



OFFICE OF THE BOARD OF TRUSTEES

Public Meeting Notice

March 8, 2018

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 at the location set forth below.

Topics of the meeting will include a vice president's report including the prioritization of capital projects and deferred maintenance. There will be discussion and action on the 2018-19 student incidental fee recommendation and that process; the 2018-19 tuition and mandatory fees recommendation; and a renovation project of the Osher Lifelong Learning Institute. The information and discussion item will include budget projections with a review of the pro forma.

The meeting will occur as follows:

Thursday, March 15, 2018
4:00 p.m. to 6:00 p.m. (or until business concludes)
Hannon Library, DeBoer Room, 3rd Floor, Room #303

The Hannon Library is located at 1290 Ashland Street, on the Ashland campus of Southern Oregon University. **If special accommodations are required or to sign-up in advance for public comment, please contact Kathy Park at (541) 552-8055 at least 72 hours in advance.**



Board of Trustees
Finance and Administration Committee Meeting
March 15, 2018

Call to Order / Roll / Declaration of a Quorum



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

**Thursday, March 15, 2018
4:00 p.m. – 6:00 p.m. (or until business concludes)
DeBoer Room, Hannon Library**

AGENDA

Persons wishing to participate during the public comment period shall sign up at the meeting.
Please note: times are approximate and items may be taken out of order.

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|---------|----------|--|--|
| | 1 | Call to Order/Roll/Declaration of a Quorum | Trustee Dennis Slattery |
| | 1.1 | Welcome and Opening Remarks | |
| | 1.2 | Roll and Declaration of a Quorum | Sabrina Prud'homme,
SOU, Board Secretary |
| | 1.3 | Agenda Review | Trustee Slattery |
| | 2 | Public Comment | |
| 10 min. | 3 | Vice President's Report | Greg Perkinson, SOU, Vice
President for Finance and
Administration |
| | 3.1 | Capital Projects and Deferred Maintenance
Prioritization | |
| 5 min. | 4 | Consent Agenda | |
| | 4.1 | Approval of February 15, 2018 Meeting Minutes | Trustee Slattery |
| | 5 | Action Items | |
| 25 min. | 5.1 | 2018-19 Proposed Student Incidental Fee
Recommendation and Overview of Student Fee
Process | Matthew Soloway, ASSOU,
Chief of Staff |
| 55 min. | 5.2 | 2018-19 Proposed Tuition and Mandatory Fees | President Linda Schott |
| 10 min. | 5.3 | Osher Lifelong Learning Institute (OLLI)
Renovation Project | Janet Fratella, SOU, Vice
President for Development |

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

**Thursday, March 15, 2018
4:00 p.m. – 6:00 p.m. (or until business concludes)
DeBoer Room, Hannon Library**

AGENDA (Continued)

6 Information and Discussion Items

10 min.	6.1 Budget Projections - Review of Pro Forma	Mark Denney, SOU, Associate Vice President for Budget and Planning
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	6.2 Future Meetings	Trustee Slattery
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	7 Adjournment	Trustee Slattery
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Public Comment

Vice President's Report

Consent Agenda



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

**Thursday, February 15, 2018
4:00 p.m. – 5:30 p.m. (or until business concludes)
DeBoer Room, Hannon Library**

MINUTES

Call to Order/Roll/Declaration of a Quorum

Chair Paul Nicholson called the meeting to order at 4:03 p.m. and welcomed two members of the Tuition Advisory Council, Matthew Soloway and Debbie O’Dea. The meeting was temporarily adjourned to assemble a quorum and reconvened at 4:22 p.m.

The following committee members were present: Paul Nicholson, Sheila Clough and Lyn Hennion. Trustee Dennis Slattery participated via teleconference. Trustees Les AuCoin and April Sevcik were absent. Trustee Shanztyn Nihipali attended the meeting and Trustee Linda Schott (ex officio) participated via videoconference.

Other meeting guests included: Greg Perkinson, Vice President for Finance and Administration (via videoconference); Jason Catz, General Counsel; Janet Fratella, Vice President for Development; Mark Denney, Associate Vice President for Budget and Planning; Shane Hunter, Senior Financial Management Analyst; Steve Larvick, Director of Business Services; Deborah Lovern, Budget Officer; Matthew Soloway, ASSOU and Tuition Advisory Council; Debbie O’Dea, SEIU and Tuition Advisory Council; John Stevenson, User Support Manager; Don Hill, Classroom and Media Services Manager; Sabrina Prud’homme, Board Secretary; and Kathy Park, Executive Assistant.

Public Comment

There was no public comment.

Vice President’s Report

Dashboard Review

Greg Perkinson presented the committee dashboard, starting with the Public University Funds Operating Cash. He previously briefed Chair Nicholson that the Department of Administrative Services (DAS) did not properly perform its 2015 XIQ bond administration when it failed to request its third year authority. When SOU requested reimbursement of \$5.5 million, the state treasury would not pay because DAS had not requested authority. This negatively affected SOU’s operating cash and finance personnel have studied the cash flow needed to keep the three construction projects moving along. The floor of the cash reserves is about \$6 million. The university can continue to pay using cash reserves through March and the HECC has agreed to forward-fund the fourth quarter allocation of \$3.3 million. Mr. Perkinson

provided this information so the committee would be aware of the situation and that finance personnel are working through it using cash reserves. Mr. Perkinson then responded to trustees' inquiries: the likelihood of SOU not getting the money is very small; the worst-case scenario is that something gets hung up legislatively, requiring SOU to work with the HECC and DAS for a different administrative fix, which may delay vendor payment or drive SOU below the \$6 million floor; and the \$6 million floor is a figure Steve Larvick calculated, and Mr. Perkinson highly values.

Mr. Perkinson addressed other figures on the financial dashboard, saying there are no negative indicators.

Financial Stress Testing

Turning to the composite financial index, Mr. Perkinson said the HECC announced it had an interest in tracking a financial stress test for universities. The industry standard is based on four ratios: primary reserve, net operating revenues, return on net assets, and viability. Industry has a low benchmark of 3 and a high of 10. SOU's rating of 1.2 indicates an opportunity to reengineer the institution, which the strategic plan is doing. President Schott added that these ratios were included in SOU's conditions report and biannual reports to the HECC. These are national standards, are set high, and a lot of universities do not meet them.

Responding to Chair Nicholson's inquiry about targets set in the strategic plan, Mark Denney said his team is working now on the objectives and goals to increase financial stability and improve the composite financial index. Trustee Clough recommended that the board be educated on whatever metrics SOU will be evaluated on.

Consent Agenda

Trustee Clough moved to approve the minutes from the January 18, 2018 meeting, as presented. Trustee Hennion seconded the motion and it passed unanimously.

Information and Discussion Items

Discussion of Tuition Advisory Council Process and Progress

Mark Denney discussed the Tuition Advisory Council (TAC), its composition and the process. The TAC is chaired by the provost and has two administrators, two faculty members, four students and one classified member. Mr. Denney serves as a nonvoting asset to the TAC, providing data and information and leading many of the discussions. The TAC will produce a draft recommendation, which is presented around campus to get feedback for the final recommendation. In the past, Mr. Denney has made those presentations but this year the TAC members will make them, which will provide a clear connection between the TAC and the recommendation that goes to the president. The TAC will make presentations to the University Planning Board, Faculty Senate, the ASSOU Senate, and will have a campus-wide forum. The TAC presents the final recommendation to the president, who modifies or accepts it, and the president then presents it to this committee and to the board.

