



OFFICE OF THE BOARD OF TRUSTEES

Public Meeting Notice

April 7, 2016

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: the Vice President's report including reviews of the financial and enrollment dashboards; the completions report; SOU information forum; and the pro-forma. There also will be update on the HECC funding request. The committee will act on the 2016-2017 tuition and fees process and recommendation, the 2017-2019 capital projects prioritization, and bond funding to replace SELP loan funding. The meeting will also include a discussion of the budget timeline.

The meeting will occur as follows:

Thursday, April 14, 2016
4:00 pm to 6:00 pm (or until business is concluded)
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, please contact Kathy Park at (541) 552-8055 at least 72 hours in advance.**



**Board of Trustees
Finance Committee Meeting
April 14, 2016**

Call to Order and Preliminary Business



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

**Thursday, April 14, 2016
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.

- | | | | |
|-----------|----------|--|--|
| | 1 | Call to Order and Preliminary Business | Chair Nicholson |
| | 1.1 | Welcome and Opening Remarks | |
| | 1.2 | Agenda Review | |
| | 1.3 | Roll Call | Sabrina Prud'homme,
SOU, Board Secretary |
| | 1.4 | Consent Agenda: Approval of March 17, 2016 Meeting Minutes (Action) | Chair Nicholson |
| | 2 | Public Comment | |
| ~ 25 min. | 3 | Vice President's Report | Craig Morris, SOU, Vice President for Finance and Administration |
| | 3.1 | Committee Dashboard Review | |
| | 3.2 | Enrollment Dashboard and Completions Report Presentation | Chris Stanek, SOU, Director of Institutional Research |
| | 3.3 | SOU Information Forum | Craig Morris |
| | 3.4 | HECC Funding Request - Update | |
| | 3.5 | Pro Forma Review | |
| ~ 40 min. | 4 | 2016-2017 Tuition and Fees: Process and Recommendation (Action) | President Saigo; Craig Morris; Mark Denney, SOU, Associate Vice President for Budget and Planning; Torii Uyehara, ASSOU, President |

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

**Thursday, April 14, 2016
4:00 p.m. – 6:00 p.m. (or until business concludes)
DeBoer Room, Hannon Library**

AGENDA (Cont'd)

~ 15 min.	5	2017-2019 Capital Projects Prioritization and Recommendation (Action)	Chair Nicholson; Craig Morris
~ 10 min.	6	Bond Funding to Replace SELP Loan Funding (Action)	Chair Nicholson; Jason Catz, SOU, General Counsel
~ 25 min.	7	Budget Timeline	Mark Denney
	8	Adjourn	Chair Nicholson



**Board of Trustees
Finance Committee Meeting**

**Thursday, March 17, 2016
4:00 pm – 6:00 pm (or until business concludes)
DeBoer Room, Hannon Library**

MINUTES

Call to Order and Preliminary Business

Chair Nicholson called the meeting to order at 4:04 p.m.

The following committee members were present: Chair, Paul Nicholson, Lyn Hennion, April Sevcik, Dennis Slattery and Steve Vincent. The following members were absent: Les AuCoin and Jeremy Nootenboom. Board Chair Bill Thorndike also attended the meeting.

Other meeting guests included: Jason Catz, General Counsel; Craig Morris, Vice President for Finance and Administration; Dr. Susan Walsh, Provost and Vice President for Academic and Student Affairs; Mark Denney, Associate Vice President for Budget and Planning; Ryan Schnobrich, Internal Auditor; Torii Uyehara, ASSOU President; Brian Sorensen, ASSOU; Steve Larvick, Director of Business Services; Drew Gilliland, Director of Facilities Management and Planning; Victor Chang, SOU; Chris Stanek, Director of Institutional Research; John Stevenson, User Support Manager; Don Hill, Classroom and Media Services Manager; Shane Hunter, Senior Financial Management Analyst; Janet Fratella, Vice President for Development; Sabrina Prud'homme, Board Secretary; Kathy Park, Executive Assistant; David Coburn, OSA; Treasa Sprague, Administrative Services Coordinator; Debra Gary, SOU; and Olena Black, League of Women Voters.

Trustee Slattery moved to approve the February 18, 2016 meeting minutes as drafted. Trustee Vincent seconded the motion and it passed unanimously.

Public Comment

There was no public comment.

Vice President's Report

Craig Morris reviewed the dashboard and noted that everything continues to be on target, except operating cash. It is slightly below target because of the prefunding of the SELP loan.

Mr. Morris discussed the Science Building, mentioning the acoustic engineer's report and an email message from Kevin Flynn of the City of Ashland addressed to neighbors explaining the status of the situation. He indicated that SOU has done more than it needed to do and the building exceeds code compliance requirements. In a meeting with

neighbors, Drew Gilliland, Ryan Brown, Mr. Flynn and the acoustic engineer advised that SOU would build a screen to help block the mechanical elements on the roof that will also function as an additional noise barrier. Responding to Trustee Slattery's inquiry, Mr. Gilliland said the acoustic engineer measured all noise, not just that generated by the Science Building, and interstate traffic is likely the biggest contributor. Responding to Trustee Hennion's question, Mr. Gilliland said that, overall, neighbors are happy, they know SOU is doing everything it can to reduce the noise level and they have accepted the results.

Mr. Morris said interior noise in the Science Building continues to be a significant problem and is so loud faculty must use microphones to communicate with students. In some labs, normal conversation cannot take place. Once SOU has the entire report, mitigation strategies will be developed to bring the noise down to an acceptable level, which is what SOU purchased. Much of the work probably cannot be done until summer.

Discussing the bond funding, Mr. Morris said the legislature approved SOU's three bond measures in the February legislative session: XI-F bonds as a backup to the SELP loan, \$1.5 million for the JPR project and \$2 million for the McNeal project. He and Mr. Catz met with SELP representatives in Salem and negotiated a reasonable accommodation on the SELP loan; the Treasury is willing to fund SOU's SELP loan through XI-J bonds. They then met with the associate treasurer, who prepared a comparison of XI-F bonds and the SELP loan funded by XI-J bonds; the SELP loan charges a higher interest rate than XI-F bonds. Going with the XI-F bonds seems the best option but SOU will not see proceeds from the sale of the bonds until next April. SOU will have to carry the \$1.6 million on its books, which will impact its cash and reduce SOU from its target.

Mr. Morris noted this is not an action item but he wanted to hear what the committee is inclined to recommend. Steve Larvick clarified that the bond funds are recorded as a current receivable and do not impact the fund balance, only the cash balance. Responding to Trustee Vincent's comment that the side-by-side comparison makes XI-F bonds look more attractive, Mr. Morris added that SOU will not earn interest on the \$1.6 million during that year it is carried on the books. There is an interest rate risk and a chance the legislature would decide on a different course of action, which would require a legislative act. Chair Nicholson reminded the committee that Mr. Morris has the authority to move forward in either scenario based on the committee's decision at its last meeting.

Mr. Morris then introduced Ryan Schnobrich, SOU's internal auditor. Mr. Schnobrich said he hopes to bring a systematic, proactive and communicative risk control process to the university. He has been exploring SOU, meeting people and assimilating information. He plans to attend conferences, visit OSU to meet with the former state and current OSU chief audit executive. Mr. Schnobrich's number one goal is to develop an audit plan by the June board meeting, passing it through the key stakeholders. He also provided a brief description of his education and professional background.

Enrollment Update

Chris Stanek provided the enrollment update, highlighting the 2.8 percent increase in winter enrollment numbers, which is probably where the term will end. Students of color are up 8.1 percent, WUE SCH is up 10 to 11 percent, and advanced southern credit students are up 6 percent over last year.

After three weeks of preregistration and being two weeks before the start of the spring term, there is a 3.2 percent increase in FTE. Summer is down 9.5 percent on FTE; however, this is only after one week of preregistration and there is time for improvement.

Mr. Stanek then addressed the fall 2016 funnel report. Total fall admissions activity shows 3,084 applications received, which is 45 fewer than were received last year at this time. Freshmen class is down by about 5 percent for first-time applicants. Transfer students are up 5 percent over last year. The 170 post-baccalaureate and graduate applications is a good increase, about 30-35 more than last year at this time. Answering Chair Nicholson's question, Mr. Stanek said neither he nor Kelly Moutsatson are very concerned that the numbers are down a bit since last year was a bumper year in applications. International applications are up 34 percent.

Dr. Susan Walsh added that 700 participants signed up for the next preview event, which is the largest ever. SOU has a new Portland recruiter, but has not realized his efforts yet. Jackson-Josephine Pledge students are almost at the maximum and SOU is looking at increasing the number from 50 to 60. SOU does not know what impact Oregon Promise will have, but estimates it may lose 25-40 students.

Responding to Chair Thorndike's inquiry, Dr. Walsh said SOU's application is primarily online and is student-friendly; conditional admits may have to submit written essays and some applications can be submitted onsite during recruiter site visits. Mr. Stanek added that SOU uses its own application product and there have been some complaints about the online application being clunky. The Admissions Office is revising the application a bit and will track certain data the Institutional Research Office has requested.

Mr. Stanek provided a proposed completions report broken down by discipline and bonus funding categories of the new outcomes-based funding model. The committee members will review the report and provide feedback in the next meeting.

Tuition and Mandatory Fees

Mark Denney presented the recommended tuition and fee rates. He compared SOU to the other institutions, based on current numbers, not recommended ones. SOU's tuition rate is in the lower end for resident, nonresident and WUE undergraduates. For graduate students, SOU's rate is higher, especially for residents. In total mandatory fees, SOU is high compared to the TRUs and is in the middle for all institutions.

The Tuition Advisory Council (TAC) considered several scenarios regarding tuition rates and revenue generation. TAC recommended a 3 percent increase in all undergraduate tuition rates and no change for graduate rates. By not changing graduate rates, SOU's rates will be more in line with other universities and might help grow those programs. This recommendation is fairly consistent with the pro forma and the retrenchment plan.

As detailed in his presentation, Mr. Denney covered each student's dollar amount using the new rates for undergraduates (resident, WUE, nonresident and online) and graduates (resident, nonresident and Masters in Education). He then discussed the impact of rounding up or down and the revenue generated or lost. Rounding up or down simplifies matters for students and the registrar's office. Rounding down comes at a \$50,000

financial cost. Rounding up results in an additional \$107,000 in revenue but SOU would have to notify the HECC because the increase would be over the 3 percent threshold.

Mr. Denney then reviewed the different types of fees - mandatory and special - and the process for setting the fees. Regarding the current \$307 Student Incidental Fee, SOU is in the middle of the seven institutions. The recommendation is to increase the fee to \$320, a 4.23 percent increase to accommodate the student referendum to support the Schneider Children's Center. Torii Uyehara praised the student involvement in the fee process and added that the Student Incidental Fee is well supported across campus.

The Recreation Center Fee is now \$35 per term, which was set to cover a half-year of debt service. For FY17, the fee is projected at \$75 per term, which will cover a full year of debt service and a partial year of operations costs. Ms. Uyehara added this is a good way to ramp in the cost, rather than immediately jumping to the \$95 fee set by the referendum.

The TAC recommended a 5 percent increase in the Student Health Fee. At \$123, SOU is currently the lowest in the state. The primary cost drivers are the COLA increase and staff reclassification in the SEIU contract and the services necessary to meet growing needs. Acknowledging the increase is higher than normal, Victor Chang, Mental Health Services Coordinator, emphasized the reasons for needing the fee increase and that it would allow the center to provide services and initiatives in addition to clinical services.

A discussion regarding mandatory student insurance followed, including SOU's previous efforts to offer student insurance, other university plans and the resulting increase in fees. At this time, offering student insurance is not a viable option. About 70 to 80 percent of students are insured through their parents' plans.

The Building Fee is not changing this year and is set at \$45 per term.

Although not mandatory, the Residence and Dining Fee was included for informational purposes. Universities must increase the fee at least 3 percent each year. Tim Robitz, Director of Housing, recommended an increase in the range of 3 to 7 percent, depending on the type of dorm room. Single rooms would be subject to a 7 percent fee increase, as there is more demand than capacity. Other rooms would be subject to a 3 or 3.5 percent fee increase. Housing has about a \$300,000 budget for remissions, including support to the enrollment mission, athletics and returning students. Mr. Robitz recommended an increase of 2.3 or 4.3 percent in the Dining Fee, depending on the plan purchased. To encourage retention, returning students pay their last year's meal plan rate.

Consolidating all of these recommendations, the total tuition (rounded down) and fees for a resident undergraduate student taking 15 credits would increase \$120 per term, which is a 4.42 percent increase. If tuition were rounded up, this figure would change to \$135 per term, a 4.97 percent increase. Chair Nicholson pointed out that almost \$50 of the increase can be attributed to additional services that are being provided or will be provided to students.

Mr. Denney then reviewed the enrollment projections, which were conservatively calculated. Enrollment and tuition revenue are much better than projected in the retrenchment plan. The bulk of enrollment is made up of resident and WUE

undergraduates.

Next, Mr. Denney reviewed revenue projections, referring to the pro forma numbers as the baseline. The remissions budget is set at about 10 percent of tuition revenue. Explaining the large increase in revenue from fees, Mr. Denney said the online course fee used to be included in tuition revenue but now is an online delivery fee. The total tuition revenue puts SOU slightly below the pro forma, but significantly ahead of the retrenchment plan.

Trustee Vincent asked about the elasticity to raising tuition. Mr. Denney said SOU is near the bottom of the tuition band for the seven universities. If SOU stays in the band and has relatively similar costs, he believed SOU would not be pricing students out of coming to SOU and students are not making decisions on the cost per credit. TAC advised staying near the bottom of the band.

A discussion followed regarding stakeholder buy-in and support for moderate increases. Ms. Uyehara said it is a choice between an increase in tuition to ensure continuity of programs versus no increase and the uncertainty of retrenchment. A small increase was in the best interest of SOU and students. Brian Sorensen added that 60 percent of students who responded to ASSOU's survey said the 3 percent increase was the best of the available options. Mr. Denney praised Ms. Uyehara and Mr. Sorensen for their involvement with students, ensuring student body engagement as a whole.

Describing differences between students at U of O and SOU and the impact this may have on tuition discussions, Ms. Uyehara said, because SOU is small, people can talk as a community, she has access to senior staff, students can engage more directly with the board and students can provide their input knowing it will be considered by the board.

Housing Fee (Action)

Trustee Sevcik moved that the Finance Committee recommend that the full Board of Trustees adopt the 2016-'17 housing and meal rates fee schedule, as proposed in the schedule. Trustee Slattery seconded the motion and it passed unanimously.

Schneider Children's Center Information

Mr. Denney introduced the center director, Debra Gary, and highlighted her accounting and head start background. A discussion on challenges followed, including a slow rebuilding of enrollment, recertification process, students qualifying for Employment-Related Day Care (ERDC) funding, early exhaustion of ERDC funding, miscalculation of the Student Incidental Fee resulting in less revenue, reclassification of positions, unanticipated appliance replacements and new staffing requirements. SOU budgeted to lose about \$100,000 this year but is projecting a loss over \$160,000. After about a year of operating, the model will be evaluated to determine if it is working.

2017-'19 Capital Request Information

Mr. Morris discussed SOU's request for two proposed capital projects for 2017-19, the boiler replacement and Central Hall deferred maintenance, with a view of what the next two biennia requests could be. All prioritization was based on the Sightlines report; however, Suzanne Homes Hall was moved to the 2019-21 biennium because SOU currently has enough academic space. Action will not be taken on this item until the committee's next meeting.

After discussing the strategy of submitting two projects instead of three, the committee concluded adding a third project would not be beneficial for SOU.

HECC Budget Submission Draft

Mr. Morris presented a draft outline of the response to the HECC, which included responses to various funding scenarios involving the Public University Support Fund (PUSF). The HECC will submit a consolidated request to the Governor, who then submits her budget. The universities will then advocate and lobby for a number that may or may not be the same as the HECC's or Governor's requested budget.

The President's Council has reviewed the draft response. The presidents think the scenario of \$765 million will transform into what the request will be for the next biennium. In that scenario, the resident undergraduate tuition rate increases at all the universities can stay below 5 percent. SOU receives one of the lowest allocations because of the way the model funds the institutions.

In the upside scenarios, the PUSF would be a gigantic windfall and the universities' responses would be very extreme. However, even in those scenarios, because of the compounding nature of tuition revenue, the universities would probably still increase tuition less than 3 percent and increase remission budgets by that amount. In the downside scenarios, the result could be increasing tuition beyond a tolerable amount and the universities are sending a message to the HECC through that response.

The final draft will be provided to the seven boards for their information. Given the compressed timeline, it is not possible for the boards to wordsmith the draft and still meet the HECC's suspense.

Responding to Trustee Slattery's inquiry about available options if funding is not received from the legislature and SOU does not make cuts, Mr. Morris said SOU's only option would be to raise tuition since it has already made expense reductions.

Adjournment

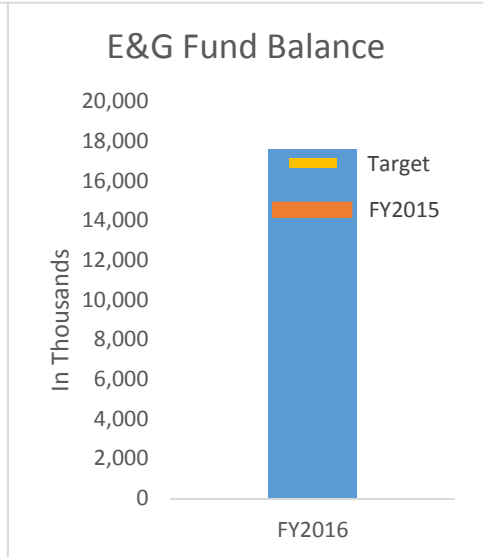
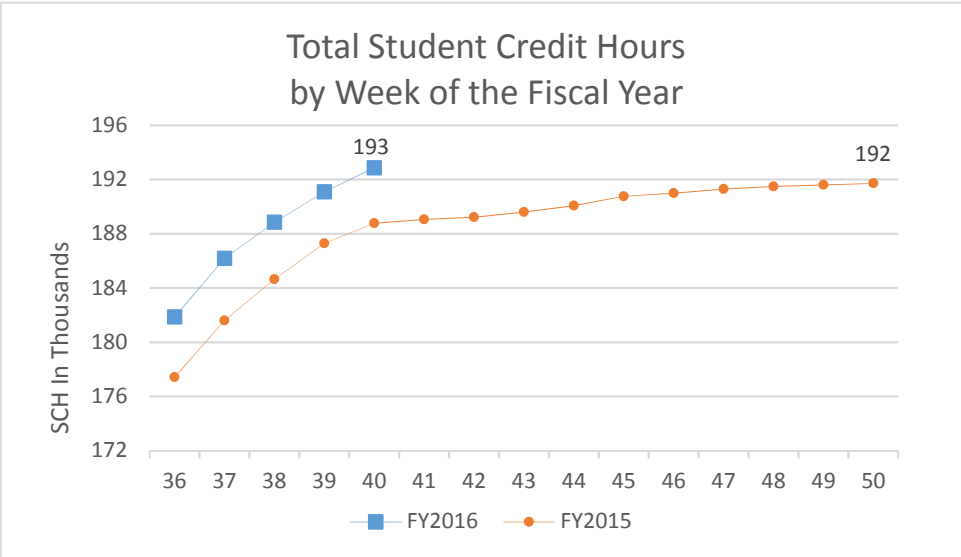
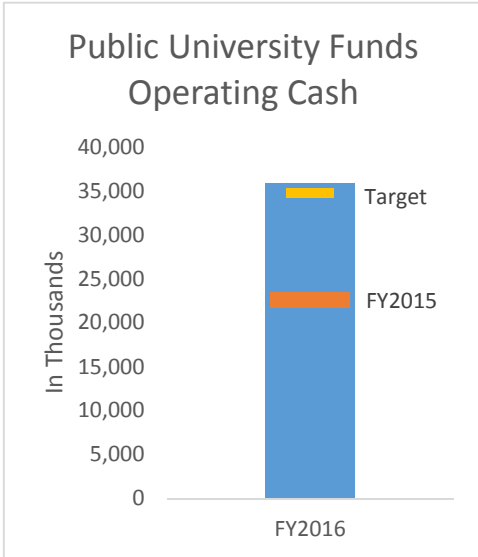
Chair Nicholson adjourned the meeting at 6:12 p.m.

