



Public Meeting Notice

May 14, 2026

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.

There are no action items on the agenda. The vice president's report will consist of an update on Workday.

Information and discussion items include an update on the development of SOU's Vitality Plan, objectives of the Emergency Board report to be provided to the Oregon Legislature; and student balances and debt recovery. Education items on the agenda will cover SOU's tuition and fee discounting programs including remissions; and a review of financial metrics for Oregon's public universities.

The meeting will occur as follows:

Thursday, May 21, 2026

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

Meese Room, 3rd Floor, Hannon Library, SOU Campus

1290 Ashland Street, Ashland, OR 97520

Members of the public may view the proceedings at <https://sou.zoom.us/j/82585737784> at the time of the meeting.

Materials for the meeting are available at governance.sou.edu.

If special accommodations are required, please contact Holly Frazier at (541) 552-8055 at least 72 hours in advance.

Public Comment

Members of the public who wish to provide live public comments during the meeting are invited to sign up to speak or to submit their comments in writing at least 24 hours

in advance of the meeting to the Board of Trustees email address: trustees@sou.edu. Written comments also may be emailed to trustees@sou.edu, or 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 21, 2026**

Call to Order / Roll / Declaration of a Quorum



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

**Thursday, May 21, 2026
5:00 – 7:00 p.m. (or until business concludes)
Meese Room, Hannon Library, SOU Campus
Zoom: <https://sou.zoom.us/j/82585737784>**

AGENDA

Persons wishing to provide live public comments in the meeting or in writing may sign up in advance at trustees@sou.edu.
Please note: timing is approximate and items may be taken order.

5:00 p.m.	1	Call to Order/Roll/Declaration of a Quorum	Chair Liz Shelby
	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 Liz Shelby
5:05	2	Public Comment	
5:25	3	Vice President's Report	Dr. Carson Howell, SOU, Vice President for Finance and Administration
	3.1	Workday Update	
	4	Action, Information, and Discussion Items	
5:30	4.1	Update on the Development of SOU Vitality Plan	President Rick Bailey
5:50	4.2	Objectives of Emergency Board Report to the Oregon Legislature	Jim Pinkard, HECC, Director of Postsecondary Finance and Capital; Dr. Carson Howell
6:05	4.3	Education Item: Review of Financial Metrics for Oregon Public Universities	Jim Pinkard
6:25	4.4	Education Item: Tuition and Fee Discounting Programs Including Remissions	Zac Olsen; SOU, Assistant Vice President of Enrollment Services Dr. Carson Howell

**Southern Oregon University
Board of Trustees
Finance and Administration Committee Meeting
Thursday, May 21, 2026**

AGENDA (Continued)

6:40	4.5	Student Account Balances and Debt Recovery	Stephanie Hanigan, SOU, Associate Director for Business Services
6:55	4.6	Future Meetings	Chair Liz Shelby
7:00 p.m.	5	Adjournment	Chair Liz Shelby

Public Comment

Vice President's Report

Update on the Development of SOU Vitality Plan

Objectives of Report to the Emergency Board of the Oregon Legislature



Oregon

Tina Kotek, Governor

Higher Education Coordinating Commission

3225 25th Street SE

Salem, Oregon 97302

www.oregon.gov/HigherEd

May 11, 2026

The Honorable Senator Rob Wagner, Co-Chair
The Honorable Representative Julie Fahey, Co-Chair
Emergency Board
900 Court Street NE, H-178
Salem, OR 97301

Dear Senator Wagner and Representative Fahey:

Nature of Request

The Higher Education Coordinating Commission (HECC) requests that the Emergency Board in June approve the release of \$7.5 million from the \$15 million special purpose appropriation (SPA) established by HB 5204 (2026) to address a projected operational funding shortfall for Southern Oregon University (SOU). Additionally, we request that the Emergency Board acknowledge receipt of two related reports that respond to budget notes included in HB 5204.

HB 5204 included a \$15M General Fund (GF) SPA to the Emergency Board to be allocated to HECC to address a projected operational funding shortfall for SOU during FY2027. A HB 5204 budget note requires HECC to submit a report to the Emergency Board on SOU's updated financial modeling and operational plan to continue through June 30, 2027. This is the first report attached, titled "Southern Oregon University: Financial Modeling and Operational Plan through June 30, 2027" ("SOU Financial Modeling Report").

An additional HB 5204 budget note directs Southern Oregon University (SOU) to collaborate with HECC to develop a plan for future delivery of higher education in southern Oregon, without reliance on ongoing increases in state support, and which achieves a balanced budget for the 2027-29 biennium and long-term structural fiscal balance. This report is attached, titled "Financial and Strategic Assessment: SOU Option Path to Sustainability" ("Option Path Report"),

Agency Action

Budget note #1: SOU Financial Modeling and Operational Plan through FY2027

A HB 5204 budget note requires SOU to report to HECC "actions the university will take to ensure continued operations through June 30, 2027, including updated financial modeling, endorsed by external budget and accounting experts, demonstrating the institution's ability to meet all obligations through June 30, 2027."

The SOU Financial Modeling Report, attached, is intended to satisfy the requirements of this budget note. It contains:

- Background information related to SOU's current fiscal situation;
- A summary of three separate determinations by external entities that SOU's current cashflow projections for FY2027 are substantially reasonable, although subject to significant downside risk; and
- A summary of SOU's operational plan for FY2027.

SOU has provided an operational plan with associated financial modeling demonstrating the university's ability to meet all financial obligations through June 30, 2027. With the distribution of the SPA during calendar year 2026, the cashflow forecast shows SOU will end each month during FY2027 with a positive cash balance on an all-funds basis. The forecast assumes the consumption of remaining cash reserves but the protection of a restricted fund that the university is required to maintain for debt service.

Based on current projections, HECC concludes that a \$7.5M distribution from the SPA will allow the university to remain cash solvent and make all debt service payments until fall 2026. However, these projections also indicate that the university will require the remaining \$7.5M before the end of 2026 to remain solvent through June, 2027. HECC expects to make this additional request at a future Emergency Board meeting, at which time it will also provide an update on the university's fiscal position.

The budget note also directs SOU to provide monthly financial statements, including an updated cashflow forecast, to HECC, the Department of Administrative Services Chief Financial Office, and Legislative Fiscal Office, beginning in May 2026. On a quarterly basis, SOU must summarize the operational status of the institution and identify any risks affecting contractual commitments and obligations to students.

As described in the report, SOU's reports should include updates on the status of key assumptions used within the cashflow forecast and related contingency planning at SOU. For example, HECC will expect updated enrollment projections, and an understanding how SOU will retain the ability to meet all financial obligations throughout FY2027 if enrollment deviates from the assumptions used in the cashflow forecast. Similar updates will be expected for other assumptions embedded within the cashflow forecast, such as savings related to the board-adopted Resiliency Plan, wage growth, benefit contributions, housing occupancy, operating expense inflation, auxiliaries' deficits, and other factors.

Budget note #2: Future Delivery of Higher Education in Southern Oregon

An additional HB 5204 budget note directs Southern Oregon University (SOU) to collaborate with HECC to develop a plan for future delivery of higher education in southern Oregon, without reliance on ongoing increases in state support, by no later than April 30, 2026. According to the budget note, "the plan must align existing and potential revenue sources with budgeted

expenditures to achieve a balanced budget for the 2027-29 biennium and long-term structural fiscal balance; identify programs and functions of the university that are both specifically meaningful to southern Oregon or the state and that are capable of sustained delivery; and evaluate options for sustainability that may include partnership with other institutions or as part of an alternative higher education structure.”

HB 5204 also contained a one-time \$500,000 General Fund appropriation to HECC to utilize external consultants to support SOU in developing its long-term financial sustainability plan. HECC interviewed nationally recognized vendors with significant experience in higher education consulting and, in partnership with SOU leadership, selected the top-scoring vendor that offered the greatest value based on experience, project approach, and cost.

Deloitte, a global consulting firm with a higher education practice, began its engagement in early March and worked through three phases:

- **Pre-launch planning** – Deloitte established governance to oversee the project; launched data and information requests; confirmed project workplan and scheduled status report meetings; identified partner groups for engagement.
- **Current State Assessment** – Deloitte conducted 14 interviews and focus group meetings with 50+ campus and community members and received over 750 responses to its “always on” feedback loop; they assessed SOU’s financial health, conducted ratio analysis, and built a status quo financial forecast.
- **Strategic Options Analysis** – Deloitte developed and prioritized a catalog of strategic options; they analyzed the estimated effort and the financial impact of implementing options; and developed an implementation roadmap.

The decision timeline included the following touchpoints with partners:

- **April 28, 2026** – The SOU Board of Trustees held a special meeting during which Deloitte previewed themes and findings.
- **May 4, 2026** – Deloitte released a financial and strategic assessment and hosted an online townhall to present its final Option Path; participants included SOU board members, the campus community, and the public.
- **May 5, 2026** – The SOU Board of Trustees held a two-hour listening session with both invited and public testimony; invited testimony included ASSOU, Faculty Senate, Staff Assembly, APSOU, SEIU.
- **May 8, 2026** – The SOU Board of Trustees held a meeting to acknowledge the receipt of the option path released May 4th that included invited testimony from ASSOU, Faculty Senate, Staff Assembly, APSOU, and SEIU.

At its May 8, 2026 meeting, the SOU Board of Trustees adopted a resolution that acknowledged the university’s current financial trajectory is unsustainable and that immediate and substantial changes are required. Additionally, the board resolved to:

- Acknowledge receipt of the Option Path presented by Deloitte on May 4, 2026.
- Use the Option Path as a resource for the development by June 18, 2026 of a realistic, achievable Vitality Plan that improves SOU's structural budget by approximately \$20 million through the 2027-29 biennium and beyond.
- Direct the administration to provide written monthly implementation reports to the board beginning July 2026.
- Further direct the administration to fulfill all the obligations conditioned upon the University to receive funding from the special purpose appropriation.

Action Requested

HECC requests acknowledgement of receipt of the reports and the release of \$7.5 million of the \$15 million General Fund SPA from the Emergency Board established in HB 5204 (2026) to HECC for immediate distribution to SOU for the purpose of partially addressing a projected operational funding shortfall during FY2027.

Sincerely,



Ben Cannon
Executive Director

Attachments:

Report – SOU, Financial Modeling and Operational Plan through June 30, 2027
Report – Financial and Strategic Assessment, SOU Option Path to Sustainability

CC: Amanda Beitel, Legislative Fiscal Office
Kim To, Legislative Fiscal Office
Kate Nass, Department of Administrative Services, Chief Financial Office
Anne Sires, Department of Administrative Services, Chief Financial Office



Southern Oregon University
Financial Modeling and Operational Plan
through June 30, 2027

May 11, 2026



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ACCESSIBILITY STATEMENT

Learn more about the Higher Education Coordinating Commission at www.oregon.gov/highered.