Matthew Soloway, the ASSOU representative on the TAC, said he was on the TAC last year and testified before the HECC on the process. He thought the process this year

was much better, seamless and more interactive. Debbie O'Dea, the SEIU representative on the TAC, said she has a more personal interest in the process; she is a financial aid counselor and is able to obtain information to answer questions from students and parents. She said the process is moving along and the TAC is developing its recommendation and getting ready to present it. She also thought the process was seamless and it did not feel daunting.

Responding to Trustee Clough's inquiry about letting others know that the process is going well, Ms. O'Dea said she reports at union meetings and frequently updates her department. Mr. Soloway said he regularly updates the ASSOU cabinet, president and vice president. Mr. Denney said SOU's Oregon Student Association representative attends the TAC meetings but is not a member of the TAC; the representative is very connected with students across campus and helps ensure student engagement and involvement in the tuition setting process. Mr. Denney mentioned the internal Google site where TAC information is posted. The TAC is doing everything it can to make information available and to be transparent in the process. He also mentioned that SOU's process was the model for the pending legislation on the tuition setting process. If the TAC opinion is not unanimous, Mr. Denney said a minority recommendation will be included and an analysis of the impact of each will be provided.

Chair Nicholson thanked Mr. Soloway and Ms. O'Dea for their participation and emphasized that the board is very concerned about these issues.

2018-19 Preliminary Tuition and Fee Preview

Mark Denney provided a preview of the tuition rate, saying he does not know where it will be. At the current enrollment projections, a 5 percent increase would be needed to have stability in the fund balance. He thought a 5 percent increase would be the ceiling of the TAC's recommendation, which would be an increase of about \$8 per credit.

Mr. Denney discussed the current status of various fees: the building fee is unchanged; the health fee may increase modestly (1-2 percent); and the Student Fee Committee may recommend an increase of 5 percent or less. Responding to Trustee Hennion's inquiry, Mr. Denney said the student incidental fee supports programs that enhance academic and campus life experiences and is managed by ASSOU's Student Fee Committee, with oversight and guidance from the university. The student incidental fee is currently \$343 per term, one of the highest in the state; Mr. Denney mentioned areas SOU's fee supports that other universities do not, such as the green tag fee and Schneider Children's Center.

Continuing his discussion of the fees, Mr. Denney said the student recreation center fee is \$95 and cannot be increased for two years. The university's housing director is recommending increases of 4 percent for double rooms, 5-6 percent for single rooms and 2 percent for meal plans.

Budget Projections - Review of Pro Forma

Mark Denney said budget personnel are now projecting an 11.9 percent ending fund balance for this year, compared to last month's projection of 11.4 percent. This

projection is using a 5 percent tuition rate increase for the next several years. Mr. Denney then covered various figures in the pro forma, highlighting the impact on the ending fund balance of enrollment stabilization, tuition revenue, cost management for supplies and services, state funding, and projected costs and revenue from the online MBA program. Discussion ensued on the funding model and revenue generated from resident students and out-of-state students.

Mr. Perkinson said he has great confidence in the approach Mr. Denney is taking and in the assumptions used in the budgeting model.

Responding to Chair Nicholson's inquiry, President Schott said she has had informal communications with the HECC about SOU's conditions report and she feels confident about where SOU stands.

Discussing the online MBA program, President Schott said there are 17 applicants. She had an interview with a reporter from the Mail Tribune and is trying to arrange an interview on KOB's Five on 5 segment. She believes SOU will do quite a bit better than the initial projections.

Future Meetings

Chair Nicholson said the next committee meeting would be on March 15 and encouraged trustees to let him or the board secretary know of any items they would like to discuss.

Adjournment

Chair Nicholson adjourned the meeting at 5:42 p.m.

2018-19 Proposed Student Incidental Fee Recommendation and Overview of Student Fee Process

(Materials Updated)

Objectives for Student Members



- Develop a shared knowledge around the purpose of the student fee
- Place student fees in a historical context
- Describe the ever-strengthening legal foundation supporting the use of student fees in Oregon
- Recognize the power of student autonomy in maintaining the student fee process
- Understand the mechanism by which student fees are collected and disbursed at SOU

Purposes of Student Fees

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

“ The speech the University seeks to encourage in the program before us is distinguished not by discernable limits but by its vast, unexplored bounds. To insist upon asking what speech is germane would be contrary to the very goal the University seeks to pursue.”

Associate Justice Anthony Kennedy- March 2000
SCOTUS ruling on University of Wisconsin System v. Southworth

A Brief History of Student Fees

1876: The University of Oregon includes an optional fee to support campus athletic groups, student publications and student government.

1985: Oregon Attorney General determines the State Board of Higher Education has the right to levy and control student fees “to be advantageous to the cultural or physical development of the students”

- This made University Student Fee Funds into State Funds
- This limited the use of fees as “Government Speech”

Recent Developments for Student Fees



2000: In *UW Madison v. Southworth*, SCOTUS unanimously rules in favor of student fees as constitutional, when facilitating the free and open exchange of ideas

- Extra-curricular student speech may be funded as long as funding process is **Viewpoint Neutral**.

Oregon State

Attorney General Opinion #8289

2015: Oregon Attorney General reconsiders the limitations of Student fees, determining

- Speech of Student Groups is NOT Government Speech.
- Student fees are not restricted in their funding of groups which intend to influence political campaigns or ballot measures.
- Viewpoint Neutrality reigns supreme as determinant of constitutionality of Student fee use.

Viewpoint Neutrality

Viewpoint Neutral funding means:

Funding decisions may not be based on a group's point of view, no matter how unorthodox or distasteful their view may be

Viewpoint Neutral funding does NOT mean:

- Student groups themselves must be viewpoint neutral
- All groups must be allocated same amount of money
- Funding one partisan viewpoint requires funding a group for the opposing viewpoint

Student Money, Student Control.

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

The Student Fee Committee

- Athletics Advisory Committee
- Student Union Advisory Committee
- Educational Activities Advisory Committee
- Inter-Club Council
- Environmental Affairs Committee

Chair: Director of Finance
4 Senators 4 At-large
1 Justice (Non-Voting)
1 Advisor

Sub-Committees

Athletics Advisory Committee

Student Union Advisory Committee

Educational Activities Advisory Committee

- Inter-Club Council Allocation Committee

4 Senators 4 At-Large
1 Executive (Non-Voting)
1 Justice (Non-Voting)
1 Ex-Officio Advisor

Maintaining Student Autonomy

Requires:

- Students must be assertive in their enforcement of autonomy
- Passing of knowledge from one year's student body to the next
- A well-established fee policy and documentation of the means by which student fees stay within student control
- Staffing Fee committees with dedicated students who will develop their roles as advocates for the student body, and **maintain Viewpoint Neutrality**
- **Avoiding conflict of interest** by not supporting anything which benefits you directly

Fall Term

- **October 26:** CoC SFC and Subcommittee placements
- **November 6:** SFC Sets Criteria and Approves Timeline, Forms
- **November 7:** Senate approves criteria, SFC timeline
- **November 14:** SFC decides directions to subcommittees, Presentation by Mark Denny about current balance
- **November 14:** Senate approves forms
- **November 15:** President Schott approves criteria, forms
- **November 22:** Form 1 goes to the groups seeking Funding
- **November 20-30:** Subcommittees initial meeting

