



OFFICE OF THE BOARD OF TRUSTEES

## Public Meeting Notice

October 11, 2018

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

FROM: Sabrina Prud'homme, University Board Secretary

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

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

Topics of the meeting will include a vice president's report with a review of the committee's dashboard, an organizational update, an update on the SOU Cellular Antenna, and a fiscal year 2017-18 year-end update. There also will be discussion and action on a proposed amendment to the student incidental fee for the 2018-19 academic year. Information and discussion items include the committee's meeting schedule, the 2018-19 budget calendar, and a first-quarter forecast and pro forma.

The meeting will occur as follows:

Thursday, October 18, 2018  
4:00 p.m. to 6:00 p.m. (or until business concludes)  
Hannon Library, DeBoer Room, 3<sup>rd</sup> Floor, Room #303  
Visit [governance.sou.edu](http://governance.sou.edu) for meeting materials.

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



**Board of Trustees**  
**Finance and Administration Committee Meeting**  
**October 18, 2018**

# Call to Order / Roll / Declaration of a Quorum



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

**Thursday, October 18, 2018  
4:00 p.m. – 6:00 p.m. (or until business concludes)  
DeBoer Room, Hannon Library**

**AGENDA**

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

- |         |          |  |  |
|---------|----------|--|--|
|         | <b>1</b> | <b>Call to Order/Roll/Declaration of a Quorum</b>                | Trustee Steve Vincent  |
|         | 1.1      | Welcome and Opening Remarks                                      |  |
|         | 1.2      | Roll and Declaration of a Quorum                                 | Sabrina Prud'homme,<br>SOU, Board Secretary                              |
|         | 1.3      | Agenda Review  | Trustee Vincent  |
|         | <b>2</b> | <b>Public Comment</b>  |  |
| 15 min. | <b>3</b> | <b>Vice President's Report</b>                                   | Greg Perkinson, SOU,<br>Vice President for Finance<br>and Administration |
|         | 3.1      | Committee Dashboard  |  |
|         | 3.2      | Organizational Update  |  |
|         | 3.3      | Cellular Antenna   |  |
|         | 3.4      | Fiscal Year 2017-18 Year-end Update                              |  |
| 5 min.  | <b>4</b> | <b>Consent Agenda</b>  |  |
|         | 4.1      | Approval of June 21, 2018 and August 15, 2018<br>Meeting Minutes | Trustee Vincent  |
|         | <b>5</b> | <b>Action Items</b>  |  |
| 15 min. | 5.1      | Amendment to Student Incidental Fee for AY<br>2018-19            | Alexis Phillips, ASSOU,<br>President                                     |

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

**Thursday, October 18, 2018  
4:00 p.m. – 6:00 p.m. (or until business concludes)  
DeBoer Room, Hannon Library**

**AGENDA (Continued)**

**6 Information and Discussion Items**

|         |     |   |                                    |
|---------|-----|---|------------------------------------|
| 10 min. | 6.1 | Committee Meeting Schedule and<br>2018-19 Budget Calendar | Trustee Vincent; Greg<br>Perkinson |
|---------|-----|---|------------------------------------|

|         |     |                                      |                |
|---------|-----|--------------------------------------|----------------|
| 20 min. | 6.2 | First Quarter Forecast and Pro Forma | Greg Perkinson |
|---------|-----|--------------------------------------|----------------|

|        |     |                 |                 |
|--------|-----|-----------------|-----------------|
| 5 min. | 6.3 | Future Meetings | Trustee Vincent |
|--------|-----|-----------------|-----------------|

|          |                    |  |                 |
|----------|--------------------|--|-----------------|
| <b>7</b> | <b>Adjournment</b> |  | Trustee Vincent |
|----------|--------------------|--|-----------------|

# Public Comment

# Vice President's Report

# Road Map

- Committee Dashboard
- Organizational Update
- Update on Campus Cellular Antenna
- FY 2017-18 Year-end Update



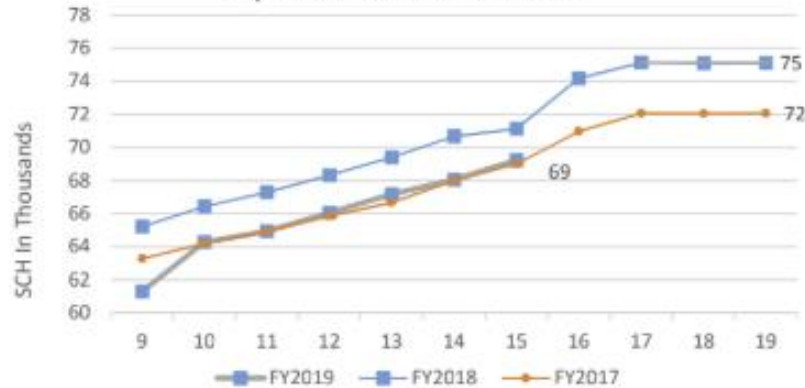
**Financial Dashboard**

For FY19 prior to close of p 03  
As of September 30, 2018

**Public University Funds Operating Cash**



**Total Student Credit Hours by Week of the Fiscal Year**



**E&G Fund Balance**



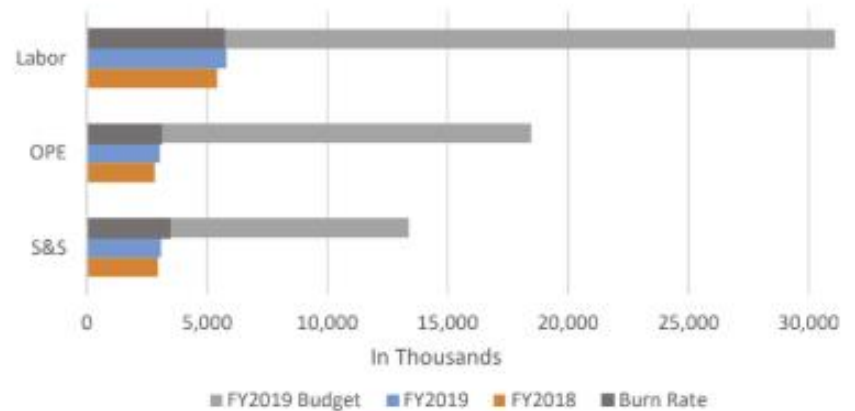
**With Enrollment Trending Down,  
Cost Control Alternatives  
being Reviewed.**

**E&G YTD Revenues**



FY2019 Collected 23,024,372  
(35% of budget)

**E&G YTD Select Expenses**



# Organizational Update

## SITUATION

## BACKGROUND:

- VACANCIES
- CURRENT ORG. => RETRENCHMENT (HANGOVER)
- FOCUS ON STRATEGIC INITIATIVES
- CULTURE
- ENROLLMENT ↓ (for now)
- PERFORMANCE (MGMT)
- STRENGTHS
- EMPLOYEE FEEDBACK — COMMUNICATIONS  
— TRUST
- IMPROVE COMPLIANCE (QUALITY I.E.)  
± CONTRACTS ADMIN

# Campus Cellular Antenna

- Situation
- Background
- Assessment
- Recommendation

IMPORTANT: 5-question survey on SOU cell service Inbox x



**Greg Perkinson** <noreply@qemailserver.com> [Unsubscribe](#)  
to me ▾

2:00 PM (50 minutes ago) ☆ ↶

Good morning,

We would like your response to a brief, five-question survey about cellular system coverage and a future project to install a 4G cell antenna.

Our students, faculty and staff have historically complained about having poor signal strength on their cell phones. As a result, SOU signed a contract with Verizon, allowing them to install a 4G cellular antenna on the roof of the science building.

Please follow the link here to the survey. Thanks in advance for providing your input.

Greg Perkinson,  
Vice President for Finance and Administration, Southern Oregon University

**Follow this link to the Survey:**

[Take the Survey](#)

## Cell Tower SBAR

### Situation:

Our students, faculty and staff have historically complained about having poor signal-strength on their cell phones. As a result, SOU signed a contract with Verizon, allowing them to install a 4G cellular antenna on the roof of the science building.

### Background:

Memory jogger—earlier this summer, Sabrina transmitted complaints from members of the Ashland community about the proposed erection of a cellular tower on the campus of SOU. In relation to this earlier transmission, Sabrina received several dozen letters from community members in opposition to the cell tower. Addressed to the attention of the Board of Trustees, the 75 fluorescent orange ones were hand delivered and she received the remaining 10 letters in the mail, both last week.

SOU signed a contract with Verizon in spring 2017, allowing the construction of a 4G antenna on the Science building. This action was in response to student (and staff) complaints of poor cellular coverage on-campus. Numerous local citizens are opposed to the action (and call it the 5G cell tower project). The citizens are concerned about potential negative health effects they believe are related to the tower.

Because of the height of the screen wall, the project (to install the antenna) went before the Ashland Planning Committee for approval. The planning committee approved the project. Some of SOU's neighbors, and local community citizens, are opposed to the installation of the tower, because they feel radiofrequency (RF) emissions are harmful to human and wildlife health. The citizen group appealed the decision, which was heard and denied in late June. Then, numerous community members submitted letters to the SOU Board of Trustees. The scientific community has presented varied opinions regarding the health effects of RF to humans. Mainstream science (i.e., American Cancer Society, National Institute of Health, etc.) indicate there is no health concern. However, some of SOU's neighbors are still concerned. As a result, the chair of the Finance and Administration Committee asked SOU to present its staff recommendation to the committee.

The SOU VPFA and several other members of the SOU community have engaged with the group, Oregon for Safer Technology (OFST). VP Perkinson met twice with the lead proponents of the effort to kill the project. He also was invited to and attended a screening of the movie, "Generation Zapped," with OFST. The first meeting focused on the "science" (ref. their letter from June). The second meeting included subject matter experts from SOU and discussed alternatives. The Chair of the Biology Department wrote a short paper related to the science (see Attachment 1). Prior to the meeting, talking points also were developed, and are presented here:

- **This isn't our fight.** SOU is for the most part a neutral observer as a few neighbors air their concerns about the antenna that a contractor for Verizon intends to install on our Science Building. The university will receive \$18,000 annually from the lease agreement, which will be earmarked for improvements to the technical infrastructure on campus, but our motivation is to improve cell service.

- **Cellular coverage in our part of town is an issue.** Student surveys have identified cell strength as a significant concern, and in fact we had to install equipment in our north campus housing to boost cellular signals.
- **We are open to looking at solutions to the cellular coverage issue.** That’s why we entered into a lease agreement with Verizon for the Science Building antenna, after first reviewing scientific evidence that suggests the equipment will pose no apparent danger.
- **Safety is a key consideration.** The well-being of our students, employees and neighbors is a responsibility that we take seriously. In matters such as this one, we rely on objective science. Both the American Cancer Society and the National Institutes of Health have concluded that there is no decisive evidence that emissions from cell antennae pose a health threat. (The American Cancer Society describes the radio waves emitted from cell antennae as being at “much lower levels than those from radio and television broadcast stations.”)

Bottom line: In summary, the OST group seems to be more concerned with cell phone and Wi-Fi signals and those health effects than with 4G, specifically. Additionally, there is no alternative to improving cell coverage (but there are alternatives to the other 'risks' the OFST group identified).

**Assessment:**

1. *Technical assessment (what does the science mean?).*

See Attachment 1 for Dr. Roden’s review of scientific work presented by OST, compared to other sources. He states: “From my survey of reputable organizations, I cannot say that there is zero risk from cell towers, only that any evidence of such harm is weak and not scientifically compelling.” Some other sources are shown below:

<https://www.cancer.org/cancer/cancer-causes/radiation-exposure/cellular-phone-towers.html>

“Some people have expressed concern that living, working, or going to school near a cell phone tower might increase the risk of cancer or other health problems. At this time, there is very little evidence to support this idea. In theory, there are some important points that would argue against cellular phone towers being able to cause cancer.” (Three factors: low RF energy level; long wave length; and level of RF waves at ground level is very low)

<https://www.fcc.gov/consumers/guides/human-exposure-radio-frequency-fields-guidelines-cellular-and-pcs-sites>

<https://www.cancer.gov/about-cancer/causes-prevention/risk/radiation/electromagnetic-fields-fact-sheet>

**“Why are non-ionizing EMFs studied in relation to cancer?”**

Power lines and electrical appliances that emit non-ionizing EMFs are present everywhere in homes and workplaces. For example, wireless local networks are nearly always “on” and are increasingly commonplace in homes, schools, and many public places.

No mechanism by which ELF-EMFs or radiofrequency radiation could cause cancer has been identified. Unlike high-energy (ionizing) radiation, EMFs in the non-ionizing part of the electromagnetic spectrum cannot damage DNA or cells directly. Some scientists have speculated that ELF-EMFs could cause cancer

through other mechanisms, such as by reducing levels of the hormone melatonin. There is some evidence that melatonin may suppress the development of certain tumors.

Studies of animals have not provided any indications that exposure to ELF-EMFs is associated with cancer (9–12). The few high-quality studies in animals have provided no evidence that Wi-Fi is harmful to health (7). The National Institute of Environmental Health Sciences, which is part of the National Institutes of Health, is carrying out a large-scale study in rodents of exposure to radiofrequency energy (the type used in cell phones). This investigation is being conducted in highly specialized labs that can specify and control sources of radiation and measure their effects. Preliminary results from this study were released in May 2016.

Although there is no known mechanism by which non-ionizing EMFs could damage DNA and cause cancer, even a small increase in risk would be of clinical importance given how widespread exposure to these fields is.”

