	34,282	290	34,694	36,004
Misc. Other Revenue	4,044	3,742	3,742	-	4,187	4,290
TOTAL REVENUES	64,730	66,439	66,730	290	68,361	70,822
ENSES & TRANSFERS						
<u>Personnel Services</u>						
Salaries Sub-total	(32,648)	(33,499)	(32,228)	1,270	(34,088)	(35,162)
OPE Sub-total	(19,313)	(18,511)	(19,271)	(760)	(19,954)	(20,756)
Net Personnel Services	(51,962)	(52,010)	(51,500)	510	(54,420)	(56,760)
<u>Supplies & Services (S&S)</u>						
Total S&S, CapEx, AP	(15,552)	(13,605)	(13,040)	565	(13,926)	(14,288)
<i>Personnel and S&S before Transfers</i>	(67,514)	(65,615)	(64,540)	1,075	(68,345)	(70,299)
Net from Operations Before Transfers	(2,783)	825	2,189	1,365	16	524
Transfers Net (excluding relief funds)	(2,529)	(2,706)	(2,706)	-	(2,831)	(2,953)
Federal Relief Funds Transferred to E&G	2,879					
Transfers Net (In & Out of E&G)	350	(2,706)	(2,706)	-	(2,831)	(2,953)
TOTAL EXPENSES & TRANSFERS	(67,164)	(68,321)	(67,246)	1,075	(71,177)	(73,252)
TOTAL EXPENSES (excluding Federal Relief)	(69,693)					
FUND BALANCE						
Non-Recurring 1-Time Revenue	1,122	1,458	729	(729)	334	
Non-Recurring 1-Time Expense			(1,500)	(1,500)		
Adjusted Ending Fund Balance	4,336	3,912	3,048	(864)	567	(1,863)
% Operating Revenues (Adjusted)	6.70%	5.89%	4.57%	-1.32%	0.83%	-2.63%
Change in Fund Balance	(2,433)	(1,881)	(517)	1,365	(2,815)	(2,429)
Beginning Fund Balance	5,647	3,214	3,214	0	2,697	(118)
Ending Fund Balance	3,214	1,332	2,697	1,365	(118)	(2,547)
% Operating Revenues (Regular Ops)	4.96%	2.01%	4.04%	2.04%	-0.17%	-3.60%
Days of Operations	16.75	19.09	14.64	(4.45)	(0.61)	(12.69)
Months of Operations	0.56	0.64	0.49	(0.15)	(0.02)	(0.42)

Student Debt Recovery

(Materials added to this section May 12)



To: Southern Oregon University Board of Trustees Finance Committee
Re: Significant Balance Hold Update
May 12, 2025

Over the past 10 years, the significant balance threshold has varied from \$1,500 at the lowest to \$12,000 at the highest. The primary purpose of the Significant Balance Hold is to create a pause in registration abilities to facilitate a necessary discussion regarding a student's account balance. The intention is to strategically engage in the critical dialogue at a point where the student's account balance has not become unmanageable.

There are currently two compounding issues the significant balance threshold is intended to assist with addressing: a lack of financial literacy and account participation by students. Continuing to extend the "credit" on student accounts by permitting significant account balances to exist undeniably impacts the university's ability to project continued student support through services offered. This diminishes the efforts and attention of those students who have actively participated in planning their educational costs versus their available finances, resulting in a non-delinquent account.

Ultimately, these factors create the total of aging and delinquent debt, currently \$16,170,766.26 as of April 29, 2025.

Of this total:

- 37% is 0-1 Year in Age
- 20% is 1-2 Years in Age
- 19% is 2-3 Years in Age
- 12% is 3-4 Years in Age
- 9% is 4-5 Years in Age
- 3% is over 5 Years in Age

Of the \$16,170,766.26, the account status in order of highest contributors to lowest are: collections agencies (46%), no delinquency code is present (30%), payment plan (23%), internal collections (<.5%), Bankruptcy (<.15%), write-off (.1%), and deceased (.01%).

The primary source of this current problem is the decision to temporarily cease collection efforts and registration restriction during the pandemic (March 2020 through December 2021).