Winter Timeline for Student Fee Approval Process



January 8: Forms due

January 12-26 : Subcommittee Budget Hearings/ Deliberations

January 29-February 6 : Subcommittee Proposals to SFC

February 7-14: Buffer week for appeals, SFC recommendation rejections

February 19: Final SFC Deliberation, approval

February 20: Presentation to Senate

February 27: Senate deliberation, approval/rejection

March 1: Possible SFC re-deliberation

March 6: Final Senate approval

March 7: Final ASSOU President approval

March 9: Submitted to President Schott

Checks within the Budget

The SFC may reject Subcommittee-approved budgets

- May make changes upon second rejection

Senate may reject the SFC-approved budget

- May make changes upon second rejection

The ASSOU President may reject the Senate-approved budget

- Sends the budget back to Senate
- Senate may override an ASSOU Presidential Veto and send the budget directly to the University President

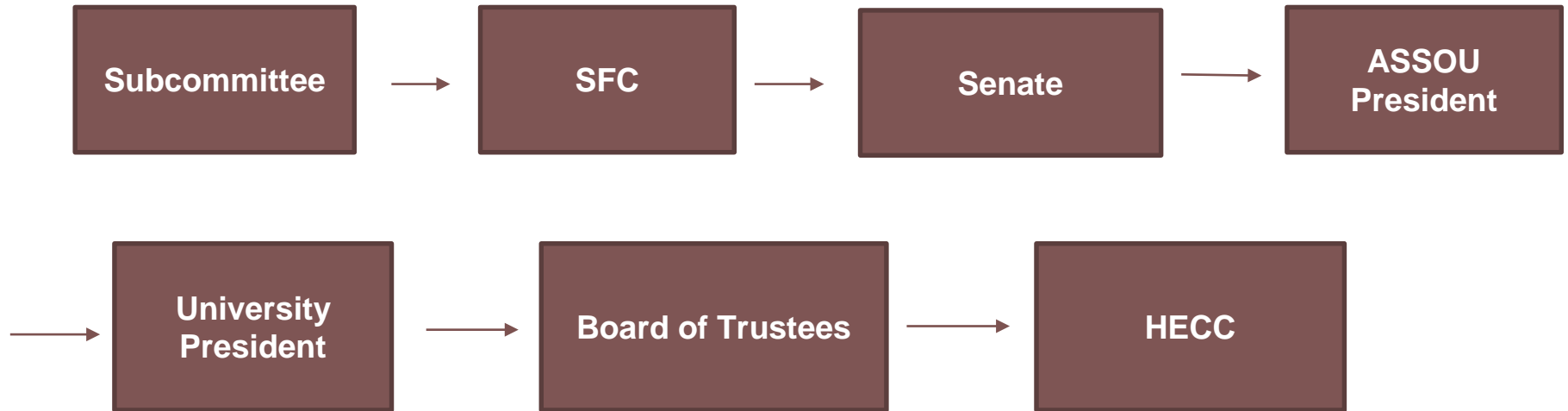
The University President may reject the ASSOU-approved budget

- Send Back to ASSOU with the expectation that appropriate changes will be made
- If common-ground cannot be reached, a Hearing Board will convene and mediate the process

The University President and BOT may reject a proposed budget

- Student Fee grew by more than 5% since previous year
- If it is illegal/breaks preexisting contracts
- If they believe the fee request is not advantageous to the development of the students

Approving the Budget



Supported by
Student Fees



ASSOU

SOUTHERN OREGON UNIVERSITY
ASSOU INCIDENTAL AND RECREATION CENTER FEE RECOMMENDATION
For Academic Year 2018-19 – Fall Term, 2018 through Summer Term, 2019

Date: Tuesday, March 6, 2018
From: President, Associated Students of Southern Oregon University (ASSOU)
To: Chair, Southern Oregon University Governing Board
Via: President, Southern Oregon University

DESCRIPTION OF REQUEST

Student Incidental Fee FY19 Budget Proposal
Student Recreation Center Fee FY19 Budget Proposal

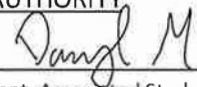
SOURCE OF FUNDS

Student Incidental Fee and Incidental Fee Reserve
Student Recreation Center Fee and Recreation Center Fee Reserve

Summary/Description	Index	Budget
Initial Budget Level (IBL)	Athletics Advisory Committee (AAC)	1,413,074
Initial Budget Level (IBL)	Educational Activities Advisory Committee (EAAC)	735,785
Initial Budget Level (IBL)	Stevens Union Advisory Committee (SUAC)	1,976,905
	Subtotal:	4,125,764
Incidental Fee Reserve	IFCRES	50,000
Building/Equipment Reserve	SUBERS/SUIOBR	25,000
Green Tag Fee	SUGNTF/SUGBEF	164,817
Schneider Children's Center	SUCARE	194,817
Athletics Post Season Travel Reserve	ATHRES	-
	Total Initial Budget Level	4,530,398
Student Recreation Center	RECNTR	
	Total Initial Budget Level	1,532,430
	Projected Average Student FTE	4,168
	Incidental Fee per Term – Academic Year 2018-19	\$358
	Incidental Fee per term – Academic Year Prior Year	\$343
	\$ Change from Prior Year	\$15
	% Change from Prior Year	4.37%
	Projected Student FTE Summer Term	751
	Incidental Fee – Summer Term 2016	\$92
	Incidental Fee – Summer Term Prior Year	\$88
	\$ Change from Prior Year	\$4
	% Change from Prior Year	4.55%
	Projected Average Student FTE	4,168
	Recreation Center Fee per term – Academic Year 2018-19	\$95
	Recreation Center Fee per term – Academic Year Prior Year	\$95
	\$ Change from Prior Year	\$0
	% Change from Prior Year	0.0%

SIGNATURE AUTHORITY

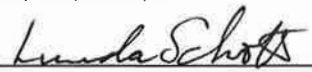
Approve Disapprove



President, Associated Students of
Southern Oregon University
Daryl Maplethorpe

03/14/18
Date

Endorse Do not Endorse



President, Southern Oregon University
Linda Schott

3/15/18
Date

2018-19 Proposed Tuition and Mandatory Fees

(Materials Updated)

Recommended Tuition and Mandatory Fee Rates for 2018-19

- Context:
 - Total Cost of Attendance
 - Relation to comparator schools
 - Process:
 - Inclusive
 - Engaged
 - Considered
 - Alternatives – Understanding the drivers and levers

Context: Total Cost of Attendance

- Tuition
- Mandatory Fees
 - Student Incidental Fee
 - Student Recreation Center Fee
 - Student Health Fee
 - Building Fee
- Housing and Meals
 - Staci Buchwald, Director of Housing