The HECC is committed to accessible services for all. Requests for translations, language services, alternative formats, or Americans with Disabilities Act (ADA) accommodations may be sent to info.hecc@hecc.oregon.gov.

PURPOSE OF THE REPORT

This report contains information about Southern Oregon University's financial modeling and its operational plan to continue operations through June 30, 2027 in response to a budget note associated with HB 5204 (2026 regular session). The measure includes a special purpose appropriation to the Emergency Board in the amount of \$15 million to be allocated to HECC to address a projected operational funding shortfall for SOU for the 2026-27 fiscal year.

The budget note text:

The Higher Education Coordinating Commission (HECC) must report to the Emergency Board no later than June 2026 on Southern Oregon University's updated financial modeling and operational plan to continue through June 30, 2027. Prior to the report, SOU must collaborate with HECC to submit a report to HECC by April 30, 2026, that details the actions the university will take to ensure continued operations through June 30, 2027, including updated financial modeling, endorsed by external budget and accounting experts, demonstrating the institutions' ability to meet all obligations through June 30, 2027. Additionally, beginning May 2026, SOU must provide monthly financial statements, and an updated cash flow forecast to HECC, the Department of Administrative Services Chief Financial Office, and Legislative Fiscal Office, and on a quarterly basis summarize the operational status of the institution and identify any risks affecting contractual commitments and obligations to students.

This report focuses specifically on assessing SOU's financial modeling and summarizing SOU's operational plan to maintain short-term financial stability throughout FY2027 while a separate report focuses on options for a balanced budget during the 2027-29 biennium, and the long-term future financial sustainability of SOU.

KEY TAKEAWAYS

The financial fragility of SOU has reached an inflection point at which continued solvency will require significant intervention. SOU has declared exigency, enacted immediate spending restrictions, and forecasted a potential failure to meet financial obligations by spring 2027. In response, the legislature passed a Special Purpose Appropriation (SPA) of \$15 Million for potential distribution by HECC to SOU to assist the university with short-term financial stability. The SPA included a budget note to which this report is a response.

SOU has taken several steps to improve financial reporting. The university is focusing on four areas to ensure the integrity and timeliness of financial reporting. These include resolving the underlying structural issues within SOU's new enterprise-wide software platform to improve data flow and reporting accuracy and implementing staffing changes to provide expertise and bandwidth. In addition to creating and maintaining a detailed, all-funds cashflow forecast, SOU staff are collaborating with board members to improve budget reporting, to provide robust forecasting tools, and to enhance decision making support.

Three distinct reviews of SOU's cashflow forecasting model and related assumptions were conducted. The all-funds cashflow forecast is the main tool used to determine if SOU can meet all financial obligations through June 30, 2027. The model was reviewed by external budget and accounting experts who assessed the reasonableness of assumptions used and stress tested the model to determine sensitivity to downside risk. It was concluded SOU staff are using substantially reasonable assumptions even as some key assumptions were considered optimistic. Significant downside risk was noted for the key assumptions related to enrollment and the pace at which Resiliency Plan savings will be realized.

SOU has provided an operational plan with associated financial modeling demonstrating the ability to meet all financial obligations through June 30, 2027. With the distribution of the SPA, the current cashflow forecast shows SOU will end each month during FY2027 with a positive cash balance on an all-funds basis. This means SOU is projected to have the ability to meet all obligations through June 30, 2027, to students, faculty, staff, and vendors alike. This forecast depends on assumptions related to enrollment and administrative execution, as mentioned above.

BACKGROUND

The financial fragility of SOU has been well documented and predates board independence. Details are included in Appendix A. During four of the past five years, SOU's general fund (E&G) budget has experienced a deficit with expenses exceeding available revenue. During that period, spending has grown an average of 4.9% annually while revenue has grown an average of 0.9% annually. As a result, SOU's general fund balance has largely been exhausted. State funding for SOU in the past five years has grown annually by an average of 4.8%. SOU currently receives 26% more state funding per student FTE than the average through the public university support fund. Additional background information can be found in Appendix B.

CURRENT SITUATION

SOU declared financial exigency during the summer of 2025, which led to the adoption of the Resiliency Plan. On February 3, 2026, SOU enacted immediate spending restrictions following a board meeting during which trustees discussed a cashflow shortage expected to exist as early as summer 2026. During the board meeting held the day before, SOU staff shared a detailed cashflow forecast showing the current expense trajectory, combined with the timing of cash receipts, projects a failure to meet financial obligations by spring 2027 without intervention.

In response, HB 5204, which passed during the 2026 session, includes a Special Purpose Appropriation (SPA) to the Legislature's Emergency Board in the amount of \$15 Million for potential distribution by HECC to SOU to assist the university with short-term financial stability. These funds are intended to address SOU's projected FY2027 short-term financial stability.

Further, HB 5204 appropriated \$500,000 to the HECC for contracting with an external consultant to support SOU in developing, by April 30, 2026, a financial sustainability plan that details actions SOU will take to ensure solvency through FY2027, that reflects a balanced budget for the 2027-29 biennium, and details how programs and functions may be sustainably delivered by SOU alone, by SOU in partnership with other institutions, or as part of an alternative structure to address long-term sustainability. HECC contracted with Deloitte to support this work. The allocation of the SPA is contingent on HECC submitting a report to the Emergency Board pursuant to the related budget note.

This report, submitted to the Emergency Board in satisfaction of the budget note, focuses specifically on assessing SOU's financial modeling and summarizing SOU's operational plan to maintain short-term financial stability throughout FY2027. A separate report, which will also be submitted to the Emergency Board, focuses on options for a balanced budget during the 2027-29 biennium, and SOU's long-term future financial sustainability.

FINANCIAL MONITORING BY HECC

The HECC has consistently published an annual review of the financial health of Oregon’s public universities since 2021 and for the community colleges since 2025. The purpose is to support statewide policy making guided by the goals and mission of public higher education in Oregon. Specifically, the financial monitoring performed by HECC staff seeks to:

- **Provide advance warning** of financial instability for policy makers.
- **Identify potential systematic risks** to Oregon’s higher education infrastructure with a particular focus on the education and workforce mission of the institutions.
- **Maintain an awareness** of broader institutional finance trends to inform the HECC’s agency request budget (ARB) and related recommendations for the Governor and Legislature.

While there is no singular method perfectly capable of determining the long-term financial sustainability of a higher education institution, HECC uses a simplified approach with a higher likelihood of predicting instability. The metrics used include enrollment, financial ratios, and the dependence on a single revenue source (i.e., state funding). The financial ratio analysis includes the use of the composite financial index (CFI) which combines four ratios into a single score that attempts to quantify the overall financial well-being of the institution.

HECC’s approach is based on publicly available financial data in materials prepared by the institution. HECC staff do not have privileged access to financial information at the institutions.

Also, the HECC’s preferred approach to assessing financial health, the CFI, does not focus on liquidity, cash position, or cashflow forecasting. This is for several reasons. The most important being the respective authority and roles of the HECC and the institutional governing boards. As the fiduciary, the independent governing boards are responsible for cash management, for revenue sufficiency, and for ensuring financial obligations are settled in a timely manner. This responsibility is often delegated to institutional leadership who typically report quarterly on cash positions and related liquidity. HECC does not attempt to obtain information that would allow it to monitor and independently evaluate these point-in-time issues. Rather, it focuses on an annual report on institutions’ overall fiscal health. The most recent version of this report, published in June 2025, characterized SOU as “struggling,” with a six-year average CFI of 0.98 that was the lowest among Oregon’s public universities.

It should be noted that cashflow (liquidity) forecasting is a tool often used to assess revenue sufficiency for debt service. The universities are obligated by creditors to provide routine cashflow forecasts to demonstrate revenue sufficiency for the purpose of servicing debt. Additionally, under ORS 291.445, the universities are obligated to submit annual attestations to the state documenting their ability to repay debt for state-backed

bonds, namely Article XI-F (1) bonds. SOU submitted its most recent attestation to HECC on June 23, 2025.

FINANCIAL MODELING

This section of the report outlines recent work SOU has undertaken to improve existing financial reporting and summarizes the reviews that have occurred to assess SOU's cashflow forecasting. SOU's efforts to improve financial reporting are necessary to address an existing audit deficiency, to enhance transparency, and to support its board's ability to make decisions. Reviews of SOU's cashflow forecasting were performed to assess SOU's ability to meet its financial obligations through June 30, 2027.

CliftonLarsonAllen (CLA) completed SOU's annual audit and single audit report for FY2025 in March 2026. The single audit report identified a deficiency in the timeliness of SOU's financial reporting. This can increase the risk that unusual or unexpected financial activity may not be detected or addressed until late in the financial reporting process or through audit procedures. CLA noted that issuing the audited financial statements near the statutory deadline limits the ability of external users, bondholders, and those charged with governance to perform timely oversight, planning, forecasting, and evaluation of the university's financial position and operating results.

CLA's single audit report additionally noted that SOU's delayed issuance of its financial statement for FY2025 and the volume of audit adjustments were primarily attributable to ongoing challenges associated with the implementation of a new financial and accounting enterprise resource planning (ERP) system (i.e., Workday) in January 2024 that continued through FY2025. Further, CLA noted that budgetary constraints have limited staffing levels within the financial operations team, reducing the university's capacity to manage the increased workload associated with system implementation, reconciliations, and financial reporting. As a result, SOU's finance personnel were required to prioritize daily critical operational activities, contributing to delays in completing the financial close and fully establishing reporting processes within the new ERP environment.

In SOU's management response letter, and at the April Board of Trustees meeting, university staff reported that they have initiated a comprehensive remediation strategy during the current fiscal year to address the root causes of the audit findings. The university is focusing on four areas to ensure the integrity and timeliness of future financial reporting:

- **ERP optimization** – SOU is resolving underlying structural issues within the ERP system to improve data flow and reporting accuracy.
- **Staffing** – SOU has implemented personnel changes and hired a position to provide additional technical expertise and operational bandwidth.
- **Business process review** – SOU is conducting thorough reviews of financial processes associated with the issues identified in the audit.

- **Expert consultation** – SOU is engaging with external consultants to provide specialized support in fully establishing reporting processes and to further optimize the ERP to enhance future reporting.

ENHANCED BUDGET REPORTING

Consistent with board direction, SOU staff revised existing budget reporting for FY2026 to compare before and after the board-adopted [Resiliency Plan](#), to improve efficiency and accuracy, and to support managerial decision making. The intent is to provide past, present, and future states all in one summary view. Staff continue working on several improvements:

- Creating an instant scenario builder to perform “what if” analysis on demand including a dynamic labor model by classification.
- Moving the budget platform online, versus using a series of Microsoft Excel workbooks, to enhance efficiency and reduce the need for manual data input.
- Converting historical Banner financial data into Workday for better projection modeling.

