



OFFICE OF THE BOARD OF TRUSTEES

Public Meeting Notice

April 8, 2016

TO: Southern Oregon University Board of Trustees
FROM: Sabrina Prud'homme, University Board Secretary
RE: Notice of Regular Meeting of the Board of Trustees

The Southern Oregon University Board of Trustees will hold a regular meeting on the date and at the location set forth below. Please note, a portion of this meeting will include a walking tour of the SOU Science Building.

Topics of the meeting will include: a walking tour of the SOU Science Building; reports from the President, board committees, student leadership, and faculty senate. There will also be a discussion and action on House Bill 3375 and Preparation of Diverse Educators; the tuition and fee process; 2016-2017 tuition and fees; 2017-2019 capital projects prioritization; and bond funding to replace SELP loan funding. The board will also receive updates on the HECC funding request, the HECC conditions report, curriculum, accreditation and the presidential search.

The meeting will occur as follows:

Friday, April 15, 2016
12:00 p.m. to 5:00 p.m. (or until business is concluded)
(Lunch to be provided for the board and selected staff members.)
Hannon Library, DeBoer Boardroom, 3rd Floor, Room #303
Visit sou.edu/video to stream the meeting proceedings.

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

Churchill Hall, Room 107 • 1250 Siskiyou Boulevard • Ashland, Oregon 97520-5015

(541) 552-8055 • governance.sou.edu • trustees@sou.edu



Board of Trustees
April 15, 2016

Call to Order and Preliminary Business



Board of Trustees Meeting

Friday, April 15, 2016

12:00 – 5:00 p.m. (or until business concludes)

DeBoer Room, Hannon Library

AGENDA

Persons wishing to participate during the public comment period shall sign up at the meeting.

Please note: times are approximate and items may be taken out of order.

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|-----------|----------|--|--|
| | 1 | Call to Order and Preliminary Business | Chair Thorndike |
| | 1.1 | Welcome and opening remarks | |
| | 1.2 | Agenda review | |
| | 1.3 | Roll call | Sabrina Prud'homme,
SOU, Board Secretary |
| | 1.4 | Consent Agenda: Approval of January 22, 2016
and February 18, 2016 Meeting Minutes (Action) | Chair Thorndike |
| | 2 | Public Comment | |
| | 3 | Lunch and Campus Update | |
| ~ 45 min. | 3.1 | Walking Tour of the SOU Science Building | Craig Morris, SOU, Vice
President for Finance
and Administration; Dr.
Sherry Ettlich, SOU,
Division Director,
Science, Technology,
Engineering and
Mathematics; Drew
Gilliland, SOU, Director
of Facilities
Management and
Planning |
| ~ 5 min. | 4 | President's Report | President Saigo |
| ~ 20 min. | 5 | Committee Reports | |
| ~ 5 min. | 5.1 | Executive and Audit | Chair Thorndike |

Board of Trustees Meeting

Friday, April 15, 2016
12:00 – 5:00 p.m. (or until business concludes)
DeBoer Room, Hannon Library

AGENDA (Cont'd)

~ 10 min.	5.2	Finance and Administration	Trustee Nicholson
~ 5 min.	5.3	Academic and Student Affairs	Trustee Sayre
~ 5 min.	6	Student Leadership Report	Torii Uyehara, ASSOU, President
~ 5 min.	7	Faculty Senate Report	Larry Shrewsbury, Faculty Senate, President
~ 30 min.	8	Process for Establishing Tuition and Fees (Action)	Chair Thorndike; Mark Denney, SOU, Associate Vice President for Budget and Planning
~ 45 min.	9	2016-2017 Tuition and Fees (Action)	President Saigo; Mark Denney; Torii Uyehara
~ 20 min.	10	2017-2019 Capital Projects Prioritization (Action)	Trustee Nicholson; Craig Morris
~ 10 min.	11	Bond Funding to Replace SELP Loan Funding (Action)	Trustee Nicholson; Jason Catz, SOU, General Counsel
~ 25 min.	12	HB 3375 (2015) and Preparation of Diverse Educators (Action)	Trustee Sayre
~ 10 min.	13	Board Staffing Discussion and Process (Action)	Chair Thorndike
~20 min.	14	HECC Funding Request - Update	Craig Morris; Dr. Susan Walsh, Provost and Vice President for Academic and Student Affairs