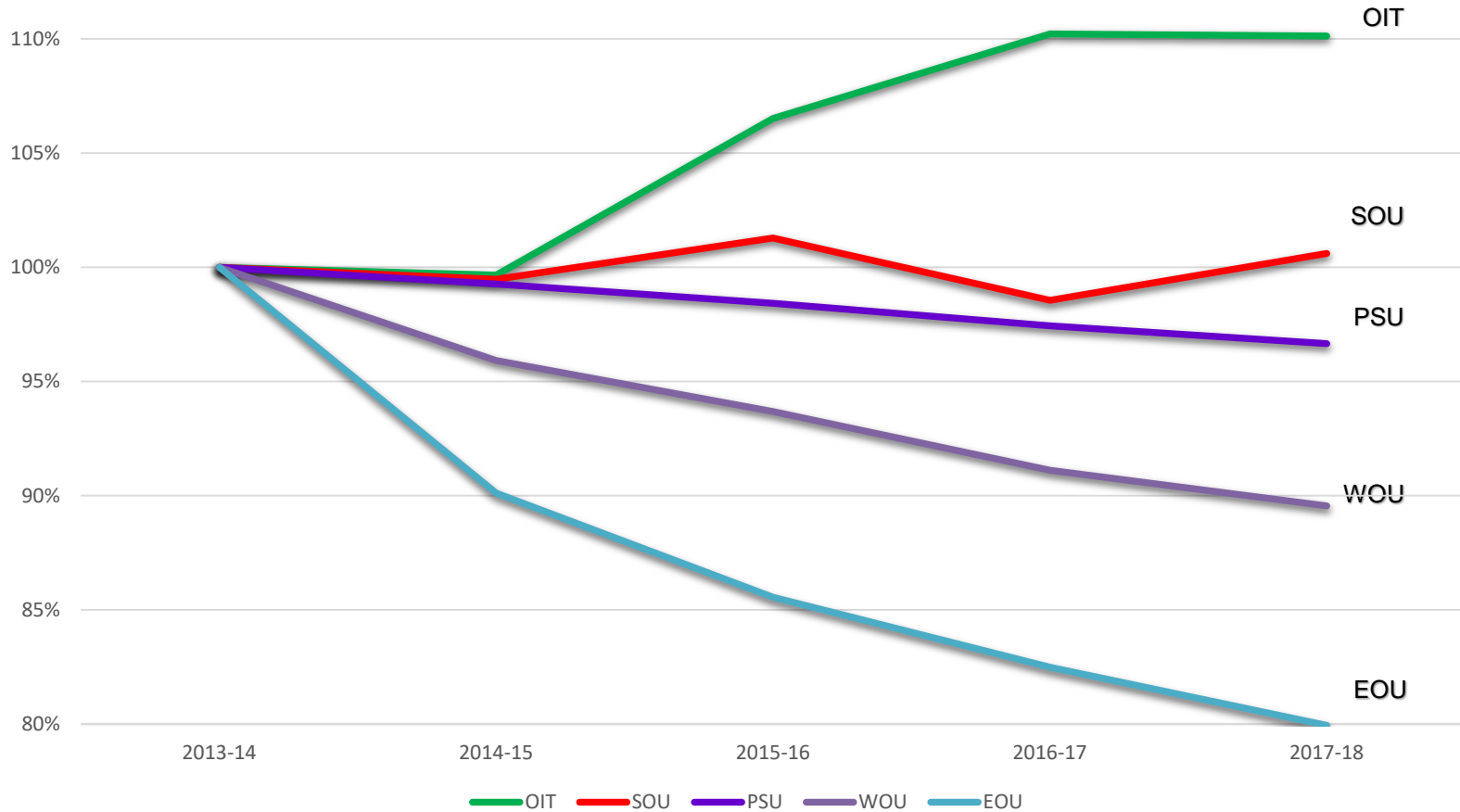
Relation: Comparator Schools

Institution	2015-16	2016-17	2017-18	2018-19	% Increase
Eastern Oregon University	140.50	146.00	153.95	159.03	3.30%
Southern Oregon University	147.00	151.41	165.04	172.00	4.22%
Portland State University	150.00	156.00	164.50	172.23	4.70%
Western Oregon University	156.00	155.33	165.33	172.36	4.25%
Oregon Tech	162.75	167.63	176.01	183.93	4.50%
Oregon State University	189.67	193.67	201.67		
University of Oregon	189.00	198.00	211.00	217.10	2.89%
California State Univ.	182.40	182.40	191.40	199.00	3.97%
University of California	374.00	374.00	383.40	392.99	2.50%
SOU WUE Rate	220.50	227.12	247.56	258.00	4.22%

Note: Only the University of Oregon has approved tuition rates for Academic Year 2018-19, all other increases are projected

Tracking Enrollment

Enrollment Trends for comparator schools



Process

- Tuition Advisory Council
 - 2 Admin, 2 Faculty, 1 Classified Staff, 4 Students
- Student Fee Committee
 - All Students
- Student Recreation Center Advisory Council
 - All Students
- Director, Student Health and Wellness Center

Understanding SOU's Finances



- Drivers of Costs
 - Labor, Primarily Retirement and Medical
- Levers
 - Managing Costs
 - State Funding
 - Tuition Revenue: Rate X Enrollment

Controlling Our Costs: 2015-16



	OSU	UO	OIT	WOU	PSU	EOU	SOU
Student FTE	27,039	23,596	3,188	4,700	21,206	2,482	4,478
Expenses (in Millions)							
Instruction	\$298	\$276	\$28	\$43	\$184	\$15	\$33
Academic Support	82	57	7	10	39	7	8
Student Services	32	30	4	8	19	3	6
Institutional Support	82	64	8	7	54	8	11
	\$494	\$427	\$48	\$67	\$296	\$34	\$58
E & G spending per FTE	\$ 18,270	\$ 18,114	\$14,912	\$14,349	\$ 13,959	\$ 13,646	\$12,905
Data source: 2016 Audited Financial Statements							

Still Controlling Our Costs: 2016-17



	UO	OSU	OIT	WOU	EOU	PSU	SOU
Student FTE (full time equivalent)	23,358	27,830	3,299	4,571	2,393	20,995	4,357
<u>Expenses (in Millions)</u>							
Instruction	\$275	\$291	\$29	\$44	\$15	\$178	\$32
Academic Support	59	80	7	10	7	39	7
Student Services	42	34	5	8	3	20	6
Institutional Support	68	85	9	7	9	51	11
	\$444	\$490	\$50	\$69	\$34	\$288	\$56
E & G spending per FTE	\$19,008	\$17,607	\$15,156	\$15,095	\$14,208	\$13,718	\$12,853
<i>Data source: 2017 Audited Financial Statements</i>							