At the April 2026 meeting of the SOU Board of Trustees, university staff provided a FY2026 E&G budget update with projections as of March 31, 2026. Compared to prior versions, an analysis of the impact of the Resiliency Plan was added. Staff noted that services and supplies cost pressures remain elevated for FY2026 and that tuition revenue had declined less than expected. Adjustments totaling \$8.8 million in one-time funding were noted, which includes donations and federal employer retention credits. The new format of budget reporting makes it easier for board members to keep track of progress made relative to the Resiliency Plan.

While the inclusion of one-time funding improved the university’s projected financial position through FY2027, it should be noted that total spending was projected to exceed total ongoing revenues. That is not sustainable.

CURRENT CASHFLOW FORECAST

The most recent cashflow forecast for SOU, presented to the Board of Trustees on April 17, 2026, shows that throughout FY2027, SOU will end each month with a positive cash balance on an all-funds basis. This means SOU is projected to have the ability to meet all obligations through June 30, 2027, to students, faculty, staff, and vendors alike. This forecast assumes the release of \$15M in one-time state funding from the Legislature’s Special Purpose Appropriation during FY2027.

Table 1 includes a quarter-by-quarter projection of cash inflows and outflows across the SOU enterprise for FY2027. The key assumptions upon which the forecast is based are outlined following Table 1.

Table 1: All Funds Cashflow Forecast for FY2027, May 7, 2026
(Includes the \$15 million SPA)

	Q1, FY2027	Q2, FY2027	Q3, FY2027	Q4, FY2027
Student Payments	15,248,250	15,441,750	14,442,750	5,586,750
Grant Payments	1,200,000	1,200,000	1,200,000	1,200,000
State Funding	25,844,694	7,662,694	7,662,694	5,258,694
Foundation	650,000	650,000	1,400,000	1,750,000
Other Income	1,170,870	1,285,417	1,375,000	1,246,226
Total Receipts	44,113,814	26,239,860	26,080,443	15,041,670
Personnel Expense	14,980,171	17,787,019	17,585,166	17,433,418
Services & Supplies	9,227,888	8,550,157	8,685,404	8,299,000
Debt Service – State of Oregon	2,683,783	-	386,033	-
Other Debt Service	464,696	1,189,211	464,696	1,829,211
Other Expenses	135,181	182,558	-	-
Total Cash Paid	27,491,719	28,338,945	27,121,299	27,561,628
Beginning Cash	244,661	16,866,755	14,767,670	13,726,815
Ending Cash	\$16,866,755	\$14,767,670	\$13,726,815	\$1,206,857

Key Assumptions Informing the FY2027 Cashflow Forecast

Enrollment:

The cashflow forecast assumes an enrollment decline of 2.7% in FY2027. This is based primarily on recent trends, adjusted to reflect the strategic enrollment plan adopted this spring by the Board of Trustees. It does not reflect any potential additional impacts associated with recent and highly visible uncertainty about the future of SOU, or the potential impact of academic program closures or consolidations beyond what was already announced in the Resiliency Plan.

SOU staff provided additional details about 2026-27 enrollment projections to the Board of Trustees on April 17, 2026. Staff noted that as of March 29 the university had received 3.2% more Fall applications than at the same time as the prior year and had admitted 2.5% fewer students. Further, staff reported a projected 2.2% decline in the number of

weighted student credit hours (SCH) from fall 2026 to fall 2027. They indicated that the decline in SCH could range from as high as 4.3% to as low as 1.7%.

Revenues:

- Net tuition/fee revenue: Reflects the Board-adopted increase in mandatory tuition/fees for 2026-27 of 4.99% with remissions at 14% of gross.
- An uncollected student accounts allowance of 10%.
- A 4.1% growth in state funding (i.e., SSCM/ETSF) due to the 49/51 split of PUSF funding within the 2025-27 biennium and forecasted SSCM distributions for FY2027.
- A projected 2.5% increase in the housing occupancy rate for 2026-2027 (to 85%), with adopted housing rates increasing 3.0% and meal plan rates increasing 3.5%.

Expenses:

- Annual wage increases: Unclassified at 3%. Classified at 4.38%. Faculty at 3%. Student wages at 3.25%.
- Retirement costs: using December 2025 PERS advisory rates.
- Healthcare and OPE: using existing proportional share of wages going forward for both categories.
- Accounts payable disbursements (i.e., services and supplies) increase of 3.5%.

Other:

- Resiliency Plan savings of \$2.9 million are included, affecting all funds and all categories of spending (i.e., wages, benefits, S&S).
- The forecast includes the release of the \$15 million special purpose appropriation (SPA), with half received in July 2026 and half in October/November 2026.

Many assumptions must be made to create a cashflow forecast. Those assumptions should be assessed for reasonableness using historical experience as a guide, and they should be stress tested under various scenarios to determine their sensitivity to downside risk. Professional judgement is required to ensure the outcome is useful in the support of managerial decision making.

ASSESSMENTS OF SOU'S CASHFLOW FORECASTING

To thoroughly assess the cashflow forecast model used by SOU staff, three distinct reviews were conducted from February 2026 through April 2026. Detailed information for each is included below in chronological order. The various reviews included representation from inside Oregon state government and with outside experts including DAS-CFO staff, HECC staff, UO, OSU, OIT, and CliftonLarsonAllen (CLA).

HECC Staff Review

The SOU Board of Trustees held a special meeting on February 2, 2026, to receive an update on SOU's Resiliency Plan and the university's cashflow projections. Staff offered the Board a detailed analysis of projected cashflows. They concluded that, "while the budget view may show a different financial picture, the cashflow view highlights an urgent operational reality: the current expense trajectory, combined with the timing of receipts, projects a failure to meet financial obligations by the spring of 2027 without intervention."

The cashflow forecast shared by SOU staff during the board meeting showed that the university's minimum cash balance threshold, an internal target set by the university to warn about potential cashflow issues, would be breached as early as May 2026, but that SOU would remain solvent through calendar year 2026. Further, the forecast showed that SOU will likely run out of cash entirely by spring 2027. The forecast predicted a negative cash balance of \$10.1 million by the end of June 2027. Board members discussed various options for responding to the projected cashflow deficit.

In response, HECC staff performed a cursory review of SOU's cashflow forecast on February 6, 2026. The review largely focused on an assessment of key assumptions used in the forecast. Overall, HECC staff's evaluation was that the key assumptions seemed reasonable given the historical data and contextual understanding available. HECC staff pointed out that some assumptions were more volatile than others, resulting in an understandable level of uncertainty and suggesting that a more conservative approach might be warranted. Those included assumptions related to employee benefits and state higher education general support funding. More information is in Appendix C.

DAS-led Review

Following the HECC's review, the Governor tasked a team of reviewers to conduct a high-level review of SOU's fiscal picture through June 2027 to help inform policymakers in their consideration of an emerging funding request. The team was chartered by the Oregon Department of Administrative Services (DAS) and included HECC staff and the chief financial officers of UO, OSU, and OIT. The team concluded its work by February 19, 2026.

The team was asked to consider two questions: are the assumptions used in SOU's cashflow forecast substantially reasonable and what amount of funding does the team believe is appropriate for the special purpose appropriation? The team found that SOU staff were using substantially reasonable assumptions in the creation of their forecast but noted that some of the assumptions were on the "optimistic side of reasonable." They noted that fall 2026 enrollment assumptions were subject to significant downside risk.

The team also concluded that based on current forecasting and limited additional stress testing of the assumptions upon which it was based, a \$15 million special state appropriation was reasonable along with an additional \$5 million reserved for potential enrollment downside risk. Therefore, the team recommended a total Special Purpose Appropriation of \$20 million. More details about their work and findings can be found in Appendix D.

Consultant Review

In April, HECC engaged SOU's external auditor, CLA, to evaluate the underlying assumptions used for SOU's financial projections and related cashflow forecast through June 30, 2027. CLA's work focused on documenting and reviewing cashflow drivers and related assumptions to identify risks and external factors that could affect the assumptions. The firm also performed scenario and sensitivity analysis on SOU's cashflow projections to evaluate a range of potential outcomes based on variations in the accuracy of key assumptions.

The CLA team provided several observations regarding SOU's recent (going back to FY2021) cashflow trends. These include:

- **Operating cashflow was structurally negative but stabilized by nonoperating support.** This means the growth in operating expenses (i.e., the cost of faculty and staff to perform instruction and research with related support services) outpaced the growth in operating revenue (i.e., tuition/fees and grants/contracts).
- **State appropriations and one-time cash receipts were subsidizing operating cash shortfalls.** Cash sustainability was not driven by operating margin, but by the continuity and timing of external funding.
- **The receipt of COVID relief funding masked the magnitude of the imbalance.** As pandemic relief tapered off, operating cash pressures became more visible. SOU transitioned from temporary relief-supported liquidity to a more exposed cash position.

In summary, CLA found that SOU's projected cashflow forecast through June 30, 2027 reflects continued constrained liquidity. It was determined that SOU's financial and cashflow models are sophisticated but highly complex and manually maintained. The consultants made the following observations:

- **SOU's cashflow forecast is detailed and technically robust.** It incorporates multiple methodologies, crosswalks, and assumptions.
- **Assumptions are embedded throughout the model rather than centralized.** This provides flexibility but makes it difficult to confirm which assumptions are active at any point in time.
- **Strong enrollment modeling exists,** but the downstream impact of enrollment changes on monthly cashflow, liquidity thresholds, and timing risk is not always explicitly highlighted.
- **The model lacks automation and connectivity to the existing ERP.** The relationship between SOU's core budget and financial tracking/reporting tools and its cashflow model is informal and not automated through a formal bridge.
- **The cashflow model is relatively new and continues to evolve.** Model updates are often driven by reporting deadlines, increasing pressure on staff and limiting time available for broader scenario analysis and documentation.

CLA identified the following areas of sensitivity that could impact projected ending cash balances the most:

- **Enrollment-driven net tuition cash receipts including housing, discounts and collectability.** SOU will need to carefully monitor assumptions related to enrollment, housing occupancy, discounting, and collectability of tuition/fee revenue for their impact on the cashflow forecast. Each one percent reduction in enrollment below the current assumption translates to approximately \$500,000 in reduced cashflow during FY2027, while a one percent miss in housing occupancy rates would reduce cashflow by \$140,000.
- **Labor and other payroll expenses.** Labor and OPE are the largest cash disbursement drivers and are sensitive to contract negotiations and benefit premium/contribution volatility. The CLA review notes limited consideration of staffing level changes, reliance on a single base month, and layered assumptions that can meaningfully shift outcomes.
- **Vendor disbursements.** Accounts payable disbursements are projected using 26-month historical averages rather than being built up from key vendor contracts and known future contractual commitments. As a result, projected cashflow outcomes may not fully reflect changes in contract terms within new agreements.
- **Model integrity and data quality issues.** Multiple items in the model were flagged for correction and validation. The model lacks automation and connectivity to the existing ERP. This is a known issue that SOU staff are working to address.