Public Comment

Vice President's Report

Financial Dashboard

For FY16
As of March 31, 2016

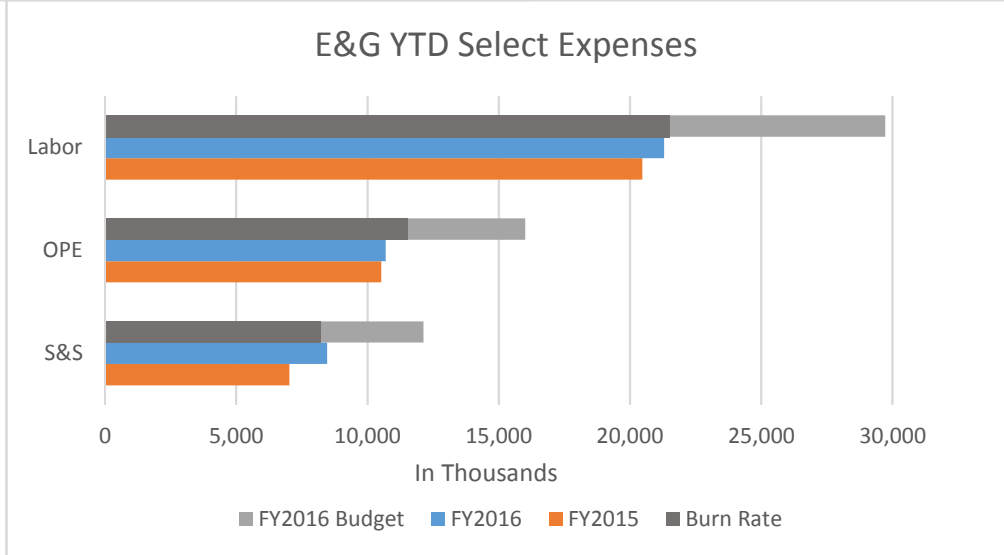
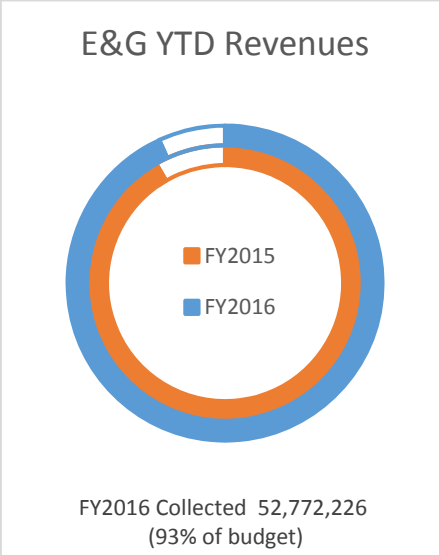


XI-F Bond Debt for FY17

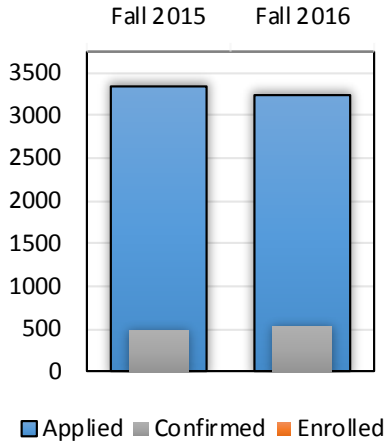
\$41M total XI-F debt

Payments:
\$1.5M in Principal
\$2.1M in Interest

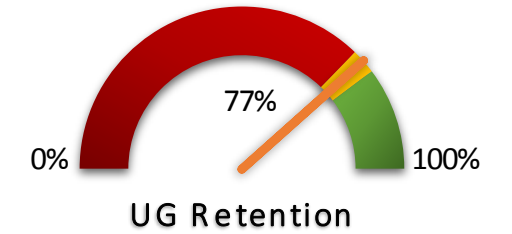
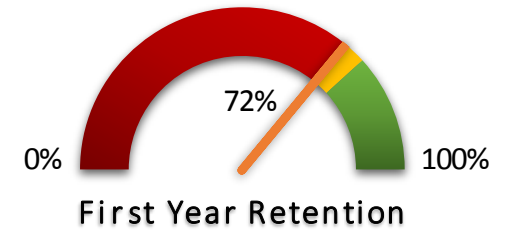
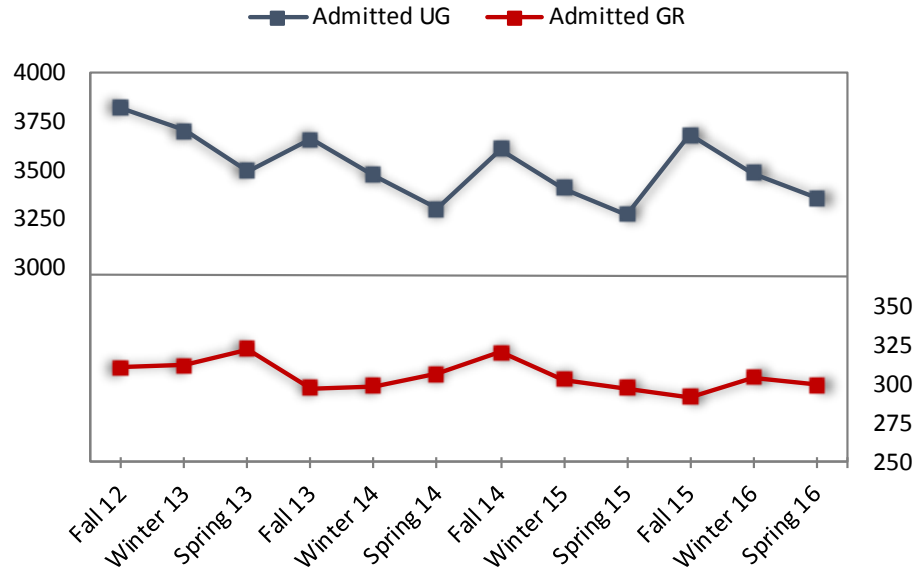
Total Debt Service Ratio for FY17 Estimated at 4.8%



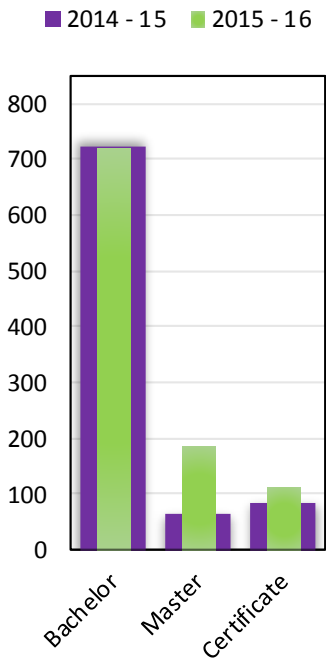
Admission Apps



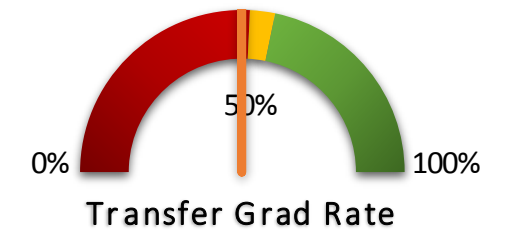
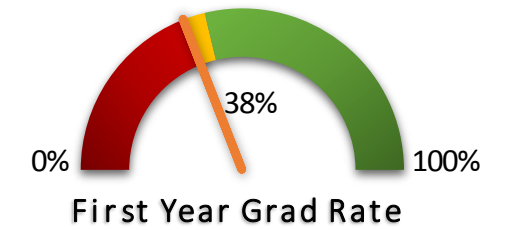
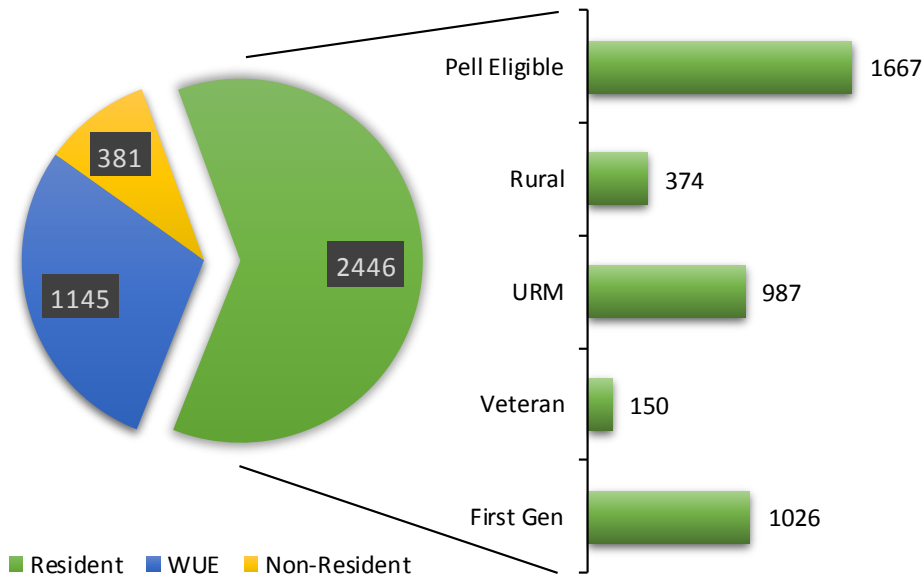
FTE Enrollment Trends



Degree Apps



Spring 2016 UG Student Population



Last Updated: 4/4/2016

Southern Oregon University

Degree Completions by **Discipline Level** Categories

Academic Year 2014-15 vs. Academic Year 2015-16

March Applications and YTD Awards

	Degree Applications (as of end of March)				Degree Awards (as of YTD)	
	2014-15 Apps	2015-16 Apps	Change	% Change	2014-15 Degrees	2015-16 Degrees
Bachelor Degrees (2.0 base pts)	725	718	-7	-1.0%	798	73
Resident: Entered as First Year	232	182	-50	-21.6%	246	19
Discipline Level 1 (base pts x 1.00)	70	48	-22	-31.4%	74	3
Discipline Level 2 (base pts x 1.25)	100	98	-2	-2.0%	108	10
Discipline Level 3 (base pts x 1.85)	62	36	-26	-41.9%	64	6
Resident: Entered as Transfer (base pts x 0.675)	270	263	-7	-2.6%	314	21
Discipline Level 1 (base pts x 1.00)	79	79	-	0.0%	86	3
Discipline Level 2 (base pts x 1.25)	151	154	3	2.0%	182	14
Discipline Level 3 (base pts x 1.85)	40	30	-10	-25.0%	46	4
Non-Resident (no state funding)	223	273	50	22.4%	238	33
Master Degrees (1.0 base pts)	64	184	120	187.5%	236	19
Resident	39	122	83	212.8%	130	9
Discipline Level 1 (base pts x 1.27)	2	6	4	200.0%	3	2
Discipline Level 2 (base pts x 1.72)	35	104	69	197.1%	118	6
Discipline Level 3 (base pts x 2.46)	2	12	10	500.0%	9	1
Non-Resident (no state funding)	25	62	37	148.0%	106	10
Graduate Certifications (0.2 base pts)	86	113	27	31.4%	248	23
Resident	68	76	8	11.8%	199	17
Discipline Level 1 (base pts x 1.27)	5	3	-2	-40.0%	8	-
Discipline Level 2 (base pts x 1.72)	63	72	9	14.3%	191	17
Discipline Level 3 (base pts x 2.46)	-	1	1	0.0%	-	-
Non-Resident (no state funding)	18	37	19	105.6%	49	6

Notes: \$1137.43 allocated per pt for degrees in the FY 2016 appropriation and represented 20% of the total non-base PUSF, 80% was allocated from SCH production.
 Total points for FY 2016 = 1821.6 representing the three year trailing average of degree completions from Ay 2012-13 through 2014-15.

Southern Oregon University

Degree Completions by Premium & Sub-population Categories
Academic Year 2014-15 vs. Academic Year 2015-16
March Applications and YTD Awards

	Degree Applications (as of end of March)				Degree Awards (as of YTD)	
	2014-15 Apps	2015-16 Apps	Change	% Change	2014-15 Degrees	2015-16 Degrees
Bachelor Degrees (2.0 base pts)	725	718	-7	-1.0%	798	73
Resident: Entered as First Year	232	182	-50	-21.6%	246	19
Area of Study Premium†	17	17	-	0.0%	17	1
Underrepresented Minority*	39	31	-8	-20.5%	37	7
Pell Grant Recipient*	158	106	-52	-32.9%	160	8
Veteran Status*	190	133	-57	-30.0%	200	14
Rural High School Graduate*	97	51	-46	-47.4%	100	2
Resident: Entered as Transfer (base pts x 0.675)	270	263	-7	-2.6%	314	21
Area of Study Premium†	31	26	26	83.9%	36	4
Underrepresented Minority*	45	37	37	82.2%	49	1
Pell Grant Recipient*	204	217	217	106.4%	234	20
Veteran Status*	212	230	230	108.5%	246	19
Non-Resident (no state funding)	223	273	50	22.4%	238	33
Master Degrees (1.0 base pts)	64	184	120	187.5%	236	19
Resident	39	122	83	212.8%	130	9
Area of Study Premium†	1	15	14	1400.0%	8	1
Non-Resident (no state funding)	25	62	37	148.0%	106	10
Graduate Certifications (0.2 base pts)	86	113	27	31.4%	248	23
Resident	68	76	8	11.8%	199	17
Area of Study Premium†	1	1	-	0.0%	1	-
Non-Resident (no state funding)	18	37	19	105.6%	49	6

† Area of Study Premium increases point value by 20% and is defined as degrees within STEM, Health, and Bi-lingual Education

* pts for sub-groups are additive: if recipient exists in one group add 0.8 pts, if two add 1.0 pts, if three add 1.1 pts, if four add 1.2 pts

Notes: \$1137.43 allocated per pt for degrees in the FY 2016 appropriation and represented 20% of the total non-base PUSF, 80% was allocated from SCH production.

Total points for FY 2016 = 1821.6 representing the three year trailing average of degree completions from Ay 2012-13 through 2014-15.

HECC Funding Request - Update

State Biennial Funding

Categories	2013-15 Funding	2015-17 Funding
Public University Support Fund (PUSF)	522,845,511	\$665,000,000
State Programs		
Ongoing	23,458,572	\$37,226,225
One-time	<u>929,000</u>	<u>1,321,638</u>
Subtotal Education & General (E&G)	547,233,083	703,547,863
Statewide Public Services	101,255,580	118,493,713
Sports Lottery	8,000,000	\$8,240,000
Debt Service	<u>114,736,795</u>	<u>\$151,592,649</u>
Total	<u>771,225,458</u>	<u>981,874,225</u>

HECC Funding Request Summary

- A More Accurate Current Funding Service Level (CSL)
- Budget Note
- Calculation Approach
 - Salary and Pay
 - Healthcare
 - Retirement
 - Other Personnel Expense (OPE)
 - Operating Expense Inflation
- Oregon Opportunity Grant (OOG)
- Public University Support Fund (PUSF)
 - Current level \$665M
 - Scenario 1 \$765M
 - Scenario 2 \$873.7M
 - Scenario 3 \$920.2M
 - Scenario 4 \$943.4M
 - Scenario 5 \$685M
 - Scenario 6 \$616M
- President's Recommendation

Suggested Talking Points

2017-19 Agency Request Budget Submission to HECC

Operating Funds

03/29/2016

- This is the first step in a long process. Ultimately, the Governor and Legislature will need to adopt a budget for the 2017-19 biennium during the next legislative session.
- In recent years, the Governor and Legislature have made students and Universities a priority. We must continue to build on that progress.
- This is not an unprecedented or unreasonable request. Last year, the Legislature and the Governor increased funding for the Public University Support Fund by more than \$140 million. (\$523 Million to \$665 Million)
- Oregon has made great strides in recent years. It will take continued investment to reverse nearly two decades of funding cuts and to keep tuition costs manageable for Oregon students and families.
- This funding request outlines investment levels that will help control tuition, expand access, and position Oregonians for a lifetime of opportunity.
- Without this funding, universities will be forced to balance double-digit tuition increases against cuts to student advising and other services that aid in performance, experience, and completion.
- Oregon's public universities are essential partners in helping Oregonians carve a path to the middle class. A postsecondary degree opens the door to opportunity, good jobs, and a high quality of life.

2017-19 Consolidated Funding Request

March 30, 2016

Introduction

Higher education in Oregon is moving in the right direction. Oregon's public universities have received budget increases for two biennia, a reversal of a cycle of cuts during the recession that negatively impacted progress on key student success outcomes such as retention and graduation rates. For the first time in a long time, there is hope that Oregon's students, regardless of their income or background, can not only get into college, but can also complete their degree with a promising future ahead of them.

Yet the modest progress campuses are beginning to see on retention and graduation outcomes is at high risk of reversing course. The culprit: increasing costs not in control of the universities, primarily in the areas of pension and healthcare benefits. Universities estimate that these and other cost drivers will add more than \$230 million of costs to university budgets in the 2017-19 biennium. Students will face dramatically increased tuition rates, as well as programmatic and support services cuts, without some relief from the state to help universities meet these costs. We are at risk of losing the ground that we have gained over the last few legislative sessions. While there is no silver bullet to fix the challenges we face, universities stand as willing and able partners with the state to implement policy and budget decisions for long-term student success.

Reversing the Cycle

This cycle is all too familiar for Oregon's university students: Two to four years of higher levels of funding that result in smaller tuition increases and reinvestment in critical campus support services that keep students in college through degree attainment. Then four to six years of funding cuts, reversing most of the progress made during the "boom" years. This cycle has a clear consequence: no significant advances in student retention rates or the number of Oregonians entering one of the state's public universities since the early 2000s. Retention rates, and to a lesser extent graduation rates, show a recurring cycle of small upward movement, then reversals or stagnation, tracking parallel with the swings in funding typical of higher education over the last 20 years in Oregon. We must collectively break this stressful cycle if we are sincere about improving student outcomes.

Despite best efforts, the "access to a degree" promises made to students by the universities, the Legislature and the Higher Education Coordinating Commission have fallen short. We have opened the doors for students – including more low-income, rural, and students of color – but once they step onto campus it is not certain that they will have the support they require to stay enrolled for more than a term or a year. This paradox is evidence that Oregon does not so much have an access problem as it has a retention and graduation problem for the very students that we are most focused on to improve outcomes. While the Oregon Opportunity Grant provides access to the state's poorest students (zero Estimated Family Contribution) through financial aid, funding for the Public University Support Fund

(PUSF) supports and retains these same students once on campus, so must run in parallel to leverage retention and improved degree outcomes.