Board of Trustees Meeting

Friday, April 15, 2016
12:00 – 5:00 p.m. (or until business concludes)
DeBoer Room, Hannon Library

AGENDA (Cont'd)

~ 20 min.	15	HECC Conditions Report - Update	Dr. Susan Walsh; Mark Denney; Dr. Karen Stone, SOU, Associate Vice President for Academic Resource Management; Chris Stanek, SOU, Director of Institutional Research
~ 5 min.	16	Curriculum Update	Trustee Sayre
~ 5 min.	17	Accreditation Update	Dr. Jody Waters, SOU, Associate Provost and Director of Graduate Studies
~ 10 min.	18	Presidential Search Update	Trustee Hennion
	19	Adjourn	Chair Thorndike



Board of Trustees Meeting

Friday, January 22, 2016

12:00 - 5:00 p.m. (or until business concludes)

DeBoer Room, Hannon Library

MINUTES

Call to Order and Preliminary Business

Chair Thorndike called the meeting to order at 12:01 p.m., advising those in attendance that agenda items will be taken out of order to accommodate presenters' schedules and that the board was testing technology to live-stream the meeting.

The following trustees were present: Chair Bill Thorndike, April Sevcik, Les AuCoin, Filiberto Bencomo, Sheri Bodager, Lyn Hennion, Paul Nicholson, Teresa Sayre, Dennis Slattery, Joanna Steinman and Steve Vincent. Trustees Jeremy Nootenboom and Judy Shih, who joined the meeting during the President's Report, participated by teleconference. The following trustee was absent: Shea Washington. President Roy Saigo (ex officio) attended a portion of the meeting, excusing himself after the Student Leadership Report.

Other meeting guests included: Craig Morris, Vice President for Finance and Administration; Dr. Susan Walsh, Provost and Vice President for Academic and Student Affairs; Brian Caufield, USSE, Director of Labor Relationships; Chris Stanek, Director of Institutional Research; Jean Bushong, CliftonLarsonAllen (CLA); Diane Barkelew, USSE, Director of Financial Statement Preparation; Alana Lardizabal, Director of Human Resources; Marjorie Trueblood-Gamble, Director of Diversity and Inclusion; Torii Uyehara, ASSOU President; Larry Shrewsbury, Faculty Senate Chair; Jody Waters, Associate Provost and Director of Graduate Studies; Liz Shelby, Director of Government Relations; Steve Larvick, Director of Business Services; Drew Gilliland, Director of Facilities Management and Planning; Ryan Brown, Head of Community and Media Relations; John Stevenson, User Support Manager; Don Hill, Classroom and Media Services Manager; Janet Fratella, Vice President for Development; Sabrina Prud'homme, Board Secretary; Kathy Park, Executive Assistant; Barbara Saigo; Emily Pfeiffer, ASSOU; David Coburn, OSA; Olena Black, League of Women Voters; Dr. Bob Palzer; John Fisher-Smith; Nelson Oostenink; and Dr. Dominick DellaSala.

Trustee AuCoin moved to approve the October 16, 2015 meeting minutes. Trustee Sevcik seconded the motion and it passed unanimously.

Public Comment

Dr. Bob Palzer, a 30-year Ashland resident, co-founder of the Rogue Valley Citizens for Clean Air and former adjunct chemistry professor at SOU, expressed his deep concerns about the biomass/cogeneration. He supported replacing the present boilers with natural gas boilers.

John Fisher-Smith, a 35-year Ashland resident, said he was familiar with stagnation of Ashland's air shed and said it would be an affront if SOU chose a system which would create a new source of particle pollution.