OPERATIONAL PLAN FOR FY2027

SOU has implemented a rigorous review process for any expense that exceeds \$1,000. Travel must be approved by the supervising vice president. They have also implemented a hiring freeze but are allowing critical positions to be filled. Vice president-level approval is required for any new hires and are allowed only to address operational requirements. These strict internal cost control measures are small part of a larger crisis management strategy.

SOU recently received a \$7.4 million employee retention credit from federal COVID-era funds and holds a \$4 million internally restricted reserve from the sale of surplus properties. Together with the \$15 million state Special Purpose Appropriation, these one-time funds – along with intense cost control efforts – will be required to keep the doors open through FY2027.

It is expected the SOU board will adopt the FY2027 budget at its June 2026 meeting. The FY2027 budget will be developed in a manner consistent with the emerging Financial Sustainability Plan. Variables include tuition revenue, financial aid strategies, and the cost of key vendor contracts; each could impact the operating budget. As SOU staff

monitor spending and begin implementing the Financial Sustainability Plan, the pace of implementation may increase and/or additional cost controls may be implemented to achieve the cash flow and budget targets necessary to maintain operations.

Contingency planning. The margin for error is razor thin. If fall 2026 enrollment drops and cash balances dip further, SOU will be forced to immediately expedite the Financial Sustainability Plan's recommendations or look to other opportunities including staffing furloughs or an absolute hiring freeze, to take the necessary steps to remain solvent.

MONTHLY FINANCIAL STATEMENTS

Beginning May 2026, SOU is directed to provide monthly financial statements including an updated cashflow forecast to HECC, DAS-CFO, and LFO. Also, on a quarterly basis, SOU must summarize the operational status of the institution and identify any risks affecting contractual commitments and obligations to students.

The exact timing of monthly submissions will depend on the timing of the prior month's close but is expected to occur in the third week of the month. For example, the May submission will likely occur in the third week of May.

HECC staff expect SOU's monthly submissions to include the following:

- An E&G budget update including FY2026 actuals, FY2027 projected/actuals, and FY2028 projected. The budget will include revenues, expenses, net fund transfers, operating margin, and ending fund balance.
- An all-funds budget update including FY2026 actuals, FY2027 projected/actuals, and FY2028 projected. The budget will include revenues, expenses, net fund transfers, operating margin, and ending fund balance.
- An all-funds cashflow forecast through June 30, 2027 including cash receipts, cash disbursements, and ending cash balance.

Additionally, HECC staff expect SOU to update and articulate key assumptions used within the cashflow forecast, with related contingency planning, to ensure SOU can continue to meet all financial obligations throughout FY2027. At a minimum, SOU will explain how projections about the following have been incorporated into the cashflow forecast model:

- Fall, winter, and spring enrollment.
- First-year, and overall, student retention rates.
- Housing occupancy rate.
- Tuition and other revenue.
- Savings realized from the board-adopted Resiliency Plan.
- Operating expense inflation including wages, benefits, S&S.

- Key vendor payments.
- The operating deficit from auxiliary activities.

APPENDICES

APPENDIX A – HISTORICAL CONTEXT

The chronological entries below are from public reports, meetings, and related documents.

- **Retrenchment.** The president of SOU announced the need for retrenchment in November 2013. SOU entered retrenchment beginning in 2014-15 because of a low fund balance at the close of FY 2014. The intent of retrenchment was to build the fund balance and ensure financial viability, to grow overall enrollment, to improve retention rates, to increase the average class size and reduce low enrolled courses, and to manage efficiencies and accountability of faculty assignments.
- **State Board of Higher Education (SBHE) Conditions.** In May 2014, conditions were agreed to by SOU, SBHE, and the Governor to establish an independent board of trustees at SOU. As noted in a letter to SOU from the HECC dated January 14, 2016, “the conditions were established because of the long-term financial weakness at SOU. The SBHE saw the weakness as a persistent, and not transitory, condition of the institution.”

As part of the conditions, three reviews were required culminating in a comprehensive report to be developed by the institution and submitted to the HECC by December 2017. HECC was to then make a determination as to whether the institution demonstrates a clear focus and durable niche that supports the long-term viability of the institution.

At its April 2018 meeting, the Commission determined that SOU had taken considerable steps to strengthen its institutional focus/niche, stabilize enrollment and completion, improve financial management, and ensure long-term fiscal viability. The Commission noted that while SOU had failed to meet one of the three financial ratio targets established in the conditions, the trend lines were positive. After considerable analysis, including detailed stress-testing, it was concluded that SOU had built sufficient reserves to ensure solvency over at least the next five years even under considerably less positive scenarios than forecasted.

- **The financial metrics section of the 2017 university evaluation for SOU** completed in December 2017 shows the four key financial ratios both with and without the impact of pension and OPEB liabilities. All but one ratio measured below the acceptable benchmark. The data results in an adjusted composite financial index (CFI) of 2.24, which removes the impact of pension and OPEB liabilities. This is well below the generally acceptable threshold for financial health of 3.0.

- **The financial health assessment section of the 2019 university evaluation for SOU** as presented to the Commission in February 2020 reported an adjusted CFI of 1.17 for FY2019. HECC staff noted that, “Overall, SOU faces a challenging financial future with limited flexibility. Given declining enrollment and increasing expenses, the need remains clear to further reengineer the institution to identify opportunities while preserving academic quality. Hopefully the current proposed 4% cut in spending and Presidential Task Force on Financial Sustainability will allow SOU to make some much needed headway.”

- **Takeaways from the HECC’s annual financial condition/financial sustainability reports**, in which HECC staff report on financial monitoring efforts, documented the deteriorating condition of SOU’s finances. These reports are presented to the Commission during public meetings.
 - **2021** – The adjusted CFI for SOU was reported as 0.78 in FY2020. HECC staff noted that, “overall, SOU faces a challenging financial future. Given declining enrollment and increasing expenses, the need remains clear to further reengineer the institution to identify opportunities while preserving academic quality.”
 - **2022** – The adjusted CFI was reported as 3.11 for FY2021.
 - **2023** – The adjusted CFI was reported as negative 0.02 for FY2022. HECC staff noted, “SOU’s leaders and campus community are addressing an undeniable truth: the current fiscal path is unsustainable. As stewards of the university and with a directive from the SOU Board of Trustees to address the issues that have caused an ongoing structural deficit, university academic and administrative leaders developed SOU Forward. This is a four-plank realignment strategy to stabilize campus-wide operations by focusing on financial viability and strategic growth to meet the academic needs of future students, the region, and state.” The SOU Forward plan included strategies around cost management, the pursuit of additional grants, improved philanthropy, and revenue diversification.
 - **2024** – SOU was listed as struggling for enrollment and financial ratios. Data in various report tables showed that enrollment had dropped more than 7% in the previous two years, the operating margin was negative for three years running, the primary reserve was 33%, and the viability ratio was 0.8.
 - **2025** – SOU was identified as struggling based on its composite financial index (CFI) of 1.27 in FY2024. Its six-year average was 0.98, the lowest of all the public universities. Suggested board strategies included in the report for that range of CFI was to “consider substantive programmatic adjustments and re-engineer the institution.”

APPENDIX B – BACKGROUND INFORMATION ON SOU

Enrollment over time is the most visible sign of an institution’s financial health. As shown in Table A, SOU’s fall fourth week student FTE has declined 27% in the past decade, an average of 3.4% annually. Headcount enrollment increased 1.5% between fall 2024 and fall 2025, from 5,129 to 5,206.

Table A: Fall Fourth Week, Total FTE

	Fall 2016	Fall 2025	Variance		Annual Growth Rate
SOU	4,293	3,150	(1,143)	(27%)	(3.4%)
All Oregon Public Universities	83,159	82,154	(1,005)	(1%)	(0.1%)

Table B provides a summary of the five-year trend in the general (E&G) fund based on survey data submitted to the HECC annually. During four of the past five years, SOU has generated a negative operating margin with expenses exceeding available revenue. During the period noted, expenses have grown an average of 4.9% annually while revenues have grown an average of 0.9% annually. As a result, SOU’s general fund balance has been exhausted. State funding during that time has grown annually by an average of 4.8%.

Table B: Trend in General (E&G) Fund

	FY2021	FY2022	FY2023	FY2024	FY2025
Total Revenue	61,080,824	61,643,005	62,326,625	63,955,651	63,250,786
Total Expenses	58,367,204	62,551,754	65,603,154	67,123,934	70,547,413
Operating Margin	2,713,620	(908,749)	(3,276,529)	(3,168,283)	(7,296,627)
	4%	(1%)	(5%)	(5%)	(12%)
% State Revenue	39%	42%	43%	43%	45%
Fund Balance (months)	1.5	1.3	0.7	0.3	(1.1)

Over a longer period, from FY2017 through FY2025, spending has grown on average annually by 2.6% while revenues have grown on average annually by 0.9%. State funding grew annually by 3.7%. SOU experienced a negative operating margin in six of those nine years and is expected to do so for the current budget year as well.

Table C shows the growth in state funding per fundable student FTE over time for all the public universities based on HECC staff calculations. This is for funding distributed through the public university support fund (PUSF) only. SOU receives 26% more state funding per student FTE than the statewide average.

Table C: State Funding per Fundable FTE

University	FY2015	FY2024	Total Change	Annual Change
EOU	8,297	14,759	78%	6.6%
OIT	9,030	13,533	50%	4.6%
OSU	5,034	8,611	71%	6.1%
PSU	3,646	9,678	165%	11.5%
SOU	5,833	11,482	97%	7.8%
UO	3,948	6,981	77%	6.5%
WOU	4,518	10,802	139%	10.2%
Total	\$4,659	\$9,121	96%	7.7%

Table D provides a summary of the recent trend in staffing using information from the Higher Education Employees Annual Report published by HECC in November 2025. Over this period the number of SOU employees declined at a slower rate than enrollment, lowering the student-to-employee ratio. There is no accepted standard or best practice measure for this ratio; however, a lower student-to-employee ratio can create structural cost inefficiencies.

Table D: Trend in Staffing

	2019	2020	2021	2022	2023	Variance (2019 to 2023)
Student FTE	4,031.0	3,500.7	3,329.6	3,286.1	3,291.6	(18%)
Employee FTE	616.1	569.6	562.4	570.2	558.4	(9%)
Faculty FTE	223.7	205.2	200.2	194.4	183.0	(18%)
Student-to-Faculty	18.0	17.1	16.6	16.9	18.0	0%
Student-to-Staff	6.5	6.1	5.9	5.8	5.9	(10%)

Degree productivity, which accounts for enrollment and expressed as completions per 1,000 student FTE, is a different metric than a degree completion rate. It is an attempt to

assess cost effectiveness. Table E shows the trend in degree productivity over time using data from the HECC Public University Data Dashboard. The completions per 1,000 FTE metric is calculated by dividing the number of student completions by the number of student FTE and then multiplying by 1,000.