Low- and moderate-income students and their families are often price sensitive. The reality is that even our most supported low-income students generally have to take on debt to go to school. While in college, a growing debt burden can produce behavior that doesn't always align with student success, such as students working more, stopping out, over-borrowing, or sometimes leaving school permanently. If these students do have to borrow more than what is considered manageable – e.g., cumulative borrowing that exceeds their starting salaries – post-graduation success becomes harder, setting graduates back from the financial stability that a degree should help produce. It is not just aid that students need to keep borrowing down; it is the on-campus support systems that enable them to stay in school and finish their degree faster. Every extra term that a student is in college is thousands of dollars in tuition costs, likely more borrowing, and lost opportunity costs from not being in the workforce.

Consistency in university funding will ensure that student success is not dependent upon the biennia in which a student enters college. Students fortunate enough to start school during years of investment have a better chance at success than those who start in years of cuts or inadequate funding. Students should not bear the brunt of high employee benefits costs through increased tuition and inadequate support services. With a partnership of support with the state, Oregon's Public Universities can mitigate the negative impacts of these cost increases on our students.

Higher Education as an Economic Lever

Universities are offering a broad range of degrees in science, technology, engineering, mathematics, the medical fields, as well as journalism, business, law and the liberal arts. This training is providing the state with a critical pipeline of educated residents to meet the workforce needs of Oregon today and in the future. Without support for benefits and compensation, the costs of maintaining these programs will come through tuition increases. Industry in Oregon has recovered well since the Great Recession, but its continued success is dependent upon an adequate supply of highly trained workers. This is the acute point of intersection for higher education and Oregon's economic future. Not only do Oregon's public universities equip students to enter the 21st century workforce, which allows the state to retain companies and create more family-wage jobs in communities both urban and rural, they also foster a climate for innovation, research, and commercialization of ideas and products to market. In other words, economic vitality for Oregon.

During FY15, the public universities collectively operated a half billion dollar research and commercialization enterprise that created opportunities for undergraduate and graduate student experiential learning, enhanced their preparation for future employment and provided opportunities for entrepreneurial learning. This research activity also directly benefited Oregon's economy by wholly or partially funding more than 2,500 faculty, staff and students, and translating research discoveries into commercial applications. During the past ten years, more than 90 companies have spun out of our public universities, resulting in about 800 new jobs.

A MORE ACCURATE CURRENT SERVICE LEVEL (CSL)

Universities' History with the CSL

Prior to the passage of Senate Bill 242 (2011), the Oregon University System (OUS) fully participated in the state's approach to determining current service level (CSL). As part of state's initial budget development for the next biennium, the process began with the current Legislatively Approved Budget (LAB), adjusted by Emergency Board actions (usually through April), phase-outs of any one-time programs, phase-ins any ongoing programs that were only partially funded in the current biennium, and recognition of a variety of cost increases.

Types of base and CSL adjustments previously made for the universities included:

- Increase from net cost of position actions for classified and unclassified staff, including any authorized salary increases and corresponding benefits.
- Increase for "merit increases," represented by the cost of one classified step increase for the biennium.
- Change (increase or decrease) in estimated vacancy savings.
- Increase for "personal services" to reflect inflation adjustments for temporary pay, student pay, classified overtime, shift differential pay as well as increases related to Pension Obligation Bonds costs.
- Increase for operation and maintenance costs of new buildings coming on-line during the upcoming biennium.
- Increases for phase-ins or decreases for phase-outs, as noted above.
- Application of standard inflation factor for services and supplies.

After 2011, the state's approach to the calculation of CSL for the universities was to apply only the standard inflation factor to operating appropriations – Education and General (E&G), later split into the PUSF, State Programs, and Statewide Public Services. This same approach is utilized by the state for estimating cost increase for vendors.

Recent Developments

At the October 2015 President's Council meeting, the Ways and Means Co-Chairs expressed support for addressing concerns about the impact on students of the state's approach to calculating CSL. If the state does not include regular CSL calculations in the universities' budgets, these costs are shifted to students who must bear not only their own portion of these cost drivers (the portion of E&G expenditures funded by tuition), but the portion associated with state funding. The universities sought to have specific concerns addressed by the Legislature:

- Recognition that the current calculation of the CSL for the funding of university operations (PUSF, State Programs, Statewide Public Services, or other operating appropriation categories that may arise in the future) does not capture the true costs of operating Oregon's public universities and it does not provide the Legislature or the Governor with the information needed to support effective decision-making.
- The need for a collaborative solution and thus a request that the HECC, in consultation with the Legislative Fiscal Office (LFO), Department of Administrative Services (DAS), and representatives

from public universities to develop a proposed method for calculating a more accurate CSL for university operations. Costs incurred due to legislative directives on mandatory shared services (such as retirement, healthcare, and collective bargaining) would be some, but not all, of costs considered by the workgroup.

Subsequently, in the Budget Report and Measure Summary for SB 5071 (2016), the Legislature included the following budget note:

Budget Note:

The Subcommittee recognizes that the Current Service Level (CSL) is intended to estimate the cost of legislatively approved programs in the upcoming biennium. In 2009, the Joint Committee on Ways and Means approved the adoption of a CSL model for the Community College Support Fund (CCSF) to reflect health benefit and retirement costs expected to exceed the Department of Administrative Services standard inflation rate.

To ensure consistency in post-secondary state support CSL calculations, the Department of Administrative Services (DAS) and the Legislative Fiscal Office (LFO) are directed to develop, in consultation with the Higher Education Coordinating Commission and the seven public universities, an estimated cost of applying the Community College Support Fund model to the Public University Support Fund, the Agricultural Experiment Station, the Extension Service, the Forest Research Laboratory, and Public University State Programs. The estimate will include data elements that the public universities will be required to submit to HECC in order to implement the model.

DAS and LFO will provide the estimated cost to implement the Community College Support Fund CSL model for Public University state support to the Emergency Board, through the Legislative Fiscal Office, by July 1, 2016

The universities look forward to working with their state partners in exploring a range of solutions in the best interest of Oregon’s students. We hope the conversation will include work done by universities to calculate a more accurate CSL, described in more detail below.

The Universities’ Calculation Approach

The universities developed an initial estimate of a current service level increase of 7.9% needed for 2017-19. In making that calculation, the following table indicates the primary cost drivers that were considered, as well as specific aspects that were included or excluded in the calculation. As with any point-in-time estimate, amounts are subject to change as more information becomes available. The purpose of the calculation was to illustrate the gap between the universities’ actual cost drivers and the state’s “standard inflation factor” currently applied to develop a base funding level.

Cost Drivers	What is included?	What is excluded?
<p>Salary and Pay</p> <ul style="list-style-type: none"> Consolidated biennial increase estimated at \$107.5M; 6.8% over 2015-17 	<ul style="list-style-type: none"> Minimal estimated costs from bargaining agreements 	<ul style="list-style-type: none"> New hires Position eliminations Other required hires, such as compliance related FTE

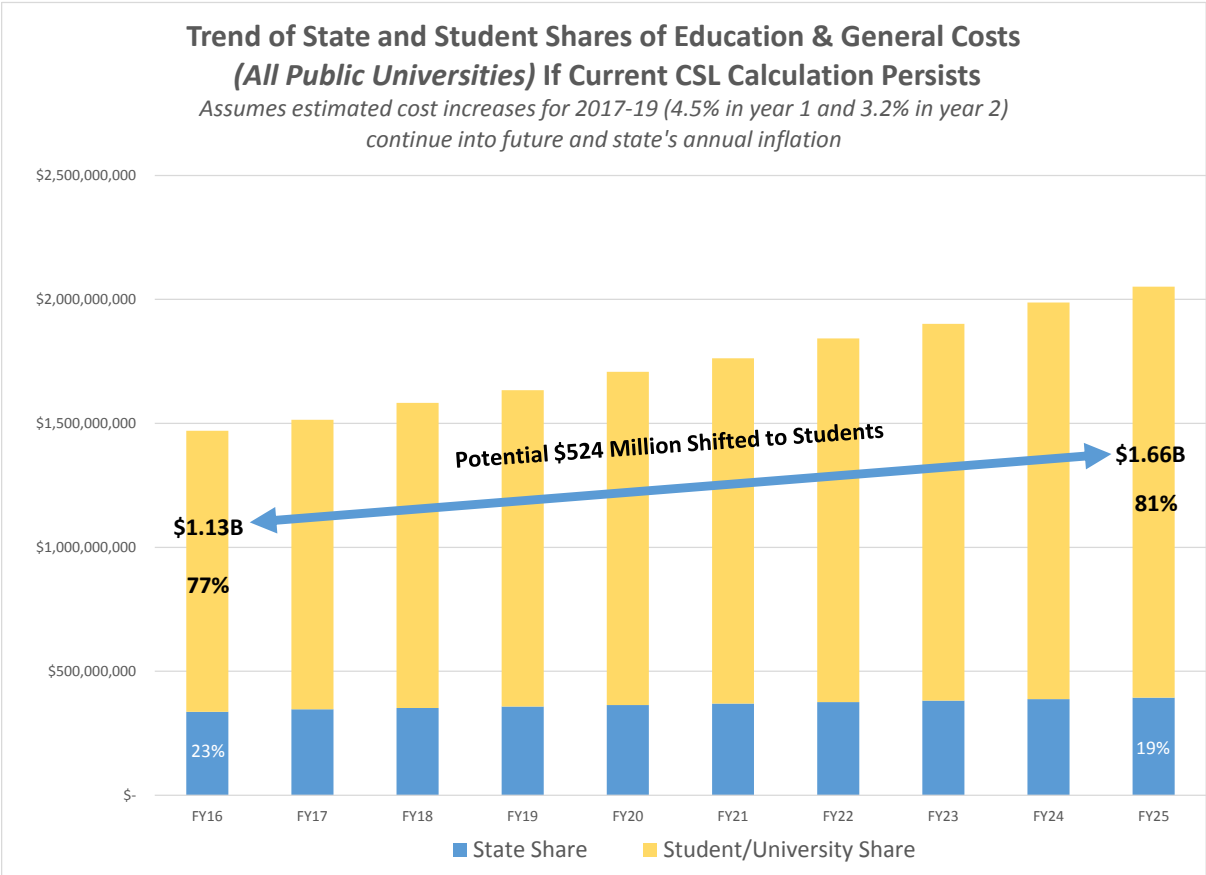
<ul style="list-style-type: none"> Individual university estimates range from 6.1% to 8.5% (3% - 4.6% annually) 	<ul style="list-style-type: none"> General salary pool increases for existing positions Fiscal impact of SB 1532 - minimum wage increase 	
<p><u>Healthcare</u></p> <ul style="list-style-type: none"> Consolidated biennial increase estimated at \$30.5M; 9.7% over 2015-17 Individual university estimates range from 8.2% to 10.3% (4% - 5% annually) 	<ul style="list-style-type: none"> Impact on existing positions 	<ul style="list-style-type: none"> Impact on new hires Impact from other required hires, such as compliance related FTE
<p><u>Retirement</u></p> <ul style="list-style-type: none"> Consolidated biennial increase estimated at \$59.4M; 21.1% over 2015-17 Individual university estimates range from 15.6% to 24.7% (largest impact occurs in year one of biennium when rates change) 	<ul style="list-style-type: none"> Impact of anticipated PERS increases as informed by Fall 2015 PERS projections and town hall meetings Estimated increases in ORP, which is linked to anticipated PERS increases 	<ul style="list-style-type: none"> Impact on new hires Impact from other required hires, such as compliance related FTE Other increases that could result from market impact on determination of final approved PERS rate increases
<p><u>Other personnel expense (OPE)</u></p> <ul style="list-style-type: none"> Consolidated biennial increase estimated at \$12.7M; 7.0% over 2015-17 Individual university estimates range from 6.2% to 9.1% (3% - 4.5% annually) 	<ul style="list-style-type: none"> Social Security Medicare Unemployment Insurance Workers Compensation State Accident Insurance Fund Employment Relations Board (Classified employees only) Mass Transit Taxing Districts 	<ul style="list-style-type: none"> Impact on new hires Impact from other required hires, such as compliance related FTE
<p><u>Operating expense</u></p> <ul style="list-style-type: none"> Consolidated biennial increase estimated at \$24.8 M; 4% over 2015-17 Individual university estimates range from 2.9% to 5.3% (primarily 2% annual inflation factor) 	<ul style="list-style-type: none"> Supplies and services Capital outlay (minor equipment) Student aid 	<p>Cost drivers unique to individual universities, such as:</p> <ul style="list-style-type: none"> Compliance required expenditures Required infrastructure expenditures Other contract obligations Planned contributions to reserve funds

Because retirement costs escalate on a biennial basis, the first fiscal year of a biennium has a higher rate of increase, as reflected in the following fiscal year view of estimated Educational & General cost increases:

Estimated Educational & General (E&G) Cost Increases (in millions)										
Expense Category	FY16	FY17	FY17 to FY18 Increases		FY18	FY18 to FY19 Increases		FY19	Biennial Increases	
Salary & Pay	\$ 778.1	\$ 802.4	\$ 27.3	3.4%	\$ 829.7	\$ 28.6	3.4%	\$ 858.3	\$ 107.5	6.8%
Healthcare	\$ 153.7	\$ 161.0	\$ 7.6	4.7%	\$ 168.6	\$ 8.0	4.7%	\$ 176.6	\$ 30.5	9.7%
Retirement	\$ 139.3	\$ 142.7	\$ 24.9	17.4%	\$ 167.6	\$ 6.2	3.7%	\$ 173.8	\$ 59.4	21.1%
Other Personnel Expenses	\$ 89.0	\$ 92.6	\$ 3.0	3.2%	\$ 95.6	\$ 3.1	3.2%	\$ 98.7	\$ 12.7	7.0%
Operating Expense	\$ 310.0	\$ 315.7	\$ 6.7	2.1%	\$ 322.4	\$ 5.8	1.8%	\$ 328.2	\$ 24.9	4.0%
Fiscal Year Totals	\$ 1,470.1	\$ 1,514.4	\$ 69.5	4.6%	\$ 1,583.9	\$ 51.7	3.3%	\$ 1,635.6	\$ 235.0	7.9%
Biennial Totals		2015-17		2017-19						
		\$ 2,984.5		\$ 3,219.5		\$ 235.0		7.9%		

These calculations formed the basis for modeling a number of funding level scenarios that follow. To highlight the potential impact on students of the state not fully funding its share of the true CSL, Chart 1 illustrates how costs would shift to students if 1) the current estimated true CSL of 7.9% continued into the future and, 2) the state’s contribution continued with only an artificially low CSL adjustment:

Chart 1:



Oregon Opportunity Grant

Oregon’s public universities are also dealing with funding shortfalls for financial aid since the Oregon Opportunity Grant eligibility change. Thousands of Oregon students are no longer eligible for the OOG, and campuses are suddenly seeing millions in unmet aid at their doorsteps. The OOG has been chronically underfunded in relation to Oregonians’ financial need. Many students were turned away under a “first come, first served” approach in awarding the grant. A HECC work group with broad stakeholder representation recommended various options for how to target the limited resources and make strides toward the 40-40-20 educational attainment goal. Eligibility changes that will go into effect in 2016-17 will initially award grants only to the absolute neediest students (zero EFC). While this is a critical population of students to serve, the tradeoff is that universities are faced with filling the budget gap for students who have lost their financial aid. Initial estimates show the net^[1] budget gap to be \$8 million with about 4,000 fewer university students receiving grants.

Two primary concerns are the disproportionate impact on diverse populations and the inability of university budgets to fill this expanded gap, likely to result in declining retention or access to a four-year institution. We would respectfully request that as data continues to become available on effects of the new eligibility parameters that the HECC and the Legislature be open to a dialogue around adjustments so as to mitigate a major loss in financial aid to worthy university students. It is an understatement to say that the universities are worried about these students and the campuses’ ability to cover these significant shortfalls in light of the other benefits and compensation cost drivers hitting at the same time.

Preliminary Analysis of Changes in OOG Eligibility to Zero EFC					
	Losing Grants		Gaining Grants		Net Impact
	Students	Amount	Students	Amount	Amount
EOU	287	\$ 645,750	273	\$ 614,250	\$ 31,500
OIT	300	\$ 675,000	50	\$ 112,500	\$ 562,500
OSU	2,775	\$ 5,861,635	325	\$ 731,250	\$ 5,130,385
PSU	1,725	\$ 3,374,424	1,323	\$ 2,976,750	\$ 397,674
SOU	606	\$ 1,363,500	1,091	\$ 2,454,750	\$ (1,091,250)
UO	1,539	\$ 3,462,750	267	\$ 600,750	\$ 2,862,000
WOU	546	\$ 1,228,500	458	\$ 1,030,500	\$ 198,000
	7,778	\$ 16,611,559	3,787	\$ 8,520,750	\$ 8,090,809

^[1] The net change calculates the difference between grants that would have been awarded to new and continuing students under the prior eligibility and grants that will now be availability under the new criteria.

Public University Support Fund (PUSF)

Background

The primary state support for universities used to be appropriated for E&G operations. Beginning with the 2013-15 biennium, the E&G appropriation was split into two new categories, with the state's definition noted:

- **Public University Support Fund**

The PUSF is the state's General Fund contribution to operation of the educational programs of the seven universities – Eastern Oregon University, Oregon Institute of Technology, Oregon State University (Corvallis and Cascades), Portland State University, Southern Oregon University, the University of Oregon, and Western Oregon University. Combined with student tuition and other revenues, the funds provide basic support to the educational institutions, central administration, and support services. It includes General Fund for operation of instructional and support services to students and faculty, support for research and campus public service programs, and administrative support services. The PUSF is now allocated by the HECC using the Student Success and Completion Model (SSCM) to fund student and institutional support.

- **State Programs**

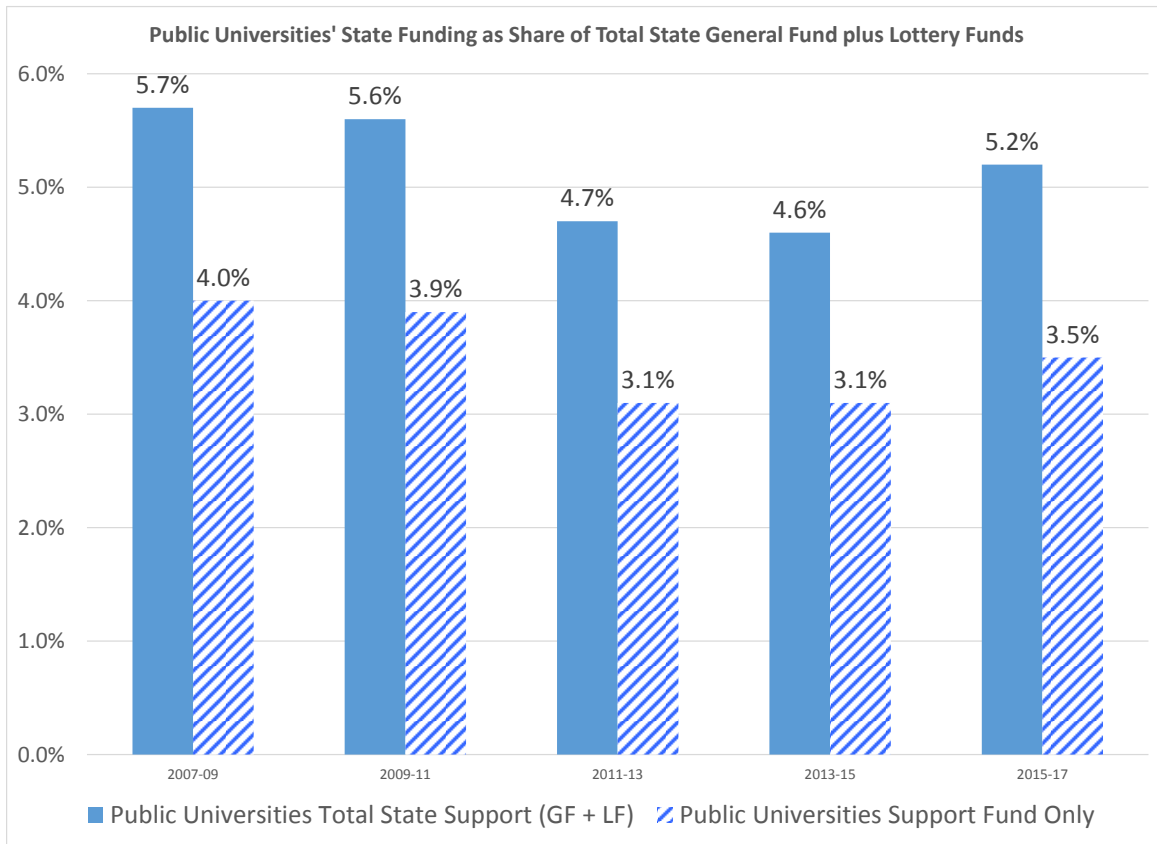
Funding for centers, institutes, and programs addressing statewide economic development, natural resource, and other needs are included in the State Programs unit (this appropriation is discussed in more detail later in the document).