<https://monographs.iarc.fr/wp-content/uploads/2018/06/mono102.pdf>

“6.1Cancer in humans. There is limited evidence in humans for the carcinogenicity of radiofrequency radiation.”

And, in the Spring of 2018, credible research results were released by the Ramazzini Institute in Italy that show that radiofrequency (RF) radiation can cause a very rare type of tumor in rats.

However in response to this study, the FDA’s Center for Devices and Radiological Health wrote this February (2018) that, “after hundreds of studies on the RF exposure and human cancer, the FDA has confidence that the current safety limits for cell phone radiation remain acceptable for protecting public health.” (Schmidt, Charles. Scientific American. March 29, 2018)

#### **Certain RF Information related to cell phones.**

There are currently two types of radio technology used by carriers to send and receive cell phone communications: GSM and CDMA. Studies have shown that of the two, GSM is the more powerful (and thus potentially more harmful) of the two. Currently, Verizon’s network is built using primarily CDMA technology, whereas AT&T and T-Mobile primarily use GSM technology.

#### *2. Political assessment (risks / issues / opportunities)*

The customer base (students, faculty and staff) want better cell coverage. Some local residents (together, known as “Oregon for Safer Technology”) are very opposed. OST literature states wireless and Cell phone technology are of specific concern; that: “...all life forms are vulnerable when consistently subjected tom multiple sources of RFR and high total daily exposure levels.”

#### **Point on Safety and Crisis Management:**

Another point to address is the importance of reliable communications during any type of emergency event. Current tabletop exercises have shown that it is almost impossible to maintain reliable voice communications on campus in a variety of buildings and other locations. Thus with the goal of safety in mind, it is necessary to make improvements to key infrastructure that will improve our ability to manage, direct and communicate reliable during any emergency event.

**Recommendation:**

In essence, safety is a key consideration for all of us. The well-being of our students, employees and neighbors is a responsibility that we take seriously. VPFA Perkinson, recommended SOU continue to work with the City of Ashland and Verizon to install the 4G tower on the Science building, as proposed. President Schott approved the recommendation.

## Attachment 1

### COA Planning Action – Cellular Tower Appeal

The information below was gathered by Dr. John Roden, chair of the Biology Department at SOU and reflects his take on the science related to safety issues associated with 4G cell towers. This information should not be construed as definitive or all-inclusive.

#### **Background.**

Cell towers emit Radio Frequency (RF) electromagnetic radiation (frequencies between microwave and FM radio bands). RF is non-ionizing radiation in that it does not break chemical bonds and thus would not cause any DNA damage as higher energy wavelengths such as X-rays, ultraviolet and even visible light can. Very high levels of exposure to RF can increase subject temperature, but this level of exposure is not possible in public places. Public exposure is minimal because 1) RF energy levels are very low and the long wavelengths are very difficult to concentrate on a target cell/tissue, 2) ground level exposure is much lower (1000x less) as antenna are elevated, 3) transmissions are intermittent and often within the background RF levels associated with continuous television and radio transmissions, 4) Structures made of wood and concrete reduce exposure by as much as 10 times. Risk of exposure increases with proximity to the tower and RF energy decreases rapidly with distance. Locations within direct line of sight of the tower (not at ground level e.g. hillside dwellings) would have greater exposure. Even so, a distance greater than 50 m from the transmitters may preclude all concerns. Anxious citizens can ask to have RF levels measured near residential areas to compare with regulatory limits.

#### **Impacts on Health from Recognized Agencies and Societies.**

As is common with these types of concerns there is a discrepancy between groups that make claims of severe risk and mainstream governmental agencies and established health organizations. I will start with what should be considered credible organizations who in my opinion back up their claims with multiple peer-reviewed scientific citations. I will also note that many studies look at different levels of RF exposures unrelated to the question of 4G cell towers specifically. For example, the *World Health Organization* and the *International Agency for Research on Cancer* concludes that RF may possibly be carcinogenic as it relates to brain tumors (though they stress that the evidence is not conclusive). However, those studies looked at cell phone usage and having the phone next to the brain while transmitting. Many studies are looking at this phenomenon rather than the risks from cell towers (which produces at least 100x less RF exposure than a mobile phone). The *Environmental Protection Agency* does caution against very high exposure to RF but also states that you would have to be within a few feet of the tower transmitter for extended periods to receive such exposure. The *American Cancer Society* and the *National Institute of Health* have stated that there is no conclusive evidence that cell towers increase cancer rates. They also cite controlled studies that show no linkage between RF exposure and tumor production, DNA damage, problems with pregnancy or other adverse health problems. A *European Commission* also found no increase in cancer or other malignant diseases with RF exposure. Other organizations such as the *Federal Communications Commission*, the *US Center for Disease Control*, *US Food and Drug Administration* and the *National Institute of Environmental Health Science* have all essentially stated that there is little compelling scientific evidence to link cell tower RF



emissions with health problems. Some have also stated that many studies that highlight potential problems have failed to be replicated. As such, some of those who are calling for alarm are citing a single study that showed a modest effect while ignoring similar studies that showed no effect. Science that cannot be replicated is always suspect. From my survey of reputable organizations, I cannot say that there is zero risk from cell towers, only that any evidence of such harm is weak and not scientifically compelling. Some may demand zero risk, but that demand would lead us down a very strange road, as there is an element of risk in nearly everything we do.

### **Organizations Sounding the Alarm**

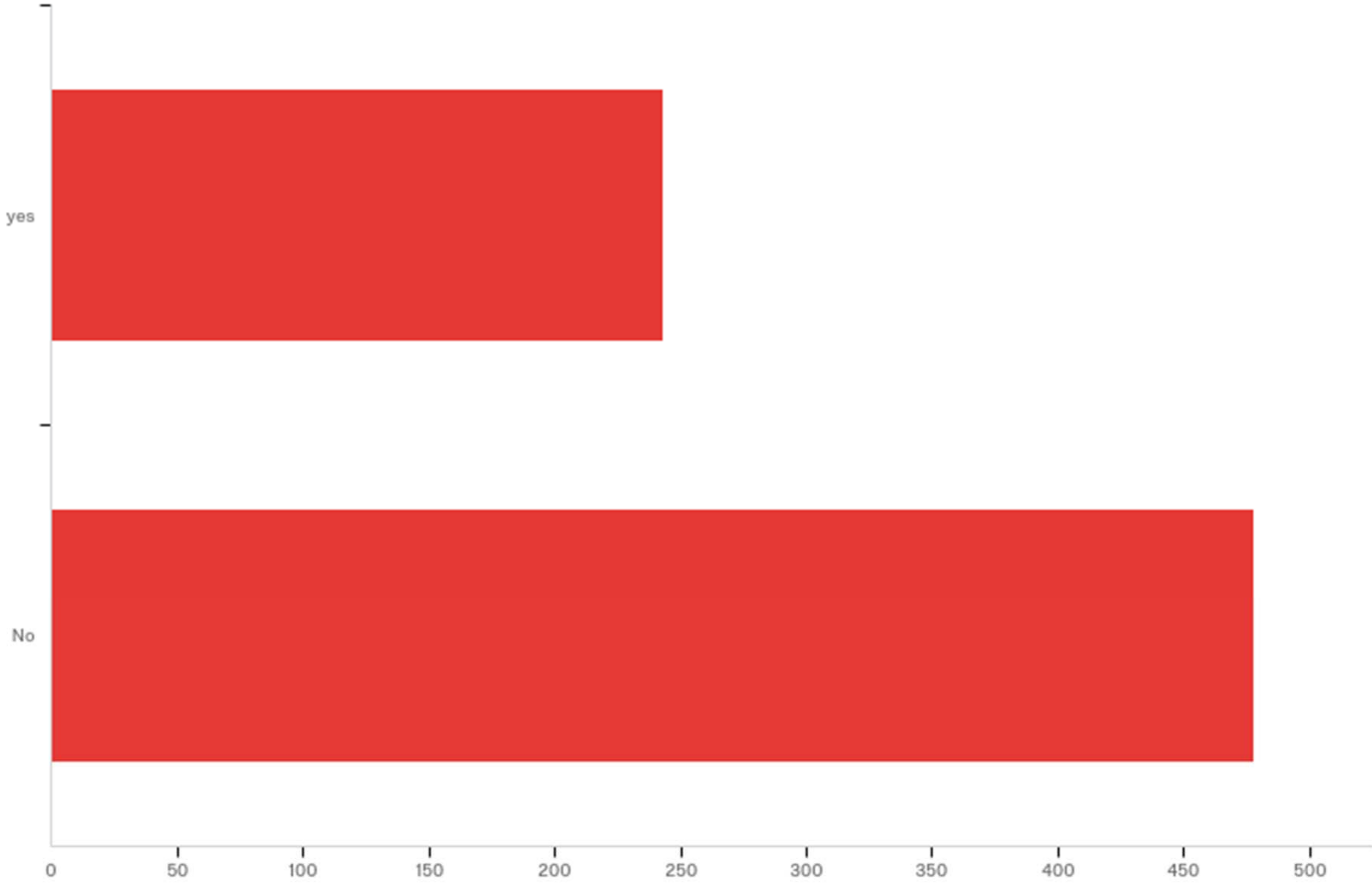
From my perspective, those that warn of severe health hazards associated with cell towers range from people with reasonable concerns to tin-hat wearing conspiracy theorists. They often use wiggly words like RF may, could, potentially, possibly cause harm. This equivocation may indeed be what the author stated, but none of those statements are conclusive. For some it seems, a possibility without evidence is enough to ban an activity. Some of those that cite peer reviewed studies often ignore conflicting studies (see above on replication). Much of the evidence presented is also anecdotal. People report having issues and they live near a tower. While anecdotal evidence is interesting and may point to an important research question, it alone is not sufficient to draw conclusions. Many people do not understand how scientists view anecdotal evidence and some are willing to use it as a basis for argument and calls for action. For example, an organization called *Safespace* make many claims of harm but they make most claims without citation or attribution. They also confuse RF with ionizing radiation (see background above) which it is not. Their website looks impressive, but they use anecdotal evidence and single citations to support their positions (no replication). Interestingly, they also sell devices to protect you from RF and microwave radiation so they appear to be using carefully selected science to push a product (they also talk about neutralizing RF with a detoxifying bath and an anti-radiation diet!). I found a number of other organizations like *Safespace* but I do not want to infer that they are all like this. Possibly the most reasonable claim made by those concerned about RF exposure from cell towers is that not enough studies have been done and they may not have studied more common health issues. I will grant that most of the mainstream health organization have tested RF for major maladies like cancer, and may have overlooked less dramatic issues. There is some evidence, though it is still anecdotal, that proximity to cell towers may increase such maladies as fatigue, sleep disturbance, headache, irritability, hearing disruption and nausea, etc. The evidence was still rather weak (they did no statistical analysis) and the data suggested that many of these health issues disappeared after only 50 m distance from the tower and no effects were observed at 100 m. Clearly, these types of maladies (fatigue, headaches, memory loss, etc.) can have many multiple causes and attribution to cell tower proximity would need a much stronger study. For some, their concern is associated with the precautionary principle. The principle has some validity and we can never know all possible effects without massive and well-controlled experiments, but at this time, the evidence, in my opinion, is weak especially if sufficient distance separates a person from the tower.

# Student Survey Summary Report

Cellular service at SOU

October 10th 2018, 5:49 pm MDT

Q1 - Is your cellular system coverage adequate on the SOU campus?