Nelson Oostenink, from Talent, said he worked for a company that built a hydro-site in 1984 in Oregon. He noted the quality of the biomass fuel is not guaranteed; this impacts functioning of the system and the costs for the project as well as maintenance will be higher than expected.

Dr. Dominick DellaSala is the chief scientist at the Geos Institute, former SOU faculty member and current OSU faculty. Through further analysis, he thought SOU would find other renewable energy sources to use besides woody biomass.

Chair Thorndike thanked members of the public for their comments.

Faculty Negotiations Update

Brian Caufield presented the update, saying SOU and its faculty union, APSOU, have settled a first-ever, three-year contract and the union is expecting ratification by its membership later in the day. He summarized the following aspects of the agreement: year-in-rank increases will remain in effect; COLA increases will be for assistant professors and all other faculty ranks; current healthcare benefits will remain in effect through December 31, 2017; professional development grants hold consistent in each year of the agreement; and professional development accounts for professional and professorial faculty were increased.

He discussed changes related to working conditions including faculty loads. He explained that a full load for professorial faculty is 45 equated load units (ELUs), 36 of which will be teaching and the rest composed of scholarship and service to SOU. For professional faculty, a full load is 45 ELUs of teaching plus an acceptable level of service as defined by the faculty bylaws. An MOU will be developed to create a task force to address the faculty evaluation process, dealing with issues such as deficiencies in service or scholarship. Mr. Caufield believed the HECC was looking into how institutions were going to track, maintain and identify faculty members' service and scholarship moving forward. He also described changes on how certain courses were loaded, advising, office hours and other aspects of teaching.

Mr. Caufield complimented Colin Bunnell, Mark Denney, Dr. Dan DeNeui and Dr. Karen Stone on their hard work during negotiations. He said both sides were happy with the outcome. Dr. Walsh praised Mr. Caufield as a strong leader who was deft at managing tough conversations and thanked the SOU members of the negotiating team. She thought the three-year contract was a win-win for everyone. Mr. Morris said the financial pieces of the agreement almost mirror the retrenchment plan and added his compliments to the faculty bargaining team. Trustee Slattery added that the faculty is pleased with the contract and is happy to have the negotiations conducted by people who worked so well together.

Audited Financial Statements (Action)

Chair Thorndike introduced Jean Bushong from CLA, the national accounting firm that conducted SOU's audit for 2015 and that will conduct SOU's audit next year. Ms. Bushong highlighted the results of the audit, addressed CLA's responsibilities under

generally accepted auditing standards, highlighted the engagement results and discussed required communications and emerging developments. CLA issued an unmodified opinion, which is the cleanest opinion possible. It says the financial statements provided to CLA were materially correct, there being no material misstatements due to material error, fraud or noncompliance.

Ms. Bushong discussed the Governmental Accounting Standards Board Statement Number 68 (GASB 68), a significant new standard regarding the recording of defined benefit plans, such as the Oregon PERS system. At the beginning of the year, SOU recorded an \$8.4 million reduction on its net position. Due to improvements in the market, it swung from a net pension liability to a net pension asset. At the end of the year, SOU recorded a \$4.7 million asset simply due to the implementation of the new standard.

Within the financial statement, Ms. Bushong described multiple pieces included in the scope of the audit: Statement of Net Position (balance sheet), Statement of Revenues and Expenses and Changes in Net Position, footnotes, Statement of Cash Flows, and required supplemental information.

Ms. Bushong described communications CLA is required to have with governance. There are qualitative aspects of the financial statements, such as accounting policies that can impact the bottom line (e.g., changing building depreciation from 30 years to 50 years). As the governing body, the board needs to know if there have been any changes in accounting policies and why. Other than the implementation of GASB 68, SOU had no such changes. Significant financial statement disclosures are highlighted in the report, including SOU's exit from OUS, and there were no difficulties encountered during the audit. There were two uncorrected misstatements, which were based on state-mandated information and were no fault of SOU's. There were also two minor, corrected misstatements, which were summarized in the report.