For historical comparison, it is sometimes necessary to revert to the E&G grouping to get consistent comparisons. Here, historical appropriations have been restated to separate E&G funding into the newer categories.

Public University Support Fund					
2007-09	2009-11	2011-13	2013-15	2015-17	2017-19
Final* LAB¹	Final* LAB¹	Final* LAB¹	Final* LAB	LAB to Date²	Scenario 1
\$ 568,487,771	\$ 522,352,575	\$ 450,531,927	\$ 522,845,511	\$ 665,000,000	\$ 765,000,000
<p>* "Final" legislative budgets are end-of-biennium actual appropriations inclusive of any mid-biennium reductions, Emergency Board (E-Board) actions, and one-time funding</p> <p>1) For biennia prior to 2013-15, E&G appropriations are retroactively split into PUSF and State Programs categories for comparison purposes</p> <p>2) 2015-17 excludes any funding appropriated during the 2016 session</p>					

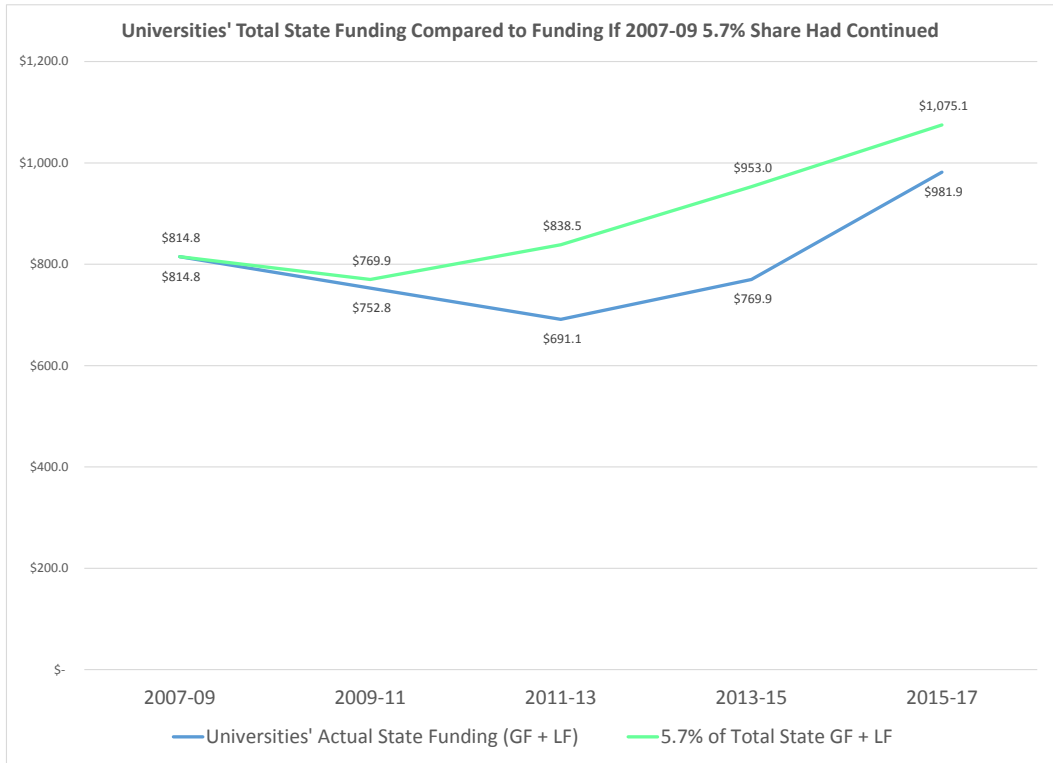
Charts 2 and 3 that follow provide additional historical context.

Chart 2 – Public Universities’ Share of State Funding (General Fund plus Lottery Funds)



A contributing factor to consider is the universities’ diminished share of Oregon’s state revenues. If 2015-17 funding for the PUSF reached 2007-09 participation levels, the PUSF would have been funded at \$775 million.

Chart 3 – Universities’ Share of Total State Funding

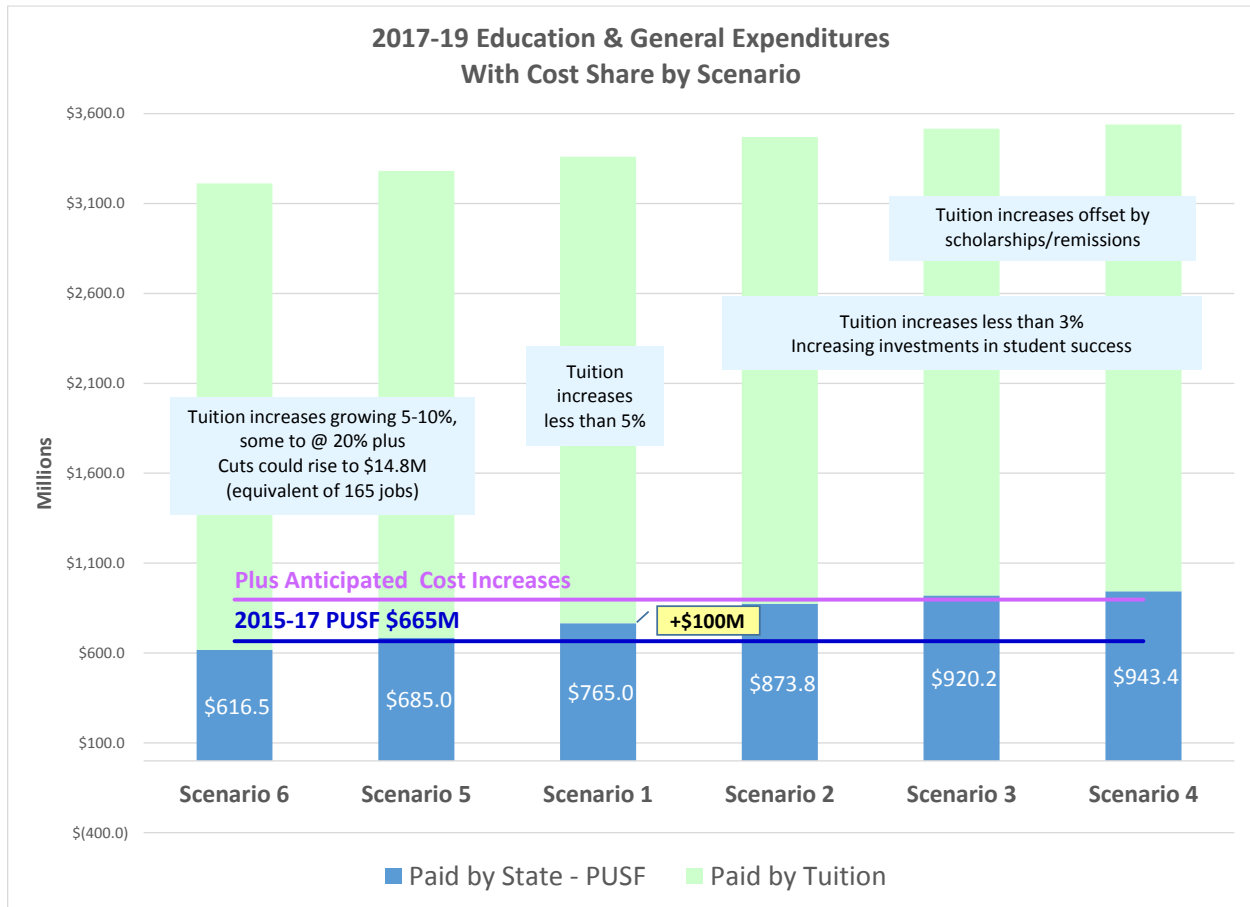


Had universities’ total state funding continued at the 2007-09 participation rate of 5.7%, they would have received an additional \$93.2 million in funding.

Funding Scenarios

The HECC asked for four funding scenarios, one at less than current funding and three higher than current funding. Additionally the universities modeled two other scenarios that provide data for the Commissioners and legislators to understand the relationship between various state funding levels, likely tuition rate increases, possible cuts in student services, as well as varying levels of institutional financial stability.

Chart 4 illustrates how the state funding for the PUSF varies under each of the scenarios.



The major implications of each scenario (or range of scenarios) are noted below.

Scenario 1: Keep tuition increases under 5%

How much funding is needed to protect the 2015 investments for better student outcomes and protect Oregon resident undergraduate students from tuition increases larger than 5%?

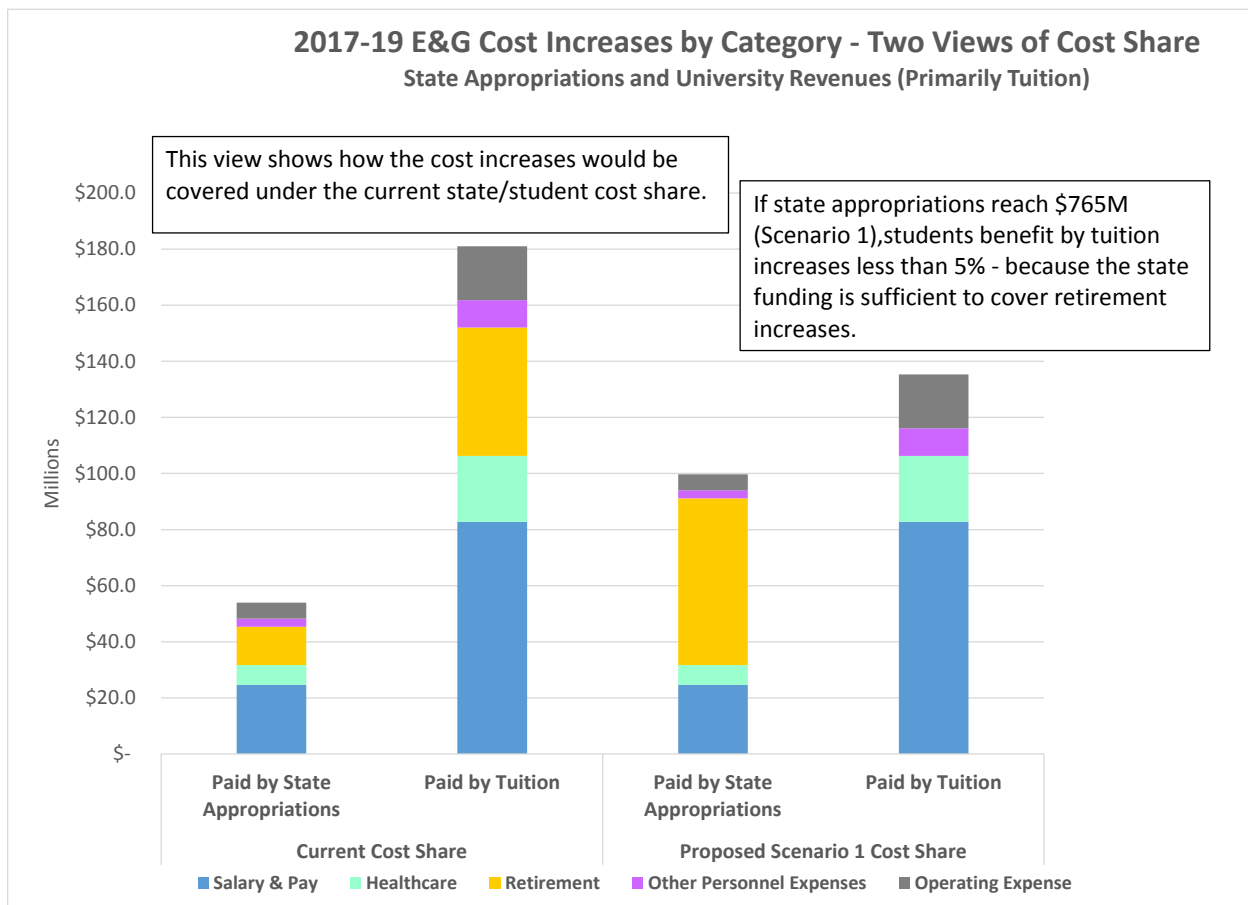
1) PUSF of \$765 million – an increase of \$100 million, 15% over 2015-17

*This figure represents the state's share of true CSL of 7.9%, plus increased retirement costs that would otherwise be borne by students. **Universities assert this should be the floor for the 2017-19 PUSF funding level.***

- We understand and appreciate that our relationship with the state is one of give and take. Universities regularly enact measures to cut administrative costs and trim budgets to the extent possible without negatively impacting academic programs and student services and experiences. Some examples of these cost-saving measures implemented this year alone include staff and faculty cuts, position freezes, and program cuts and consolidations, among others.

- Savings help fill gaps, but they are nowhere near potent enough to allow us to cover the external costs placed on budgets from benefits, compensation contracts, financial aid and distribution formulas, and more.
- The \$100 million figure, while seemingly large, is only what universities need to continue current service levels on every campus, cover external costs, keep resident undergraduate tuition increases under 5%¹, and protect the Legislature’s student-focused investments made during the last biennium.

Chart 5 illustrates the intent of Scenario 1 to not only pick up the current state share of true CSL cost increase, but also to cover the portion of retirement increases that otherwise would be borne by students:



Scenarios 2 – 4: Improved Outcomes for Students

What might result from additional or transformative levels of state investment?

- PUSF of \$873.7 million (HECC scenario B.3.)** – an increase of \$208.7 million/31.4% over 2015-17
This represents total true 7.9% CSL – both state and students’ share of increases, less 10%.

¹ Exception: Entering WOU students electing the Promise program pay an initially higher rate but rate held constant for four years.

- All universities could keep resident undergraduate tuition increases at 3% or less
- Additionally, universities would be in a position to make significant investments in additional student support initiatives (detailed in Provosts Council Initiatives section)

3) PUSF of \$920.2 million (HECC scenario B.1.) – an increase of \$255.2 million, 38.4% over 2015-17
This represents total true 7.9% CSL – both state and students’ share of increases, plus 10%.

4) PUSF of \$943.4 million (HECC scenario B.2.) – an increase of \$278.4 million, 41.9% over 2015-17
This represents total true 7.9% CSL – both state and students’ share of increases, plus 20%.

- Under both scenarios 3 and 4, all universities could keep resident undergraduate tuition increases to 3% or less. Additionally, all universities would commit to directing the full value of the tuition increases to scholarships and/or tuition remissions
- Universities would also have the program resources to expand investments in and capacity of student support initiatives (detailed in Provosts Council Initiatives section)

Provosts Council Initiatives

The Public Universities Provosts Council advise continuation of a framework that focuses on affordability, access, student success (completion and career development), as well as academic quality. For more university-specific details, see Appendix B.

University	Initiative	Affordability	Access	Success	Quality
EOU	<ul style="list-style-type: none"> • Enhance tuition remissions to increase access for rural, minority and first-generation students. 	X	X	X	X
	<ul style="list-style-type: none"> • Funding for student completion initiatives to increase graduation rates for on-campus, online and on-site programs. 	X	X	X	
	<ul style="list-style-type: none"> • Build a college-going culture through Eastern Promise Collaborative with grade schools through high school and post-secondary education. 	X	X	X	X
OIT	<ul style="list-style-type: none"> • Expand personalized resources for high school and first-year university students that provide mentoring and support in transitioning to college, including a student texting program that eliminates barriers to accessing necessary academic supports. 		X	X	X
	<ul style="list-style-type: none"> • Increase academic preparation and completion of high school students in STEM fields through university-led STEM Hub teacher professional development, industry volunteers in classrooms, and accelerated college credit. 		X	X	X
	<ul style="list-style-type: none"> • Increase degree completion through “Completer” scholarships for successful students who are close to 	X		X	

	graduation but at risk of dropping out due to financial hardship.				
OSU	<ul style="list-style-type: none"> Increase financial support to bridge gaps that become barriers for students to graduate on time. 	X	X	X	
	<ul style="list-style-type: none"> Increase advising capacity to hire additional advisors who specialize in retention, graduation, and career development, including a “one-stop” support center for transfer students 		X	X	X
	<ul style="list-style-type: none"> Increase capacity for student participation in experiential learning, including financial support needed for students to participate 	X		X	X
PSU	<ul style="list-style-type: none"> Create programs and services in conjunction with community colleges and other institutions to ensure clear pathways for transfer students 	X	X	X	
	<ul style="list-style-type: none"> Increase advising capacity, revitalize advising systems, improve the visibility of student support services and preparation for career placement 		X	X	X
	<ul style="list-style-type: none"> Provide flexible degrees to accommodate the diverse needs of students and develop academic programs that prepare students for competitive advantage in life and career 	X	X	X	X
SOU	<ul style="list-style-type: none"> Continue expansion of programs targeting Hispanic students, providing them with school based programs, including mentors, academic assistance and post – secondary encouragement for this historically underserved population. 	X	X	X	
	<ul style="list-style-type: none"> Work with regional high schools to implement accelerated and low cost degree programs for first generation, low-income, under-represented, rural students. 	X	X	X	
	<ul style="list-style-type: none"> Engage faculty in collaborative efforts that focus on intentional course design with respect to curriculum, assessment, and effective pedagogy for general education/gateway courses with high failure rates. 			X	X
UO	<ul style="list-style-type: none"> Further investments in PathwayOregon and graduation assistance grants 	X	X	X	
	<ul style="list-style-type: none"> Increase the number of tenure-track and research faculty with an emphasis on STEM 			X	X
	<ul style="list-style-type: none"> Allocate funding toward successful student transitions, including second-stage advising services, to ensure retention and completion 		X	X	X
WOU	<ul style="list-style-type: none"> Increase need-based scholarships to under-served students 	X	X		
	<ul style="list-style-type: none"> Increase availability of academic, financial and persistence counseling for student degree completion. 			X	X
	<ul style="list-style-type: none"> Expand student readiness programming for pre-college outreach 		X		X

Scenarios 5 & 6: Reduced Outcomes for Students, Large Tuition Hikes

What happens if the funding level doesn't cover true CSL?

5) PUSF of \$685 million – an increase of \$20 million, 3% over 2015-17

While a technical increase, this would effectively be a decrease due to biennial cost increases closer to 7.9%.

- If campuses protect existing student focused investments, all campuses would need to raise resident undergraduate tuition more than 5%. Many institutions would need to raise tuition over 10% with at least three campuses over 15%.