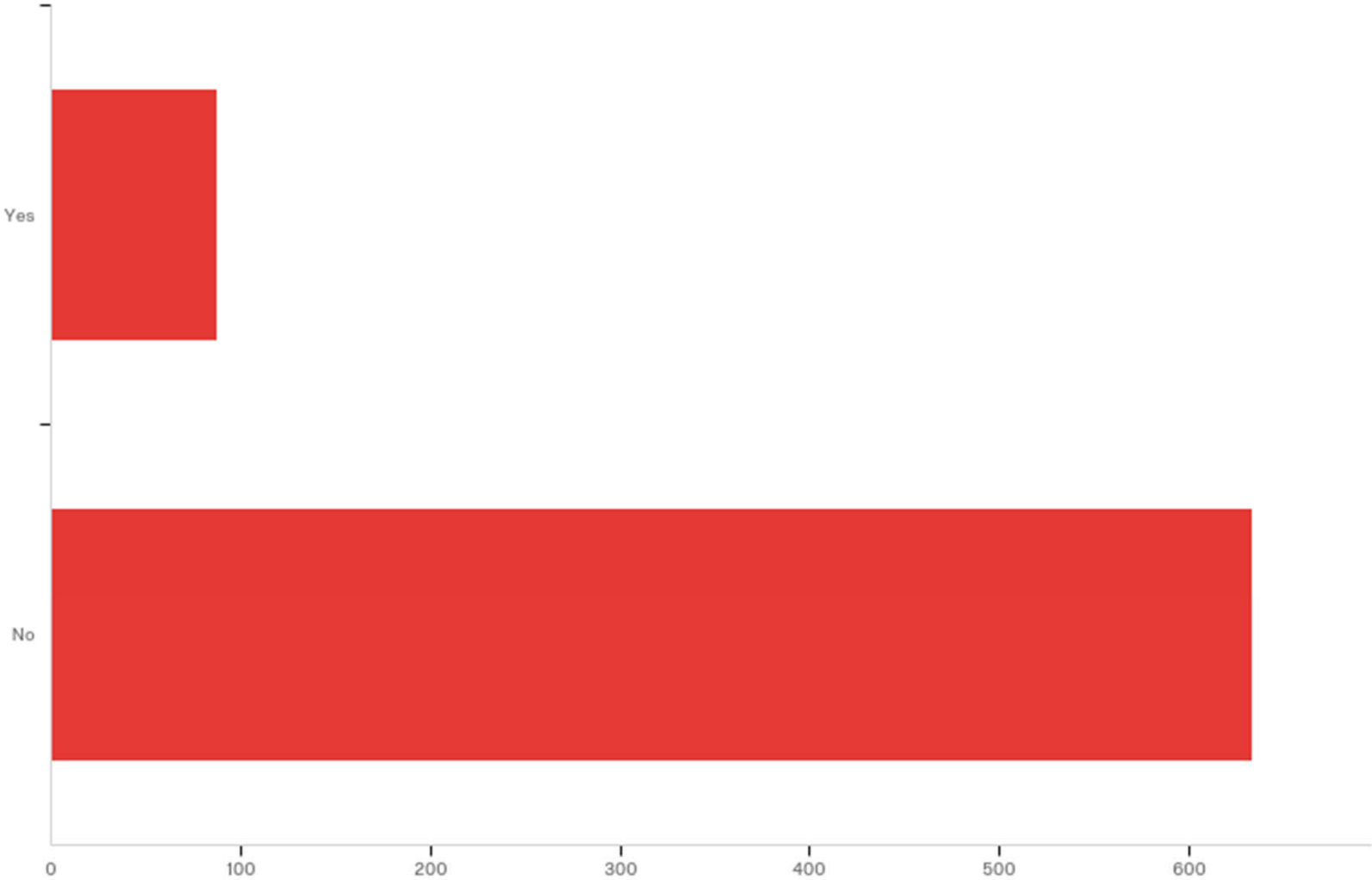
## Q1 - Is your cellular system coverage adequate on the SOU campus?

| # | Answer | %      | Count |
|---|--------|--------|-------|
| 1 | yes    | 33.70% | 243   |
| 2 | No     | 66.30% | 478   |
|   | Total  | 100%   | 721   |

## Q2 - Who is your cellular provider?

| Who is your cellular provider? |
|--------------------------------|
| at&t                           |
| AT&t                           |
| Us cellular                    |
| TracPhone                      |
| U.S Cellular                   |
| AT&T                           |
| Verizon                        |
| Sprint                         |
| Verizon                        |
| Verizon                        |
| ATT                            |

Q3 - Do you have any concerns about the installation of a 4G cellular system antenna on the roof of the Science Building?



Q3 - Do you have any concerns about the installation of a 4G cellular system antenna on the roof of the Science Building?

| # | Answer | %      | Count |
|---|--------|--------|-------|
| 1 | Yes    | 12.07% | 87    |
| 2 | No     | 87.93% | 634   |
|   | Total  | 100%   | 721   |

Q4 - If you answered yes to Question 3, please briefly describe the nature of your concerns.

Note: this is one slide of 15 with Narrative explanations. Of 87 positive (Q3), 30 responses were related to health concerns.

**If you answered yes to Question 3, please briefly describe the nature of your concerns.**

I'm concerned that the location of the antenna won't help with the lack of (any) signal at all in the basement of the Stevenson union

N/a

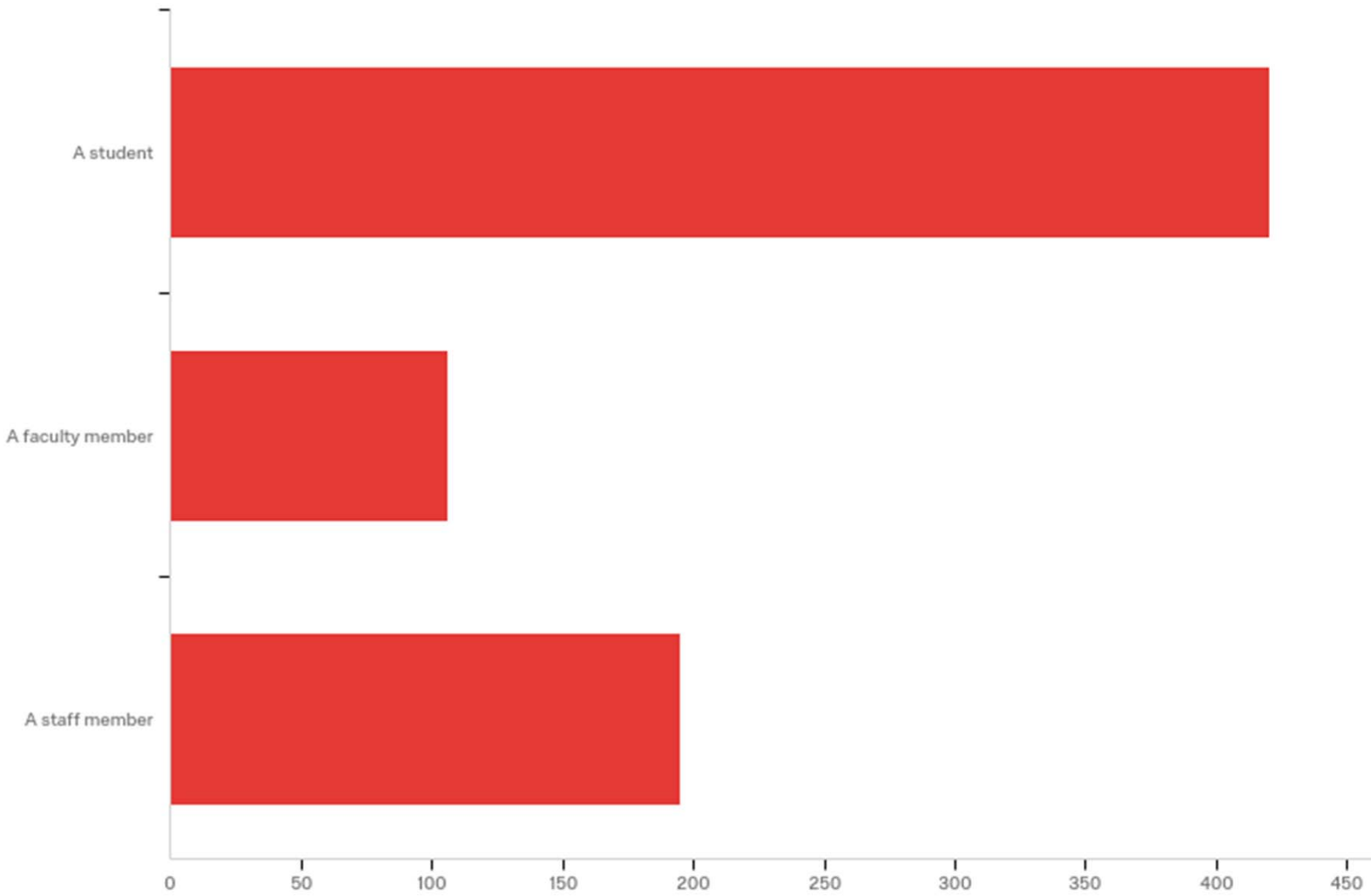
This is mostly due to the fact that it won't aid the customers of other providers. I understand that it is going to benefit others, but it is limited to Verizon subscribers. I'm by no means a dedicated AT&T fan, but it is a little disheartening knowing that there appears to be no interest -- this is how it comes off as; I don't mean to say that it isn't up for discussion! -- in providing users of other cellular services quality as those that Verizon offers. It may become very controversial, as it conflicts with the idea of SOU being its own figure that doesn't sell out to corporations as well, be it AT&T or otherwise. This is something that I can see as a negative impact for the university, this being from a standpoint logically vs. a biased opinion due to my carrier being AT&T. Regardless, those that are affiliated with Verizon are certainly going to benefit. If it helps the university, then I'm behind it.

I have heard there are health concerns. I would like to hear more

4G is barely cell service at this point, so honestly I do not know if it will actually help



Q5 - Please help us understand campus demographics – are you:



Q5 - Please help us understand campus demographics – are you:

| # | Answer           | %      | Count |
|---|------------------|--------|-------|
| 1 | A student        | 58.25% | 420   |
| 2 | A faculty member | 14.70% | 106   |
| 3 | A staff member   | 27.05% | 195   |
|   | Total            | 100%   | 721   |

Periodic Management Report

Budget Forecast

| (in thousands except enrollment)                      | FY2017 Final Results | FY2018 Initial Budget | % Change | FY2018 Final     | Variance from Initial Budget | % Variance from Initial Budget | Notes |
|---|----------------------|-----------------------|----------|------------------|------------------------------|--------------------------------|-------|
| <b>EDUCATION &amp; GENERAL</b>                        |                      |                       |          |                  |                              |                                |       |
| State General Fund                                    | \$ 21,540            | \$ 20,304             | -6%      | \$ 21,273        | \$ 968                       | 5%                             |       |
| Tuition & Resource Fees, net of Remissions            | 34,111               | 38,374                | 12%      | 36,760           | (1,614)                      | -4%                            |       |
| Other   | 3,314                | 1,937                 | -42%     | 2,804            | 867                          | 45%                            | (1)   |
| <b>Total Revenues</b>                                 | <u>\$ 58,965</u>     | <u>\$ 60,616</u>      | 3%       | <u>\$ 60,837</u> | <u>\$ 222</u>                | 0%                             |       |
| Personnel Services                                    | \$ 46,264            | \$ 49,966             | 8%       | \$ 48,775        | \$ (1,191)                   | -2%                            |       |
| Supplies & Services & Capital Outlay                  | 9,101                | 9,150                 | 1%       | 9,287            | 138                          | 2%                             |       |
| <b>Total Expenditures</b>                             | <u>\$ 55,366</u>     | <u>\$ 59,115</u>      | 7%       | <u>\$ 58,062</u> | <u>\$ (1,054)</u>            | -2%                            |       |
| <b>Net from Operations</b>                            | <u>\$ 3,599</u>      | <u>\$ 1,500</u>       |          | <u>\$ 2,776</u>  | <u>\$ 1,275</u>              |                                |       |
| Net Subsidies (Transfers) In (Out)                    | (2,266)              | (2,203)               | -3%      | (2,481)          | (278)                        | 13%                            | (2)   |
| Transfers In  | 856                  | 130                   | -85%     | 183              | 53                           | 40%                            |       |
| Transfers Out   | (3,122)              | (2,333)               | -25%     | (2,664)          | (331)                        | 14%                            |       |
| Fund Additions/(Deductions)                           | (1,365)              | -                     |          | -                | 0                            |                                |       |
| Change in Fund Balance                                | \$ (33)              | \$ (703)              |          | \$ 294           | \$ 997                       |                                |       |
| <b>Beginning Fund Balance</b>                         | <u>6,876</u>         | <u>6,844</u>          |          | <u>6,844</u>     | <u>0</u>                     |                                |       |
| <b>Ending Fund Balance</b>                            | <u>\$ 6,844</u>      | <u>\$ 6,141</u>       |          | <u>\$ 7,138</u>  | <u>\$ 997</u>                |                                |       |
| <b>Ending FB as a % Operating Revenues</b>            | 11.6%                | 10.1%                 |          | 11.7%            |                              |                                |       |
| <b>Ending FB: Reflected as Months of Expenditures</b> | 1.5                  | 1.2                   |          | 1.5              |                              |                                |       |
| Student FTE Enrollment                                | 4,357                | 4,239                 | -2.7%    | 4,441            |                              | 4.8%                           |       |

Notes

- (1) \$250k insurance recovery received in February, related to the fraud case.  
\$500k insurance recovery received in June, from Public University Risk Management Insurance Trust (PURMIT) related to other outstanding actions.
- (2) \$71k in additional transferred to Athletics related to resources associated with for-credit courses.  
\$107k transferred by Education Division to clear shortfall in the Early Education Program.