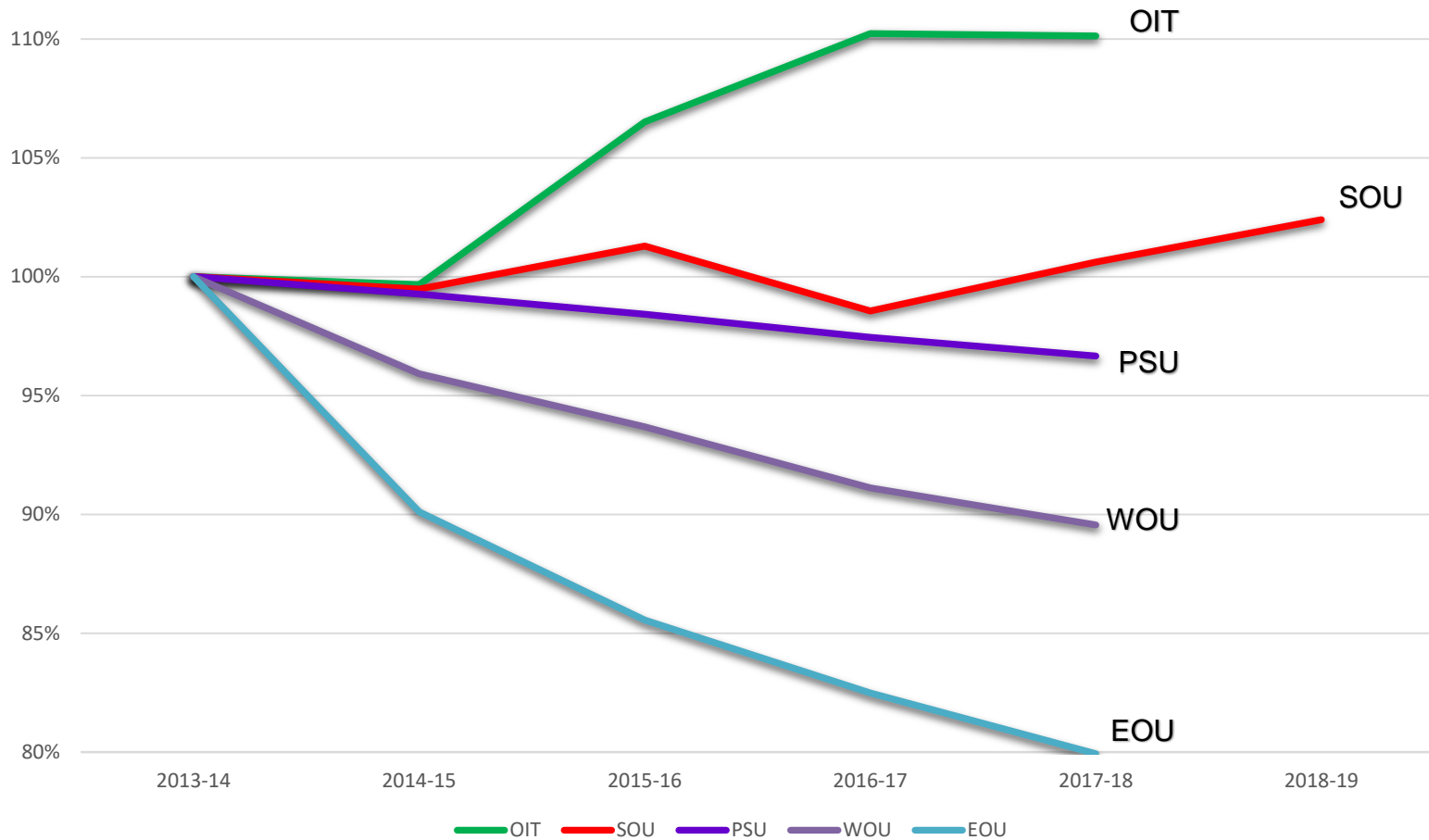
If We're Controlling Our Costs so Well, What Else Influences Our Tuition Rate?

State funding FY17	OSU	PSU	UO	EOU	OIT	WOU	SOU
Student FTE	27,830	20,995	23,358	2,393	3,299	4,571	4,357
<u>State Funding (in millions)</u>	\$106.6	\$80.9	\$64.2	\$19.5	\$24.7	\$22.7	\$20.6
State Funding per FTE	\$3,830	\$3,852	\$2,749	\$8,134	\$7,475	\$4,968	\$4,737
FY18 Tuition Rate	\$201.00	\$164.50	\$211.00	\$153.95	\$176.01	\$165.33	\$165.04

Data source: 2017 Audited Financial Statements & HECC SSCM

What is a Reasonable Projection?

Enrollment Trends for comparator schools



Pro Forma

Tuition Rate Proposal

<u>Tuition</u>	FY18-19 Rate	% Increase
Resident Undergrad	\$ 172.00	4.22%
WUE	\$ 258.00	4.22%
Nonres Undergrad	\$ 526.00	3.95%
Resident Grad	\$ 430.00	2.14%
Nonres Grad	\$ 538.00	2.09%
Masters - Education	\$ 369.00	2.09%
New Differential	FY18-19 Rate	
American Samoa	\$ 258.00	

Mandatory Fees

Mandatory Fees	FY18-19 Rate	% Increase
Student Incidental	\$ 358.00	4.37%
Student Recreation	\$ 95.00	0.00%
Student Health	\$ 140.00	2.19%
Building	\$ 45.00	0.00%

Total Cost of Attendance



<u>Tuition</u>	<u>Current</u>	<u>Curr/Yr</u>	<u>Proposed</u>	<u>Prop/Yr</u>	<u>Inc \$/SCH</u>	<u>Total \$ Inc</u>	<u>%</u>
Resident Undergrad	\$ 165.04	\$ 7,426.80	\$ 172.00	\$ 7,740.00	\$ 6.96	\$ 313.20	4.22%
WUE	247.56	11,140.20	\$ 258.00	\$ 11,610.00	\$ 10.44	\$ 469.80	4.22%
Nonres Undergrad	506.00	22,770.00	\$ 526.00	\$ 23,670.00	\$ 20.00	\$ 900.00	3.95%
Resident Grad	421.00	15,156.00	\$ 430.00	15,480.00	\$ 9.00	324.00	2.14%
Nonres Grad	527.00	18,972.00	\$ 538.00	19,368.00	\$ 11.00	396.00	2.09%
Masters - Education	361.46	13,012.56	\$ 369.00	13,284.00	\$ 7.54	271.44	2.09%
<u>Mandatory Fees</u>	<u>Current</u>	<u>Curr/Yr</u>	<u>Proposed</u>	<u>Prop/Yr</u>	<u>Inc \$/Term</u>	<u>Total \$ Inc</u>	<u>%</u>
Student Incidental	\$ 343.00	\$ 1,029.00	\$ 358.00	\$ 1,074.00	\$ 15.00	\$ 45.00	4.37%
Student Recreation	95.00	285.00	95.00	285.00	-	-	0.00%
Student Health	137.00	411.00	140.00	420.00	3.00	9.00	2.19%
Building	45.00	135.00	45.00	135.00	-	-	0.00%
	\$ 620.00	\$ 1,860.00	\$ 638.00	\$ 1,914.00	\$ 18.00	\$ 54.00	2.90%
<u>Housing/Meal</u>	<u>Current</u>	<u>Curr/Yr</u>	<u>Proposed</u>	<u>Prop/Yr</u>	<u>Inc \$/Term</u>	<u>Total \$ Inc</u>	<u>%</u>
Shasta Double	\$ 2,708.00	\$ 8,124.00	\$ 2,816.00	\$ 8,448.00	\$ 108.00	\$ 324.00	3.99%
Red plan	1,880.00	5,640.00	1,917.00	5,751.00	37.00	111.00	1.97%
	\$ 4,588.00	\$ 13,764.00	\$ 4,733.00	\$ 14,199.00	\$ 145.00	\$ 435.00	3.16%
<u>Total Cost</u>		<u>Curr/Yr</u>		<u>Prop/Yr</u>		<u>Total \$ Inc</u>	<u>%</u>
Resident Undergrad		\$ 23,050.80		\$ 23,853.00		\$ 802.20	3.48%
WUE		\$ 26,764.20		\$ 27,723.00		\$ 958.80	3.58%
Nonres Undergrad		\$ 38,394.00		\$ 39,783.00		\$ 1,389.00	3.62%
Resident Grad		\$ 30,780.00		\$ 31,593.00		\$ 813.00	2.64%
Nonres Grad		\$ 34,596.00		\$ 35,481.00		\$ 885.00	2.56%
Masters - Education		\$ 28,636.56		\$ 29,397.00		\$ 760.44	2.66%
For HECC Review		\$ 7,972.80		\$ 8,295.00		\$ 322.20	4.04%

2018-19 Tuition Advisory Council Tuition Rate Proposal Majority Opinion

The purpose of this opinion is to detail the rationale for the Tuition Rate proposal. The Tuition Advisory Council set their recommendation to the President of Southern Oregon University on a vote of all members present, once a quorum was established. As the vote was unanimous, there is no minority opinion. The details of the vote are recorded in the meeting minutes, from the March 2nd, 2018 Meeting.