6) PUSF of \$616 million – a decrease of \$48.5 million, -7.3% from 2015-17 (3% inflation less 10%)

- Universities would need to address the worsening situation by various combinations of larger tuition increases and programmatic cuts. Most tuition increases would be in the 5-10% range, with some higher, even exceeding 20%, and an additional \$14.8 million of cuts (equivalent of 165 jobs). This would detrimentally affect access and affordability, with underrepresented students likely to be more severely impacted. Students nearing completion might be forced to drop out. Entering students might be forced to delay matriculation.
- Universities cannot address significant state funding decreases merely by raising tuition. Once increases go into double digits, incremental revenues will be offset by enrollment declines. There is a national indicator that tuition increases approaching 8%, but certainly double-digit increases, can trigger this effect. The other option is to cut expenditures and there are inherent limitations to that action. Tenure and bargaining agreements prescribe handling of workforce reductions and often require an implementation timeline much further out than the state's budget cycle. Program closures can require teaching-out current students for another 2-3 years. If a significant decrease becomes known in June of 2017, it will be difficult to immediately adjust university budgets.

Possible short-term options:

- Reductions in services that were implemented because of additional 2015 funding for student-focused investments.
- Where possible, employees be given non-renewal notices or short-term, such as four month, contracts, to allow universities flexibility in responding to financial situation. These measure would all negatively contribute to student recruitment, retention and completions, particularly on PELL eligible, diverse students. In layoff situations, instructor and teaching assistants are on the front line, the same individuals originally hired to expand access. Course offerings are reduced, thus students' completions are delayed.
- Hiring freeze on vacant position with reallocation of workload. Expected impacts would include backfilling tenure-track faculty separations (from retirement or otherwise) with lower cost adjunct faculty as well as loss of support for core IT infrastructure, campus safety, student advising and financial aid.

- Purchasing (with local and state implications) and travel freezes, reduction in financial aid budgets.

Other University Appropriations – State Programs

As noted earlier, effective with the 2013-15 biennium, the state divided E&G funding into the Public University Support Fund and an appropriation category of “State Programs” consisting of line-item appropriations to programs that “address economic development, natural resource, and other issues rather than provide support for OUS student and institutions.”

Recently representatives from some of these programs gave presentations to the HECC. Those presentations illustrated the integration of the universities’ multiple missions of instruction, research and service. Rarely do university activities solely fall into a single silo. For example, while OSU Ocean Vessels Research is devoted to the “research and study of the waters of the Pacific Coast,” students from OSU, UO, and Clatsop Community College all benefited educationally from participation in “Oceanography Boot Camp.” While the Institute for Natural Resources at OSU and PSU is focused on the state’s natural resources, over 65 students both contribute to its efforts and participate in a learning experience. The Center for Advanced Wood Products, a collaboration of OSU and UO, blends applied research, expanded degree programs at both universities, incorporates workforce and technical training programs, and expands the potential economic development of an important natural resource.

While the weighting of expenditure categories vary from one state program to another, overall the predominance of compensation costs mirror that of the PUSF. The universities’ joint priority for State Programs is to participate in a true CSL calculation to avoid erosion of program effectiveness over time. The universities also acknowledge that Oregon Tech is faced with a unique institution-specific situation, with a state program that was authorized in statute in 2001, but not funded. ORS352.221 created the Oregon Renewable Energy Center (OREC) to engage in renewable energy system engineering and applied research. Therefore, Oregon Tech is including a request to add OREC to the list of State Programs in the amount of \$985,000, as described in Appendix C.

State Programs	Legislative Origin	2007-09 Final* LAB ¹	2009-11 Final* LAB ¹	2011-13 Final* LAB ¹	2013-15 Final* LAB	2015-17 LAB to Date ²	2015-17 Scenario 1
Engineering Technology Sustaining Funds	SB 504 (1997)	37,280,000	30,981,350	27,387,573	14,225,106	24,451,274	26,383,000
Industry Partnerships ⁵		855,564	711,027	606,652	643,049	-	-
Dispute Resolution (UO-65%; PSU-35%)	SB 904 (2003)	2,267,275	2,107,233	2,297,895	2,435,769	2,516,149	2,715,000
PSU Oregon Solutions program	HB 3948 (2001)	2,600,000	2,416,355	2,061,637	2,185,335	2,257,451	2,436,000
OSU Fermentation Science program	HB 5008 (2013)				1,200,000	1,239,600	1,338,000
Signature Research Ctrs (UO & OSU-47.5% each; PSU-5%)	HB 5077 (2003)	1,143,186	950,315	950,316	1,007,335	1,040,577	1,123,000
Oregon Metals Initiative (OMI) ⁵		964,785	801,796	684,092	725,136	-	-
UO Labor Education Research Center (LERC)	(1977)	696,936	649,089	657,542	656,867	678,544	732,000
OSU Marine Research Vessel program	HB 3451 (2013)				300,000	619,800	669,000
PSU Population Research Center	(1956)	472,744	439,187	374,427	421,407	435,313	470,000
OSU Institute for Natural Resources	HB 3948 (2001)	459,675	427,196	364,484	386,353	399,103	431,000
Clinical Legal Education program	HB 2961 (2007)	231,678	331,750	318,450	337,557	348,077	376,000
OSU Climate Change Research Institute	HB 3543 (2007)	180,000	334,858	285,701	302,843	312,837	338,000
OSU (w UO) Center for Advanced Wood Products ³	SB 5507 (2015)					2,500,000	3,669,000
Alumni Career Placement Pilot ⁴	SB 860 (2015)	-	-	-	-	427,500	615,000
Subtotal		47,151,843	40,150,156	35,988,769	24,826,757	37,226,225	41,295,000
Proposed: OT Oregon Renewable Energy Center (OREC) ⁶							985,000
							42,280,000
One-time Appropriations:							
OSU Canola Study	HB 2427 (2013)				679,000		
OSU Ocean Acidification Study	HB 5008 (2013)				250,000		
PSU Profiling Study	HB 2002 (2015)					250,431	
OSU Shellfish Research	HB 2209 (2015)					500,000	
PSU INR-Western Juniper Research	HB 2998 (2015)					100,000	
OSU INR Task Force Support	SB 202 (2015)					108,907	
EOU Wrestling program	SB 5507 (2015)					300,000	
PSU Oregon Solutions Task Force	SB 5507 (2015)					62,300	
State Programs Total		47,151,843	40,150,156	35,988,769	25,755,757	38,547,863	
* "Final" legislative budgets are end-of-biennium actual appropriations inclusive of any mid-biennium reductions, Emergency Board (E-Board) actions, and one-time funding							
1) For biennia prior to 2013-15, E&G appropriations are retroactively split into PUSF and State Programs categories for comparison purposes							
2) 2015-17 excludes any funding appropriated during the 2016 session							
3) SB 5507 Budget Report and Measure Summary calls for Adv Wood Products to roll-up to \$3.4M in 2017-19							
4) SB 860 Fiscal Impact Statement notes assumed continuation; 2017-19 roll-up at \$570K							
5) Funding for Industry Partnerships and OMI transferred out of State Programs in 2015							
6) OREC - Legislatively established program at Oregon Tech currently unfunded							

Other State Appropriations – Statewide Public Services

The three programs that constitute the Statewide Public Services (SWPS) – the Agricultural Experiment Station (AES), the Extension Service (ES), and the Forest Research Laboratory (FRL) – are longstanding services benefitting Oregonians. As noted with the state programs, it is vital to the integrity of these services that current service calculations reflect the true cost increases. The SWPS activities are another example of the integration of instruction, research and service missions.

Statewide Public Services (SWPS)	2007-09 Final* LAB	2009-11 Final* LAB	2011-13 Final* LAB	2013-15 Final* LAB	2015-17 LAB to Date **	2015-17 Scenario 1
Agricultural Experiment Station	58,937,209	53,498,403	51,793,494	55,275,282	63,121,066	68,108,000
Extension Service	42,642,380	39,087,553	37,463,402	39,909,526	45,601,540	49,204,000
Forest Research Laboratory	6,590,714	5,829,217	5,698,684	6,070,772	9,771,107	10,543,000
SWPS Total	108,170,303	98,415,173	94,955,580	101,255,580	118,493,713	127,855,000
* "Final" legislative budgets are end-of-biennium actual appropriations inclusive of any mid-biennium reductions, Emergency Board (E-Board) actions, and one-time funding						
** 2015-17 excludes any funding appropriated during the 2016 session						

Other State Appropriations – Sports Lottery

Background

In 1989 the Oregon Legislature passed HB 3262 which gave the Oregon Lottery statutory authority to establish a sports betting program. The Sports Action Lottery game was initiated in September 1989 as a way to raise money for intercollegiate athletics at the seven OUS institutions. Sports Action was a betting game based on the outcome of NFL football games. In 2005, the Legislature passed HB 3466 which removed the statutory authority for the Lottery to run sports betting games. The bill replaced the revenue to the OUS with a guaranteed one percent of the lottery money transferred to the Economic Development Fund. The 2007-09 biennium was the only time a full one percent of lottery revenue was directed to OUS (the Universities). In all subsequent biennium to date, the legislature has established a dollar cap on the amounts made available to the Universities. From its inception through 2006, the program was referred to as Sports Action Lottery. After the passage of HB 3466, the program became simply Sports Lottery.

University Allocations

The legislature authorized first the State Board of Higher Education and later the Higher Education Coordinating Commission to allocate Sports Lottery funding to the universities within certain statutory requirements. For example, 88% of the funds are to fund athletic programs and 12% to scholarships. Various allocation methods have been used over time. The HECC is now charged with allocation of funds to the universities, but legislative action takes precedence. In 2013, the legislature began capping amounts allocated to Oregon State University and the University of Oregon.

History of Sports Lottery Allocation Methodologies								
Period Covered	EOU	OIT	OSU	PSU	SOU	UO	WOU	Total
1989 - June 30, 1997	4.00%	4.00%	33.50%	17.00%	4.00%	33.50%	4.00%	100.00%
July 1, 1997 - June 30, 2007	5.00%	5.00%	30.14%	18.71%	5.00%	31.15%	5.00%	100.00%
July 1, 2007 - June 30, 2013								
First \$1.8 million	5.00%	5.00%	30.14%	18.71%	5.00%	31.15%	5.00%	100.00%
Next \$500,000	15.00%	15.00%	5.00%	20.00%	15.00%	5.00%	25.00%	100.00%
After initial \$2.3 million	8.00%	8.00%	23.00%	19.00%	8.00%	24.00%	10.00%	100.00%
2013-15 Biennium								
Legislative dollar limits			\$1.0M			\$1.0M		
Remaining \$6M allocated by the SBHE for FY14 and by the HECC for FY15:								
By formula	14.78%	14.78%		36.85%	14.78%		18.81%	100.00%
2015-17 Biennium - specific dollar amounts per legislative budget report for HB 5029 resulting in these shares:								
	11.1%	11.1%	12.5%	27.6%	11.1%	12.5%	14.1%	100.0%

Sports Lottery	2007-09 Actuals ¹	2009-11 Actuals	2011-13 Actuals	2013-15 Actuals ²	2015-17 Budget ²	2017-19 at Est 1%
EOU	920,979	735,207	653,078	886,640	913,239	<i>Estimate Per March 2016 OEA Revenue Forecast for Sports Lottery Allocations</i>
OIT	915,870	735,207	653,078	886,640	913,239	
OSU	2,946,595	2,300,009	1,949,531	1,000,000	1,030,000	
PSU	2,349,294	1,835,926	1,640,866	2,211,230	2,277,567	
SOU	918,992	735,207	653,078	886,640	913,239	
UO	3,017,636	2,387,020	2,022,010	1,000,000	1,030,000	
WOU	1,163,245	936,508	833,849	1,128,850	1,162,716	
Total	12,232,611	9,665,082	8,405,489	8,000,000	8,240,000	13,007,000.00

¹ 2007-09 initial distribution of statutory 1%; for all subsequent biennia, total allocation capped by Legislature

² For 2013-15 and 2015-17, Legislature capped allocations to OSU and UO

Return to Statutory 1%

The universities support a return to the statutory one-percent for Sports Lottery that would benefit students in several ways. The 12% portion is directed to graduate scholarships, providing a much needed source for students seeking advanced degrees. Much of the 88% portion allocated for athletic programs takes the form of grants-in-aid to student athletes, providing affordable access. Being engaged in intercollegiate athletics, while pursuing an academic degree, generally has a positive multiplier effect on students. It promotes the very skills that universities are teaching in the classroom as well: teamwork, problem solving, and informed decision making. Sports Lottery funding is also a

primary way that campuses are able to meet Title IX requirements to equitably fund women's athletics. Investment in student athletes also supports the overall goal of student diversity at every level: gender, geographic, ethnic, and economic background.

Summary

The universities support the following funding levels consistent with *Scenario 1* as the minimum needed 1) for state funding to reflect true costs to continue current services, 2) to continue student success initiatives that began in 2015, and 3) to keep tuition increases in 2017-19 below 5%.

2017-19 Public Universities Funding Request		
Appropriation Categories	2015-17 Current Funding	2017-19 Consolidated Request "Scenario 1"
Public University Support Fund	\$665,000,000	\$765,000,000
State Programs		
Ongoing	\$37,226,225	\$41,295,000
Proposed: Oregon Renewable Energy Center (OREC)*		\$985,000
One-time	1,321,638	-
Subtotal Education & General (E&G)	\$703,547,863	\$807,280,000
Statewide Public Services		
Agricultural Experiment Station	\$63,121,066	\$68,108,000
Extension Service	45,601,540	49,204,000
Forest Research Laboratory	9,771,107	10,543,000
Subtotal SWPS	\$118,493,713	\$127,855,000
		<i>Restore Sports Lottery to Statutory 1%</i>
Sports Lottery	\$8,240,000	\$13,007,000 **
Debt Service		
General Fund	\$119,704,939	
Lottery	31,887,710	<i>Actual Obligations</i>
Total	<u>\$981,874,225</u>	
* OREC - Legislatively established program at Oregon Tech currently unfunded		
** Amount per March 2016 Office of Economic Analysis Revenue Forecast		

APPENDIX A – HECC Request (Item B.5 in guidance)

Please provide a calculation of the projected additional revenue from successive 2% annual increases (2% increase in FY18 followed by 2% increase in FY19) to tuition and mandatory enrollment fees. Please show both the overall increase in revenue and that portion derived from resident, undergraduate students, itemized by fiscal year and institution.

Institution	Total Tuition*, net of remissions					
	FY17 Estimated Tuition*	FY18 Increase	FY18 Projected Revenue, Net	FY 19 increase	FY19 Projected Revenue, Net	2017-19 Projected Revenue Increase
	Revenue, Net	2.0%		2.0%		
EOU	\$ 17,297,918	\$ 345,958	\$ 17,643,876	\$ 352,878	\$ 17,996,754	\$ 698,836
OIT	\$ 27,366,973	\$ 547,339	\$ 27,914,312	\$ 558,286	\$ 28,472,598	\$ 1,105,625
OSU	\$325,836,337	\$ 6,516,727	\$ 332,353,064	\$ 6,647,061	\$ 339,000,125	\$ 13,163,788
PSU	\$203,156,000	\$ 4,063,120	\$ 207,219,120	\$ 4,144,382	\$ 211,363,502	\$ 8,207,502
SOU	\$ 35,731,000	\$ 714,620	\$ 36,445,620	\$ 728,912	\$ 37,174,532	\$ 1,443,532
UO	\$346,239,262	\$ 6,924,785	\$ 353,164,047	\$ 7,063,281	\$ 360,227,328	\$ 13,988,066
WOU	\$ 39,514,523	\$ 790,290	\$ 40,304,813	\$ 806,096	\$ 41,110,909	\$ 1,596,386
Total	\$995,142,013	\$19,902,839	\$1,015,044,852	\$20,300,896	\$1,035,345,748	\$ 40,203,735

Institution	Portion of above pertaining to Resident Undergraduates only, net of remissions					
	FY17 Estimated Tuition*	FY18 Increase	FY18 Projected Revenue, Net	FY 19 increase	FY19 Projected Revenue, Net	2017-19 Projected Revenue Increase
	Revenue, Net	2.0%		2.0%		
EOU	\$ 15,147,400	\$ 302,948	\$ 15,450,348	\$ 309,007	\$ 15,759,355	\$ 611,955
OIT	\$ 14,404,125	\$ 288,083	\$ 14,692,208	\$ 293,844	\$ 14,986,052	\$ 581,927
OSU	\$161,042,972	\$ 3,220,859	\$ 164,263,831	\$ 3,285,277	\$ 167,549,108	\$ 6,506,136
PSU	\$ 86,953,704	\$ 1,739,074	\$ 88,692,778	\$ 1,773,856	\$ 90,466,634	\$ 3,512,930
SOU	\$ 17,043,687	\$ 340,874	\$ 17,384,561	\$ 347,691	\$ 17,732,252	\$ 688,565
UO	\$ 66,329,246	\$ 1,326,585	\$ 67,655,831	\$ 1,353,117	\$ 69,008,948	\$ 2,679,702
WOU	\$ 17,473,523	\$ 349,470	\$ 17,822,993	\$ 356,460	\$ 18,179,453	\$ 705,930
Total	\$378,394,657	\$ 7,567,893	\$ 385,962,550	\$ 7,719,252	\$ 393,681,802	\$ 15,287,145

* Data shown for tuition only (net of remissions); mandatory enrollment fees excluded as they are designated to cover specific costs and not available as a general resource to the universities.

Projected FY17 amounts do not take into multiple rate structures or reductions due to drops and withdrawal; thus actual revenues could be lower.

APPENDIX B – University-Specific Information

Eastern Oregon University Supplemental Information

Investment: Student Success and Outcomes

Eastern Oregon University focuses its efforts on providing an accessible, affordable and engaged education. Utilizing currently available resources, each investment is strategic in its inclusion in our planning to provide the maximum return for the student. As a university of access, we serve students at all levels throughout the state and in particular, in rural and underserved areas through on campus, online and on-site programs. Additional investment by the State would allow EOU to strategically enhance critical services to students to improve retention and completion rates.

Enhance tuition remissions to increase access for rural, minority and first-generation students

Providing student support to multicultural and bilingual student recruitment, financial aid and career services for progress towards degree completion and success after college. The majority of EOU students (over 85%) receive some type of financial aid. Rural, minority and first-generation students are amongst the most vulnerable to start but not complete their college education. Eastern is focusing its own resources, private funds through the EOU Foundation and outside funding to educate students on the most important investment of their lives: education. For some students a few hundred dollars may mean the difference between paying the rent, buying books or paying for childcare. For others—especially undocumented students—the gulf between in-state tuition and actually attending college is \$10,000 or more and completely unattainable for some of Oregon’s best and brightest young minds. Additional investment would fund a large number of fee remissions for our most needy students, and would help to remove financial barriers for those wanting to obtain a college education.



Funding for student completion initiatives to increase graduation rates for on-campus, online and on-site programs

With increased challenges in higher education funding, student readiness and financial aid resources, getting to college as a freshman or returning student is only the first hill. Helping students to identify and follow a successful path from entrance through graduation is a key issue in Oregon’s overall 40-40-20 strategy. Students require, and expect, critical academic advising, tutoring and other levels of assistance in removing barriers to completion throughout their academic career. Additional funding would allow for strategic investment in completion pathways including enhanced first-year programming and degree planning; a more fully-developed early-alert system to track student progress and identify at-risk students, pairing those students with greater academic support and advising resources; and the expansion of critical student



services like the learning center, academic tutors, and the TRiO program - all of which greatly and favorably impact student success and completion.