Budget Forecast

| (in thousands except enrollment)                              | FY2017 Final Results | FY2018 Initial Budget | % Change | FY2018 Final     | Variance from Initial Budget | % Variance from Initial Budget | Notes |
|---|----------------------|-----------------------|----------|------------------|------------------------------|--------------------------------|-------|
| <b>AUXILIARY ENTERPRISES (Including North Campus Village)</b> |                      |                       |          |                  |                              |                                |       |
| Enrollment Fees   | \$ 6,000             | \$ 6,845              | 14%      | 6,664            | \$ (181)                     | -3%                            |       |
| Sales & Services  | 12,079               | 13,447                | 11%      | 14,084           | 636                          | 5%                             |       |
| Other   | 2,591                | 2,809                 | 8%       | 3,500            | 691                          | 25%                            | (3)   |
| <b>Total Revenues</b>   | <u>\$ 20,670</u>     | <u>\$ 23,102</u>      | 12%      | <u>\$ 24,248</u> | <u>\$ 1,146</u>              | 5%                             |       |
| Personnel Services  | \$ 7,356             | \$ 8,814              | 20%      | \$ 8,073         | \$ (740)                     | -8%                            |       |
| Supplies & Services & Capital Outlay                          | 13,533               | 14,708                | 9%       | 15,417           | 709                          | 5%                             |       |
| <b>Total Expenditures</b>                                     | <u>\$ 20,889</u>     | <u>\$ 23,522</u>      | 13%      | <u>\$ 23,490</u> | <u>\$ (31)</u>               | 0%                             |       |
| <b>Net from Operations</b>                                    | <u>\$ (219)</u>      | <u>\$ (420)</u>       |          | <u>\$ 758</u>    | <u>\$ 1,178</u>              |                                |       |
| Net Subsidies (Transfers) In (Out)                            | 1,450                | 1,828                 |          | 1,973            | \$ 146                       | 8%                             |       |
| Additions/(Deductions) to Unrestricted Net Assets             | (1,404)              | -                     |          | (962)            | (962)                        |                                |       |
| Change in Unrestricted Net Assets                             | <u>\$ (173)</u>      | <u>\$ 1,408</u>       |          | <u>\$ 1,769</u>  | <u>\$ 362</u>                |                                |       |
| <b>Beginning Fund Balance Available for Operations</b>        | <u>(601)</u>         | <u>(774)</u>          |          | <u>(774)</u>     | <u>0</u>                     |                                |       |
| <b>Ending Fund Balance Available for Operations</b>           | <u>\$ (774)</u>      | <u>\$ 634</u>         |          | <u>\$ 995</u>    | <u>\$ 362</u>                |                                |       |
| <b>Ending FB as a % Operating Revenues</b>                    | <u>-3.7%</u>         | <u>2.7%</u>           |          | <u>4.1%</u>      |                              |                                |       |
| <b>Ending FB: Reflected as Months of Expenditures</b>         | <u>(0.4)</u>         | <u>0.3</u>            |          | <u>0.5</u>       |                              |                                |       |

Notes

- (3) Budget variance related to increased Dining activity due to stronger housing occupancy. The Food Service provider exhibited greater control over food costs resulting in reduced reimbursements going to the Food Service provider, resulting in SOU being able to retain a greater percentage of the food-service revenue, and resulting in a substantial reduction in the operating deficit for the Food Service program. Also received \$80k in one-time funds directly from the Collegiate Housing Foundation in support of maintenance activities at the North Campus Raider Village.

Periodic Management Report

Budget Forecast

|   | FY2017 Final Results | FY2018 Initial Budget | % Change    | FY2018 Final    | Variance from Initial Budget | % Variance from Initial Budget | Notes |
|---|----------------------|-----------------------|-------------|-----------------|------------------------------|--------------------------------|-------|
| (in thousands except enrollment)                                  |                      |                       |             |                 |                              |                                |       |
| <b>DESIGNATED OPERATIONS, SERVICE DEPARTMENTS, CLEARING FUNDS</b> |                      |                       |             |                 |                              |                                |       |
| Enrollment Fees   | \$ 1,094             | \$ 998                | -9%         | \$ 886          | \$ (112)                     | -11%                           | (4)   |
| Sales & Services  | 3,217                | 2,542                 | -21%        | 2,659           | 117                          | 5%                             |       |
| Other   | 3,861                | 1,658                 | -57%        | 1,693           | 35                           | 2%                             |       |
| <b>Total Revenues</b>   | <u>\$ 8,172</u>      | <u>\$ 5,198</u>       | <u>-36%</u> | <u>\$ 5,239</u> | <u>\$ 40</u>                 | <u>1%</u>                      |       |
| Personnel Services  | \$ 2,792             | \$ 3,498              | 25%         | \$ 3,155        | \$ (344)                     | -10%                           | (5)   |
| Supplies & Services & Capital Outlay                              | 2,615                | 2,206                 | -16%        | 2,487           | 281                          | 13%                            | (6)   |
| <b>Total Expenditures</b>   | <u>\$ 5,407</u>      | <u>\$ 5,704</u>       | <u>5%</u>   | <u>\$ 5,642</u> | <u>\$ (62)</u>               | <u>-1%</u>                     |       |
| <b>Net from Operations</b>  | <u>\$ 2,764</u>      | <u>\$ (505)</u>       |             | <u>\$ (403)</u> | <u>\$ 102</u>                |                                |       |
| Net Subsidies (Transfers) In (Out)                                | (717)                | 376                   | -152%       | 524             | 148                          | 39%                            | (7)   |
| Additions/(Deductions) to Unrestricted Net Assets                 | (1,858)              | -                     |             | (73)            | (73)                         |                                |       |
| Change in Unrestricted Net Assets                                 | \$ 190               | \$ (130)              |             | \$ 47           | \$ 177                       |                                |       |
| <b>Beginning Fund Balance Available for Operations</b>            | <u>1,300</u>         | <u>1,490</u>          |             | <u>1,490</u>    | <u>0</u>                     |                                |       |
| <b>Ending Fund Balance Available for Operations</b>               | <u>\$ 1,490</u>      | <u>\$ 1,360</u>       |             | <u>\$ 1,537</u> | <u>\$ 177</u>                |                                |       |
| <b>Ending FB as a % Operating Revenues</b>                        | 18.2%                | 26.2%                 |             | 29.3%           |                              |                                |       |
| <b>Ending FB as Months of Expenditures</b>                        | 3.3                  | 2.9                   |             | 3.3             |                              |                                |       |

Notes

- (4) Reduction in non-credit course activities in the spring and summer terms.
- (5) Still trending in line with prior forecast. Increases represent COLA and other benefit increases. Variance from budget is associated with increased expectations of growth with Jefferson Public Radio that didn't transpire during the current year.
- (6) Increase of about \$80k from April projections, largely the result of additional spending in JPR as they transition to the new facilities.
- (7) An additional transfers coming in from the General Fund for support of the "PEAK" (Professional Experience, Achievement, and Knowledge) program. Additional \$126k transfer from within the Education program, from the Education & General fund group to clear shortfall in the Education Early Childcare Program.

Periodic Management Report

Budget Forecast

|   | FY2017 Final Results | FY2018 Initial Budget | % Change | FY2018 Final    | Variance from Initial Budget | % Variance from Initial Budget | Notes |
|---|----------------------|-----------------------|----------|-----------------|------------------------------|--------------------------------|-------|
| (in thousands except enrollment)                      |                      |                       |          |                 |                              |                                |       |
| <b>ALL CURRENT UNRESTRICTED FUNDS:</b>                |                      |                       |          |                 |                              |                                |       |
| Beginning Fund Balance Available for Daily Operations | \$ 7,575             | \$ 7,560              |          | \$ 7,560        | \$ -                         |                                |       |
| Revenues  | 87,807               | 88,916                | 1%       | 90,324          | 1,408                        | 2%                             |       |
| Expenditures  | 81,662               | 88,341                | 8%       | 87,194          | (1,147)                      | -1%                            |       |
| Transfers   | (1,533)              | -                     |          | 16              | 16                           |                                |       |
| GL Additions & Deductions                             | (4,627)              | -                     |          | (1,035)         | (1,035)                      |                                |       |
| Ending Fund Balance Available for Daily Operations    | <u>\$ 7,560</u>      | <u>\$ 8,135</u>       |          | <u>\$ 9,671</u> | <u>\$ 1,536</u>              |                                |       |
| Ending FB as a % Operating Revenues                   | 8.6%                 | 9.1%                  |          | 10.7%           |                              |                                |       |
| Ending FB as Months of Expenditures                   | 1.1                  | 1.1                   |          | 1.3             |                              |                                |       |

**Summary of Subsidies (Transfers) Between Fund Types**

Actuals and Projections For Fiscal Year 2018

|   | Education & General   | Designated Operations & Service Dpts | Auxiliaries (including N. Campus Village) | Plant, and Other Funds |
|---|-----------------------|--------------------------------------|---|------------------------|
|   | Final                 | Final                                | Final                                     | Final                  |
| <b>Transaction Description</b>                              | <b>\$ (2,481,400)</b> | <b>\$ 523,767</b>                    | <b>\$ 1,973,223</b>                       | <b>\$ (15,590)</b>     |
| <b>Between Fund Types</b>                                   |                       |                                      |   |                        |
| Base General Fund Support to Athletics                      | \$ (1,430,905)        | \$ -                                 | \$ 1,430,905                              | \$ -                   |
| Athletics Course Revenue after Expenses                     | \$ (366,203)          | \$ -                                 | \$ 366,203                                | \$ -                   |
| Support to Athletics for Raider Mascot                      | \$ (3,006)            |                                      | \$ 3,006                                  |                        |
| Sports Camps Support to Athletics                           | \$ -                  | \$ (26,861)                          | \$ 26,861                                 | \$ -                   |
| Support to Athletics Sports Band                            | \$ (44,739)           | \$ -                                 | \$ 44,739                                 | \$ -                   |
| General Fund Support to JPR                                 | \$ (291,710)          | \$ 291,710                           | \$ -                                      | \$ -                   |
| General Fund Support to RVTV                                | \$ (109,520)          | \$ 109,520                           | \$ -                                      | \$ -                   |
| General Fund Repayment of Loan to Housing (final pmt)       | \$ (35,000)           | \$ -                                 | \$ 35,000                                 | \$ -                   |
| Operations to Repair/Replace Reserve                        | \$ -                  | \$ -                                 | \$ 15,590                                 | \$ (15,590)            |
| General Fund PEAK Support to Various                        | \$ (38,813)           | \$ 18,528                            | \$ 20,285                                 | \$ -                   |
| Support to Education Early Childcare Program                | \$ (125,709)          | \$ 125,709                           | \$ -                                      | \$ -                   |
| Support to Education Non-credit Workshops                   | \$ (2,694)            | \$ 2,694                             | \$ -                                      | \$ -                   |
| Diversity & Inclusion Program Support of DCE Latino Academy | \$ (1,500)            | \$ 1,500                             |   |                        |
| Education Program Van                                       | \$ (667)              | \$ 667                               |   |                        |
| Closing Funds   | \$ (300)              | \$ 300                               | \$ -                                      | \$ -                   |
| Housing Support to Athletics                                | \$ -                  | \$ -                                 | \$ (50,000)                               | \$ -                   |
| Athletic Support from Housing                               | \$ -                  | \$ -                                 | \$ 50,000                                 | \$ -                   |
| General Fund Support Student Rec Center                     | \$ (43,334)           |                                      | \$ 43,334                                 |                        |
| Student Fees - Support of Farm Equipment Purchase           | \$ 17,499             |                                      | \$ (17,499)                               |                        |
| General Fund BRIDGE Support                                 | \$ (4,799)            |                                      | \$ 4,799                                  |                        |

# Consent Agenda





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

**Thursday, June 21, 2018  
4:00 p.m. – 6:00 p.m. (or until business concludes)  
DeBoer Room, Hannon Library**

**MINUTES**

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

Chair Paul Nicholson called the meeting to order at 4:00 p.m. and welcomed attendees to the final meeting of the academic year.

The following committee members were present: Paul Nicholson, Sheila Clough, Lyn Hennion, Shanztyn Nihipali and Dennis Slattery. Trustees Les AuCoin and April Sevcik participated remotely. Trustees Bill Thorndike and Linda Schott (ex officio) also were present.

Other meeting guests included: Penny Burgess, University Shared Services Enterprise; Barry Thalden, incoming trustee; Shaun Franks, incoming trustee; Greg Perkinson, Vice President for Finance and Administration; Jason Catz, General Counsel; Dr. Susan Walsh, Provost and Vice President for Academic and Student Affairs; Janet Fratella, Vice President for Development; Josh Lovern, Senior Budget Analyst; Treasa Sprague, Administrative Services Coordinator; Mark Denney, Associate Vice President for Budget and Planning; Andrew Gast, SOU; Deborah Lovern, Budget Officer; Don Hill, Classroom and Media Services Manager; Gordon Carrier, Computing Coordinator; Sabrina Prud'homme, Board Secretary; and Kathy Park, Executive Assistant.

**Public Comment**

There was no public comment.

**Vice President's Report**

Greg Perkinson provided an update on the search for the Chief Information Officer, saying Tom Battaglia was selected and will begin August 1.

Review of Committee Dashboard

Presenting the financial dashboard, Greg Perkinson explained each category and said there were no negative indicators.

He noted the \$500,000 insurance payment SOU received following settlement of a lawsuit, praising Jason Catz's persistence in settling the case and obtaining reimbursement for expenses incurred. Mr. Perkinson responded to inquiries and comments from various trustees about accounting for this \$500,000. He said this money will show up as revenue and can be seed money for strategic initiatives. The

budget office created an institution-level activity within the budget and already loaded the money into that activity. It is not built into the baseline budget; rather, it is a one-time receipt. Chair Nicholson postponed further discussion on this topic to the committee's forthcoming discussion on the budget.

### General Updates

Mr. Perkinson described "culture of excellence" and the institution-wide efforts being made to achieve service excellence. He addressed employee success, which is included in goal one of strategic direction II, and mentioned some of the initiatives SOU is implementing, such as intake and onboarding of new employees, professional development opportunities, awards and recognition, and performance management.

Mr. Perkinson said a couple of events accelerated the creation of an institutional effectiveness program. The program includes corrective actions following internal audits. The plan is to strengthen the rigor behind the corrective actions process and nesting that responsibility under Mark Denney.

Regarding enterprise risk management, Mr. Perkinson said SOU is working on identifying, managing and bringing to closure various risk issues. The Business Affairs Council will track and monitor the issues on a monthly basis.

Mr. Perkinson discussed the importance of continuous improvement and process improvement. The intent is to deepen the capability to resolve issues in various areas on campus and those capabilities will be shared with others.

### **Consent Agenda**

Trustee Clough moved to approve the minutes from the May 17, 2018 meeting, as presented. Trustee Slattery seconded the motion and it passed unanimously.