Another way to assess cost efficiency is to consider what is being produced relative to spending. Therefore, Table E also includes E&G spending per completion. Total E&G expenses are divided by the number of degree completions. The spending data is unadjusted for inflation and comes from an annual survey conducted by HECC staff.

Table E: Trend in Efficiency Ratios

	2019-20 FY2020	2020-21 FY2021	2021-22 FY2022	2022-23 FY2023	2023-24 FY2024	Variance (2020 to 2024)
Annual Student FTE	4,075.7	3,650.7	3,508.5	3,462.5	3,430.1	(16%)
Degree Completions	1,235.0	1,194.0	1,053.0	962.0	1,270.0	3%
Completions per 1,000 FTE	303.0	327.1	300.1	277.8	370.3	22%
Total E&G Expenses	\$64.4M	\$58.4M	\$62.6M	\$65.6M	\$65.7M	2%
Spending per Completion	\$52,119	\$48,884	\$59,403	\$68,195	\$51,705	(1%)

APPENDIX C – HECC STAFF REVIEW

HECC Staff performed a cursory review of SOU's cash flow forecast on February 6, 2026. The information below includes a summary of the forecast and an evaluation of the key assumptions supporting the forecast.

- The forecast begins in February 2026 with \$24.3M in available cash. The forecast continues through June 2029 (i.e., end of FY2029 and the 2027-29 biennium).
- The board's minimum threshold is breached as early as July 2026. The forecast shows SOU remains solvent throughout calendar year 2026.
- During FY2027, SOU is forecasted to remain solvent until the last month of the fiscal year. Cashflow insolvency will be reached as early as May 2027. A negative cash balance is forecasted for the end of June 2027 in the amount of \$10.1M.
- This suggests external funding of \$10M is sufficient to get SOU through the 2025-27 biennium. However, it is possible that spending changes made earlier in the year could impact that amount.
- A negative cash balance is forecasted for the end of June 2029 in the amount of \$41M.

Key Assumptions

Enrollment: declines of 2.7% for 2027 and 2% annually thereafter. However, the impact of the recently adopted board adopted strategic enrollment plan are included.

Revenues:

- Tuition: increases of 5% per year. Remissions at 10% of gross T&F.
- Uncollected student accounts allowance of 10%.
- Annual increase in state funding (i.e., SSCM/ETSF) of 4.1%. Annual growth of 1% for lottery funding.
- Housing occupancy increasing from 83% in 2026 to 90% in 2029 with housing rates increasing 2.5% annually.

Expenses:

- Annual wage increases: Unclassified of 3%, then 1%. Classified at DAS rates (plus steps) then average. Faculty targeted at 3%. Student wages at 3.25%.
- Retirement costs: using December 2025 PERS advisory rates.
- Healthcare and OPE: using existing proportion of wages going forward for both categories.

Other:

- Resiliency Plan savings through FY2029 totaling \$8.6M included. All funds and all categories of spending (i.e., wages, benefits, S&S).

- The forecast includes the use of both land sale cash (\$4.0M) and housing related fiduciary funds (\$8.7M) as needed. These funds are currently reserved/restricted by the board.

Assessment of Key Assumptions

Overall, the key assumptions seem reasonable. There's a question about which are more volatile (i.e., less reliable) than others. For example, PERS contributions have been volatile year-to-year in the past which may make reasonable assumptions much more challenging. Also, HECC staff pointed out some minor quibbles noted below, but it is not expected they will substantially change the conclusions of the forecast.

A more conservative approach for employee benefits may be in order. It might be more reasonable to assume PEBB healthcare contributions will increase slightly in the future years due to federal policy uncertainty. Also, PERS contribution rates may increase slightly depending upon fund return assumptions made by PERS.

The assumption for future state funding at a roughly 4.1% annual increase is not entirely without merit. It has been growing annually at 4.8% for SOU in the past five years; but has been growing at a rate of only 3.7% over the longer term (i.e., over the past decade). The experience in the next few years may be closer to that.

APPENDIX D – DAS REVIEW TEAM

The objective of the DAS review team was to Conduct a high-level, initial review of SOU's fiscal picture through June 2027. This includes reviewing previously prepared budget documents, cash flow projections, supporting financial documents, and understanding underlying assumptions around projected revenues and expenditures. The intent is for the initial review to be complete by Thursday, February 19, 2026, to help inform policy makers of the potential SPA amount. An extended review may be needed to inform the distribution of funding to SOU for the May E-Board.

- Initial Review – Complete by Thursday 2/19.
 - Receive financial materials in excel for review of last 3 years of revenue/expense statements and current/next year cash flow projections and budget documents along with any assumption documents.
 - Review and assess reasonableness of assumptions
 - Report initial thoughts on assumptions

- This review is not intended to:
 - be an audit or formal review of financial projections,
 - include recommendations to revise projections,
 - be a legal or regulatory compliance review.

The team was asked to answer two questions.

Does the review team believe the assumptions are substantially reasonable?

Yes. SOU staff are creating a reasonable cashflow forecast. Based on information available to the team and detailed conversations with SOU staff, the key assumptions are determined to be substantially reasonable with three caveats. The caveats relate to restricted debt service funding, overall optimism of assumptions, and significant enrollment downside risk.

- The forecast includes the planned use of \$8.7 million in restricted funding intended to serve as a debt service reserve for the recently completed SOU public-private partnership housing on campus. The team is concerned about the use of this funding for general E&G fund purposes. If this funding is used for purposes other than housing debt service, it is possible this could trigger contractual liabilities (e.g. acceleration of debt repayment). A deeper legal review of these issues is recommended.
- The cash flow forecast includes a number of important assumptions in addition to enrollment, such as state appropriation, housing occupancy levels, future salary increases, etc. While the figures used seem reasonable, it was noted that they are all probably on the “optimistic side of reasonable,” meaning that there is downside risk that these factors do not all emerge as predicted.
- Of particular note, the forecast includes a 2.7% projected decline in enrollment for next academic year and then 2% annual declines thereafter. This is not wholly unreasonable; however, significant downside risk remains due to changing

student demand caused by increasing reputational risk, as well as the closure of programs and planned reduction of fee remission (scholarship) awards. Initial team modeling, using additional data provided by SOU staff, suggests the magnitude of that risk could be at least \$3 – 5 million in the near term, and would compound over time.

What amount of funding does the team think is appropriate for the Special Purpose Appropriation (SPA)?

Based on current forecasting and limited additional modeling, the team believes \$15 million is reasonable with an additional \$5 million reserved for potential enrollment downside risk. This results in a recommended SPA of \$20 million appropriated for the 2025-27 biennium.

The team raised some concerns. The team's work focused on assessing the reasonableness of near-term forecasts, not on fully diagnosing or resolving the institution's underlying structural issues. Within this context, the team expressed significant reservations about the next steps. Should the state provide short-term solvency funding through the current biennium, it will not address longstanding structural imbalances that have contributed to current SOU's financial situation. These challenges predate the current review and will not be resolved through one-time solvency funding. Without fundamental changes to enrollment strategy, program alignment, cost structure, and long-term economic positioning, the financial challenges facing SOU will compound over time.

The proposed SPA would stabilize cash flow through FY2027; however, absent significant structural adjustments, SOU is projected to face renewed cash shortfalls as early as July 2027. In this sense, the proposed funding delays, but does not eliminate, the risk of continued financial distress.

Team membership:

- Stacey Chase, Policy and Budget Analyst, DAS
- Sione Filimoehala, Policy and Budget Analyst, DAS
- Jim Pinkard, Director, Office of Postsecondary Finance & Capital, HECC
- Jamie Moffitt, Senior VP for Finance & Administration, UO
- Carla Ho'a, VP for Finance & Administration, OSU
- John Harman, Senior VP for Finance & Administration, OIT

SOU Cashflow Forecast Summary

- The forecast begins in February 2026 with \$24.3M in available cash. The forecast continues through June 2029 (i.e., end of FY2029 and the 2027-29 biennium).
- The board's minimum threshold is breached as early as July 2026. The forecast shows SOU remains solvent throughout calendar year 2026.
- During FY2027, SOU is forecasted to remain solvent until the fourth quarter of the fiscal year. Cashflow insolvency will be reached as early as May 2027. A

negative cash balance is forecasted for the end of June 2027 in the amount of \$9.5M.

- A negative cash balance is forecasted for the end of June 2029 in the amount of \$52M.

Key Assumptions

Enrollment: declines of 2.7% for 2027 and 2% annually thereafter. The impact of the recent board adopted strategic enrollment plan is included.

Revenues:

- Tuition: increases of 5% per year. Remissions at 14% of gross T&F.
- Uncollected student accounts allowance of 10%. Uncollectable student tuition and fees is based on recent collection efforts that have shown to have been successful in collecting 90% of first-year student accounts receivable.
- Annual increase in state funding (i.e., SSCM/ETSF) of 4%. Annual growth of 1% for lottery funding.
- Housing occupancy increasing from 83% in 2026 to 90% in 2029 with housing rates increasing 2.5% annually. Housing rate increases and occupancy based on historical trends.

Expenses:

- Annual wage increases: Unclassified of 3% for next two years, then 1%. SEIU and APSOU are included as reasonable assumptions to negotiated rates: Classified at DAS rates (plus steps) then average. Faculty targeted at 3%. Student wages at 3.25% annual increase.
- Retirement costs: using December 2025 PERS advisory rates.
- Healthcare and OPE: using existing proportion of wages going forward for both categories. SOU has seen a lower liability for new employees joining with the difference covering the increases in rates.
- Contract inflation of 3.51% annually.

Other:

- Resiliency Plan savings through FY2029 totaling \$8.6M included. All funds and all categories of spending (i.e., wages, benefits, S&S).
- The forecast includes the use of both land sale cash (\$4.0M) and housing related fiduciary funds (\$8.7M) as needed. These funds are currently reserved/restricted by the board.

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Education Item: Review of Financial Metrics for Oregon Public Universities (OPUs)

[Click for 2025 HECC Report on Financial Sustainability for OPUs](#)



Review of Financial Metrics for Oregon Public Universities

SOU Board of Trustees
Finance and Administration Committee
Agenda Item 4.3

Jim Pinkard
Postsecondary Finance & Capital

May 2026

Presentation Overview

1. Purpose of Monitoring
2. Accessing Sustainability
3. Key Takeaways

Dual Perspective of Financial Reporting

Financial reporting for public universities is complicated due to fund accounting. Two distinct reporting perspectives can create confusion.

Annual Financial Report

- Includes all funding and spending; economic resources basis; like that of a business type activity (BTA).
- Reviewed by an independent auditor who verifies the information accurately reflects the financial position of the institution.
- Three financial statements.

Quarterly Fund Report

- Used for budgeting and quarterly financial updates.
- Often limited to the general (E&G) fund and closer to cash basis (i.e., excludes depreciation/accruals).
- Used to ensure accountability in meeting funding restrictions and reporting requirements.