Build a college-going culture through Eastern Promise Collaborative with grade school students through high school and post-secondary education

In collaboration with eastern Oregon community colleges, school districts and educational service districts, Eastern Oregon University developed the Eastern Promise. Widely recognized and lauded as a statewide model for K-12 and higher education cooperation and success, the Eastern Promise was provided no support in the 2015 or 2016 legislative sessions, leaving rural school districts with limited or no access for teaching training, student funding support or programmatic expansion. In many cases, the Eastern Promise was forced to contract and partner K-12 schools are no longer able to offer dual credit to its students.

With college-going attendance rates in eastern Oregon in the decline, investments in higher education provide support for accelerated learning in high schools—especially for low-income students—and put them on a fast-track to college graduation and work in Oregon’s economy. Additional investment from the State would enable continuation of Academic Momentum that promotes a college-going culture among fifth-graders in eastern Oregon, offers discounted tuition to high school students for college level classes, continues Professional Learning Communities between high school teachers and college faculty to ensure rigor in the accelerated learning environment and alignment with college-level standards, and continues the High School Summer Institute at EOU--discontinued this year for the first time in more than a decade--as a college context during which students take college-level classes and have a summer live-in experience in preparation for college.



Oregon Institute of Technology (Oregon Tech) Supplemental Information

Oregon Tech identified the following priorities, in collaboration with the Provosts Council:

1. Expand personalized resources for high school and first-year university students that provide mentoring and support in transitioning to college.
2. Increase academic preparation and completion of high school students in STEM fields.
3. Increase degree completion through “Completer” scholarships.

The table below provides examples of initiatives that would support these priorities, including connections to the HECC Strategic Plan and to Oregon Tech Strategic Action Plan 2015 – 2020.

Oregon Tech Initiatives	Access	Affordability	Success	Quality		Scenario 2	Scenario 3	Scenario 4
Expand fee remissions to increase support to rural, minority, first-generation students	X	X	X	X		X	X	X
Expand mentoring services including a student texting program, tutoring and writing lab	X	X	X	X		X	X	X
Increase degree completion through Completer scholarships for students with financial hardship close to graduation		X	X	X		X	X	X
Provide retention initiatives to Wilsonville campus	X	X	X	X		X	X	X
Increase experiential learning to junior and senior capstone projects		X	X	X		X	X	X
Implement recruiting initiatives directed at rural and URM students	X		X	X			X	X
Create support services specifically for transfer students and veterans	X		X	X			X	X
Expand recruiting in Community Colleges to increase transfer rates and easier transition	X		X	X			X	X
Expand HS/college accelerated credit for \$25/credit; focus on	X	X	X	X			X	X

chemistry, biology, information technology							
Expand Summer and High School Transition programs for HS and freshmen at both campuses	X	X	X	X		X	X
Articulate more advanced credit with Project Lead the Way in biomedical, aerospace, manufacturing and computing.	X	X	X	X		X	X

All initiatives would provide additional support for student success; some are specific to a sub-group of students that have different needs.

Connection to Oregon Tech Strategic Plan:

Oregon Tech Vision: We will have advanced our strategic vision if we are:

- Growing and transforming to meet the needs of the State of Oregon, as its demographics and industry needs change and intersect over time.
- Focusing on and expanding access for Oregon students – particularly those who face significant barriers -- to meet our 40-40-20 obligation and ensure that Oregonians are not left behind; and successfully advocate for financial resources to ensure students can be supported to stay in college and earn a degree.
- Provide additional resource support for high-need, student-support programs which target underserved students in order to improve the retention and success rates of these students; use proven approaches in campus retention programs; and replicate successful approaches in other campus retention programs.

Student Success Goal #4: Student Access & Diversity: Improve student educational access, the university environment and employment opportunities for diverse and historically underserved populations in Oregon, in order to ensure equity in our provision and delivery of education.

Connection to HECC Strategic Plan:

Goal 1: Improving educational attainment and completion

Goal 3: Ensuring affordable access for qualified Oregon students at each public university

- Improving educational attainment and completion for all Oregonians;
- Smoothing and simplifying pathways from developmental education through graduate school;
- Supporting innovations that lower costs while maintaining or increasing quality.

Connection to Outcomes: Improved access, affordability, retention and completion; focus on equity.

Oregon State University Supplemental Information

The following OSU initiatives would support Provost Council priorities, including connections to the HECC Strategic Plan themes and to the OSU Strategic Plan 3.0 goals. Which initiatives might be funded and to what extent would vary depending upon final allocations of state funding to OSU.

Initiative	Connections	
	Strategic Plans (see table on next page for references)	Outcomes
Curriculum redesign to 1) strengthen math pathways, 2) improve courses that have high incidents of awarded grades of D, F or Withdrawal by students, 3) increase access to courses by further developing online education and hybrid formats.	OSU - 1.a., 1.c., 1.f HECC (a), (d)	Improved Retention & Completion
Assist faculty in course development using Technology Across the Curriculum (TAC) and Ecampus approaches to enhance face to face, hybrid and online learning for students generally.	OSU - 1.a., 1.c., 1.f HECC (a), (d)	Improved Retention & Completion
Bring Adaptive and Personalized Learning (APL) tools that would provide real time data about students' behaviors and practices in order to provide on time curriculum interventions, including related training for students, faculty, and staff.	OSU - 1.a., 1.c., 1.d., 1.f HECC (a), (d), (e), (g)	Improved Retention & Completion
Develop and Implement mobile technology with student success mapping of available resources so that students can have this at their fingertips, including related training for students, faculty, and staff.	OSU - 1.a., 1.d., 1.f HECC (a), (d), (e)	Improved Retention & Completion
Strengthen our degree partnership program to support transfer students coming into OSU. Expand support for community college transfer student pathways to 4-year degrees: capacity to update and improve articulation agreements with community colleges; targeted advising resources for transfer students. Transfer support will be critical with the Oregon Promise coming online.	OSU - 1.a., 1.f HECC (a), (d)	Improved Retention & Completion
Expand current programs that support first-generation, low income students on campus since we are currently unable to serve all of the students that could use these programs due to capacity.	OSU - 1.a., 1.f HECC (a), (d)	Improved Retention & Completion, particularly for underrepresented populations
Develop and Implement financial literacy programs to help students access and manage their finances and decrease debt.	OSU - 1.a., 1.f HECC (a), (c), (d), (e)	
Enhance central infrastructure to expand experiential learning (community-based learning/service learning; study abroad; internships; undergraduate research; leadership development)	OSU - 1.a., 1.b., 1.f., 3.a., 3.c. HECC (a), (d), (f)	Improved Retention & Completion
Enhance career development and placement resources for undergraduates with an emphasis on transferrable/soft skills to complement disciplinary knowledge and skills. This would include FTE for additional career advising capacity; FTE to oversee career-related experiential learning (career mentoring, job shadowing, industry site-visits, internships)	OSU - 1.a., 1.b., 1.f., 3.a., 3.c. HECC (a), (d)	Improved Retention & Completion
Training and Development: <ul style="list-style-type: none"> o Provide training for faculty and staff around social justice and inclusivity; o Funding for institutional programmatic initiatives around issues of diversity, inclusion, equity and socials (President's speakers series, etc.); o Bias Prevention and Response Training for all community members and funding for Bias Response Team training; o Support for faculty training initiatives out of Academic Affairs; o Support to develop and implement a structure for staff training and onboarding (HR/Organizational Development); o Leadership Council Equity, Inclusion and Social Justice funding for ongoing training, initiative development, etc. 	OSU - 1.a., 1.b., 1.e., 1.f., 2.a., 2.b., 3.a, HECC (a), (b)	Improved Retention & Completion, particularly for underrepresented populations

OSU Strategic Plan 3.0 Connections

<u>Reference</u>	<u>Strategy</u>
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Goal 1. Provide a transformative educational experience for all learners

- | | |
|----------|---|
| OSU-1.a. | Enhance an integrated learning environment that raises and equalizes retention and success of all learners. |
| OSU-1.b. | Make high-impact learning a hallmark of Oregon State undergraduate education, preparing students for responsible citizenship and global competitiveness. |
| OSU-1.c. | Advance teaching and learning in the Baccalaureate Core through innovations in course design, authentic assessment, interactive teaching and faculty development. |
| OSU-1.d. | Strategically grow online education programs, explore new pedagogical models and address all learning styles through myriad learning platforms. |
| OSU-1.e. | Enhance our comprehensive Healthy Campus Initiative, caring about the health and well-being of students, faculty and staff. |
| OSU-1.f. | Expand strategies to recruit diverse and high-achieving students and meet enrollment goals for OSU-Cascades. |

Goal 2. Demonstrate leadership in research, scholarship and creativity while enhancing preeminence in the three signature areas of distinction.

- | | |
|----------|--|
| OSU-2.a. | Attract and retain faculty to strengthen the foundational disciplines and excellence in signature areas. |
| OSU-2.b. | Expand and cultivate transdisciplinary research through partnerships within Oregon State, along with industry and national and international partners. |
| OSU-2.c. | Selectively increase the quality, capacity and impact of Oregon State's graduate programs, while improving retention and student success. |
| OSU-2.d. | Expand and increase visibility of high-profile programs in the performing arts and creative work in the humanities. |

Goal 3. Strengthen impact and reach throughout Oregon and beyond.

- | | |
|----------|---|
| OSU-3.a. | Position Oregon State's outreach and engagement programs as learning laboratories to promote high-impact experiences for students and to promote the broader impacts of university research more effectively. |
| OSU-3.b. | Drive economic development in Oregon by expanding commercialization, technology transfer and startup companies that originate from Oregon State research. |
| OSU-3.c. | Increase the number of Oregon State students who participate in study abroad and grow the number of strategic international research partnerships. |
| OSU-3.d. | Engage alumni and other external partners to advance university goals and priorities. |

HECC Strategic Plan Connections

<u>Reference</u>	<u>Theme</u>
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- | | |
|----------|--|
| HECC (a) | Improving educational attainment and completion for all Oregonians |
| HECC (b) | Improving Oregon's economic competitiveness and quality of life |
| HECC (c) | Ensuring that resident students have affordable access to colleges and universities |
| HECC (d) | Smoothing and simplifying pathways from developmental education through graduate school |
| HECC (e) | Supporting innovations that lower costs while maintaining or increasing quality |
| HECC (f) | Supporting research that contributes to the well-being of our state, national, and global economy |
| HECC (g) | Improving state and institutional capacity for capturing, analyzing, and reporting on student data |

Portland State University Supplemental Information

As part of the discussion by the Public Universities Provosts Council, PSU identified three priorities that address affordability, access, success and quality. Following are examples of initiatives that would support these priorities, including connections to the HECC Strategic Plan themes and to the PSU Strategic Goals 2016-2020 initiatives.

Transfer Center

Make transfer to PSU successful, predictable with the goal of “no loss of credit” by creating a main point of contact for transfer students. Develop major-specific degree maps with community colleges, orientation, and ongoing acculturation.

Connection to PSU Strategic Goals:

STRATEGIC GOAL #1: ELEVATE STUDENT SUCCESS

- *Initiative 1.2: Identify and remediate administrative policies and procedures that impede student success by improving support services, programs and access to courses they need to progress towards graduation*
- *Initiative 2.2: Help students navigate their course work and move effectively and efficiently toward graduation.*
- *Initiative 2.3: Create programs and services in conjunction with community colleges and other institutions to ensure clear pathways for transfer students.*

Connection to HECC Strategic Plan:

- Improve the alignment of learning standards and outcomes between higher education institutions
- Improving educational attainment and completion for all Oregonians;

Connection to outcomes: Improve retention and completion

PSU Flexible Degrees

Develop and hire faculty to deliver 20 PSU Flexible Degrees for adult learners where 75% or more of the degree can be completed online. Develop the infrastructure to support credit for prior learning, prior learning assessment and competency-based degrees.

Connection to PSU Strategic Goals

STRATEGIC GOAL #1: ELEVATE STUDENT SUCCESS

- *Initiative 1.1: Explore and put in place new strategies to contain the cost of completing a PSU degree.*
- *Initiative 4.1: Develop an academic plan with programs that prepare students for competitive advantage in life and career.*
- *Initiative 4.2: Provide flexible degrees to accommodate the diverse needs of students.*
- *Initiative 4.3: Assess opportunities for innovative academic programs that align with career paths, locally and globally.*

Connection to HECC Strategic Plan

- Improving educational attainment and completion
- Promote degree pathways and related initiatives that increase opportunities for post-secondary students to build on career-oriented education and workplace experience.
- Supporting innovations that lower costs while maintaining or increasing quality

Connection to outcomes: Improve retention and completion; meet employer demand for qualified graduates

Advising, Analytics, and Curricular Redesign and for Increasing Graduation

PSU's has invested in a student success data platform that predicts individual students' likelihood to graduate. We will use this platform to identify and redesign courses and programs and enhance advising support.

Connection to PSU Strategic Goals

STRATEGIC GOAL #1: ELEVATE STUDENT SUCCESS

- *Initiative 3.1: Increase advising capacity, revitalize advising systems and improve the visibility of student support services.*
- *Initiative 3.2: Expand culturally responsive and culturally specific supports for students from diverse communities.*
- *Initiative 3.3: Maximize use of advanced analytics to improve student outcomes.*

Connection to HECC Strategic Plan

- Conduct public reporting on higher education outcomes, in aggregate and by institution, in a more systematic way with an equity focus.
- In partnership with institutions, support the development of center(s) to research, develop, and disseminate best practices for student success.
- Engage students, families, and community groups as partners in efforts to improve student success.

Connection to outcomes: Improve retention and completion

Focus on Research

Develop and hire faculty to offer high quality programs that provide opportunities for undergraduate and graduate students to engage in hands-on learning and research.

Connection to PSU Strategic Goals

STRATEGIC GOAL #1: ELEVATE STUDENT SUCCESS

- *Initiative 4.4: Increase opportunities for students to participate in scholarly activities, research efforts and creative endeavors.*

STRATEGIC GOAL #2: ADVANCE EXCELLENCE IN TEACHING AND RESEARCH

- *Initiative 3.1: Establish a Distinguished Professor rank to recognize outstanding research, scholarship and creative work.*
- *Initiative 3.2: Create opportunities for faculty and graduate students to develop and enrich their research efforts.*
- *Initiative 4.1: Determine and prioritize research investment and academic program development in areas where PSU is known for excellence, that show the greatest potential for collaboration and in which we have a competitive advantage.*
- *Initiative 4.2: Promote and incentivize faculty research, including support for disciplines with limited opportunities for external funding.*

Connection to HECC Strategic Plan

- Increasing Oregon's global economic competitiveness and the quality of life of its residents; Promote degree pathways and related initiative that increase for post-secondary students to build on career-oriented education and workplace experience
- Create better connections between higher education and training and employer needs

Connection to outcomes: Improve retention and completion, meet employer demand for qualified graduates, impact economic vitality of the state.

Southern Oregon University Supplemental Information

Southern Oregon University is committed to supporting the state’s higher education goals outlined in 40-40-20 and the HECC Strategic Plan. To that end, any additional institutional funds SOU receives would be used to support programs and initiatives that are currently underway, and integrating these efforts, bolstering commitment to, and sustainability of, these initiatives as well as the state’s higher education goals.

Additionally, Southern Oregon University is one of 44 member institutions (and the only one in Oregon) to be chosen to participate in Re-Imagining the First Year (RFY), a new project sponsored by the American Association of State Colleges and Universities (AASCU). With support from the **Bill & Melinda Gates Foundation** and **USA Funds**, this three year initiative (2016-2018) is aimed at ensuring success for all students, particularly those who have historically been underserved by higher education—specifically, low income, first generation, and students of color—to develop comprehensive, institutional transformation that redesigns the first year of college and creates sustainable change for student success.

The 44 institutions participating in RFY will form a learning community that reviews and shares evidence-based practices, programs and implementation strategies. The RFY initiative entails a comprehensive, “top-down, bottom-up” approach that engages the whole campus in focusing on four key areas to help first-year students succeed: institutional intentionality, curriculum redesign, changes in faculty and staff roles, and changes in student roles. See <http://www.aascu.org/RFY/> for more information.

Additional state funding would be used to provide support for SOU’s critical first-year involvement in Re-imagining the First Year (RFY), as well as the following ongoing recruitment and retention initiatives:

1. Continue expansion of Pirates to Raiders and Bulldogs to Raiders, our existing regional programs targeting Hispanic students, to at least three additional middle and high schools, providing them with on-site tutoring, mentoring, and other forms of college preparation for this historically underserved population.
2. Increase remission funding to expand our work with local county high schools to implement Jackson-Josephine Pledge, an accelerated and low cost degree programs for first generation, low-income, under-represented, rural high school students.
3. Expand current outreach to engage faculty in collaborative efforts that focus on intentional course design with respect to curriculum, assessment, and effective pedagogy for general education/gateway courses with high failure rates. Failure in these courses tends to correlate with decreased persistence and early stop-out in higher numbers for first-generation students, veterans, and other under-represented communities. Additional funding to track and assess these initiatives would also be helpful.
4. Hire 1-2 retention specialists, 1-2 academic advisors, and 1-2 financial aid counselors.

5. Increase the remission funding for the year-long Bridge Program to serve an additional 100 first-generation, Pell eligible Oregon resident high school students for fall 2017. The Bridge Program is a holistic, strength-based approach to first-year success that recognizes and develops the personal and cultural assets that incoming low-performing students, or those from underserved communities, with their college experience and assists in development of cognitive and non-cognitive skills. The Bridge program engages curriculum, student support, extra-curricular and community-based learning, peer relationships and job opportunities. It involves faculty, student life personnel, academic and student affairs staff, students, and administration.
6. Enhance capacity to respond to student counseling needs by hiring an additional Mental Health Counselor for the Student Health and Wellness Center, and an additional Case Worker for the Office of Student Support and Intervention. Both hires reflect a significant increase in student need identified by SOU Cares reporting, (the university's student care and intervention reporting system). Growth in reports is due both to the increased need for counseling and case management, as well as greater response on the part of students, staff and faculty in notifying when student concerns present themselves.
7. Increase resources for PEAK jobs on campus and expand other Career Preparation Services. PEAK provides discipline-specific job opportunities for students that require student learning outcomes and mentoring. Additional resources will help expand this and other Career Development opportunities, including professional development around internship, practicum and other professional mentoring.
8. Provide support for professional development for faculty and staff that is targeted toward Student Success, particularly around retention and advising, including better management of advising systems and documentation, as well as early academic intervention.
9. Expand resources for Veterans and military-connected students (MCs), including outreach and recruiting. We anticipate one full-time staff hire to manage veterans' certification, academic advising and counseling, in addition to enhancing the Veterans' Resource center with technology and other resources. We also anticipate increased need for additional programming that addresses Veterans, including Veteran-specific first year "ROAR" and Week of Welcome events, and academic success initiatives.

University of Oregon Supplemental Information

University of Oregon: 2017-2019 Legislative Themes

The University of Oregon (UO) has identified four priority initiatives for the 2017-2019 legislative session that advance the university's institutional priorities, align with its Strategic Framework, and support the Public Universities Provosts Council themes of affordability, access, success (completion and career), and quality. These initiatives include:

1. Expand PathwayOregon to serve more Oregon resident undergraduate students;
2. Invest in additional graduation incentive grants to support more Oregon resident students through to degree completion;
3. Increase the number of tenure-track faculty with an emphasis on STEM fields; and
4. Allocate funding supporting successful student transitions, particularly enhancing coordination across institutional units in order to ensure not only retention but also degree completion.

These priorities also support the Higher Education Coordinating Commission's strategic plan for achieving the state's post-secondary education goals as presented to the Commission on February 11, 2016.

PathwayOregon

The PathwayOregon program is the UO's promise of full tuition and fees, and comprehensive support for academically qualified, Pell-eligible Oregonians. The program draws resources from federal, state, and university programs, including funds from private philanthropy. It's currently open to resident first-time freshmen who graduate from an Oregon high school within the last two years with a minimum 3.4 cumulative GPA and who are eligible for a Federal Pell Grant as determined by FAFSA.