### **Action Items**

#### Amendment to Student Incidental Fee

Mark Denney said this was originally intended to be an action item but will instead be a discussion item. Through part of the student incidental fee, the students subsidized the Schneider Children's Center through a referendum. With SOU's decision to close the center, the students want to discontinue the subsidy, which could only be done through another referendum. The students held a special election to vote on the referendum. However, not enough students participated in the election to meet the requirements of the ASSOU bylaws and, therefore, the results of the special election were not valid. Since the issue is not before the committee as a result of a recognized student process, the committee will not take action on the proposed amendment.

The student incidental fee will remain at its current rate. The proposal moving through the registrar's office is to offer a credit to students in an amount equal to the subsidy. The students will have the opportunity to hold another special election.

### Fiscal Year 2018-19 Budget

President Schott said she is recommending an \$86,066,121 budget. This will allow SOU to continue to operate efficiently and to invest strategically. She reminded the

committee of her commitment to bring forth a budget with an ending fund balance of at least 11 percent. The proposed budget has an ending fund balance of 11.1 percent.

Mark Denney reviewed the path the committee and board have taken to develop the draft budget: budget assumptions and process discussions in January; setting tuition and mandatory fees in March; enrollment projections in March; revenue projections in April; and a draft budget along with ending fund balance guidance in May.

Mr. Denney highlighted some of the tuition rates that were approved in March, as presented in the meeting materials. He then discussed the enrollment projection trend line based on a three-year history, rather than focusing on specific years. The trend line gives a higher degree of confidence in projecting enrollment. He also reviewed the positive impact of the online MBA program.

Turning to revenue, Mr. Denney said tuition revenue is being driven, primarily, by the online MBA enrollment and the 4.22 percent tuition rate increase. Discussion ensued on how summer tuition revenue is divided between fiscal years and the impact of higher than expected online MBA enrollment.

Mr. Denney explained tuition remissions—a program the Tuition Advisory Council strongly recommended be maintained. SOU takes a portion of tuition revenue dollars to give some students a discount on tuition.

Mr. Denney then discussed state support. In the past, SOU has received funding based on the Student Success and Completion Model (SSCM) at the lowest level possible. However, because of recent strong graduation numbers and enrollment of resident students, there may be an increase in state funding based on the SSCM. Responding to Trustee Hennion's inquiry, Mr. Denney said that the potential increase in state funding would not return SOU to its current service level. Additionally, miscellaneous other revenue is projected to decline because this year included some one-time monies.

Turning to expenditures, Mr. Denney said labor makes up 79.3 percent of the total expenditures. Pay is increasing at about 4.4 percent, which is a combination of COLA, year, rank and step increases. Other Payroll Expenses makes up 35.7 percent of total payroll and is increasing 8.5 percent.

Supplies & Services (S&S) is just under 17 percent of the total expenditures but is increasing 14.6 percent. The increase is due in large part to the online MBA program.

Looping back to the discussion on strategic investments, Mr. Denney said one is hiring a Vice President for Enrollment Services, which is reflected in the labor category. Mr. Perkinson added that 39 strategic initiatives were submitted at a cost of \$4.5 million; nineteen of those were approved with existing funds for a total of almost \$800,000. Some of the initiatives are funded from labor and some from S&S.

Chair Nicholson explained that the \$800,000 to support the strategic plan came from reducing the ending fund balance from 12.3 percent to 11.1 percent. Mr. Denney clarified that the \$500,000 mentioned earlier came in after the budget planning

process; it is not built into the budget because it came in too late but will be reflected in a larger ending fund balance this year than what was projected.

Discussion ensued on approval of the budget, authority to spend funds and the board's role in those processes. Mr. Catz added that the committee has visibility and oversight over the budget and he will complete a legal analysis on the budget authority of the administration and the board. Chair Nicholson said his concern was to ensure the administration has the appropriate authority to spend available funds, in particular the \$500,000 mentioned earlier. To address the committee's concerns, Chair Nicholson said there was nothing wrong with having a recommendation to adopt a budget of \$86,566,121, which would include the \$500,000.

Mr. Denney then addressed interfund transfers. The 14 percent increase is due to labor increases in supported programs in athletics and Jefferson Public Radio, and to recognize the academic use of the Student Recreation Center.

Mr. Denney said the projected ending fund balance for 2018 is 11.5 percent, which will be increased by \$500,000, and the proposed budget for 2019 has an ending fund balance that will be a little higher than 11.1 percent. It was the consensus of the committee members that it was appropriate to add the \$500,000 to the proposed budget.

Trustee Clough moved that the [Finance and Administration Committee of the Board of Trustees recommends] the board approve and adopt the Fiscal Year 2018-2019 budget in the sum of \$86,566,121, inclusive of Education and General budgeted operations in the sum of \$65,710,486; an auxiliaries budget in the sum of \$16,427,493; and designated operations in the sum of \$4,428,142. Trustee Slattery seconded the motion and it passed unanimously.

Chair Nicholson and Trustee Slattery thanked Mr. Denney, Mr. Perkinson, and all the staff for the extraordinary amount of work that went into preparing the budget.

## **Information and Discussion Items**

### **Investment Update**

Penny Burgess, the Director of Treasury Operations at the University Shared Services Enterprise, presented the third quarter FY18 investment report. She said market highlights underpinning investment performance during the quarter included: the US fourth quarter calendar GDP growth registering 2.9 percent; the Federal Reserve raising the Fed Funds rate by 25 basis points at its March meeting; the Barclays US Aggregate Bond Index declining 1.5 percent during the quarter, as yields marched higher on the heels of positive economic data and higher inflation expectations; and US equities declining modestly as the S&P 500 index declined 0.8 percent.

Turning to the university's investment returns, Ms. Burgess said the public university fund (PUF) declined 0.1 percent for the quarter and increased 0.5 percent fiscal year-to-date. On the positive side, the PUF's investment yield is rising, marking 1.5 percent for the first three quarters of the fiscal year and an annualized rate of 2.2 percent, 50 basis points ahead of the 3 year average of 1.7 percent.

The Oregon short-term fund returned 0.5 percent for the quarter, outperforming its benchmark by 10 basis points. The Core Bond Fund declined 0.8 percent for the quarter, outperforming its benchmark by 10 basis points.

On March 31, SOU had \$25.3 million in cash and investments held in the PUF. The PUF administrator distributed over \$126,000 in interest earnings to SOU.

Moving to the endowment assets, Ms. Burgess said the university's endowment assets are invested in a separately managed account with the Oregon State Treasury and held independently from those assets managed by the SOU Foundation. The total return for the quarter declined 1.0 percent, performing in line with the policy benchmark as both global equities and fixed income markets suffered declines during the quarter. The total return increased 8.0 percent fiscal year-to-date, outperforming the benchmark return of 7.1 percent. The asset allocation continues to be within the policy target range of 75 percent global equities and 25 percent fixed income. The total market value on March 31 was \$2.46 million.

Per the investment policy, the annual spend rate is set at 4 percent. The endowment fund has generated strong returns over the last five years, averaging 8.5 percent. The committee members confirmed that they remain comfortable with the 4 percent spend rate and this will be conveyed to Ms. Burgess.

#### Future Meetings

Chair Nicholson said the next committee meeting will be on October 18.

#### **Adjournment**

Chair Nicholson adjourned the meeting at 5:56 p.m.



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

**Wednesday, August 15, 2018  
3:00 p.m. – 3:30 p.m. (or until business concludes)  
DeBoer Room, Hannon Library**

**MINUTES**

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

In Chair Sheila Clough's absence, Trustee Steve Vincent called the meeting to order at 3:00 p.m.

The following committee members were present: Shaun Franks, Joanna Steinman and Steve Vincent. Trustees Megan Lightman and Shanztyn Nihipali participated remotely. Chair Sheila Clough and Trustee Les AuCoin were absent.

Other meeting guests included: Greg Perkinson, Vice President for Finance and Administration; Jason Catz, General Counsel; Drew Gilliland, Director of Facilities Management and Planning; Jim McNamara, Project and Planning Manager; Beau Belikoff, Senior Financial Management Analyst; Josh Lovern, Senior Budget Analyst; Joe Mosley, Director of Community and Media Relations; Steve Larvick, Director of Business Services; Don Hill, Classroom and Media Services Manager; John Stevenson, User Support Manager; Sabrina Prud'homme, Board Secretary; and Kathy Park, Executive Assistant.

**Public Comment**

There was no public comment.

**Action Item**

**Request for Authorization to Conduct a Special Procurement**

Introducing the agenda item, Jason Catz said public policy favors competitive bidding and procurement. The Oregon University System (OUS) adopted a series of policies on competitive bidding and public procurements, requiring procurements in excess of \$25,000 to go through the competitive bidding process, with some exceptions. SOU inherited and adopted these OUS policies.

SOU's policy provides that the Finance and Administration Committee can grant exceptions to engaging in competitive procurements. The committee can authorize a special procurement if it is reasonably expected to result in substantial cost savings to the university or the public, or otherwise substantially promotes the public interest. The basis for this request is that going forward with a special procurement for the boiler project would result in substantial cost savings to the university.

Evergreen Engineering previously was engaged to perform reports for SOU. When doing so, Evergreen Engineering indicated a price at which it would be willing to continue its services. At the time, SOU considered a sole source procurement but determined it did not qualify because there is more than one vendor that can provide the services. Therefore, SOU issued a Request for Proposals (RFP) and received two responsive bids, which were substantially higher than what Evergreen Engineering had indicated would be its price to provide the services. By Evergreen Engineering's own mistake, it neglected to submit a bid. SOU recognized that if it contracted with one of the bidders, it would cost thousands of dollars more than if it were to contract with Evergreen Engineering. On that basis, this contract is brought to the Finance and Administration Committee for a determination that proceeding with Evergreen Engineering would result in substantial cost savings to the university.

Mr. Catz said that requesting this type of determination is rare but he hopes the trustees know procurement responsibilities are taken very seriously when it is requested. SOU puts virtually everything out for competitive bids when the \$25,000 threshold is exceeded and, in fact, did so in this case. He hopes the fact that this meeting was called gives the trustees the confidence that SOU adheres to the policy favoring competitive procurement.

Greg Perkinson provided a recap of the scope of the work. The central plant has four boilers, two of which are about 50 years old. This project replaces the aging boilers that are beyond more than twice their useful lives, replaces a chiller, improves control systems, and provides improvements to the closed loop that is part of the boiler system.

Trustee Steinman asked if Evergreen Engineering's failure to submit a bid was a negative indicator. Mr. Perkinson said the mistake occurred because Drew Gilliland emailed the point of contact but she was out of the office for health reasons and did not open the attachment. Responding to Trustee Steinman's further inquiry, Mr. Perkinson said Evergreen Engineering's estimate was for the same scope of work as is in the RFP.

Responding to Trustee Vincent's inquiry, Mr. Catz provided the historical context and interrelationship of Oregon Administrative Rules and OUS, State Board of Higher Education and SOU policies.

For the record, Trustee Vincent explained why the provider of the boiler was not hired for this work. This project is a much broader systems approach. The provider of the boiler cannot be expected to interface it with the entire system. Mr. Perkinson added that the integration of the boilers, chiller and controls that drive the efficiency of those systems typically is designed by an engineering firm.

Mr. Catz noted that the substantial cost savings that will be realized would be about \$92,000. Responding to Trustee Lightman's comments, Mr. Perkinson said Evergreen Engineering is able to create the savings because of its three previous engineering studies with SOU and this is a new scope of work.

Trustee Steinman moved that the Finance and Administration Committee approve the special procurement of architect engineering services from Evergreen Engineering for \$155,500 plus its 10 percent contingency. Trustee Franks seconded the motion. Trustee Vincent acknowledged the substantial financial savings to the institution by using Evergreen Engineering as opposed to the other two bidders. The motion passed unanimously.

**Adjournment**

Trustee Vincent adjourned the meeting at 3:16 p.m.