Management signs a representation letter to CLA, saying SOU has provided everything to CLA, no information is being withheld and management is not aware of any fraud that has not already been disclosed. CLA did have management letter comments regarding minor balance sheet reclassifications and some small credit balances in the student information system that need to be fixed.

CLA reviews the internal control structure but does not audit or issue an opinion on it; CLA would report anything that came to its attention but there was nothing. The audit does not relieve management of its responsibility on establishing internal controls.

Ms. Bushong then discussed emerging developments. First, this year, SOU was part of the OUS system single audit. Next year, SOU will have its own individual single audit, which has never been done before. Second, the GASB 68 implementation caused a liability to swing to an asset. However, that will probably swing back to a liability in 2016 due to the State Supreme Court's ruling in the Moro case which addressed how COLAs are treated for retirees. This will not impact budgeting as it is a noncash activity that impacts the financial statement. Third was the removal of the state-paid legacy debt. Now that SOU is a standalone organization, the State cannot assign the debt to SOU and it will not be reflected on SOU's books. However, the asset will remain on SOU's books.

Trustee Nicholson stated the Executive and Audit Committee considered and approved this item. He proposed a resolution recommending acceptance of the audited financial statements. He moved that the Board of Trustees accept the audited financial statements of the 2015 Annual Financial Report for the university for the fiscal year ended June 30, 2015. Trustee Hennion seconded the motion and it passed unanimously.

Diversity and Inclusion Update

President Saigo introduced Marjorie Trueblood-Gamble, the Director of Diversity and Inclusion and SOU's Title IX Coordinator, saying SOU is ahead of the game in this area and praising Ms. Trueblood-Gamble's work. Ms. Trueblood-Gamble shared some personal and professional background information and said that race is very salient for her.

She approaches diversity, inclusion and equity issues from a social justice perspective, which means interrogating positions of power, oppression, privilege and equity and looking at diversity and inclusion from those lenses. SOU's statement of diversity, adopted in 2011, says the campus community should be rich with diversity of ethnicity, race, gender and gender identity, nationality, age, language, religious affiliation, sexual orientation, socioeconomic background, disability and political affiliation. Without this diversity, the educational process is diminished. When people note the lack of racial or ethnic diversity at SOU, Ms. Trueblood-Gamble points out that SOU may not have the numbers yet but works very hard to ensure the people brought into this campus community feel included.

Association of American Colleges and Universities (AAC&U) defines equity as creating opportunities for historically underrepresented populations to have equal access to and participate in educational programs that are capable of closing the achievement gaps in student success and completion. Ms. Trueblood-Gamble explained AAC&U's diversity framework, with diversity at the center of 1) institutional vitality and viability; 2) campus climate; 3) education and scholarship; and 4) access and success. She further explained each of these four elements.

Regarding institutional vitality and viability, Ms. Trueblood-Gamble said she is looking at SOU's policies and procedures to determine if they are lending themselves to inequitable outcomes. She mentioned past and current projects. Trustee Nicholson asked to what degree SOU's physical infrastructure comes into play, such as restrooms. Ms. Trueblood-Gamble said SOU has gender-neutral bathrooms in some buildings and gender-neutral housing. As SOU takes on new projects, such as the athletics building, that is taken into consideration. SOU also provides training on how to treat students, how to connect with them, and how to make sure they are successful.

Campus climate is evaluated through assessments and focus groups. There are also programs, discussions and speakers to encourage dialogue; employee participation is improving in those activities. Safer spaces for underrepresented populations to gather are provided for both students and employees. Ms. Trueblood-Gamble and another faculty member meet monthly with the Ashland Mayor and Chief of Police to discuss race issues. There are challenges to creating a positive campus climate, including micro-aggressions, an unwillingness to hear about personal missteps, external forces and historical legacies

on a state level, and communication challenges.