Purpose Statement

The purpose of HECC's financial monitoring is to support statewide policy making guided by the goals and mission of public higher education in Oregon.

Provide Advance Warning

Warning of potential financial instability for policy makers to consider.

Identify Potential Systematic Risks

Risks to Oregon's higher education infrastructure with a focus on the education and workforce mission.

Maintain an Awareness

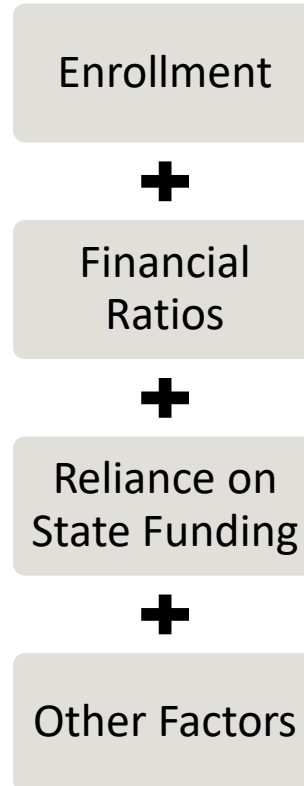
Awareness of broader trends to inform the HECC's ARB and related recommendations in alignment with ORS 350.075 (3).

Analysis Framework

HECC Approach

- No singular method is perfectly capable of forecasting imminent distress.
- HECC uses a simplified approach with a higher likelihood of predicting instability using available data.
- Simplest approach is enrollment and operating margin.
- Conditions are noted as stable, struggling 1, or struggling 2.

Metrics



Other Organizations

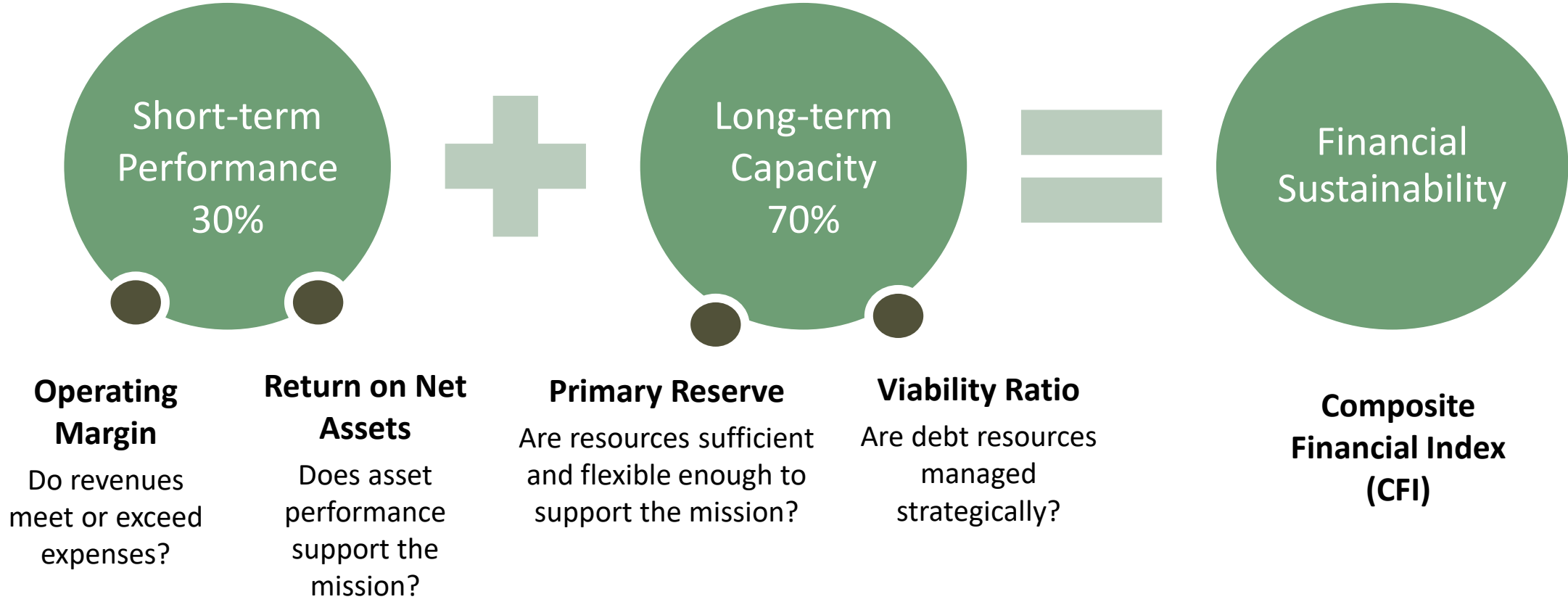
Regional accreditor – Northwest Commission on Colleges and Universities (NWCCU).

The federal government through the Higher Education Act (HEA); oversight of Title IV financial aid programs and through the single audit.

Credit rating agencies and other interested parties.

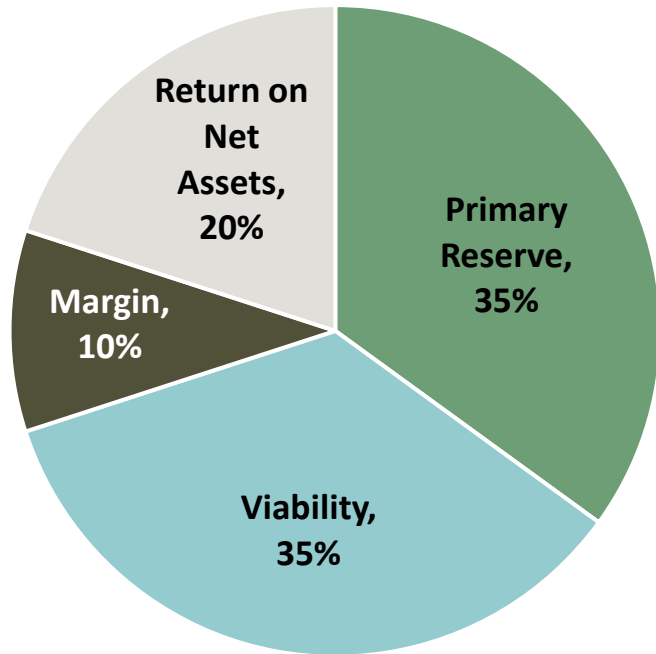
The metrics are informed by: Kelchen, Robert. *Examining the Feasibility of Empirically Predicting College Closures*. Economic Studies at Brookings, 2020. The condition assessment is informed by: NACUBO/Baker Tilly, *Path to Sustainability Project*, 2023.

Accessing Financial Sustainability



Financial sustainability is balancing the budget in the short-term while also developing the capacity for mission relevance over the long-term.

Composite Financial Index (CFI)



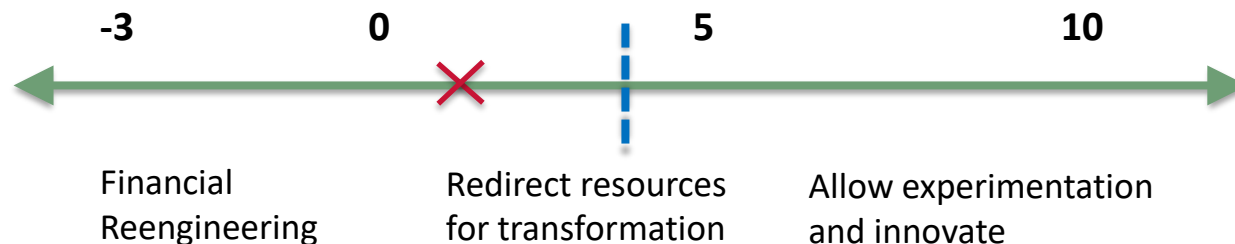
The calculations include all funds, the foundation, and are adjusted for pension liabilities, assets, and expenses.

The CFI combines the four ratios into a single score which measures overall financial well being.

The CFI for a given year lacks precision and is best understood over time with context.

Ideally CFI is 3.0 or above. Currently three of the seven Oregon public universities. SOU averages 1.1 and is at ~0.5 for FY2025.

Scale for CFI Performance:



General Fund (E&G) Data

An analysis of general fund data is included to focus on the education and workforce mission.

Key data points are summarized including total revenue and expenses, operating margin, and ending fund balance.

The goal is to identify potential systematic risk across the system. A five-year trend for each university is included.

Key Takeaways

The CFI is based on historical data. It's a useful, holistic performance indicator if measured over time.

The budget remains the predominant tool available to the board for the routine application of accountability. Assumptions are important.

Liquidity and other metrics should also be reported. Board policies can be used to establish guiderails.

Education Item: Overview of Tuition and Fee Discounting Programs, Including Remissions

Tuition and Fee Discounting Programs, Including Remissions

Education Session



Zac Olson, Assistant Vice President of Enrollment Services
May 21, 2026

For Discussion

- What are remissions/tuition discounts?
- Why do universities use them?
- What is happening at SOU?
- What actions are underway?

What are remissions/tuition discounts?

- Reductions to published (“sticker price”) tuition charged to students
- Lower the actual tuition students pay (“net tuition”)
- Represent tuition revenue the university chooses not to collect
- Include multiple forms of institutional price reductions (Examples):
 - Tuition remissions/waivers
 - Recruitment aid
 - Interstate exchange programs
 - Mission-based affordability programs
- Some programs are legally required or externally governed
- Others are strategic institutional tools designed by the university
- Common across nearly all public and private universities
- Best understood as part of an overall enrollment and pricing strategy

Why do Universities use them?

- Improve college affordability and student access
- Compete for students in a declining demographic environment
- Support enrollment growth and stabilization
- Increase student yield (students who enroll after admission)
- Improve retention and completion rates
- Attract out-of-state and regional students
- Support workforce and regional economic development goals
- Fulfill state or interstate compact obligations
- Advance institutional mission and service goals
- Generate net tuition revenue that would otherwise not exist
- Remain competitive with peer institutions that also discount tuition

What is happening at SOU?