PathwayOregon is helping to remove barriers for lower-income and first-generation UO students and is closing the graduation gap between Pell-eligible students and their more affluent peers. Since its inception in 2008, 3,894 students have participated in PathwayOregon and have enjoyed comprehensive academic and personal support systems that lead to successful completion. Last year, with the help of additional philanthropic support, the University expanded the program so that over one third of resident freshmen received a full tuition and fee scholarship, as well as additional advising and tutoring support. Recent changes to the Oregon Opportunity Grant, however, could have a significant negative impact on the funding of this program potentially creating a \$1.5M gap.

The PathwayOregon program supports the following institution and state priorities:

- UO institutional priorities to "promote and enhance student access, retention, and success" and "attract and retain high quality, diverse students;"
- Public University Provosts Council themes of "affordability, access, success, and quality;" and
- HECC Strategic Plan, "Goal 1: Improving educational attainment and completion" including a strong commitment to equitable increases in attainment for Oregon's diverse population and "Goal 3: Ensuring affordable access for qualified Oregon students at each college or public university."

Graduation Incentive Grants

Utilizing funds appropriated by the Legislature in 2015, UO recently implemented a new graduation incentive grant program targeting Oregon residents in their final years of study who are doing well academically, but are facing financial challenges to completion. The program is targeted on a pro-active basis towards junior and senior Oregon resident students who are making satisfactory academic

progress towards their degree and are identified as being close to their cumulative loan limits. The UO Office of Enrollment Management identifies eligible students based on the program criteria, determines which students are best qualified for the awards, and contacts them about the grants. To date, UO has awarded over 136 graduation incentive scholarships to Oregon residents, enabling successful progress towards degree completion for these vulnerable students. This program supports:

- UO institutional priority to “promote and enhance student access, retention, and success;”
- Public University Provosts Council themes of “success and quality;” and
- HECC Strategic Plan, “Goal 1: Improving educational attainment and completion” by aligning with HECC “student supports” strategies.

Tenure-Track Faculty

In 2015, UO set a goal to increase the size of the tenure-related faculty by 80 to 100 members. This goal supports a number of strategic priorities: improving student’s ability to get instruction and support from full-time research faculty; educating more graduate students; increasing scholarly research, scientific discovery and creative practice; and enhancing UO’s standing among national peers. Like many universities across the country, during the past decade, the UO grew its non-tenure-track faculty ranks in response to surging undergraduate enrollment. While these instructional faculty are often excellent teachers, they do not have the same responsibilities for student advising, mentorship, service or scholarship as tenure-related faculty. To maximize investment in tenure-related faculty, the UO is focusing on hiring in areas that emphasize current strengths and emerging areas of basic and applied research excellence, largely in the STEM fields. This priority aligns with the following institution and statewide goals:

- UO institutional priorities to “enhance the impact of research, scholarship, creative inquiry and graduate education;” to “promote and enhance student access, retention, and success;” and to “attract and retain high quality, diverse students, faculty and staff;”
- Public University Provosts Council themes of “success and quality;” and
- HECC Strategic Plan, “Goal 1: Improving educational attainment and completion” and “Goal 2: Increasing Oregon’s global economic competitiveness and the quality of life of its residents.”

Student Transitions

During his first year, UO President Michael Schill announced a goal to “increase our graduation rate by at least 10 percentage points by 2020.” This goal was accompanied by a series of strategic initiatives aimed at creating the necessary programs to support students throughout their education career. Strategies that support these goals include central and coordinated academic advising, enhanced tutoring and other academic supports, enrichment and curricular reform, and outreach efforts. Current investments focus on retention, addressing high risk populations primarily among our first- and second-year students. Further allocations would focus on degree completion efforts, developing capacity to coordinate efforts across academic units, with particular emphasis on STEM disciplines and our fastest growing departments in the College of Arts and Sciences, the College of Business and the School of Journalism and Communication.

- UO institutional priorities to “promote and enhance student access, retention, and success” and “attract and retain high quality, diverse students;”
- Public University Provosts Council themes of “affordability, access, success, and quality;” and
- HECC Strategic Plan, “Goal 1: Improving educational attainment and completion” and “Goal 3: Ensuring affordable access for qualified Oregon students at each college or public university.”

Western Oregon University Supplemental Information

Western Oregon University continues to identify college affordability, access, and degree completion initiatives that align with the strategic plans of both the University and the Higher Education Coordinating Commission that serve and support the students of Oregon and the State's higher education goals. These initiatives represent priority investments that expanded opportunities to meet student needs – especially disadvantaged students – thereby improving the likelihood of completion of a baccalaureate degree.

1. Expanding Student Persistence Fee Remissions.

This area would provide limited fee remission funds to incoming students, based on financial need and academic performance. It would be available on the students' second or third terms, if grade point averages are maintained at or above a set minimum level. Additionally, the scholarship would be offered for the following fall term, based on performance within the first year. This is intended to increase students' progress through the academic year and from one year to the next.

2. Introduce Degree Completion Remissions.

Western Oregon University holds a limited amount of remission funds in reserve for assisting students in financial crisis. Demand far exceeds the funds available. We wish to expand this fund for upper division students with financial need and in good academic standing. Students with at least 90 credits completed and demonstrated unmet financial need (FAFSA information) could apply for the one-time award to continue their enrollment and academic progress. Students would also be required to have a degree plan on file to be eligible.

3. Expanding Student Academic Support.

Western would prioritize those functions that provide direct support services to students, and are particularly critical to students who have a lower to mid-range entering grade point average. Examples of undergraduate student support services that would be expanded with new funding would include hiring additional Math Center and Writing Center specialists to design and facilitate the tutoring programs based on identified needs, assist in managing tutors, and expanding hours of operation for those centers. These specialists would also work with Western's high school partners to support the development of academic bridges that facilitate the successful transition of students to our institution. A comprehensive review and enhancement of the institutional academic advising process would be engaged; this may include developing formal training for faculty in advising processes and tools, and establishing stronger online tools for students and advising faculty.

4. Expanding Student Support Services.

Western Oregon University is planning for an expanded student health and counseling center (SHCC) to better serve student demand. In order to reduce non-academic reasons for stopping out, Western would expand mental health counselor availability in the SHCC to reduce the current delays in seeing a counselor. Engagement with counselors are critical in helping a student manage the social, personal, or academic challenges that hold potential to threaten academic progress and retention. Given that the term is only ten weeks, timely intervention is imperative when a student perceives a crisis.

Given the financial status of many Western students, funds would also be designated to support student textbook lending libraries, available on a limited basis now to the Student Enrichment Program. This library complements the WOU textbook rental program operated by the Bookstore.

5. Transition Projects.

Western anticipates expanding existing programs and collaborative partnerships (and related staffing) that facilitate the progress of high school students to college, enable cross-institutional resource sharing in course or program offerings, or broaden delivery of courses. The 'WOU Project' is one example that serves Salem-Keizer high school students who are low-income, first-generation and from under-served communities. The program utilizes Western students as mentors and advisors in helping high school students; the program has served over 200 students to date with approximately 99% completing high school and over 70% enrolling in post-secondary schools. This funding would help support the new expansion into other school districts. Increased formal contact and enhance advising services at community college transfer centers to better prepare students at the community college for transfer into degree completion pathways at Western. This will become increasingly important to support students engaged in the Oregon Promise initiative. Since 2014, Western has operated a veteran's support center to provide assistance to returning veterans. We wish to expand the operational capacity of the center to better address the needs of a growing number of veterans and their family members.

Western will continue to contact students with 150 or more credits and no degree and identify pathways to a degree. In 2016, a pilot led to completion of degrees for thirty students. Additional efforts to provide pathways to success will lead to gains in degree attainment.

6. Bilingual Teacher Scholars Program.

The Bilingual Teacher Scholars Program is a new WOU initiative that works with school districts to identify and develop future bilingual teachers. Partner districts include Central, Corvallis, Hillsboro, and Salem Keizer. Chemeketa Community College also participates as a source of prepared transfer students. Key activities include high school completion and preparation for college, access to WOU, academic advising, tutoring career development and preparation to become teachers. Housing support is needed because the majority of students in the program are from very low-income families and the additional cost of housing makes participating in the program cost-prohibitive. Key activities: financial support, academic and social support through the residence hall living communities, greater student connectedness to campus and campus services.

7. Faculty Recruitment and Retention Initiatives.

The university and the faculty union recently made major strides in improving the compensation packages for early-career faculty in order to be better able to recruit and retain talented faculty committed to teaching. More improvement is necessary to ensure that salaries are equitable to competitors and that the university attracts and retains the type of faculty necessary to serve the teaching mission of the university.

8. Faculty development

The university anticipates increasing support for faculty to develop degree programs that utilize technology to improve access. Hybrid program that are a mix of face-to-face and on-line instruction are seen as opportunities for improved access by students at the graduate level and for student with some college credits but no degree. Often these individuals are seeking flexible degree paths that will enable degree completion. Additional focus will be directed to streamlining approaches focused on student learning outcomes that can be packaged within a 180-credit, 4-yr program.

APPENDIX C – Oregon Tech: Oregon Renewable Energy Center

Section 2: Development of Budget Requests for Funding that is not formula-driven

C. For those programs not subject to a proposed expansion, reduction, or elimination:

1. Please provide the 2015-17 appropriation or allocation and the 2017-19 state appropriation or allocation necessary to maintain current program operations and outcomes.

The Oregon Renewable Energy Center (OREC) received no direct state appropriations in 2015-17 and is seeking \$985,000 in 2017-19.

D. For those programs subject to a proposed expansion, reduction, or elimination:

1. Describe the nature of the request. Provide a description of the program the funding request supports, the clients that it serves and the frequency at which those clients receive service. Describe the purpose of the program and how it achieves that purpose. Describe how the program is delivered and what partners are necessary to guarantee success of the program.

As a public purpose, applied research center created by the Oregon State Legislature in 2001 ([ORS 352.221](#)), the Oregon Renewable Energy Center (OREC) speeds the integration and optimization of renewable energy resources with current power generation systems, and accelerates clean energy technologies in collaboration with industry partners.

OREC leverages globally distinguished capabilities at Oregon Tech.

- First university in North America to reach the goal of generating most of the electrical power for its campus.
 - Two geothermal power plants and testing sites, including the 280kW geothermal power plant and the 1750kW geothermal plant.
 - 7,800 ground-mounted solar electric panels on 9 acres of hillside at the Klamath Falls campus, with a total capacity of just under 2 megawatts.
- First ABET-accredited BS in Renewable Energy Engineering in the world; also offers a Master's degree in Renewable Energy Engineering.
- Home of the Geo-Heat Center, an internationally renowned repository of information and technical advice on geothermal energy development.

Oregon serves small and medium-sized companies seeking a university collaborator to prototype, test, validate and accelerate clean tech products, and renewable energy applications. OREC's geo-heat center maintains a geothermal library of over 5,000 publications, and provides information and technical assistance on the use of geothermal energy to thousands of constituents worldwide, with a focus on assisting small Oregon-based businesses with applications of geothermal energy.

Partners

OREC and Oregon Tech currently works with a multitude of partner industry organizations, universities, and community-based economic development entities. The partnerships help OREC expand its reach to small and medium-sized companies, fulfill its mission for public service in energy systems and applied research, and engage undergraduate and graduate students in relevant experiential learning to prepare the next-generation energy workforce.

Industry Partners (partial list)

- Arcimoto
- Drive Oregon
- Green Lite Motors
- Kers Tech
- Manufacturing 21 Coalition (M21)
- NW Collaboratory for Sustainable Manufacturing
- Northwest Renewable Energy Corp.
- Oregon Manufacturing Extension Partnership (OMEP)
- Oregon Solar Energy Industry Association
- Oregon Aviation Industries
- Pacific Northwest Defense Coalition (PNDC)
- Pacific Power
- PGE
- Powin Energy
- Smart Grid Oregon
- Sustainable Valley Technology Group

- Klamath IDEA
- Oregon BEST
- Oregon Innovation Council
- Oregon Metals Initiative
- Oregon Wave Energy Trust
- South Metro-Salem STEM Hub
- Southern Central Oregon Economic Development District (SCOEDD)

University Partners

- PSU: Oregon Transportation Research and Education Consortium (OTREC/NITC)
- PSU: Power Engineering Lab (ETIC-funded collaboration)
- UO: Center for Advanced Materials Characterization in Oregon (CAMCOR) and Support Network for Research and Innovation in Solar Energy
- UO 4+1 Industrial Internship Program
Great Basin Center for Geothermal Energy

Community-based Partners

- Klamath County Economic Development Association (KCEDA)

2. Identify the amount that is being requested, by fund type, and the number and classification of positions and FTE requested, if any. Provide explanation for any costs that are not directly related to positions and position-driven services and supplies.

Expense	Description and classification	State Program Funding	Other Funding	Comments
OREC Director	1 OREC Director @ \$120,000 + \$60,000 OPE for two years Unclassified	360,000		Manage OREC, oversee centers of expertise and laboratory facilities, develop sustaining funding, work with Provost on faculty appointments to applied research center; manage Sponsored Research Office and VP Research functions.
Five applied research faculty positions	Half of salaries for 5 @ \$125,000 including OPE x 2 years Unclassified faculty positions	\$625,000 (OREC covers half of the salaries for applied research)		Faculty positions include part-time teaching of undergraduate and graduate courses, collaborations with companies on applied research projects, commercialization of research, leverage of private and federal funds.
Administrative and Grant Writing Support	1 Admin Assistant @ \$60K including OPE x 2 years; Classified position		\$120,000	Oregon Tech will support this function through grants and sponsored projects administrative offices.
	1 Grant Writer/ Grant Manager @\$100k including OPE x 2 yrs. Unclassified position		\$200,000	Oregon Tech will support this function through grants and sponsored projects administrative offices.

Research Labs, tied to industry needs, and energy curriculum	\$100,000 each x 5 researchers		\$500,000	One-time costs; future shared lab facilities will be grant funded in collaboration with other university partners or privately funded with business partners.
Total		\$985,000	\$820,000	Biennium

3. Explain how the request will advance the 40/40/20 goal, if appropriate. Include the impact of the request on the 40/40/20 goal, including the timeframe when the results will be measurable.

OREC’s projects will increase the relevance and quality of the student experience at Oregon Tech, increasing output of Bachelor’s and Master’s level engineering students, while meeting the economic development needs of companies in rural Oregon. Undergraduate and graduate students will participate in industry research projects at the technology readiness level of 3 – 7, providing career-related learning, increasing educational attainment and global competitiveness. OREC will offer multi-disciplinary projects for students across all disciplines in the College of Engineering, Technology and Management to ensure that Oregon Tech can reach its 40-40-20 goals by 2020. Success will be measured within two years through the following metrics:

- Value of contracts, grants or revenue from sponsored applied research
- BS and MS-level degrees awarded by Oregon Tech in energy and related fields
- % Employment of Oregon Tech graduates in Oregon
- # internships and industry-supported undergraduate/ graduate projects, related fields

4. Indicate if the request requires or supports proposed statutory changes.

OREC has been authorized in statute but never provided with a direct appropriation, as has been provided to other state programs.

5. Describe any non-state revenues that supports the program. Include a description of leveraged funds and the nature of how Oregon qualifies to receive the additional resources (competitive grant, federal matching program, private donation, performance bonuses, etc.). If the program has a dedicated funding stream, describe the dedicated source and the nature of the dedication (constitutional or statutory) providing legal citations to the dedication.

Oregon Tech has been supporting OREC through grants, industry donations and E&G funds since its inception in 2001, and will continue to apply for grants and seek support from industry partners, however this model is not sustainable in the current state funding environment. While OREC has raised over \$11M to support its mission, most of the funds were dedicated to the development of renewable energy resources for energy, teaching and learning, and only 9% have been committed to applied research collaborations to catalyze economic activity and jobs, while providing relevant experiences for students. A summary of OREC-related investments is listed below.

6. If the request involves establishing or increasing fees, indicate the existing fees, the proposed fees, and the impact on revenue in the 2017-19 biennium.

Oregon Tech does not plan to establish or increase fees to pay for OREC services.

OREGON RENEWABLE ENERGY CENTER- Related Energy Systems and Applied Research Funding Sources: Fiscal Years June 30 2001 - June 30, 2015

Title	Total	FY 2001 - 2015
Geothermal Direct-Heat Utilization (Closed)		130,889.86
Geothermal Renewable Energy Assista (Closed)		996,123.81
Geothermal Information Outreach (Closed)		672,420.33
OREC DE-FG03-02ER-63373 (Closed)		485,000.00
GHC DE-FG02-06ER64214 (Closed)Power Plants		480,869.59
GHC DE-FG36-08G088022 (Closed)Power Plants		3,506,400.00
USDA-REAP Rural Energy for America (Closed)		79,663.96
USDA-REAP/Energy Audits Assist (Closed)		7,854.22
DOE/Boise St-Natl Geotherm Database (Closed)		467,840.41
DOE/Univ Nv Reno UNR-11-06 (Closed)		77,538.75
NREL TAA-1-31467-01 (Closed)		49,948.77
NREL TAA-2-31490-01 (Closed)		750,315.57
NREL TOA KLDJ-5-55052-00 (Closed)		241,536.37
DOE/BLA-Geothermal Analysis (Closed)		408,616.57
DOE/NREL Student Competition Rio Gr (Closed)		5,408.62
WSU GeoPowering the West Support (Closed)		15,998.03
ODOE Christmas Valley OTH-B Radar S (Closed)		181,727.62
PSU/OTREC Hybrid Vehicle Testing		133,202.99
NITC Combined Traction		111,077.22
NITC General Adaption of Electric Hybrid Drive		67,710.58
NITC Small Starts Projects		18,138.29
Federal Grants/Subgrants		8,888,281.56
OMD Christmas Valley RenewEnergy (Closed)		169,094.00
GHC-Oregon Dept of Energy (Closed)		40,385.67
UNR Geothermal Academy 13 (Closed)		19,683.00
Oregon/Nevada Grants		229,162.67
City of Glenwood Springs-GeoEval (Closed)		54,036.37
OREC Donations		75,070.26
PacPow BlueSky LowTemp Project (Closed)		100,000.00
GHC Residential Treatment Facility (Closed)		3,000.00
OR BEST Green Lite Hybrid Drive (Closed)		73,284.00
OR BEST - KersTech Comm Prg		69,565.59
Drive Oregon Match - NITC-OIT-03 (Closed)		15,000.00
OR BEST Integrated Battery System		83,999.10
BEST Project Grants		40,874.67
BEST - NW Energy Experience		44,446.48
Other Grants		559,276.47
		327,169.84
All Grants		9,676,720.70
Energy Trust of Oregon _Geothermal Power Plants		2,037,000.00
	\$11,713,720.70	\$11,713,720.70