The focus for education and scholarship is on what is being offered in the curriculum. She believes it is an accolade that SOU has a diversity requirement for graduation as many colleges do not. There are also programs that support education, such as webinars and Native American, gender, sexuality and women's studies.

In access and success, the focus is on outreach, recruitment, retention and persistence to graduation for underrepresented students. For example, pre-college programs (e.g., Academia Latina and Pirates and Bulldogs to Raiders) and college efforts (e.g., diversity scholarship and first-year mentors). SOU has five identity-based clubs and organizations and four identity-based resource centers, which are open to all students. The three different graduation celebrations – Lavender, Multicultural Resource Center, and Success at Southern – highlight the success of underrepresented students.

At its core, the equity and empowerment lens is a set of principles, reflective questions and processes that focus at the individual, institutional and systemic levels of racial equity. It addresses what is and is not working regarding racial equity, shifts the way decisions are made, and heals and transforms structures, environments and people. Board decisions may impact the five Ps – purpose, people, place, process and power.

Explaining “Where we are now,” Ms. Trueblood-Gamble said SOU is one of the top 25 LGBTQ universities in the country, is cutting edge for Title IX responses, has student-centered approaches that foster a sense of belonging, and is increasing racial and ethnic demographics for students, faculty and staff. There are barriers to equality, including capacity in terms of time and people, priorities, fear, and change fatigue. SOU's weaknesses include being slow to change, lower graduation rates than desired for all groups, needing stronger engagement from all campus groups, and needing to improve morale.

Ms. Trueblood-Gamble asked the board to consider someone with cultural humility as SOU's new leader, maintain diversity and inclusion as a priority, ask questions about diversity, make space for the student voice and engage in diversity efforts.

President's Report

President Saigo commended Ms. Trueblood-Gamble on her presentation and trustees for their engagement and questions.

President Saigo reported on improvements in the following aspects of the university: the SOU-JPR relationship; enrollment; retention; Preview Weekend events; the SOU-KCC partnership; Vice President Fratella's staff and fundraising efforts; the Schneider Children's Center; and athletics with the advancement of the McNeal project as well as the upcoming Play like a Girl event.

President Saigo closed by praising the high quality of his cabinet and senior staff.

Regarding SOU athletics, Chair Thorndike remembered Stan and Tommy Smith, anchors and supporters for SOU. Sadly, Stan Smith passed away and will be missed.

Committee Reports

At the December 18 meeting, Chair Thorndike said the Executive and Audit Committee received a faculty negotiations update; considered two submissions for the external auditor position; and confirmed the selection of Parker Executive Search as the presidential search firm. He thanked Trustee Hennion for her work on the search committee. At the January 22 meeting, the committee had an extensive review of SOU's audited financial statements; learned there were six candidates being considered for the internal auditor position; and discussed an adjustment to the contract of an individual who works for the board, which will be discussed later in the meeting.

Finance and Administration Committee Chair Nicholson reported on meetings held on November 19 and January 2. The committee received updates on the internal and external auditor positions; heard from Dr. Walsh and President Saigo about SOU's report to the HECC on what SOU has accomplished compared to EOU's report on what it hoped to do; discussed the noise at the SOU Science Building and commended Drew Gilliland, his staff, and Mr. Morris on their responsiveness to the neighbors. The committee also received an enrollment update and commended Chris Stanek on his work; discussed the timeline on accreditation; discussed strategic initiatives and the \$1.2 million in funding from the legislature; explored a dashboard of financial and other metrics; and discussed balance sheet ratios, which are in good shape and are an important factor in the HECC's valuation of SOU. The committee also discussed the campus master plan and the impact it will have on 2017-2019 funding as well as a cogeneration-biomass system, which will continue to be explored to some degree and will be brought to the board in the April meeting.

Trustee AuCoin praised Trustee Nicholson on his method of introducing an issue so the committee may examine the topic in detail before taking action.