DRAFT



# **Amendment to Student Incidental Fee for AY 2018-19**



# What is Changing?

## Current Mandatory Fee Schedule, based on March 2018 Board Action

Southern Oregon University  
Academic Year 2018-19 Mandatory Fees

| Credits    | Building      |          | Incidental - Base |          | Incidental - Green Tag <sup>1</sup> |          | Incidental - SCC <sup>1</sup> |          | Health Service <sup>2</sup> |          | Student Rec Center |          | Total Fees    |          |
|------------|---------------|----------|-------------------|----------|-------------------------------------|----------|-------------------------------|----------|-----------------------------|----------|--------------------|----------|---------------|----------|
|            | Undergraduate | Graduate | Undergraduate     | Graduate | Undergraduate                       | Graduate | Undergraduate                 | Graduate | Undergraduate               | Graduate | Undergraduate      | Graduate | Undergraduate | Graduate |
| 1          | 23.00         | 23.00    | 209.00            | 209.00   | 13.00                               | 13.00    | 13.00                         | 13.00    | 0.00                        | 0.00     | 95.00              | 95.00    | 353.00        | 353.00   |
| 2          | 25.00         | 25.00    | 250.00            | 250.00   | 13.00                               | 13.00    | 13.00                         | 13.00    | 0.00                        | 0.00     | 95.00              | 95.00    | 396.00        | 396.00   |
| 3          | 27.00         | 27.00    | 291.00            | 291.00   | 13.00                               | 13.00    | 13.00                         | 13.00    | 0.00                        | 0.00     | 95.00              | 95.00    | 439.00        | 439.00   |
| 4          | 29.00         | 29.00    | 332.00            | 332.00   | 13.00                               | 13.00    | 13.00                         | 13.00    | 140.00                      | 140.00   | 95.00              | 95.00    | 622.00        | 622.00   |
| 5          | 31.00         | 31.00    | 332.00            | 332.00   | 13.00                               | 13.00    | 13.00                         | 13.00    | 140.00                      | 140.00   | 95.00              | 95.00    | 624.00        | 624.00   |
| 6          | 33.00         | 33.00    | 332.00            | 332.00   | 13.00                               | 13.00    | 13.00                         | 13.00    | 140.00                      | 140.00   | 95.00              | 95.00    | 626.00        | 626.00   |
| 7          | 35.00         | 35.00    | 332.00            | 332.00   | 13.00                               | 13.00    | 13.00                         | 13.00    | 140.00                      | 140.00   | 95.00              | 95.00    | 628.00        | 628.00   |
| 8          | 37.00         | 37.00    | 332.00            | 332.00   | 13.00                               | 13.00    | 13.00                         | 13.00    | 140.00                      | 140.00   | 95.00              | 95.00    | 630.00        | 630.00   |
| 9          | 39.00         | 39.00    | 332.00            | 332.00   | 13.00                               | 13.00    | 13.00                         | 13.00    | 140.00                      | 140.00   | 95.00              | 95.00    | 632.00        | 632.00   |
| 10         | 41.00         | 41.00    | 332.00            | 332.00   | 13.00                               | 13.00    | 13.00                         | 13.00    | 140.00                      | 140.00   | 95.00              | 95.00    | 634.00        | 634.00   |
| 11         | 43.00         | 43.00    | 332.00            | 332.00   | 13.00                               | 13.00    | 13.00                         | 13.00    | 140.00                      | 140.00   | 95.00              | 95.00    | 636.00        | 636.00   |
| 12 or more | 45.00         | 45.00    | 332.00            | 332.00   | 13.00                               | 13.00    | 13.00                         | 13.00    | 140.00                      | 140.00   | 95.00              | 95.00    | 638.00        | 638.00   |

**Endnotes:**

(1) The Incidental Fee is one fee. The Green Tag and Schneider Children's Center (SCC) elements of that fee are funded first, regardless of the total rate a student pays for the Incidental Fee. The Incidental fee is the sum of these three.

(2) Qualified tuition and fees do not include student health insurance fees for Tax Relief Act Reporting

(3) A one-time Matriculation Fee of \$300 is assessed to all new and transfer students for admissions, advising, orientation, academic support services, and housing application

Incidental SCC = Incidental Fee dedicated to support the Schneider Children's Center



# Why is it Changing?

Due to the University's decision to close the Schneider Children's Center, ASSOU held a special election to remove that portion dedicated to supporting the Center from the approved 2018-19 Student Incidental Fee

Southern Oregon University  
Academic Year 2018-19 Mandatory Fees

| Credits    | Building      |          | Incidental - Base |          | Incidental - Green Tag <sup>1</sup> |          | Incidental - SCC <sup>1</sup> |          | Health Service <sup>2</sup> |          | Student Rec Center |          | Total Fees    |          |
|------------|---------------|----------|-------------------|----------|-------------------------------------|----------|-------------------------------|----------|-----------------------------|----------|--------------------|----------|---------------|----------|
|            | Undergraduate | Graduate | Undergraduate     | Graduate | Undergraduate                       | Graduate | Undergraduate                 | Graduate | Undergraduate               | Graduate | Undergraduate      | Graduate | Undergraduate | Graduate |
| 1          | 23.00         | 23.00    | 209.00            | 209.00   | 13.00                               | 13.00    | 13.00                         | 13.00    | 0.00                        | 0.00     | 95.00              | 95.00    | 353.00        | 353.00   |
| 2          | 25.00         | 25.00    | 250.00            | 250.00   | 13.00                               | 13.00    | 13.00                         | 13.00    | 0.00                        | 0.00     | 95.00              | 95.00    | 396.00        | 396.00   |
| 3          | 27.00         | 27.00    | 291.00            | 291.00   | 13.00                               | 13.00    | 13.00                         | 13.00    | 0.00                        | 0.00     | 95.00              | 95.00    | 439.00        | 439.00   |
| 4          | 29.00         | 29.00    | 332.00            | 332.00   | 13.00                               | 13.00    | 13.00                         | 13.00    | 140.00                      | 140.00   | 95.00              | 95.00    | 622.00        | 622.00   |
| 5          | 31.00         | 31.00    | 332.00            | 332.00   | 13.00                               | 13.00    | 13.00                         | 13.00    | 140.00                      | 140.00   | 95.00              | 95.00    | 624.00        | 624.00   |
| 6          | 33.00         | 33.00    | 332.00            | 332.00   | 13.00                               | 13.00    | 13.00                         | 13.00    | 140.00                      | 140.00   | 95.00              | 95.00    | 626.00        | 626.00   |
| 7          | 35.00         | 35.00    | 332.00            | 332.00   | 13.00                               | 13.00    | 13.00                         | 13.00    | 140.00                      | 140.00   | 95.00              | 95.00    | 628.00        | 628.00   |
| 8          | 37.00         | 37.00    | 332.00            | 332.00   | 13.00                               | 13.00    | 13.00                         | 13.00    | 140.00                      | 140.00   | 95.00              | 95.00    | 630.00        | 630.00   |
| 9          | 39.00         | 39.00    | 332.00            | 332.00   | 13.00                               | 13.00    | 13.00                         | 13.00    | 140.00                      | 140.00   | 95.00              | 95.00    | 632.00        | 632.00   |
| 10         | 41.00         | 41.00    | 332.00            | 332.00   | 13.00                               | 13.00    | 13.00                         | 13.00    | 140.00                      | 140.00   | 95.00              | 95.00    | 634.00        | 634.00   |
| 11         | 43.00         | 43.00    | 332.00            | 332.00   | 13.00                               | 13.00    | 13.00                         | 13.00    | 140.00                      | 140.00   | 95.00              | 95.00    | 636.00        | 636.00   |
| 12 or more | 45.00         | 45.00    | 332.00            | 332.00   | 13.00                               | 13.00    | 13.00                         | 13.00    | 140.00                      | 140.00   | 95.00              | 95.00    | 638.00        | 638.00   |

**Endnotes:**

(1) The Incidental Fee is one fee. The Green Tag and Schneider Children's Center (SCC) elements of that fee are funded first, regardless of the total rate a student pays for the Incidental Fee. The Incidental fee is the sum of these three.

(2) Qualified tuition and fees do not include student health insurance fees for Tax Relief Act Reporting

(3) A one-time Matriculation Fee of \$300 is assessed to all new and transfer students for admissions, advising, orientation, academic support services, and housing application



# If approved, the new 2018-19 Mandatory Fee schedule will be:

- Total Student Incidental Fee will go from \$358/term to \$345/term  
[\$332 (incidental base) + 13 (green tag)]
- Total Mandatory Fees will go from a maximum of \$638/term to \$625/term

This will be effective Winter 2019

Southern Oregon University  
Academic Year 2018-19 Mandatory Fees

| Credits    | Building      |          | Incidental - Base |          | Incidental - Green Tag <sup>1</sup> |          | Health Service <sup>2</sup> |          | Student Rec Center |          | Total Fees    |          |
|------------|---------------|----------|-------------------|----------|-------------------------------------|----------|-----------------------------|----------|--------------------|----------|---------------|----------|
|            | Undergraduate | Graduate | Undergraduate     | Graduate | Undergraduate                       | Graduate | Undergraduate               | Graduate | Undergraduate      | Graduate | Undergraduate | Graduate |
| 1          | 23.00         | 23.00    | 248.00            | 248.00   | 13.00                               | 13.00    | 0.00                        | 0.00     | 95.00              | 95.00    | 379.00        | 379.00   |
| 2          | 25.00         | 25.00    | 276.00            | 276.00   | 13.00                               | 13.00    | 0.00                        | 0.00     | 95.00              | 95.00    | 409.00        | 409.00   |
| 3          | 27.00         | 27.00    | 304.00            | 304.00   | 13.00                               | 13.00    | 0.00                        | 0.00     | 95.00              | 95.00    | 439.00        | 439.00   |
| 4          | 29.00         | 29.00    | 332.00            | 332.00   | 13.00                               | 13.00    | 140.00                      | 140.00   | 95.00              | 95.00    | 609.00        | 609.00   |
| 5          | 31.00         | 31.00    | 332.00            | 332.00   | 13.00                               | 13.00    | 140.00                      | 140.00   | 95.00              | 95.00    | 611.00        | 611.00   |
| 6          | 33.00         | 33.00    | 332.00            | 332.00   | 13.00                               | 13.00    | 140.00                      | 140.00   | 95.00              | 95.00    | 613.00        | 613.00   |
| 7          | 35.00         | 35.00    | 332.00            | 332.00   | 13.00                               | 13.00    | 140.00                      | 140.00   | 95.00              | 95.00    | 615.00        | 615.00   |
| 8          | 37.00         | 37.00    | 332.00            | 332.00   | 13.00                               | 13.00    | 140.00                      | 140.00   | 95.00              | 95.00    | 617.00        | 617.00   |
| 9          | 39.00         | 39.00    | 332.00            | 332.00   | 13.00                               | 13.00    | 140.00                      | 140.00   | 95.00              | 95.00    | 619.00        | 619.00   |
| 10         | 41.00         | 41.00    | 332.00            | 332.00   | 13.00                               | 13.00    | 140.00                      | 140.00   | 95.00              | 95.00    | 621.00        | 621.00   |
| 11         | 43.00         | 43.00    | 332.00            | 332.00   | 13.00                               | 13.00    | 140.00                      | 140.00   | 95.00              | 95.00    | 623.00        | 623.00   |
| 12 or more | 45.00         | 45.00    | 332.00            | 332.00   | 13.00                               | 13.00    | 140.00                      | 140.00   | 95.00              | 95.00    | 625.00        | 625.00   |

Endnotes:  
 (1) The Incidental Fee is one fee. The Green Tag element of that fee is funded first, regardless of the total rate a student pays for the Incidental Fee. The Incidental fee is the sum of these two amounts.  
 (2) Qualified tuition and fees do not include student health insurance fees for Tax Relief Act Reporting  
 (3) A one-time Matriculation Fee of \$300 is assessed to all new and transfer students for admissions, advising, orientation, academic support services, and housing application



Questions?



**Southern Oregon University  
Board of Trustees**

**RESOLUTION  
Amendment to Academic Year 2018-19 Student Incidental Fee**

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

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

Whereas, the Associated Students of Southern Oregon University held a special election in 2015 allowing students to vote on a referendum to initiate the collection of a \$13 per term fee help fund the operation of the Schneider Children’s Center; and

Whereas, on October 18, 2018, the certified election results were # votes of “yes” with # votes of “no,” and the ballot measure passed and was certified; Now therefore,

Be it resolved, that the Finance and Administration Committee recommends the Board of Trustees approve the reduction of the 2018-19 Student Incidental Fee as proposed, eliminating the \$13 per term fee and reducing the total Student Incidental Fee from \$358 per term to \$345/term accordingly; and

The committee further recommends that the Board of Trustees authorize the university president or her designee(s), to take the actions necessary to implement and enforce the Academic Year 2018-19 Tuition and Mandatory Fees and associated policies.

VOTE:

DATE: October 18, 2018

Recorded by the University Board Secretary:

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## EXHIBIT A

### ASSOU Special Election Ballot Question and Information

#### **Should the \$13 per term Schneider Children's Center Fee terminate at the end of the 2017-2018 academic term with the closing of the Schneider Children's Center?**

Based on the recent decision by President Schott to close Schneider Children's Center, the \$13 per term fee that supported operation costs is no longer necessary. The fee was introduced through a referendum and was effective beginning in the 2016-2017 academic year. Without reversing the referendum, the fee will continue to be collected but will go towards the Center's current deficit fund balance. These funds cannot be utilized in other areas on campus through the student fee. The decision from President Schott comes as a response to years of financial challenges for Schneider Children's Center and an inability to find a viable funding solution that meets operation costs without raising childcare costs for parents. A yes vote would remove the \$13 per term Schneider Children's Center Fee and protect future students from paying a fee that is not supporting students.