Pro Forma

**Southern Oregon University
Budgeted Operations Pro Forma**

	2007-09 Biennium		2009-11 Biennium		2011-13 Biennium		2013-15 Biennium		2015-16 BUDGET (000's)	2015-17 Biennium		2017-19 Biennium		2019-21 Biennium		
	2006-07 Actuals (000's)	2007-08 Actual (000's)	2008-09 Actual (000's)	2009-10 Actual (000's)	2010-11 Actual (000's)	2011-12 ACTUAL (000's)	2012-13 ACTUAL (000's)	2013-14 ACTUAL (000's)		2014-15 ACTUAL (000's)	2015-16 FORECAST (000's)	2016-17 FORECAST (000's)	2017-18 FORECAST (000's)	2018-19 FORECAST (000's)	2019-20 FORECAST (000's)	2020-21 FORECAST (000's)
<i>(in thousands of dollars)</i>																
Budgeted Operations																
State Appropriations	16,084	18,794	16,744	16,778	16,330	12,642	13,195	13,762	17,065	20,393	20,393	21,022	21,033	21,769	21,664	22,422
One-time Classified Staff Funding											468					
Tuition, net of Remissions	21,082	21,823	22,818	25,156	28,538	32,837	33,526	33,278	33,043	33,672	34,690	35,731	36,803	37,907	39,044	40,215
Other	1,871	2,436	2,500	2,282	2,283	1,657	1,851	3,008	1,915	1,863	2,073	2,000	2,100	2,200	2,100	2,200
Total Revenues & Transfers In	39,337	43,617	42,502	44,313	47,236	47,136	48,572	50,048	52,023	55,928	57,156	59,221	59,936	61,876	62,808	64,837
Personnel Services	(35,458)	(35,446)	(38,755)	(37,227)	(38,894)	(42,343)	(42,360)	(43,948)	(42,953)	(45,447)	(46,034)	(47,875)	(51,227)	(53,276)	(55,407)	(57,623)
Supplies & Services	(3,949)	(5,437)	(4,552)	(5,286)	(6,204)	(6,809)	(9,388)	(7,229)	(8,054)	(7,890)	(8,326)	(8,300)	(8,466)	(8,635)	(8,808)	(8,984)
Program Investment										(582)	(582)	(582)	(250)	(250)	(250)	(250)
Total Expenditures & Transfers Out	(39,407)	(40,883)	(43,307)	(42,513)	(45,098)	(49,152)	(51,748)	(51,177)	(51,007)	(53,919)	(54,942)	(56,757)	(59,943)	(62,161)	(64,465)	(66,857)
Net from Operations and Transfers	(626)	1,691	(1,192)	1,580	1,853	(2,016)	(3,176)	(1,129)	1,016	2,009	2,214	2,463	(7)	(285)	(1,657)	(2,020)
Net Transfers	0	0	0	0	0	(166)	328	1,855	1,998	(652)	(427)	(400)	(500)	(600)	(700)	(800)
Change in Fund Balance	(626)	1,691	(1,192)	1,580	1,853	(2,182)	(2,848)	726	3,014	1,357	1,787	2,063	(507)	(885)	(2,357)	(2,820)
Beginning Fund Balance	2,245	2,118	3,310	2,118	3,698	5,551	3,869	1,019	1,745	4,759	4,759	6,546	8,609	8,102	7,217	4,860
Ending Fund Balance	1,619	3,310	2,118	3,698	5,551	3,869	1,019	1,745	4,759	6,116	6,546	8,609	8,102	7,217	4,860	2,040
% Operating Revenues	4.1%	7.6%	5.0%	8.3%	11.8%	8.1%	2.1%	3.5%	9.1%	10.9%	11.5%	14.5%	13.5%	11.7%	7.7%	3.1%
Retrenchment Plan								1.9%	7.6%	7.8%	10.2%	11.0%				
Annualized Student FTE	4161	4,275	4,335	4,413	4722	4845	4650	4426	4400	4488	4488	4488	4488	4488	4488	4488
Increase/decrease Over Prior Year		2.7%	1.4%	1.8%	6.5%	2.5%	-4.2%	-5.1%	-0.6%	2.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Primary Assumptions:

- Goal of 5% ending fund balance by FY15 and 10% or better by FY17
- State Allocations - per HECC + SELP loan pass-thru and ETIC (2019-21 use previous biennia + 3%)
- Enrollment FTE (decrease) - FY16 (1.1%), FY17 0%, FY18 0%, FY19 0%, FY20 0%, FY21 0%
- Tuition increase - 3% FY17, 3% FY18, 3% FY19, FY20 3%, FY21 3%
- Personnel Services Increase (includes PEBB & PERS increases) - 4% FY17, 7% FY18, 4% FY19, 4% FY20, 4% FY21

2016 - 2017 Tuition and Fees: Process and Recommendation (Action)

Tuition and Fee Recommendation: Process

- Tuition Rates → Tuition Advisory Counsel

- Mandatory Fees
 - Student Incidental Fee → Student Fee process
 - Student Recreation Center Fee → Student Fee process**
 - Student Health Fee → Director of SHWC
 - Building Fee → Legislative Action
 - Residence and Dining Fee * → Director, Housing

- Special Fees (not being presented here)
 - Course Fees → Academic Directors
 - Late/Registration Fees → Divisions/Departments
 - Other Misc. Fees → Divisions/Departments

**Note: For the Student Recreation Center, the Recreation Center Steering Committee will set the Rec Center fees, once established.

*Note: Residence and Dining are not technically a Mandatory Fee, however, for consistency, SOU presents them along with Mandatory Fees

Recommended Tuition/Fee Rates for 2016-17



Tuition / Fee Rate	2015-16	2016-17	% Inc.	\$ Inc.
Resident Undergrad	\$147.00	\$151.41	3.00%	\$4.41
Western Undergrad Exchange	\$221.00	\$227.12	2.77%	\$6.12
Nonresident Undergrad	\$463.00	\$476.89	3.00%	\$13.89
Online Undergrad	\$212.00	Based on residency status		
Resident Graduate	\$397.00	\$397.00	0.00%	\$0.00
Nonresident Graduate	\$497.00	\$497.00	0.00%	\$0.00
Master's in Education	\$341.00	\$341.00	0.00%	\$0.00
Honor's College Differential	\$25.00	\$25.00	0.00%	\$0.00
Oregon Center for the Arts Differential	\$10.00	\$10.00	0.00%	\$0.00
Online Graduate	\$462.00	Based on residency status		
Student Incidental Fee	\$307.00	\$320.00	4.23%	\$13.00
Student Health Fee	\$123.00	\$130.00	5.69%	\$7.00
Student Recreation Center Fee	\$35.00	\$75.00	114.29%	\$40.00
Building Fee	\$45.00	\$45.00	0.00%	\$0.00

Total Tuition and Fees: Limitations

- Total tuition and fee increase in excess of 5%: Advance HECC approval
- Individual tuition rate or fee increase in excess of 3%: HECC notice

	2015-16 Current Rate		2016-17 Proposed rates		Percent Increase	Percent of total
	Rate	@ 15 Credits	Rate	@ 15 Credits		
Tuition	147.00	\$ 2,205.00	151.41	\$ 2,271.15	3.00%	79.94%
Building Fee	45.00	45.00	45.00	45.00	0.00%	1.58%
Incidental Fee	307.00	307.00	320.00	320.00	4.23%	11.26%
Health Fee	123.00	123.00	130.00	130.00	5.69%	4.58%
Rec Center Fee	35.00	35.00	75.00	75.00	114.29%	2.64%
		\$ 2,715.00		\$ 2,841.15	4.65%	100.00%
Increase \$ / Term:				\$ 126.15		

FY 2016-17 Budget Timeline

- Tuition and fee rate recommendations
 - Initially presented to campus groups: Feb
 - Initially presented to Finance Committee: March
 - Formally presented for Board approval: April

- Enrollment projections combined with rates = Revenue
 - Formally presented for Board approval : May

- Auxiliary Operations Budget Finalization
 - Formally presented for Board approval : May

- Budgeted & Designated Operations Budget Finalization
 - Formally presented for Board approval : June

Questions ?



Recommendation of Tuition and Fees for Academic Year 2016-2017

Date: April 7, 2016

From: Dr. Roy H. Saigo
President, Southern Oregon University

To: Southern Oregon University Board of Trustees

The following tuition and mandatory fee schedule has been developed and reviewed per established SOU procedures. It is hereby submitted and recommended for approval for the 2016-2017 academic year, to become effective beginning Fall 2016.

Tuition / Fee Rate	2015-16	2016-17	% Inc.	\$ Inc.
Resident Undergrad	\$147.00	\$151.41	3.00%	\$4.41
Western Undergrad Exchange	\$221.00	\$227.12	2.77%	\$6.12
Nonresident Undergrad	\$463.00	\$476.89	3.00%	\$13.89
Online Undergrad	\$212.00	Based on residency status		
Resident Graduate	\$397.00	\$397.00	0.00%	\$0.00
Nonresident Graduate	\$497.00	\$497.00	0.00%	\$0.00
Master's in Education	\$341.00	\$341.00	0.00%	\$0.00
Honor's College Differential	\$25.00	\$25.00	0.00%	\$0.00
Oregon Center for the Arts Differential	\$10.00	\$10.00	0.00%	\$0.00
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Student Recreation Center Fee	\$35.00	\$75.00	114.29%	\$40.00
Building Fee	\$45.00	\$45.00	0.00%	\$0.00



 President, Southern Oregon University
 Roy H. Saigo

4/7/16

 Date

SOUTHERN OREGON UNIVERSITY
ASSOU INCIDENTAL AND RECREATION CENTER FEE RECOMMENDATION
For FY17 – July 1, 2016 through June 30, 2017

Date: Thursday, March 17th
To: President Roy Saigo
From: Associated Students of Southern Oregon University


DESCRIPTION OF REQUEST
Student Incidental Fee FY17 Budget Proposal
Student Recreation Center Fee FY17 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)	1,238,368
Initial Budget Level (IBL)	Educational Activities Advisory Committee (EAAC)	645,923
Initial Budget Level (IBL)	Stevens Union Advisory Committee (SUAC)	1,612,788
	Subtotal:	3,497,079
Incidental Fee Reserve	IFCRES	150,000
Building/Equipment Reserve	SUBERS/SUIOBR	50,000
Green Tag Fee	SUGNTF/SUGBEF	159,377
Schneider Children's Center	SUCARE	159,377
Athletics Post Season Travel Reserve	ATHRES	-
	Total Initial Budget Level	4,015,834
	Projected Average Student FTE	4,131
	Incidental Fee per Term – Academic Year 2016-17	\$320
	Incidental Fee per term – Academic Year Prior Year	\$307
	\$ Change from Prior Year	\$13
	% Change from Prior Year	4.23%
	Projected Student FTE Summer Term	920
	Incidental Fee – Summer Term 2016	\$82
	Incidental Fee – Summer Term Prior Year	\$69
	\$ Change from Prior Year	\$13
	% Change from Prior Year	18.84%
	Projected Average Student FTE	4,131
	Recreation Center Fee per term – Academic Year 2016-17	\$75
	Recreation Center Fee – Summer 2016	\$75
	Recreation Center Fee – Academic Year Prior Year	\$35
	\$ Change from Prior Year	\$40
	% Change from Prior Year	114%

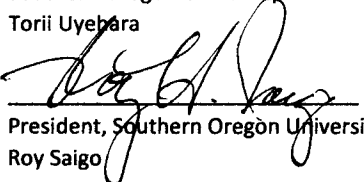
SIGNATURE AUTHORITY

Approve Disapprove


President, Associated Students of
Southern Oregon University
Torii Uyehara

3/17/16
Date

Approve Disapprove


President, Southern Oregon University
Roy Saigo

3/17/16
Date

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

PROPOSED RESOLUTION: Process for Establishing Tuition and Fees

Tuition and mandatory fees are established annually by the Southern Oregon University Board of Trustees, in accordance with ORS 352.102, 352.105 and other applicable laws. When setting tuition and fees, the board considers 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 its students; maintain the university infrastructure necessary to support the academic, cultural and physical development of its students; promote sustainability of the university; and support the educational goals of the State of Oregon.

In accordance with applicable laws, the president of the university must transmit to the board, the joint recommendation of the president and the recognized student government before the board authorizes, establishes or eliminates any incidental fees for programs under the supervision or control of the board, and found by the board to be advantageous to the cultural or physical development of the students. The board delegates to the president the responsibility to consult with Associated Students of Southern Oregon University (ASSOU) to establish a process for requesting a recommendation on student incidental fees.

The Board of Trustees' consideration of tuition and mandatory enrollment fees will be based on the recommendation of the university president, who will consult with ASSOU and enrolled students in developing the recommendation. The president shall establish the process for student participation in the development of the recommendation. The president will cause to be reported to the board, the nature and outcomes of consultations with students and others, including relevant, significant disagreements, if any. The president's recommendation will include considerations of historical tuition and fee trends; comparative data of peer institutions; the university's budget and projected costs; and anticipated state appropriation levels, as well as any other factors deemed relevant to providing a recommendation.

For Academic Year 2016-2017 (AY 16-17), the state funding allocation to the seven public universities was definitively established in and limited by the 2015-2017 biennium budget. The distribution by institution will be calculated in accordance with the funding model and is subject to change from representations in SOU's budget projections.

Further, in accordance with the Board Statement on Committees, the Finance and Administration Committee may consider matters pertaining to the financial, capital, and other assets of the university, including matters relating to tuition and mandatory enrollment fees. Matters determined by the Finance and Administration Committee that require action are referred to the full SOU Board of Trustees for consideration.

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

PROPOSED RESOLUTION: Process for Establishing Tuition and Fees (Cont'd)

Now, therefore, be it resolved: the Finance and Administration Committee recommends the SOU Board of Trustees approve this process, as presented and outlined, for establishing SOU's tuition and fees.

VOTE:

DATE:

University Board Secretary

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

PROPOSED RESOLUTION: Tuition and Mandatory Fees for Academic Year 2016 - 2017

Whereas, the Southern Oregon University Board of Trustees (the “board”) has the authority to establish tuition and mandatory enrollment fees in accordance with ORS. 352.102, ORS 352.105 and other applicable laws; and under the “Authority of the Board of Trustees” adopted in the Board Statement on Delegation of Authority; and

Whereas, the board authorizes the collection of mandatory enrollment fees recommended by the president of the university and the recognized student government, the Associated Students of Southern Oregon University (ASSOU), and established in accordance with provisions outlined in ORS 352.102 and ORS 352.105; and

Whereas, the university has recommended tuition and mandatory enrollment fees for Academic Year 2016-2017 through the work of campus groups and especially the Tuition Advisory Council, which is comprised of representatives from various campus constituencies including but not limited to students, student government, faculty, and staff; and

Whereas, the president, after considering historical tuition and fee trends, comparative data of peer institutions, the university’s budget and projected costs, anticipated funding levels, anticipated state appropriation levels, and applicable fee recommendations from and previously approved by ASSOU, has approved those tuition and mandatory fee recommendations for consideration by the Finance and Administration Committee (the “committee”); and

Whereas, the university, in consultation with the committee, over several months, has engaged in a thorough process toward determining tuition and mandatory enrollment fees; and the president has recommended to the committee that the proposed tuition and fee schedule be submitted to the full board for consideration and approval; and

Whereas, the committee considers a number of factors, including the desire of the board 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 its students; promote sustainability of the university; and support the educational goals of the State of Oregon;

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

PROPOSED RESOLUTION: Tuition and Mandatory Fees for Academic Year 2016 – 2017 (Cont'd)

Now, therefore, be it resolved: this Finance and Administration Committee hereby recommends the SOU Board of Trustees approve the Recommended Tuition and Fee Rate Schedule for Academic Year 2016-2017 attached hereto as “Exhibit A.”

VOTE:

DATE:

University Board Secretary

“Exhibit A”

Recommended Tuition and Fee Rate Schedule for Academic Year 2016 - 2017

TUITION / FEE RATE	2015-16	2016-17	% INC.	\$ INC.
Resident Undergrad	\$147.00	\$151.41	3.00%	\$4.41
Western Undergrad Exchange	\$221.00	\$227.12	2.77%	\$6.12
Nonresident Undergrad	\$463.00	\$476.89	3.00%	\$13.89
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Student Recreation Center Fee	\$35.00	\$75.00	114.29%	\$40.00
Building Fee	\$45.00	\$45.00	0.00%	\$0.00

2017 - 2019 Capital Projects Prioritization and Recommendation (Action)



Proposed Capital Projects

State Paid Debt Service

2017 - 2019

1. Boiler Replacement Project - \$2.7M
2. Central Hall Deferred Maintenance Project - \$7M

FOR FUTURE CONSIDERATION

2019 - 2021

1. Music Building Deferred Maintenance Project - \$6M
2. Suzanne Homes Academic Building Repurpose - \$11M
3. Cascade Building Demolition - \$2M

2021 - 2023

1. Ed/Psych Building Deferred Maintenance Project - \$6M
2. Taylor Hall Deferred Maintenance Project \$5M

Institution Paid Debt Service

2017 - 2019

None

FOR FUTURE CONSIDERATION

2019 - 2021

1. Greensprings Deferred Maintenance Project - \$8M

2021 - 2023

None

Bond Funding to Replace SELP Loan Funding (Action)

SOU Science Center Rehab Project
 Comparison of Financing Approaches
 As of 03-4-16

Project Cost	\$ 1,650,000
Estimated Share of Issuance Costs*	50,000
Loan Amount	<u>\$ 1,700,000</u>

Interest Rate on State GO Bonds (both XI-F and XI-J bond programs)*	
15 year amortization	2.40%
20 year amortization	2.70%

Additional spread on XI-J loan 1.50%

Payment Period	Loan using XI-F GO Bonds						Loan using XI-J GO Bonds					
	15 year			20 year			15 year			20 year		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
1	100,000	40,800	140,800	65,000	45,900	110,900	85,000	66,300	151,300	60,000	71,400	131,400
2	100,000	38,508	138,508	65,000	44,139	109,139	85,000	62,964	147,964	60,000	69,052	129,052
3	100,000	36,161	136,161	70,000	42,331	112,331	85,000	59,498	144,498	60,000	66,605	126,605
4	100,000	33,758	133,758	70,000	40,473	110,473	95,000	55,897	150,897	60,000	64,055	124,055
5	100,000	31,297	131,297	70,000	38,566	108,566	100,000	52,156	152,156	70,000	61,398	131,398
6	110,000	28,777	138,777	70,000	36,607	106,607	100,000	48,268	148,268	70,000	58,629	128,629
7	110,000	26,197	136,197	80,000	34,595	114,595	110,000	44,229	154,229	70,000	55,745	125,745
8	110,000	23,554	133,554	80,000	32,529	112,529	110,000	40,033	150,033	70,000	52,739	122,739
9	120,000	20,849	140,849	80,000	30,407	110,407	120,000	35,673	155,673	80,000	49,607	129,607
10	120,000	18,078	138,078	80,000	28,227	108,227	120,000	31,142	151,142	80,000	46,343	126,343
11	120,000	15,241	135,241	90,000	25,989	115,989	130,000	26,436	156,436	80,000	42,942	122,942
12	120,000	12,335	132,335	90,000	23,691	113,691	130,000	21,545	151,545	90,000	39,398	129,398
13	130,000	9,360	139,360	90,000	21,330	111,330	140,000	16,464	156,464	90,000	35,706	125,706
14	130,000	6,314	136,314	90,000	18,906	108,906	140,000	11,184	151,184	100,000	31,858	131,858
15	130,000	3,194	133,194	90,000	16,416	106,416	150,000	5,699	155,699	100,000	27,849	127,849
16				100,000	13,859	113,859				100,000	23,672	123,672
17				100,000	11,233	111,233				110,000	19,319	129,319
18				100,000	8,536	108,536				110,000	14,783	124,783
19				110,000	5,766	115,766				120,000	10,056	130,056
20				110,000	2,921	112,921				120,000	5,132	125,132
Total	1,700,000	344,424	2,044,424	1,700,000	522,419	2,222,419	1,700,000	577,490	2,277,490	1,700,000	846,286	2,546,286

*Preliminary, subject to change

Budget Timeline

FY 2016-17 Budget Timeline

- Tuition and fee rate recommendations
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Adjourn