The committee also had a presentation on the revenue generation process, with the goal of having sufficient time to review the information before having to make a recommendation to the board in April. Torii Uyehara and Brian Sorensen gave a presentation on the process ASSOU uses to develop the student incidental fee, which made the committee members confident they will be in a good position to accept it when the issue is presented for action.

Academic and Student Affairs Committee Chair Sayre provided the report from the November 19 and January 21 meetings. The committee received updates from Dr. Walsh on the university's MOUs with KCC and RCC, ongoing negotiations, and a possible launch date; enrollment updates from Mr. Stanek; updates on the HECC report in December; and Ms. Trueblood-Gamble's report on race awareness week. The committee also received reports on the Bridge Program, College Transition Collaborative, and accreditation.

The committee discussed a proposed Bachelor of Music degree program. Dr. Vicki Purslow presented the background information and the committee approved the proposal, which required no additional faculty or finances. The proposal moved to the Provosts' Council and was sent back to SOU. After making requested changes, it will go back to the Provosts' Council, then to the HECC. Ideally, the degree program would be approved and

offered in the fall of 2016. Also in the area of curriculum, the committee heard about the early efforts to create a Health Science degree program.

A presentation on recruitment, enrollment and retention was shared with the committee. Trustee Sayre said the administration should be very proud of the presentation and she praised those who presented: Jennifer Fountain, Taylor Burke, Donny Nickelson and Kelly Moutsatson.

Student Leadership Report

Torii Uyehara, ASSOU President, thanked the board for creating time on the agenda for her presentation, saying it is a testament to what the board does on the SOU campus, in contrast to other institutions.

ASSOU runs a plethora of campaigns. At the beginning of each year, ASSOU votes on what projects will be pursued during the year. First, Ms. Uyehara reported on ASSOU's approach to the Fair Housing Campaign, as students face housing discrimination in Ashland. There is a student serving on the Housing and Human Services Commission and they are working to develop an occupational protection for students. Over 300 petitions have been collected from students who have been discriminated against. Second, she discussed ASSOU's coat drive with donation points in the Stevenson Union. Third, she reported that ASSOU and the Residence Hall Association have been the two major leadership organizations for students on campus but there has been tension between the two. The leadership from both organizations met and built a coalition focusing on helping each other, encouraging student participation and doing better as student leaders.

In closing, Ms. Uyehara encouraged trustees to attend ASSOU meetings and events if they have time. It means a lot to the students and has a positive impact.

Faculty Senate Report

Trustee Slattery, Faculty Senate Vice Chair, provided the report in Larry Shrewsbury's stead. Faculty Senate will carry out and fulfill its obligations under the constitution and bylaws, including filling seats on the committees and councils necessary for the welfare and operations of SOU and approving new courses and curricula. Trustee Slattery described a few specific issues: Last year, a large amount of time was spent editing the bylaws and constitution to reflect the new academic restructure.

He also noted SOU's School of Business shared how they publicize the accelerated baccalaureate program and encourage faculty in other programs to conduct similar outreach.

This year, Faculty Senate took a stand in favor of moving forward with the presidential search; they thoroughly examined and finalized a recommendation on the Professor of Practice "issue/rank" that had been an issue for two years. Faculty Senate will focus attention on recruitment and retention. Dr. Walsh added mention of the Student Success Committee beginning this month as a dual reporting committee—reporting both to Faculty Senate and the University Planning Board.

Bond Funding for McNeal Pavilion: \$2 million XI-11Q bonds; and Theater - JPR Building: \$1.5 million XI-11F bonds (Action)

Trustee Nicholson presented this item, reminding the board members that \$3 million was added to the McNeal project budget, with the expectation that \$2 million would be met through bond funding and the remaining \$1 million would be reached through a capital campaign handled by the Foundation. At this point, the board needs to move forward and start pursuing the bond funding through the legislature.