The minutes of all of the 2018 TAC meetings, along with all documents viewed by the Tuition Advisory Council can be viewed at the following link: <https://sites.google.com/a/sou.edu/tuition-advisory-council/home>

The detail of the specific recommendation from the TAC was:

Resident undergraduate tuition will increase at a rate of 4.22% with two recommendations:

1. Tuition assistance above the 10% standard is highly recommended, and
2. If enrollment beats projections, reducing the tuition increase should be considered.

The motion passed, 6Y/0N/0A.

Resident graduate tuition will increase at a rate by 2.138%; the motion passed, 6Y/0N/0A.

While a significant volume of data and analysis went into this recommendation, the three primary factors considered were:

- A. How does this tuition rate proposal impact the Students of SOU, primarily underrepresented students and students where their Pell grants and other financial aid will not fully cover this tuition increase?

SOU's tuition rate is currently 3rd lowest in the State for Public Universities. Current preliminary projections of tuition rate increases across the seven Oregon public universities will retain SOU's relative tuition rate. Most importantly, the recommended tuition increase of 4.2% for Resident Undergraduate students would keep SOU well within the range of affordable higher education options for Oregon resident students. Other mandatory Fees are increasing 2.9% for AY 2018-19 and SOU's Housing room and Meal rates are increasing 3.2% for the same period. This would again, maintain SOU's relative affordability, so critical for SOU's low income and under-represented students. To mitigate the cost of attendance, the TAC strongly encourages SOU to increase tuition assistance programs above the current university practice of 10% of gross tuition revenue, with specific focus and direction toward low income and underrepresented students with high unmet financial need. Furthermore, in recognition that the university need its total tuition revenue, which is impacted both by the tuition rate and enrollment, should SOU experience enrollment greater than currently projected, SOU is again strongly encouraged to consider a lower tuition rate than what the Council has recommended.

- B. What alternate tuition rates were considered, and why were those rates not recommended?

Tuition rate increases ranging from 3.0% to 5.0% were reviewed. While the 5% increase maintained the financial stability, based on current enrollment projections, there was significant concern for the impact of a 5% tuition rate increase, coming right after a 9% tuition rate increase the prior year. However, an equal and opposing concern with recommending a rate too far below a rate that maintained financial stability was that it would continue the cycle of low tuition rate increases, followed by high increases, and so on. There was strong support for an appropriate rate increase that was sustainable going forward, as too low of an increase, while good for current students, will only pass on uncovered costs to future SOU students, placing greater requirement for the State to increase higher education funding support that cannot be guaranteed, increasing the risk of even greater future tuition rate increases. In the final analysis, the Tuition Advisory Council recommended a rate increase that did not completely address the future financial stability of SOU, but one that placed a fair balance of addressing these issues through tuition rate growth, enrollment growth, cost containment, and future state funding growth.

- C. Recognizing that the long term financial stability is a proxy for the impact on future students of SOU, how does this tuition rate impact the long term financial stability of SOU?

SOU's primary operational cost is labor. For Academic, Academic Support and Institutional Support programs, labor makes up approximately 80% of total cost of operations. Labor is projected to increase, on average year over year, at just over 6%, due primarily to retirement and medical benefit costs that SOU cannot control or choose to not offer. SOU has made over \$14 Million in operational cuts to keep its tuition rate low and has instituted many operational management processes to keep operating costs low. In fact, for Academic Year 2016-17, SOU continues to have the lowest operating cost per student of any of the seven Oregon Public Universities, this is especially impressive, as a smaller university, SOU lacks many of the economies of scale that the larger universities can exploit to keep costs down. It is within this context that the impact of rising labor costs make the future financial stability of SOU especially critical, as unlike other universities, SOU has already made extensive and substantial cuts to keep those rising costs from being born by tuition paying students. While other Oregon Public Universities are just now making those cuts, and thereby keeping their tuition rate increases lower, many of those options are not available for SOU without significantly degrading key student support programs so critical to enabling low income and under-represented students overcome many of the barriers they face in achieving their academic goals.

This tuition rate increase proposal does its best to balance these risks for future students of SOU through a balance of slightly higher tuition, the need to continue to manage internal costs, critical stretch goals for enrollment, and continued focus on increased funding from the State. SOU has implemented several initiatives across campus directly targeting both the enrollment and retention of Oregon resident students, which if successful, will improve SOU's performance in the Oregon Higher Education funding model and tuition revenues. However, it is critical to point out that setting the tuition rate as proposed is a significant risk, betting on results that to date have been achieved with limited consistency and without extensive demonstrated holding ability.



Mark Denney <denneym@sou.edu>

Tuition Advisory Council

6 messages

Mark Denney <denneym@sou.edu>

Mon, Mar 5, 2018 at 12:20 PM

To: Catalina Jarero <jareroc@sou.edu>, Jordan Marshall <marshallj@sou.edu>, ASSOU Director of Multicultural Affairs <assoumulticultural@sou.edu>

Cc: Susan Walsh <walsh@sou.edu>, Matthew Soloway <solowaym@sou.edu>

First, to Catalina, I hope all is as well as it can be for you and for your family. If there is any way SOU can assist you, please do not hesitate to let us know.

For all of you, the Tuition Advisory Council met this past Friday, and after reviewing both the feedback from the three presentations across our Campus, and what options were before the TAC in terms of their recommendation - ended up on taking a vote and unanimously supported a tuition rate increase of 4.22% for Resident Undergraduate students and 2.14% for Resident Graduate students.

Before we finalize these recommendations, even though a vote was taken, it is still very important to President Schott to know where the three of you who were not able to be present are at and how you would have either supported or not supported the TAC's recommendation.

I don't know if you would like to possibly meet, or conduct these conversations via email. We cannot re-vote as there was a quorum, and a vote was publicly taken, but we can still understand where everyone is at on this, to be sure everyone's voice is heard fully. It is very important to the President that we accomplish that. As I mentioned during meetings, the TAC will be publishing a majority opinion, and a minority opinion. At present, as it was a unanimous vote, there is no minority opinion, but if any of you feel you would not have supported the vote taken, I would want to work with you to produce a minority opinion, again, to ensure all voices are heard throughout this process.

To start, I will let each of you respond to this email, and we will go from there.

Thank you all,
Mark A. Denney
Associate Vice President, Budgets and Planning
Southern Oregon University | 1250 Siskiyou Blvd | Ashland, OR 97520
O [541.552.6933](tel:541.552.6933)
C 541.761.0593
Veteran, USMC, 1980-2005

Catalina Jarero <jareroc@sou.edu>

Mon, Mar 5, 2018 at 12:38 PM

To: Mark Denney <denneym@sou.edu>

Hi Mark, thank you for those words, all is well and all went well back home thanks. I'm sorry I missed the meeting, but to let you know my opinion and how I would've voted I agree and would vote yes to the vote. I definitely support the decision of the body on the tuition increases that were voted on. If there's anything else you all need from me this week I would be more that happy to help out or give my opinion in any way.

Catalina

[Quoted text hidden]

Susan Walsh <walsh@sou.edu>

Mon, Mar 5, 2018 at 12:58 PM

To: Mark Denney <denneym@sou.edu>

Cc: Catalina Jarero <jareroc@sou.edu>, Jordan Marshall <marshallj@sou.edu>, ASSOU Director of Multicultural Affairs <assoumulticultural@sou.edu>, Matthew Soloway <solowaym@sou.edu>

Thanks for this, Mark. I would add that in addition to the feedback from campus groups, the TAC also considered last Friday the tuition increases of the other universities (with the exception of PSU and OSU who have not yet gone public). Thus, I would encourage Alexis, Jordan and Catalina to take that information into consideration, as well.