During that time, the pause in these efforts was intended to reduce the emotional and financial stress students may have been experiencing. Students were able to continuously register for courses without any financial aid in place or payments being made to their accounts. As a result, when the collection efforts paused in April of 2020, the aging balances totaled \$10,178,017 and increased to \$12,382,468 at the end of 2021 calendar year. When the Significant Balance Hold was once again reinstated, the total aging balances had increased to \$15,592,514. Between 2020 and 2022, there was an increase of \$5,414,497 (65.28%) in the aging balances total.

Office of the Provost
1250 Siskiyou Boulevard
Ashland, Oregon 97520-5031

T: 541.552.6114
F: 541.552.6115



SOU is undoubtedly the most generous of the Oregon universities with regard to the significant balance threshold we enforce. If a student were to disenroll with SOU due to the Significant Balance Hold restricting registration, they will not find another more accommodating public university in the state of Oregon:

EOU – In order to register, a student cannot have any previous term balance and must have 2/3 of the current term's balance paid. Sometimes a concession will be made by their collection's person if the two-thirds hasn't been met with less than \$1,000.00 balance.

OIT - Registration holds are placed on accounts with past due balances of \$1,500.00 or more (for balances made up of current term charges, but for past term balances, registration holds apply for balances over \$100). Students on the payment plan who are up to date on the required payments will not receive a registration hold.

OSU - Can owe up to \$500 with balances from current term only in order to register for next term. If no longer enrolled, must pay in full to re-register.

PSU - Require payment in full or to enroll in the payment plan by the first due date, which is typically always during the 2nd week of the term and add/drop period is 4 weeks total.

UO - \$3,000 non-Oregon resident, \$1,000 for Oregon residents

WOU – The maximum carrying threshold an enrolled student may have for the current term is \$2,500. Students who exceed the maximum carrying threshold and fail to resolve their balance will have an Accounts Receivable Hold on their account. Access to registration for subsequent terms will be restricted until the account balance falls below the established threshold. Students who are not enrolled in the current term must have a \$0 balance before registering for the upcoming term. For the Fall term, 'currently enrolled' includes enrollment in the previous Spring and Summer Terms.

In an effort to ameliorate the current situation and proactively combat the number of high account balances, the Bursar's Office has strategically changed components of the office to market our approachability and desire to assist, with updates that include:

- Changing the email address from collections@sou.edu to studentbalances@sou.edu, shifting the working titles of the Revenue Agent 2 positions to Student Balance Specialists, and ensuring we are including our names in every email to offer an anchor point to our humanity;



- Establishing the Student Accounts Associate position, a role that is assigned to the direct support and outreach for all first-year SOU students (including transfers) at 75% of the position's responsibilities;
- Creating the SOU Paying for University Worksheet that is emailed to incoming students as a tool to provide an estimated summary of charges versus known financial aid. We request the worksheet be returned so we can assist and educate students with a gap present on additional funding sources;
- Nurturing a collaborative and symbiotic relationship with the Office of Financial Aid & Scholarships, providing access to submitted SOU Paying for University Worksheets for cohesive student support, and counseling students on lingering financial aid options and requirements;
- Developing a process in partnership with University Housing and the Dean of Students Office for the periodic review of student accounts with significant balances to contact and engage at-risk students;
- Using the significant balance thresholds as a starting point but reviewing accounts with understanding and flexibility to meet the student/student supporter's current abilities;
- Establishing a Google Form for staff to utilize to submit student accounts for potential significant balance exception approval;
- Deploying more tools in our outreach efforts including social media messaging, tabling events, and text campaigns in addition to phone calls and emails; and
- Creating a singular Continued Balance Charge to replace the prior interest, late fees, and/or Revolving Charge, based on feedback that the eligibility for these charges was not easily understood or digested by students and their supporters.

The expected behavior of students with outstanding balances includes communicating both proactively or reactively with the Bursar's Office and/or the Office of Financial Aid & Scholarships to ensure they understand the status of their student account and the financial options available to them. It is expected that students are actively engaged in account resolution and not anticipating they can continue to register for courses when a financial plan is not in place. The Significant Balance Hold job was run on April 11, 2025 and after manual review for eligible hold removal, as of April 30, 2025, there are 853 student accounts with the Significant Balance Hold applied, 379 of whom are currently enrolled, 97 of the 379 have 100 or more Hours Attempted.