- SOU currently administers a mix of:
 - Mandatory state/federal programs
 - Interstate and regional tuition rates discounts
 - Strategic institutional aid remissions
- Total tuition discounting/remissions have increased over recent years
- Growth has been driven by a combination of:
 - Enrollment pressures
 - Competitive recruitment environment
 - Prior cycle modeling
 - Funding Model vs. SOU's resident/non-resident population mix
 - OR/CA Border Dynamic

Name	Description	Control	Fall 2025 Population
Western Undergraduate Exchange (WUE)	150% of In-State tuition rate. Automatic upon admission; open to all majors. Open to students from WICHE region Alaska, Arizona, California, Colorado, Hawai'i, Idaho, Montana, Nevada, New Mexico, North Dakota, Oregon, South Dakota, Utah, Washington, and Wyoming, Commonwealth of the Northern Mariana Islands (CNMI), Guam, the Republic of the Marshall Islands (RMI), the Federated States of Micronesia (FSM), the Republic of Palau, and American Samoa.	Limited flexibility	~600
North State Promise	In-State tuition rate. Automatic for incoming students from California who graduated from a Shasta, Siskiyou, Tehama, Trinity, or Modoc county high school in 2013 or later.	Limited flexibility	~70
California to Oregon Exchange	In-State tuition rate. In partnership with Shasta College, College of the Redwoods, and College of the Siskiyous, Southern Oregon University has reciprocity agreements which grant qualifying students to pay the equivalent of in-state tuition.	Limited flexibility	+20
Tuition Equity	In-State tuition rate. Tuition Equity (HB 2787) is a law providing students attending Oregon high schools greater access to higher education. It allows Southern Oregon University to grant undocumented Oregon students the resident (in-state) tuition rate, if they meet specific criteria.	Inflexible	<20
Resident Tuition Under SB 553 and SB 1522	In-State tuition rate. Oregon Senate Bills 553 and 1522 are laws that grant eligible students resident (in-state) tuition rates.	Inflexible	<20
Tribal Enrollment	In-State tuition rate. As of September 2022, SOU students who are enrolled members of a federally recognized tribe shall receive the equivalent of resident tuition rates, regardless of where they live. This includes 574 Federally Recognized Native American Tribes.	Inflexible	<20
Military Connected Students	In-State tuition rate. Military personnel, veterans, and/or their dependents may qualify for either residency or the ability to pay the equivalent of in-state tuition depending on their military status.	Inflexible	~30
Merit Remissions	Remission amounts vary. Students automatically considered prior to Feb 1 priority application deadline. Fall entry only. Amounts vary depending on GPA, geography, FY/TR, and participation in other discounting programs.	Flexible	~1400
Additional Remissions	Remission amounts vary. Examples: Athletic (160), Housing (120+), Honors (115), Affordability Grant (76), Red and Black (52), International (16), ROTC (7), etc.	Flexible	+500

Notes:

1. Not inclusive of ALL discounting programs;
2. Focused on Undergraduate Populations.

What actions are underway?

- Conducting a comprehensive review of all remission and discount programs
- Categorizing programs by:
 - Mandatory vs discretionary
 - Strategic value
 - Financial impact
 - Degree of institutional control
- Evaluating program effectiveness using:
 - Enrollment outcomes
 - Retention outcomes
 - Net tuition revenue impact
 - Cost-benefit analysis
- Identifying opportunities to:
 - Better target institutional aid
 - Reduce low-impact discounts
 - Align aid with strategic enrollment priorities
 - Improve financial sustainability
- Reviewing renewal criteria, eligibility standards, and award structures
- Modeling potential savings alongside enrollment impacts
- Developing recommendations to:
 - Maintain high-value programs
 - Modify selected programs
 - Eliminate low-performing or duplicative programs
- Aligning future remission strategy with SOU's long-term financial and enrollment goals

Questions?

SOU Student Account Balances and Debt Recovery

SOU Student Account Balances and Debt Recovery

Dr. Carson Howell, SOU, Vice President for Finance and Administration
Stephanie Hanigan, SOU, Associate Director for Business Services & Bursar

Agenda

- Progress Report
- How SOU Compares - Total Student A/R
- The Past Due SOU Student Balance Lifecycle
- How SOU Compares - Collections Practices
- How SOU Compares - Additional Term Account Charges
- Efforts to Mitigate
- Questions?

Progress Report

Southern Oregon University								
Accounts Receivable Aging Report								
10/1/2025								
Count	0-1 Year	1-2 Years	2-3 Years	3-4 Years	4-5 Years	Over 5 Years	Balance	Group Name
5	665.10	9,017.07	17,460.38	15,610.91	19,160.55	3,460.30	65,374.31	Bankruptcy
1,109	946,700.10	1,962,708.66	2,294,056.55	1,592,223.97	1,200,312.93	714,130.06	8,710,132.27	Collection agencies
1	379.00	193.29	245.13	302.46	1,372.84	0.00	2,492.72	Deceased
10	3,536.74	3,660.22	382.17	109.72	2,149.68	1,223.00	11,061.53	Internal collections
2,590	7,429,225.51	114,462.51	65,245.46	66,419.62	46,052.84	31,863.58	7,753,269.52	No delinquency code
607	1,448,822.84	792,528.17	531,628.59	367,301.82	237,046.60	73,527.23	3,450,855.25	Payment plan
7	600.00	1,589.79	1,786.61	1,127.27	0.00	12,220.14	17,323.81	Write off
4,329	9,829,929.29	2,884,159.71	2,910,804.89	2,043,095.77	1,506,095.44	836,424.31	20,010,509.41	

Southern Oregon University								
Accounts Receivable Aging Report								
05/01/26								
Count	0-1 Year	1-2 Years	2-3 Years	3-4 Years	4-5 Years	Over 5 Years	Balance	Group Name
5	900.00	4,853.11	6,351.00	20,766.26	18,770.64	14,233.30	65,874.31	Bankruptcy
1,099	379,932.35	1,315,873.26	1,893,683.67	2,012,695.51	1,310,959.79	1,329,166.41	8,242,310.99	Collection agencies
1	200.00	472.29	29.62	366.78	151.19	1,372.84	2,592.72	Deceased
78	173,915.96	997.65	167.94	369.67	53.82	3,372.68	178,877.72	Internal collections
1,468	2,924,006.43	167,456.44	81,269.35	45,399.29	47,676.66	18,725.35	3,284,533.52	No delinquency code
618	1,276,697.85	476,685.26	366,555.34	322,442.11	212,658.86	110,713.78	2,765,753.20	Payment plan
5	400.00	459.61	1,479.83	1,345.49	561.29	9,247.22	13,493.44	Write off
3,274	4,756,052.59	1,966,797.62	2,349,536.75	2,403,385.11	1,590,832.25	1,486,831.58	14,553,435.90	

Progress Report

Southern Oregon University								
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1,109	946,700.10	1,962,708.66	2,294,056.55	1,592,223.97	1,200,312.93	714,130.06	8,710,132.27	Collection agencies
1	379.00	193.29	245.13	302.46	1,372.84	0.00	2,492.72	Deceased
10	3,536.74	3,660.22	382.17	109.72	2,149.68	1,223.00	11,061.53	Internal collections
2,590	7,429,225.51	114,462.51	65,245.46	66,419.62	46,052.84	31,863.58	7,753,269.52	No delinquency code
607	1,448,822.84	792,528.17	531,628.59	367,301.82	237,046.60	73,527.23	3,450,855.25	Payment plan
7	600.00	1,589.79	1,786.61	1,127.27	0.00	12,220.14	17,323.81	Write off
	9,829,929.29	2,884,159.71	2,910,804.89	2,043,095.77	1,506,095.44	836,712.28	20,010,509.41	

Southern Oregon University								
Accounts Receivable Aging Report								
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1	200.00	472.29	29.62	366.78	151.19	1,372.84	2,592.72	Deceased
78	173,915.96	997.65	167.94	369.67	53.82	3,372.68	178,877.72	Internal collections
1,468	2,924,006.43	167,456.44	81,269.35	45,399.29	47,676.66	18,725.35	3,284,533.52	No delinquency code
618	1,276,697.85	476,685.26	366,555.34	322,442.11	212,658.86	110,713.78	2,765,753.20	Payment plan
5	400.00	459.61	1,479.83	1,345.49	561.29	9,247.22	13,493.44	Write off
	4,756,052.59	1,966,797.62	2,349,536.75	2,403,385.11	1,590,832.25	1,486,712.28	14,553,435.90	

Progress Report



Student Account Balances Data
Fiscal Year 2025, Compared to FY2024

5/6/2024

	Outstanding Student Account Balances				# of Accounts			Average Student Balance			
	Fiscal Year		Change	% Change	Fiscal Year			Fiscal Year		Change	% Change
	2024	2025			2024	2025	% Change	2024	2025		
July	\$ 16,648,950	\$ 15,420,375	\$ (1,228,575)	-7.4%	3,389	3,571	5.4%	\$ 4,913	\$ 4,318	\$ (594)	-12.1%
August	\$ 16,106,765	\$ 14,506,099	\$ (1,600,666)	-9.9%	3,242	3,220	-0.7%	\$ 4,968	\$ 4,505	\$ (463)	-9.3%
September	\$ 24,515,367	\$ 21,338,605	\$ (3,176,762)	-13.0%	4,660	4,396	-5.7%	\$ 5,261	\$ 4,854	\$ (407)	-7.7%
October	\$ 19,472,682	\$ 16,980,912	\$ (2,491,769)	-12.8%	3,939	3,441	-12.6%	\$ 4,944	\$ 4,935	\$ (9)	-0.2%
November	\$ 17,632,760	\$ 15,388,760	\$ (2,244,000)	-12.7%	3,559	3,088	-13.2%	\$ 4,954	\$ 4,983	\$ 29	0.6%
December	\$ 32,464,532	\$ 29,777,428	\$ (2,687,104)	-8.3%	5,194	4,819	-7.2%	\$ 6,250	\$ 6,179	\$ (71)	-1.1%
January	\$ 19,879,591	\$ 16,559,770	\$ (3,319,821)	-16.7%	4,028	3,564	-11.5%	\$ 4,935	\$ 4,646	\$ (289)	-5.9%
February	\$ 18,409,104	\$ 15,078,198	\$ (3,330,907)	-18.1%	3,546	3,345	-5.7%	\$ 5,192	\$ 4,508	\$ (684)	-13.2%
March	\$ 23,942,696	\$ 19,783,038	\$ (4,159,658)	-17.4%	4,340	3,928	-9.5%	\$ 5,517	\$ 5,036	\$ (480)	-8.7%
April	\$ 19,040,772	\$ 16,127,972	\$ (2,912,800)	-15.3%	3,671	3,776	2.9%	\$ 5,187	\$ 4,271	\$ (916)	-17.7%