Best wishes to all,

Sue

On Mon, Mar 5, 2018 at 12:20 PM, Mark Denney <denneym@sou.edu> wrote:

[Quoted text hidden]

--

Susan F. Walsh, PhD
Provost and Vice President for Academic and Student Affairs
Professor of Communication
Southern Oregon University
1250 Siskiyou Blvd.
Ashland, Oregon 97520
T: 541-552-6122
E: walsh@sou.edu
F: 541-552-6115

ASSOU Director of Multicultural Affairs <assoumulticultural@sou.edu>

Mon, Mar 5, 2018 at 4:07 PM

To: Susan Walsh <walsh@sou.edu>

Cc: Mark Denney <denneym@sou.edu>, Catalina Jarero <jareroc@sou.edu>, Jordan Marshall <marshallj@sou.edu>, Matthew Soloway <solowaym@sou.edu>

Hello all,

Firstly, I'd like to apologize for my absence at the last TAC meeting. I was working at the Social Justice and Leadership Conference and couldn't step out for the meeting.

As for my opinion, I'm not comfortable with an undergrad increase over 4%. I would be in support of the 4.22% increase so long as there was the recommendation from TAC strongly supports additional tuition remission and looking into reducing the tuition rate if enrollment beats the projected rates and. I read the minutes and strongly agree with the points made by Matthew and Debbie that were reflected in the minutes.

Thank you for the opportunity to provide my opinions.

Best,

[Quoted text hidden]

--

Alexis Phillips
Pronouns: She/Her(s)
Director of Multicultural Affairs | Associated Students of Southern Oregon University
Personal email: phillipa1@sou.edu

Mark Denney <denneym@sou.edu>

Tue, Mar 6, 2018 at 10:24 AM

To: Kawthar Alethan <alethank@sou.edu>

Mark A. Denney
Associate Vice President, Budgets and Planning
Southern Oregon University | 1250 Siskiyou Blvd | Ashland, OR 97520
O [541.552.6933](tel:541.552.6933)
C [541.761.0593](tel:541.761.0593)
Veteran, USMC, 1980-2005

[Quoted text hidden]

Mark Denney <denneym@sou.edu>
To: Kawthar Alethan <alethank@sou.edu>

Tue, Mar 6, 2018 at 11:53 AM

Mark A. Denney
Associate Vice President, Budgets and Planning
Southern Oregon University | 1250 Siskiyou Blvd | Ashland, OR 97520
O [541.552.6933](tel:541.552.6933)
C [541.761.0593](tel:541.761.0593)
Veteran, USMC, 1980-2005

----- Forwarded message -----

From: **Catalina Jarero** <jareroc@sou.edu>
Date: Mon, Mar 5, 2018 at 12:38 PM
Subject: Re: Tuition Advisory Council

[Quoted text hidden]



Mark Denney <denneym@sou.edu>

TAC

2 messages

Jordan Marshall <marshallj@sou.edu>
To: Mark Denney <denneym@sou.edu>

Tue, Mar 13, 2018 at 9:16 PM

Hey Mark, I just wanted to send a thank you for the work you did this term helping the TAC with its work. I saw the Presidents email about tuition, so I know this email comes a little late, but I wanted you to have in case there are further questions as to the TAC process. I fully support and endorse the TAC as one of the student members. I think we conducted a fair and thorough process and feel like we as students were given a great deal of consideration during deliberation. My support for the increases comes from a place of wanting to see fewer instances of wild swings in tuition increases that have happened in the past as well as the concern of having larger increases being passed off on future students.

I am also going to try and make it to the Financial meeting this Thursday.

All the best

Jordan

Mark Denney <denneym@sou.edu>
To: Jordan Marshall <marshallj@sou.edu>

Wed, Mar 14, 2018 at 9:07 AM

No worries. Thank you for sending this response.

Do you know if you will be able to attend the Finance Committee meeting this Thursday?

Out Board Members are most interested in hearing from Students. There will be other members of the TAC, including other Student members, but everyone from the TAC is welcome.

Thanks,
Mark

Mark A. Denney
Associate Vice President, Budgets and Planning
Southern Oregon University | 1250 Siskiyou Blvd | Ashland, OR 97520
O 541.552.6933
C 541.761.0593
Veteran, USMC, 1980-2005

[Quoted text hidden]

Letter of Opinion of Tuition Increase: 4.22%

To whom it may concern,

After spending weeks on the Tuition Advisory Council, TAC here on out, and reviewing several different scenarios I have come to agreement on the final vote.

I sat through the TAC hearings last year and witnessed the process that was unfolding, which turned insupportable. I went to the Higher Education Coordinating Commission meeting where they discussed last year's increase to testify against such an action and that there should be alternatives to this choice. Thankfully, the state came in with a little more supporting aid so that the final dollar amount was decreased a bit.

As this year's process progressed, I originally was an advocate for a 3% increase to undergraduate and a 2% increase to graduate. To me, these were the best fit for students and a stable amount for next year. This initial decision also had the determination that the school cannot project how much the state might allocate in future years, or any new revenue streams that might help with tuition. After further review, and balancing of dollars, I was looking at a 3.61% increase. This was slightly more acceptable to the budget and pro forma but was not what everyone was looking for. The final decision to go up another 0.6% was that it was one more dollar per credit next year. Furthermore, it was to create an easier process for several people across campus. 4.22% made in state tuition a flat number of \$172 per credit, an increase of \$6.96. That is an easier number for students to figure out tuition, and helps employees who work in several fields across campus such as enrollment services and financial aid. This percent increase also brought the Western Undergraduate Exchange rate to a flat number of \$258 per credit, an increase of \$10.44. The area seeing the most increase is non-resident tuition, which will see a \$21.35 per credit costing them \$527.35. Though these students are not a huge portion of our campus they are still students here and will see this increase that could possibly affect them.

What assisted in make the decision for the increase much higher than my intended 3%, is the request that the university put more funds into tuition assistance above what is already allocated for students who are low income or under represented. Furthermore that the percent increase be dropped if enrollment is better than projections was another area that was beneficial to the students, since they will see less of the burden of tuition while the university gets the benefit of more students attending Southern Oregon University.

When it comes to graduates, their increase proposed was a 2.138%. This is a more reasonable percent to me for these folks. This area is already competitive against other universities, and these students do not make up a large portion of our campus, but they would still be affected heavily if they saw the same percent increase, it would be similar to the non-resident undergraduate increases.

So as it stands, and as long as the President nor the Board alters what the TAC has passed, I feel comfortable with the final recommendation. I would also like to acknowledge my gratitude for my fellow students on the council: Jordan Marshall, Catalina Jarero, and Alexis Phillips; who spent countless hours reviewing and discussing their positions on this whole process. Following that, I would also like to thank Mark Denney and his contributions to the members and assisting in the process. Lastly, the rest of the members who made this process as efficiently as it was this year comparatively to prior.