# **Committee Meeting Schedule and 2018-19 Budget Calendar**



**SOU Board of Trustees  
Board and Committee Meeting Schedule  
Academic Years 2018-19 and 2019-20**

| <b>MEETING</b>   | <b>Academic and Student Affairs</b>                         | <b>Finance and Administration</b>              | <b>Executive and Audit</b>            | <b>Board of Trustees</b>                     |
|------------------|---|--|---------------------------------------|--|
| <b>DAY</b>       | Third Thursdays   | Third Thursdays                                | Third Fridays                         | Third Fridays                                |
| <b>FREQUENCY</b> | Four Times Per Year<br>(As needed for curriculum approvals) | Seven Times Per Year                           | Four Times Per Year                   | Four Times Per Year<br>(Plus a Fall Retreat) |
| <b>TIME</b>      | 12:00-3:30 p.m.   | 4:00-6:00 p.m.<br>(4:00-5:30 p.m. Budget Mtgs) | 9:30-11:30 a.m.                       | 12:00-5:00 p.m.                              |
|                  |   | Special Meeting<br>August 15, 2018             | Special Meeting<br>September 27, 2018 | Retreat<br>September 27-28, 2018             |
|                  | October 18, 2018  | October 18, 2018                               | October 19, 2018                      | October 19, 2018                             |
|                  | January 17, 2019  | January 17, 2019                               | January 18, 2019                      | January 18, 2019                             |
|                  |   | February 21, 2019<br>(Budget focus only)       |                                       |  |
|                  | March 21, 2019  | March 21, 2019                                 | March 22, 2019                        | March 22, 2019                               |
|                  |   | April 18, 2019<br>(Budget focus only)          |                                       |  |
|                  |   | May 16, 2019<br>(Budget focus only)            |                                       |  |
|                  | June 20, 2019   | June 20, 2019                                  | June 21, 2019                         | June 21, 2019                                |
|                  |   |  | Special Meeting<br>September 19, 2019 | Retreat<br>September 19-20, 2019             |
|                  | October 17, 2019  | October 17, 2019                               | October 18, 2019                      | October 18, 2019                             |
|                  | January 16, 2020  | January 16, 2020                               | January 17, 2020                      | January 17, 2020                             |
|                  |   | February 20, 2020<br>(Budget focus only)       |                                       |  |
|                  | March 19, 2020  | March 19, 2020                                 | March 20, 2020                        | March 20, 2020                               |
|                  |   | April 16, 2020<br>(Budget focus only)          |                                       |  |
|                  |   | May 21, 2020<br>(Budget focus only)            |                                       |  |
|                  | June 18, 2020   | June 18, 2020                                  | June 19, 2020                         | June 19, 2020                                |

# 2018 -19 Budget Calendar



| Meeting       | Subject/Item  | Audience                      | Purpose   |
|---------------|---|-------------------------------|---|
| October 2018  | <ul style="list-style-type: none"> <li>– Prior Year Results</li> <li>– Q1 Actuals and Forecast</li> <li>– SSCM Part I: Student Success and Completion Model Overview</li> </ul>                           | <p>Committee</p> <p>Board</p> | <p>For Your Information (FYI)</p> <p>FYI</p> <p>FYI</p>                       |
| January 2019  | <ul style="list-style-type: none"> <li>– Budget Assumptions and Baselines</li> <li>– Announce Tuition Advisory Council (TAC) Membership</li> <li>– SSCM Part 2: SSCM Impacts and the Way-ahead</li> </ul> | <p>Committee</p> <p>Board</p> | <p>FYI, Review and Discussion</p>   |
| February 2019 | <ul style="list-style-type: none"> <li>– Preliminary Tuition and Fee Analysis</li> <li>– Update Budget Baselines (Education &amp; General; Student Life; Auxiliaries) and Pro forma</li> </ul>            | <p>Committee</p>              | <p>Review and Discuss</p>   |
| March 2019    | <ul style="list-style-type: none"> <li>– Student Fee Proposal</li> <li>– Tuition and Mandatory Fees</li> </ul>  | <p>Committee and Board</p>    | <p>Review, Forward to Board, Board Action</p>                                 |
| April 2019    | <ul style="list-style-type: none"> <li>– Complete All Baseline Budgets</li> <li>– Tuition and Mandatory Fees (if necessary)</li> </ul>  | <p>Committee</p> <p>Board</p> | <p>Review, Provide Feedback</p> <p>Review, Forward to Board, Board Action</p> |
| May 2019      | <ul style="list-style-type: none"> <li>– Present Draft Budget</li> </ul>  | <p>Committee</p>              | <p>Review, Provide Feedback</p>   |
| June 2019     | <ul style="list-style-type: none"> <li>– Approve and Adopt Budget</li> </ul>  | <p>Committee</p> <p>Board</p> | <p>Review/Act, and Forward to Board</p> <p>Review and Adopt</p>               |

# First Quarter Forecast and Pro Forma

# Proforma Overview

- Compares Board approved Budget to current execution; and
- Identifies the forecast for future revenue and expense
- Key measures:
  - Ending fund balance
  - % of operating revenue
- Serves as a modelling capability, enabling tuition setting process and budget approval (year by year)



# Proforma – Current Reality

- Key revenue drivers:
  - Current SSCM data; not Current Service Level; includes “True-up”
  - 3<sup>rd</sup> week enrollment #s
- Expense drivers:
  - New PERS rates
  - No labor ‘corrections’ (vacant positions funded)

| Education and General<br>(in thousands of dollars) | 2017-19 Biennium             |                                   |                                | 2019-21 Biennium               |                                | 2021-23 Biennium               |                                |
|--|------------------------------|-----------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
|  | 2017-18<br>Actual<br>(000's) | 2018-19<br>Prop Budget<br>(000's) | 2018-19<br>FORECAST<br>(000's) | 2019-20<br>FORECAST<br>(000's) | 2020-21<br>FORECAST<br>(000's) | 2021-22<br>FORECAST<br>(000's) | 2022-23<br>FORECAST<br>(000's) |
| <b>Revenue</b>                                     |                              |                                   |                                |                                |                                |                                |                                |
| State Appropriations (SSCM)                        | 20,840                       | 21,150                            | 21,270                         | 21,537                         | 22,410                         | 24,259                         | 25,238                         |
| State Appropriations: ETIC/SELP                    | 433                          | 428                               | 381                            | 381                            | 381                            | 381                            | 381                            |
| One-time Funding                                   |                              |                                   | 32                             |                                |                                |                                |                                |
| Total State Funding                                | 21,273                       | 21,578                            | 21,683                         | 21,918                         | 22,791                         | 24,640                         | 25,619                         |
| Tuition  | 37,758                       | 42,701                            | 37,671                         | 40,645                         | 42,295                         | 43,748                         | 45,291                         |
| Fees   | 3,244                        | 3,256                             | 3,783                          | 3,989                          | 4,160                          | 4,364                          | 4,615                          |
| Remissions   | (4,242)                      | (4,142)                           | (3,767)                        | (4,064)                        | (4,229)                        | (4,375)                        | (4,529)                        |
| Tuition, net of Remissions                         | 36,760                       | 41,814                            | 37,686                         | 40,570                         | 42,225                         | 43,738                         | 45,376                         |
| Misc. Other Revenue                                | 2,811                        | 2,100                             | 2,100                          | 2,243                          | 2,247                          | 2,219                          | 2,442                          |
| <b>Total Revenues</b>                              | <b>60,844</b>                | <b>65,491</b>                     | <b>61,469</b>                  | <b>64,731</b>                  | <b>67,263</b>                  | <b>70,597</b>                  | <b>73,437</b>                  |
| <b>Personnel Services</b>                          |                              |                                   |                                |                                |                                |                                |                                |
| Faculty  | (14,989)                     | (15,660)                          | (15,213)                       | (15,934)                       | (16,301)                       | (16,690)                       | (17,357)                       |
| Admin  | (8,909)                      | (9,364)                           | (9,043)                        | (9,792)                        | (10,075)                       | (10,366)                       | (10,632)                       |
| Classified   | (6,436)                      | (6,665)                           | (6,532)                        | (7,031)                        | (7,418)                        | (7,826)                        | (8,257)                        |
| Student (& Other)                                  | (1,430)                      | (1,576)                           | (1,576)                        | (1,650)                        | (1,760)                        | (1,871)                        | (1,962)                        |
| Labor  | (31,763)                     | (33,265)                          | (32,364)                       | (34,408)                       | (35,555)                       | (36,754)                       | (38,228)                       |
| OPE  | (17,012)                     | (18,463)                          | (18,460)                       | (19,893)                       | (20,687)                       | (21,493)                       | (22,441)                       |
| <b>Net Personnel</b>                               | <b>(48,775)</b>              | <b>(51,728)</b>                   | <b>(50,824)</b>                | <b>(54,300)</b>                | <b>(56,242)</b>                | <b>(58,247)</b>                | <b>(60,669)</b>                |
| Supplies & Services                                | (9,287)                      | (10,892)                          | (10,849)                       | (11,137)                       | (11,388)                       | (11,644)                       | (11,906)                       |
| Total Supplies and Services                        | (9,287)                      | (10,892)                          | (10,849)                       | (11,137)                       | (11,388)                       | (11,644)                       | (11,906)                       |
| <b>Total Expenditures</b>                          | <b>(58,062)</b>              | <b>(62,620)</b>                   | <b>(61,673)</b>                | <b>(65,437)</b>                | <b>(67,629)</b>                | <b>(69,891)</b>                | <b>(72,574)</b>                |
| <b>Net from Operations Before Transfers</b>        | <b>2,782</b>                 | <b>2,872</b>                      | <b>(205)</b>                   | <b>(707)</b>                   | <b>(366)</b>                   | <b>707</b>                     | <b>863</b>                     |
| Net Transfers                                      | (2,481)                      | (2,591)                           | (1,591)                        | (2,680)                        | (2,776)                        | (2,869)                        | (2,969)                        |
| Change in Fund Balance                             | <b>301</b>                   | <b>281</b>                        | <b>(1,796)</b>                 | <b>(3,386)</b>                 | <b>(3,141)</b>                 | <b>(2,163)</b>                 | <b>(2,125)</b>                 |
| <b>Beginning Fund Balance</b>                      | <b>6,844</b>                 | <b>7,138</b>                      | <b>5,342</b>                   | <b>1,956</b>                   | <b>1,956</b>                   | <b>(1,185)</b>                 | <b>(3,348)</b>                 |
| <b>Ending Fund Balance</b>                         | <b>7,145</b>                 | <b>7,419</b>                      | <b>5,342</b>                   | <b>1,956</b>                   | <b>(1,185)</b>                 | <b>(3,348)</b>                 | <b>(5,473)</b>                 |
| <b>% Operating Revenues</b>                        | <b>11.7%</b>                 | <b>11.3%</b>                      | <b>8.7%</b>                    | <b>3.0%</b>                    | <b>-1.8%</b>                   | <b>-4.7%</b>                   | <b>-7.5%</b>                   |

- Help needed to hit (legacy) 10% goal

# Proforma – Current Reality



| Education and General<br>(in thousands of dollars) | 2017-19 Biennium  |                        |                     | 2019-21 Biennium    |                     | 2021-23 Biennium    |                     |
|--|-------------------|------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|  | 2017-18           | 2018-19                | 2018-19             | 2019-20             | 2020-21             | 2021-22             | 2022-23             |
|  | Actual<br>(000's) | Prop Budget<br>(000's) | FORECAST<br>(000's) | FORECAST<br>(000's) | FORECAST<br>(000's) | FORECAST<br>(000's) | FORECAST<br>(000's) |
| <b>Revenue</b>                                     |                   |                        |                     |                     |                     |                     |                     |
| State Appropriations (SSCM)                        | 20,840            | 21,150                 | 21,270              | 21,537              | 22,410              | 24,259              | 25,238              |
| State Appropriations: ETIC/SELP                    | 433               | 428                    | 381                 | 381                 | 381                 | 381                 | 381                 |
| One-time Funding                                   |                   |                        | 32                  |                     |                     |                     |                     |
| <b>Total State Funding</b>                         | <b>21,273</b>     | <b>21,578</b>          | <b>21,683</b>       | <b>21,918</b>       | <b>22,791</b>       | <b>24,640</b>       | <b>25,619</b>       |
| Tuition  | 37,758            | 42,701                 | 37,671              | 40,645              | 42,295              | 43,748              | 45,291              |
| Fees   | 3,244             | 3,256                  | 3,783               | 3,989               | 4,160               | 4,364               | 4,615               |
| Remissions   | (4,242)           | (4,142)                | (3,767)             | (4,064)             | (4,229)             | (4,375)             | (4,529)             |
| Tuition, net of Remissions                         | 36,760            | 41,814                 | 37,686              | 40,570              | 42,225              | 43,738              | 45,376              |
| Misc. Other Revenue                                | 2,811             | 2,100                  | 2,100               | 2,243               | 2,247               | 2,219               | 2,442               |
| <b>Total Revenues</b>                              | <b>60,844</b>     | <b>65,491</b>          | <b>61,469</b>       | <b>64,731</b>       | <b>67,263</b>       | <b>70,597</b>       | <b>73,437</b>       |
| <b>Personnel Services</b>                          |                   |                        |                     |                     |                     |                     |                     |
| Faculty  | (14,989)          | (15,660)               | (15,213)            | (15,934)            | (16,301)            | (16,690)            | (17,357)            |
| Admin  | (8,909)           | (9,364)                | (9,043)             | (9,792)             | (10,075)            | (10,366)            | (10,632)            |
| Classified   | (6,436)           | (6,665)                | (6,532)             | (7,031)             | (7,418)             | (7,826)             | (8,257)             |
| Student (& Other)                                  | (1,430)           | (1,576)                | (1,576)             | (1,650)             | (1,760)             | (1,871)             | (1,982)             |
| Labor  | (31,763)          | (33,265)               | (32,364)            | (34,408)            | (35,555)            | (36,754)            | (38,228)            |
| OPE  | (17,012)          | (18,463)               | (18,460)            | (19,893)            | (20,687)            | (21,493)            | (22,441)            |
| <b>Net Personnel</b>                               | <b>(48,775)</b>   | <b>(51,728)</b>        | <b>(50,824)</b>     | <b>(54,300)</b>     | <b>(56,242)</b>     | <b>(58,247)</b>     | <b>(60,669)</b>     |
| Supplies & Services                                | (9,287)           | (10,892)               | (10,849)            | (11,137)            | (11,388)            | (11,644)            | (11,906)            |
| <b>Total Supplies and Services</b>                 | <b>(9,287)</b>    | <b>(10,892)</b>        | <b>(10,849)</b>     | <b>(11,137)</b>     | <b>(11,388)</b>     | <b>(11,644)</b>     | <b>(11,906)</b>     |
| <b>Total Expenditures</b>                          | <b>(58,062)</b>   | <b>(62,620)</b>        | <b>(61,673)</b>     | <b>(65,437)</b>     | <b>(67,629)</b>     | <b>(69,891)</b>     | <b>(72,574)</b>     |
| <b>Net from Operations Before Transfers</b>        | <b>2,782</b>      | <b>2,872</b>           | <b>(205)</b>        | <b>(707)</b>        | <b>(366)</b>        | <b>707</b>          | <b>863</b>          |
| Net Transfers                                      | (2,481)           | (2,591)                | (1,591)             | (2,680)             | (2,776)             | (2,869)             | (2,989)             |
| Change in Fund Balance                             | <b>301</b>        | <b>281</b>             | <b>(1,796)</b>      | <b>(3,386)</b>      | <b>(3,141)</b>      | <b>(2,163)</b>      | <b>(2,125)</b>      |
| <b>Beginning Fund Balance</b>                      | <b>6,844</b>      | <b>7,138</b>           | <b>7,138</b>        | <b>5,342</b>        | <b>1,956</b>        | <b>(1,185)</b>      | <b>(3,348)</b>      |
| <b>Ending Fund Balance</b>                         | <b>7,145</b>      | <b>7,419</b>           | <b>5,342</b>        | <b>1,956</b>        | <b>(1,185)</b>      | <b>(3,348)</b>      | <b>(5,473)</b>      |
| <b>% Operating Revenues</b>                        | <b>11.7%</b>      | <b>11.3%</b>           | <b>8.7%</b>         | <b>3.0%</b>         | <b>-1.8%</b>        | <b>-4.7%</b>        | <b>-7.5%</b>        |