Student Account Balances Data
Fiscal Year 2026, Compared to FY2025

5/6/2024

	Outstanding Student Account Balances				# of Accounts			Average Student Balance			
	Fiscal Year		Change	% Change	Fiscal Year			Fiscal Year		Change	% Change
	2025	2026			2025	2026	% Change	2025	2026		
July	\$ 15,420,375	\$ 14,412,928	\$ (1,007,447)	-6.5%	3,571	3,544	-0.8%	\$ 4,318	\$ 4,067	\$ (251)	-5.8%
August	\$ 14,506,099	\$ 13,431,381	\$ (1,074,718)	-7.4%	3,220	3,146	-2.3%	\$ 4,505	\$ 4,269	\$ (236)	-5.2%
September	\$ 21,338,605	\$ 20,010,509	\$ (1,328,095)	-6.2%	4,396	4,329	-1.5%	\$ 4,854	\$ 4,622	\$ (232)	-4.8%
October	\$ 16,980,912	\$ 15,949,278	\$ (1,031,634)	-6.1%	3,441	3,239	-5.9%	\$ 4,935	\$ 4,924	\$ (11)	-0.2%
November	\$ 15,388,760	\$ 14,095,469	\$ (1,293,291)	-8.4%	3,088	2,969	-3.9%	\$ 4,983	\$ 4,748	\$ (236)	-4.7%
December	\$ 29,777,428	\$ 19,979,822	\$ (9,797,606)	-32.9%	4,819	4,324	-10.3%	\$ 6,179	\$ 4,621	\$ (1,558)	-25.2%
January	\$ 16,559,770	\$ 15,365,875	\$ (1,193,895)	-7.2%	3,564	3,448	-3.3%	\$ 4,646	\$ 4,456	\$ (190)	-4.1%
February	\$ 15,078,198	\$ 13,444,871	\$ (1,633,327)	-10.8%	3,345	3,247	-2.9%	\$ 4,508	\$ 4,141	\$ (367)	-8.1%
March	\$ 19,783,038	\$ 18,157,060	\$ (1,625,978)	-8.2%	3,928	3,927	0.0%	\$ 5,036	\$ 4,624	\$ (413)	-8.2%
April	\$ 16,127,972	\$ 14,553,436	\$ (1,574,536)	-9.8%	3,776	3,274	-13.3%	\$ 4,271	\$ 4,445	\$ 174	4.1%

Progress Report



Student Account Balances Data
Fiscal Year 2025, Compared to FY2024

5/6/2024

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Student Account Balances Data
Fiscal Year 2026, Compared to FY2025

5/6/2024

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How SOU Compares - Total Student A/R

As of 3/20/26

Western Oregon University -

Pre-Collections, In Collections, Payment Plans, Bankruptcies, Write-Offs

Total Outstanding Student A/R (>90+ Days)= \$7,616,434.54

Total Student Accounts with Outstanding A/R = 1,480

*Key factors:

WOU has written off a large amount of outstanding debt which has lowered the amount carried on their books.

Changed their hold policy and interest.

How SOU Compares - Total Student A/R

University of Oregon -

Student Outstanding A/R balances have been increasing and the percentage collected for each aging category has been decreasing.

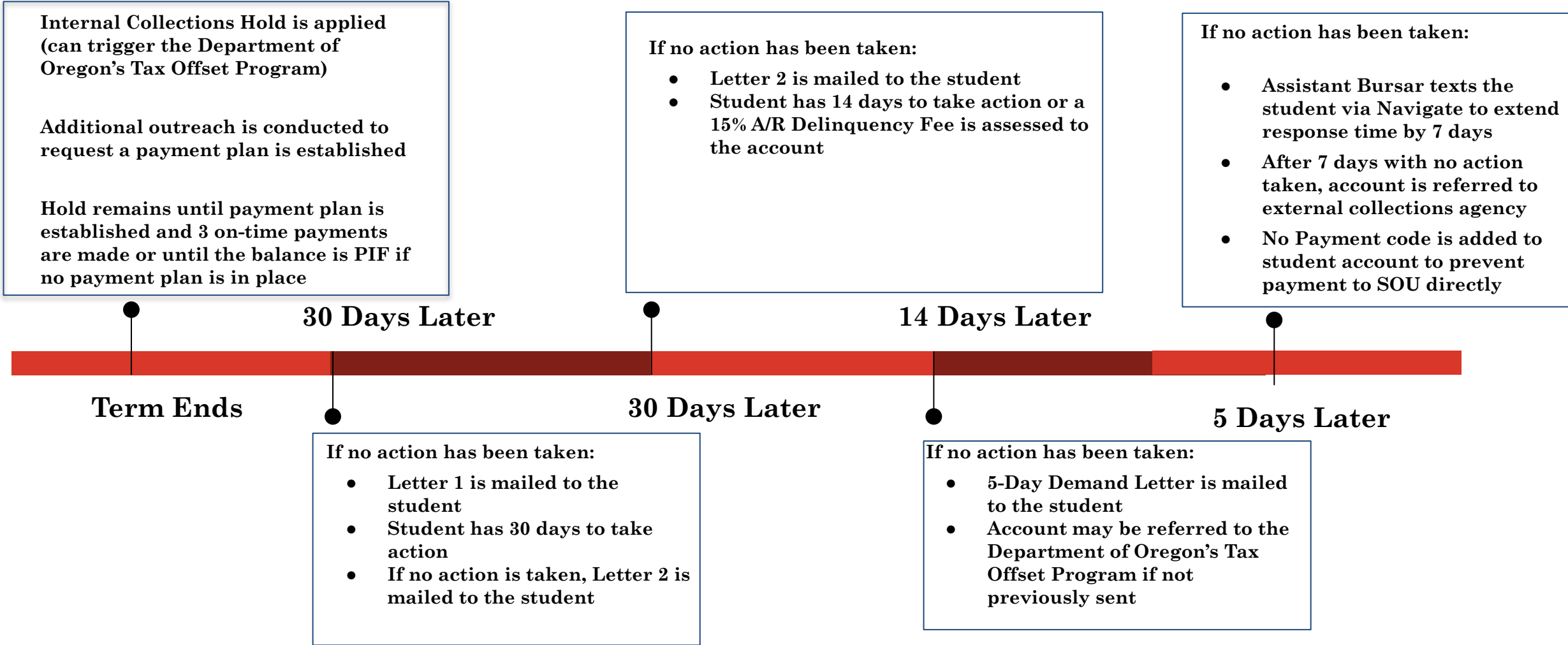
Ended FY25 with \$42.7 million in outstanding A/R and increased the allowance for bad debt to \$15.8 million

*Key factors:

UO did not change the registration hold requirements during covid, but they did stop sending accounts to an outside collection agency during the pandemic.

	FY2025 data						
Step One: Results from TWRAGES	< 1yr	1-2 yr	2-3 yr	3-4 yr	4-5 yr	5+ yr	Total
FY 2016	20,082,407	2,592,007	1,826,745	1,234,538	839,572	1,865,267	28,440,535
FY2017	21,599,524	2,830,203	1,873,400	1,457,286	983,159	1,725,836	30,469,408
FY2018	23,701,588	2,982,013	2,238,953	1,594,048	1,288,289	2,005,773	33,810,665
FY2019	22,015,174	3,476,281	2,240,874	1,980,263	1,380,337	2,621,156	33,714,085
FY2020	20,672,148	3,467,608	2,535,327	1,921,611	1,753,596	2,986,854	33,337,144
FY2021	18,751,170	3,690,209	2,495,834	2,223,167	1,696,843	3,500,343	32,357,566
FY2022	20,389,782	3,306,284	2,658,427	2,054,939	1,916,863	3,904,698	34,230,993
FY2023	21,764,049	4,021,724	2,596,945	2,220,798	1,747,782	3,884,949	36,236,247
FY2024	22,492,150	4,736,821	2,900,833	2,236,763	1,960,474	4,238,007	38,565,049
FY2025	25,589,255	4,531,411	3,739,184	2,492,639	1,958,145	4,405,036	42,715,670

The Past Due SOU Student Balance Lifecycle



How SOU Compares - Collections Practices



Southern Oregon University-

Student account balance threshold allowance:

- Continuing students prior to Fall 2024: \$6,000 overall balance
- Continuing students who enrolled 2024-2025 Academic Year: \$3,000 overall balance
- New students who enrolled during the 2025-2026: \$0 overall balance

Western Oregon University -

Student account balance threshold allowance:

- \$2,500*

*WOU Bursar had suggested modeling after Oregon State University's threshold and was unsuccessful. Academics conducted a retention study driven to see what would be a good student account balance threshold would be that mirrored previous 1/3 prior term balance threshold.

How SOU Compares - Collections Practices



Oregon State University -

Student account balance threshold allowance:

→ \$500 from current term only.

If no longer enrolled, must be paid-in-full to re-register.

University of Oregon -

Student account balance threshold allowance:

→ \$3,000 Non-Oregon Resident; \$1,000 Oregon resident.

Portland State University -

Student account balance threshold allowance:

→ Require payment in full or to enroll in a payment plan by the first due date.

How SOU Compares - Additional Term Account Charges



Southern Oregon University-

- \$50 Continued Balance Charge on all outstanding balances on account the day after the term ends

Western Oregon University - Under review

Oregon State University:

- Do not charge interest
- \$85 late fee assessed once a term if the balance due is greater than \$500 on the first bill of the term
- \$15 charge to enroll in a payment plan
- 3 day grace to make payment date if deadline is missed
- 2 broken payment plans = nullifies payment plan eligibility
- <\$60 billing processing fee for unpaid accounts where the student is no longer enrolled

How SOU Compares - Additional Account Charges



Portland State University -

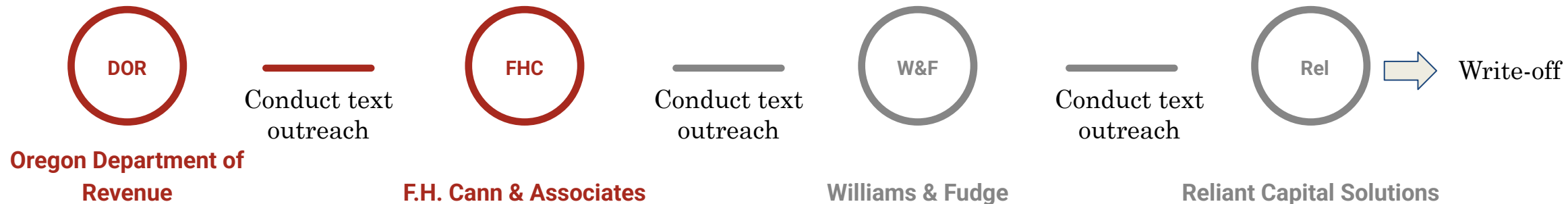
- Interest is assessed at 12% annually
- \$10 billing fee
- Late fee of \$100 after first due date if not paid in full or on a payment plan
- Three payment due dates during the term, \$100 late fee charged for each missed payment
- Second missed payment results in registration hold, lifted only if payment plan becomes current
- Three missed payments results in another hold and deregistration for future term

Efforts to Mitigate

- Financial Aid Authorization Form
 - Implemented due to Title IV compliance
 - Limits the amount of student accounts who can charge SOU Bookstore course materials
 - Limits the total dollar amount eligible accounts can charge
 - 84.21% reduction in account charges via the SOU Bookstore
- Extension of payment plans through Summer of 2026
 - if not enrolled in Summer Term
 - if enrolled, scheduled financial aid is expected to cover Summer Term charges

Efforts to Mitigate

- Option to negotiate payment amount to one tier lower than established repayment amount based on outstanding student account balance
- Offer an additional 7 days to respond prior to collection agency placement
- Notification of account return from external collections and offer to resolve account with SOU prior to next placement



Questions?



Future Meetings

Adjournment