Best Regards,

A handwritten signature in black ink that reads "Matthew Soloway". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

Matthew Soloway
ASSOU Chief of Staff
Student Representative on TAC



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

**PROPOSED RESOLUTION
Recommendation of Tuition and Fees for Academic Year 2018-19**

Whereas, the Southern Oregon University Board of Trustees (“the board”) has the authority to establish tuition and mandatory enrollment fees, and collect mandatory incidental fees in accordance with ORS. 352.102, ORS 352.105, ORS 352.107 and other applicable law and policy; and

Whereas, the university president has established recommended tuition and mandatory enrollment fees for Academic Year 2018-2019 (AY18-19); and

Whereas, the university president considered a number of factors including the desire to create affordable access to programs and courses; encourage a diverse student body; maintain quality academic programs; encourage enrollment, retention, and graduation of students; maintain the university infrastructure necessary to support the academic, cultural and physical development of students; and

Whereas, the university president further considered historical tuition and fee trends, comparative data of peer institutions, the university’s budget and projected costs, enrollment, funding, and applicable fee recommendations, supporting the educational goals of the State of Oregon; and the recommendation of the university’s Tuition Advisory Council; and

Whereas, the board authorizes the collection of mandatory incidental fees upon the request of the recognized student government under a process established by the recognized student government in accordance with provisions outlined in ORS 352.105; Now, therefore,

Be it resolved, the Finance and Administration Committee hereby recommends the Board of Trustees of Southern Oregon University approve the Academic Year 2018-19 tuition and mandatory fee schedule [as proposed] or [as amended] and attached hereto as “Exhibit A.”

Trustee	Ayes	Nays
Nicholson		
AuCoin		
Clough		
Hennion		
Nhipali		
Sevcik		

Slattery		
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VOTE:

DATE: March 15, 2018

Recorded by the University Board Secretary:

Exhibit A

Academic Year 2018-19 Tuition and Mandatory Fees

<u>Tuition</u>	<u>FY18-19 Rate</u>	<u>% Increase</u>
Resident Undergrad	\$ 172.00	4.22%
WUE	\$ 258.00	4.22%
Nonres Undergrad	\$ 526.00	3.95%
Resident Grad	\$ 430.00	2.14%
Nonres Grad	\$ 538.00	2.09%
Masters - Education	\$ 369.00	2.09%
<u>New Differential</u>	<u>FY18-19 Rate</u>	
American Samoa	\$ 258.00	

<u>Mandatory Fees</u>	<u>FY18-19 Rate</u>	<u>% Increase</u>
Student Incidental	\$ 358.00	4.37%
Student Recreation	\$ 95.00	0.00%
Student Health	\$ 140.00	2.19%
Building	\$ 45.00	0.00%

Osher Lifelong Learning Institute (OLLI) Renovation Project

CAPITAL CAMPAIGN

The Campbell Center
Renovation Project

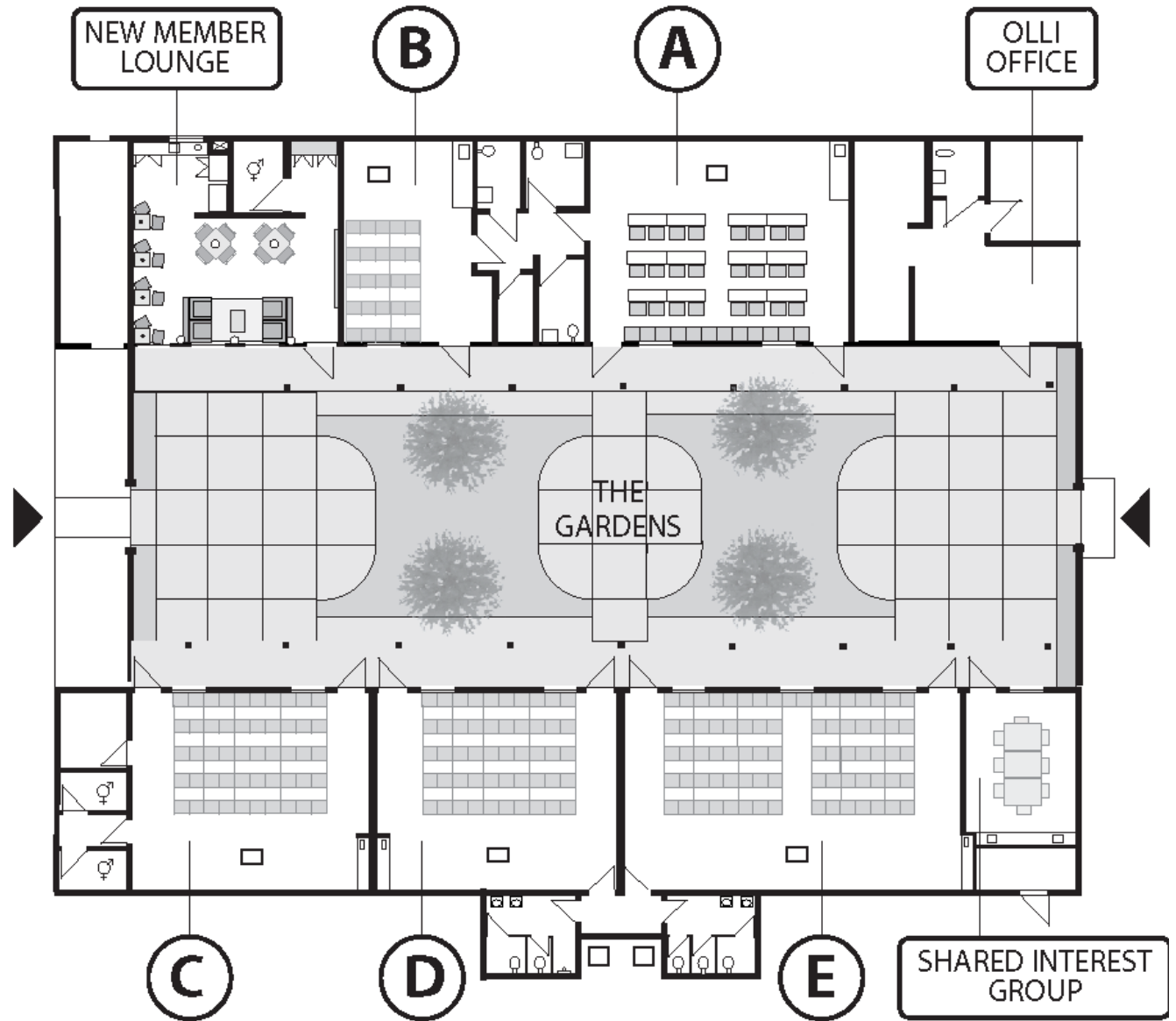


Strategic Plan 2020

- Campbell Center sufficient for expected growth but in need of upgrades



\$676,200
Capital
Improvement
Project



Pilot Renovation-Room A



Campbell Center

RENOVATION BUDGET

NORTH BUILDING

Phase 1: Office Remodel	\$	23,000	Paid by OLLI Reserves
Phase 2: Room A Renovation	\$	33,200	Paid by OLLI Reserves
Phase 3: Classroom Improvements	\$	<u>56,000</u>	
NORTH Subtotal	\$	112,200	

SOUTH BUILDING

Renovation (direct construction)	\$	504,000	
Equipment	\$	<u>60,000</u>	
SOUTH Subtotal	\$	564,000	

TOTAL PROJECT COST* **\$** **676,200**

*Estimate based on Fall 2018 construction. Costs would increase by an additional \$46,500 if construction begins in 2019. (7.5% increase per Andersen Construction Estimator Inflation Report)



Fundraising Plan

SILENT PHASE

Focus on lead donors

Raise 50% of goal

PUBLIC PHASE

Focus on OLLI members

70% participation



Come for the Classes Stay for the Connections

Better **TECHNOLOGY**

Better **VIEWING**

Better **SOUND**

Better **COMFORT**

Better **ACCESS**



Budget Projections – Review of Pro Forma

Future Meetings

Adjournment