Office of the Provost
1250 Siskiyou Boulevard
Ashland, Oregon 97520-5031

T: 541.552.6114
F: 541.552.6115



Ultimately, when students receive services through the university, SOU needs to honor the costs of those services (including faculty/non-faculty salaries, dining and housing costs, etc.). Any delay of student account payments directly affects the overall funding to the university to continue providing these services in future terms. More than ever, students are reluctant to seek federal loans to assist in funding the costs of the services they are receiving. However, paying toward educational costs is the purpose of these funds and it is in the best interest of the university for the student to minimize the debt owed to SOU by using those funds. The Bursar's Office, in collaboration with the Office of Financial Aid & Scholarships, is directly contacting students to ensure they are aware of the funding they may be underutilizing and how this may be impacting their ability to continue to register.

I hope this update provides a clear understanding of the history of the current problem, the steps taken to address the problem, and the continued dedication to student-centered success on our campus.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Casey Shillam', written over a light blue horizontal line.

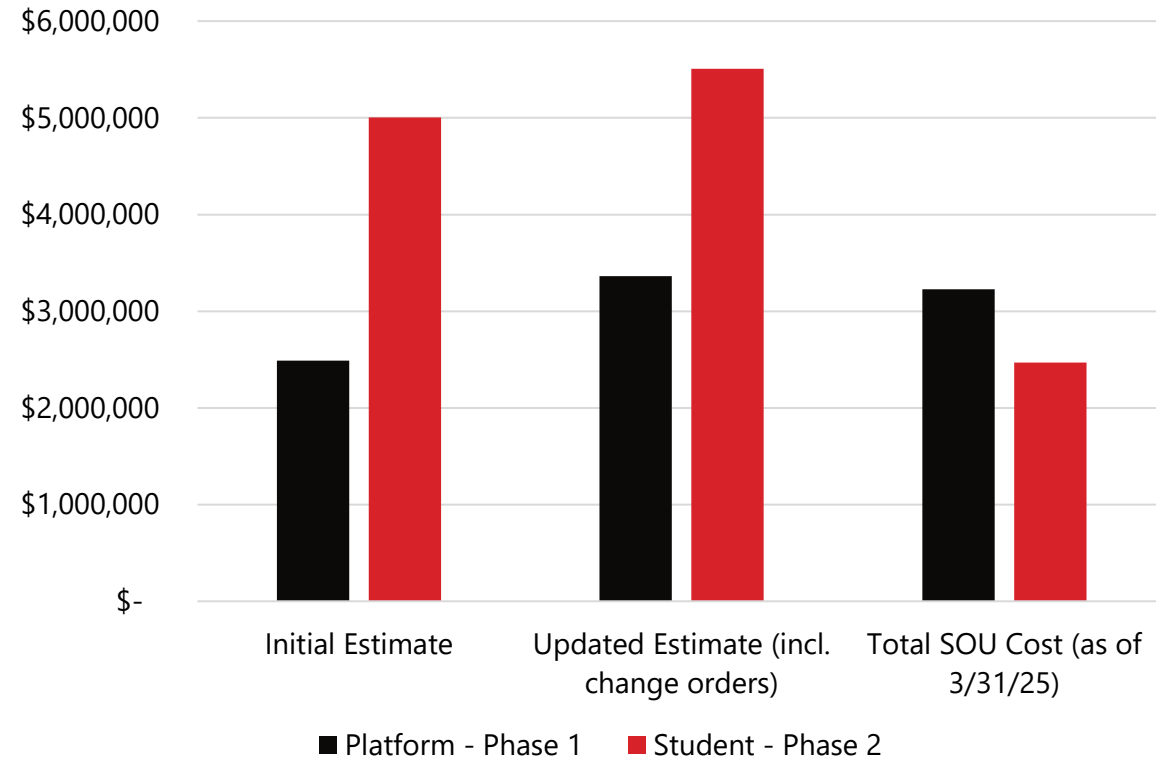
Casey R. Shillam, PhD, RN, FAAN
Executive Vice President & Provost