# Proforma – Current Service Level (CSL) provided

- Key revenue drivers:
  - To maintain CSL, + \$130M (equates to 8.2% increase)
  - Still models tuition at 5%

- Expense drivers:
  - Same as previous chart

- Intended to shift burden from Students to State

- Closer to legacy 10% goal; but still requires sound financial management in out-years

| Education and General<br>(in thousands of dollars) | 2017-19 Biennium             |                                   |                                | 2019-21 Biennium               |                                | 2021-23 Biennium               |                                |
|--|------------------------------|-----------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
|  | 2017-18<br>Actual<br>(000's) | 2018-19<br>Prop Budget<br>(000's) | 2018-19<br>FORECAST<br>(000's) | 2019-20<br>FORECAST<br>(000's) | 2020-21<br>FORECAST<br>(000's) | 2021-22<br>FORECAST<br>(000's) | 2022-23<br>FORECAST<br>(000's) |
|  | <b>Revenue</b>               |                                   |                                |                                |                                |                                |                                |
| State Appropriations (SSCM)                        | 20,840                       | 21,150                            | 21,270                         | 23,391                         | 24,334                         | 25,621                         | 26,655                         |
| State Appropriations: ETIC/SELP                    | 433                          | 428                               | 381                            | 381                            | 381                            | 381                            | 381                            |
| One-time Funding                                   |                              |                                   | 32                             |                                |                                |                                |                                |
| Total State Funding                                | 21,273                       | 21,578                            | 21,683                         | 23,771                         | 24,715                         | 26,002                         | 27,036                         |
| Tuition  | 37,758                       | 42,701                            | 37,671                         | 40,645                         | 42,295                         | 43,748                         | 45,291                         |
| Fees   | 3,244                        | 3,256                             | 3,783                          | 3,989                          | 4,160                          | 4,364                          | 4,615                          |
| Remissions   | (4,242)                      | (4,142)                           | (3,767)                        | (4,064)                        | (4,229)                        | (4,375)                        | (4,529)                        |
| Tuition, net of Remissions                         | 36,760                       | 41,814                            | 37,686                         | 40,570                         | 42,225                         | 43,738                         | 45,376                         |
| Misc. Other Revenue                                | 2,811                        | 2,100                             | 2,100                          | 2,243                          | 2,247                          | 2,219                          | 2,442                          |
| <b>Total Revenues</b>                              | <b>60,844</b>                | <b>65,491</b>                     | <b>61,469</b>                  | <b>66,584</b>                  | <b>69,187</b>                  | <b>71,959</b>                  | <b>74,854</b>                  |
| <b>Personnel Services</b>                          |                              |                                   |                                |                                |                                |                                |                                |
| Faculty  | (14,389)                     | (15,660)                          | (15,213)                       | (15,934)                       | (16,301)                       | (16,690)                       | (17,357)                       |
| Admin  | (8,309)                      | (9,364)                           | (9,043)                        | (9,792)                        | (10,075)                       | (10,366)                       | (10,632)                       |
| Classified   | (6,436)                      | (6,665)                           | (6,532)                        | (7,031)                        | (7,418)                        | (7,826)                        | (8,257)                        |
| Student (& Other)                                  | (1,430)                      | (1,576)                           | (1,576)                        | (1,650)                        | (1,760)                        | (1,871)                        | (1,982)                        |
| Labor  | (31,763)                     | (33,265)                          | (32,364)                       | (34,408)                       | (35,555)                       | (36,754)                       | (38,228)                       |
| OPE  | (17,012)                     | (18,463)                          | (18,460)                       | (19,893)                       | (20,687)                       | (21,493)                       | (22,441)                       |
| <b>Net Personnel</b>                               | <b>(48,775)</b>              | <b>(51,728)</b>                   | <b>(50,824)</b>                | <b>(54,300)</b>                | <b>(56,242)</b>                | <b>(58,247)</b>                | <b>(60,669)</b>                |
| Supplies & Services                                | (9,287)                      | (10,892)                          | (10,849)                       | (11,137)                       | (11,388)                       | (11,644)                       | (11,906)                       |
| Total Supplies and Services                        | (9,287)                      | (10,892)                          | (10,849)                       | (11,137)                       | (11,388)                       | (11,644)                       | (11,906)                       |
| <b>Total Expenditures</b>                          | <b>(58,062)</b>              | <b>(62,620)</b>                   | <b>(61,673)</b>                | <b>(65,437)</b>                | <b>(67,629)</b>                | <b>(69,891)</b>                | <b>(72,574)</b>                |
| <b>Net from Operations Before Transfers</b>        | <b>2,782</b>                 | <b>2,872</b>                      | <b>(205)</b>                   | <b>1,147</b>                   | <b>1,558</b>                   | <b>2,068</b>                   | <b>2,280</b>                   |
| Net Transfers                                      | (2,481)                      | (2,531)                           | (1,531)                        | (2,660)                        | (2,776)                        | (2,869)                        | (2,989)                        |
| Change in Fund Balance                             | <b>301</b>                   | <b>281</b>                        | <b>(1,796)</b>                 | <b>(1,533)</b>                 | <b>(1,217)</b>                 | <b>(801)</b>                   | <b>(709)</b>                   |
| <b>Beginning Fund Balance</b>                      | <b>6,844</b>                 | <b>7,138</b>                      | <b>7,138</b>                   | <b>5,342</b>                   | <b>3,809</b>                   | <b>2,592</b>                   | <b>1,791</b>                   |
| <b>Ending Fund Balance</b>                         | <b>7,145</b>                 | <b>7,419</b>                      | <b>5,342</b>                   | <b>3,809</b>                   | <b>2,592</b>                   | <b>1,791</b>                   | <b>1,082</b>                   |
| <b>% Operating Revenues</b>                        | <b>11.7%</b>                 | <b>11.3%</b>                      | <b>8.7%</b>                    | <b>5.7%</b>                    | <b>3.7%</b>                    | <b>2.5%</b>                    | <b>1.4%</b>                    |

# Proforma – Current Service Level Funding



| Education and General<br>(in thousands of dollars) | 2017-19 Biennium  |                        |                     | 2019-21 Biennium    |                     | 2021-23 Biennium    |                     |
|--|-------------------|------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|  | 2017-18           | 2018-19                | 2018-19             | 2019-20             | 2020-21             | 2021-22             | 2022-23             |
|  | Actual<br>(000's) | Prop Budget<br>(000's) | FORECAST<br>(000's) | FORECAST<br>(000's) | FORECAST<br>(000's) | FORECAST<br>(000's) | FORECAST<br>(000's) |
| <b>Revenue</b>                                     |                   |                        |                     |                     |                     |                     |                     |
| State Appropriations (SSCM)                        | 20,840            | 21,150                 | 21,270              | 23,391              | 24,334              | 25,621              | 26,655              |
| State Appropriations: ETIC/SELP                    | 433               | 428                    | 381                 | 381                 | 381                 | 381                 | 381                 |
| One-time Funding                                   |                   |                        | 32                  |                     |                     |                     |                     |
| <b>Total State Funding</b>                         | <b>21,273</b>     | <b>21,578</b>          | <b>21,683</b>       | <b>23,771</b>       | <b>24,715</b>       | <b>26,002</b>       | <b>27,036</b>       |
| Tuition  | 37,758            | 42,701                 | 37,671              | 40,645              | 42,295              | 43,748              | 45,291              |
| Fees   | 3,244             | 3,256                  | 3,783               | 3,989               | 4,160               | 4,364               | 4,615               |
| Remissions   | (4,242)           | (4,142)                | (3,767)             | (4,064)             | (4,229)             | (4,375)             | (4,529)             |
| Tuition, net of Remissions                         | 36,760            | 41,814                 | 37,686              | 40,570              | 42,225              | 43,738              | 45,376              |
| Misc. Other Revenue                                | 2,811             | 2,100                  | 2,100               | 2,243               | 2,247               | 2,219               | 2,442               |
| <b>Total Revenues</b>                              | <b>60,844</b>     | <b>65,491</b>          | <b>61,469</b>       | <b>66,584</b>       | <b>69,187</b>       | <b>71,959</b>       | <b>74,854</b>       |
| Personnel Services                                 |                   |                        |                     |                     |                     |                     |                     |
| Faculty  | (14,989)          | (15,660)               | (15,213)            | (15,934)            | (16,301)            | (16,690)            | (17,357)            |
| Admin  | (8,909)           | (9,364)                | (9,043)             | (9,792)             | (10,075)            | (10,366)            | (10,632)            |
| Classified   | (6,436)           | (6,665)                | (6,532)             | (7,031)             | (7,418)             | (7,826)             | (8,257)             |
| Student (& Other)                                  | (1,430)           | (1,576)                | (1,576)             | (1,650)             | (1,760)             | (1,871)             | (1,982)             |
| Labor  | (31,763)          | (33,265)               | (32,364)            | (34,408)            | (35,555)            | (36,754)            | (38,228)            |
| OPE  | (17,012)          | (18,463)               | (18,460)            | (19,893)            | (20,687)            | (21,493)            | (22,441)            |
| <b>Net Personnel</b>                               | <b>(48,775)</b>   | <b>(51,728)</b>        | <b>(50,824)</b>     | <b>(54,300)</b>     | <b>(56,242)</b>     | <b>(58,247)</b>     | <b>(60,669)</b>     |
| Supplies & Services                                | (9,287)           | (10,892)               | (10,849)            | (11,137)            | (11,388)            | (11,644)            | (11,906)            |
| <b>Total Supplies and Services</b>                 | <b>(9,287)</b>    | <b>(10,892)</b>        | <b>(10,849)</b>     | <b>(11,137)</b>     | <b>(11,388)</b>     | <b>(11,644)</b>     | <b>(11,906)</b>     |
| <b>Total Expenditures</b>                          | <b>(58,062)</b>   | <b>(62,620)</b>        | <b>(61,673)</b>     | <b>(65,437)</b>     | <b>(67,629)</b>     | <b>(69,891)</b>     | <b>(72,574)</b>     |
| <b>Net from Operations Before Transfers</b>        | <b>2,782</b>      | <b>2,872</b>           | <b>(205)</b>        | <b>1,147</b>        | <b>1,558</b>        | <b>2,068</b>        | <b>2,280</b>        |
| Net Transfers                                      | (2,481)           | (2,591)                | (1,591)             | (2,680)             | (2,776)             | (2,869)             | (2,989)             |
| Change in Fund Balance                             | <b>301</b>        | <b>281</b>             | <b>(1,796)</b>      | <b>(1,533)</b>      | <b>(1,217)</b>      | <b>(801)</b>        | <b>(709)</b>        |
| <b>Beginning Fund Balance</b>                      | <b>6,844</b>      | <b>7,138</b>           | <b>7,138</b>        | <b>5,342</b>        | <b>3,809</b>        | <b>2,592</b>        | <b>1,791</b>        |
| <b>Ending Fund Balance</b>                         | <b>7,145</b>      | <b>7,419</b>           | <b>5,342</b>        | <b>3,809</b>        | <b>2,592</b>        | <b>1,791</b>        | <b>1,082</b>        |
| <b>% Operating Revenues</b>                        | <b>11.7%</b>      | <b>11.3%</b>           | <b>8.7%</b>         | <b>5.7%</b>         | <b>3.7%</b>         | <b>2.5%</b>         | <b>1.4%</b>         |



# Proforma – Key Take aways

- Without Current Service Level (CSL) funding (+ \$130M); can't sustain low tuition rates
- Current enrollment decline strains our “healthy” fund balance;
  - Can weather the storm; but requires focused effort on enrollment recovery
- Staff developing mitigation plans to control discretionary cost

# Future Meetings

# Adjournment