Office of the Provost
1250 Siskiyou Boulevard
Ashland, Oregon 97520-5031

T: 541.552.6114
F: 541.552.6115

Core Information System Replacement (CISR): Project Budget Update

CISR Project Budget with Implementer



	Initial Estimate	Updated Estimate (incl. change orders)	Total SOU Cost (as of 3/31/25)
Platform - Phase 1	\$ 2,489,000	\$ 3,362,740	\$ 3,227,610
Student - Phase 2	\$ 5,006,000	\$ 5,509,433	\$ 2,469,641
Total	\$ 7,495,000	\$ 8,872,173	\$ 5,697,250

CISR Project Budget with Implementer

	Initial Estimate	Updated Estimate (incl. change orders)	Total SOU Cost (as of 3/31/25)
Platform - Phase 1	\$ 2,489,000	\$ 3,362,740	\$ 3,227,610
Student - Phase 2	\$ 5,006,000	\$ 5,509,433	\$ 2,469,641
Total	\$ 7,495,000	\$ 8,872,173	\$ 5,697,250

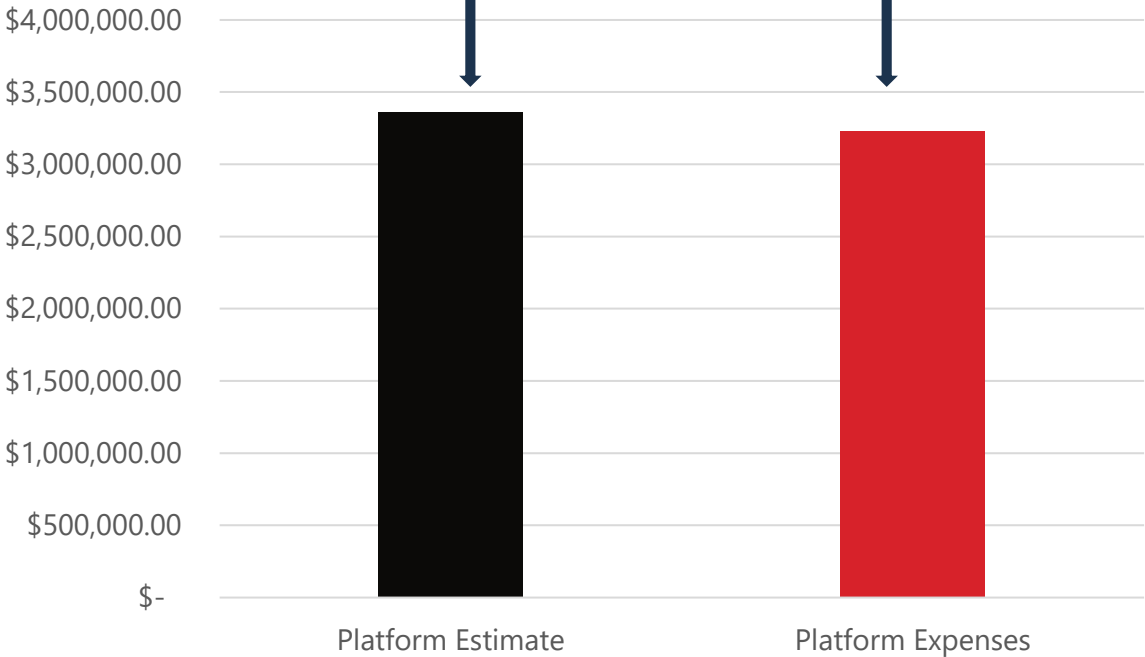
Platform: Finance & HR

Billable hours	\$ 3,129,917.95
Billable expenses	\$ 4,742.73

Adaptive (Budgeting)

Billable hours	\$ 92,949.00
Total	\$ 3,227,609.68

Platform Estimate	\$ 3,362,740.00
Platform Expenses	\$ 3,227,609.68
Estimate-Expenses (under budget)	\$ 135,130.32



CISR Update – Go-Live Dates*

	Original Go-Live	Actual/Anticipated Go-Live
Platform – Finance & HR Platform – Adaptive (Budgeting)	July 2023	January 1, 2024
Student – 1 (Fall '26 Application+)	March 2024	September 1, 2024
Student – 2 (Other Functions)	August 2024	*September 15, 2025
Student - Last Uptake	March 2025	*March 2, 2026
	September 2025	*September 14, 2026

* Go-live date will be earlier if possible

- More detailed timeline information available online at <https://sou.edu/cisr/timeline-2/>

Future Meetings

Adjournment