Trustee Nicholson moved that the Board of Trustees authorize the Vice President for Finance and Administration, in consultation with the university president and the Chair of the Finance Committee, to pursue bond funding in the 2016 legislative session to fund the following capital projects: firstly, the McNeal Pavilion Project: \$2 million in the form of XI-Q bonds; and the Theater - JPR Building Project: \$1.5 million in the form of XI-F(1) bonds. This motion does not signify the board's request or authorization to sell or issue the bonds. He further moved that, upon approval by the legislature of such bonds, the Vice President for Finance and Administration shall submit to the Board such additional resolutions and other considerations necessary for issuance of such legislatively authorized bonds.

Trustee AuCoin asked for Liz Shelby's input on what local legislators think about these two projects. Ms. Shelby said SOU is in good stead with Representatives Bates and Buckley and the legislature leadership. It is well established that SOU will move forward with the bond request. The question is whether or not the State would pursue bond funding in the short session, not whether or not the projects would be included.

Regarding the approval of \$1.5 million for the Theater - JPR project, Trustee Nicholson reminded the trustees it will be funded through the JPR Foundation over time.

Trustee Slattery seconded the motion. The motion passed unanimously, with Trustee Hennion abstaining due to a possible conflict of interest.

Presidential Search Update and Committee Appointments (Action)

Trustee Hennion thanked everyone who has been involved in determining the composition of the Presidential Search Committee. In selecting committee members, they focused on many factors, including having individuals who would balance each other's thoughts, provide a good representation, would maintain confidentiality, and would be diverse and inclusive. The five board members who were nominated to serve on the committee were Trustee Hennion, as chair; Trustee Nicholson, as vice chair; and Trustees Slattery, Sayre and Washington. The search firm recommended including other members while keeping the total membership to about 15. Three spots were allocated to faculty members: Drs. Ed Battistella, Joan McBee and Amy Belcastro. Two spots were allocated to students: Darius Kila and Torii Uyehara. Two spots were allocated to staff: Colleen Martin-Low and Chris Stanek. The public university president representative is Dr. Chris Maples from Oregon Institute of Technology. The two individuals to represent the community are Sid DeBoer and Tamara Nordin. All those individuals are the voting members on the committee. The committee added five ex officio members: Sabrina Prud'homme, as the search coordinator; Provost Walsh; Craig Morris; Janet Fratella; and Jason Catz. The committee is gender balanced, 20 percent are SOU alumni and 20 percent are people of

color or members of other underrepresented groups.

Trustee Hennion moved that the Chair of the Board of Trustees formally appoint the full membership of 15 voting members to the Presidential Search Committee and further moved that the Chair of the Board of Trustees appoint the ex officio, nonvoting members to the Presidential Search Committee to serve in a coordinating or advisory capacity. Trustee Nicholson seconded the motion and it passed unanimously. (Note: Due to necessary changes with committee composition, Jeff DeBoer replaced Sid DeBoer as a voting member and Marjorie Trueblood-Gamble was added as an ex officio member at a later date.)

Chair Thorndike added, when he and Trustee Hennion called the nominees, it was very refreshing that everyone was so willing to serve. Trustee Hennion thanked all the members of the ad hoc committee. Trustee AuCoin complimented Trustee Hennion, saying she has done an exquisite job. Trustee Hennion advised the board that the search firm has already scheduled listening sessions on February 3 and 4 to ask constituent groups for input; press releases will be issued about a week prior to the listening sessions.

Chair Thorndike recognized Treasa Sprague from Mr. Morris' office, who will assist Ms. Prud'homme. Ms. Sprague has participated in the last two presidential searches at SOU.

Chair Thorndike reminded the board of the conversation at the retreat about the salary range that can be offered to the new president. He asked Trustee Nicholson and Mr. Morris to look at SOU's budget to see where SOU is regarding a range that would attract quality candidates. He thought SOU could not go much below the floor the other TRUs are at and should take into account the proposed increase in President Saigo's salary.

Trustee Hennion mentioned the upcoming meeting of the Presidential Search Committee and said the most immediate task the search firm will help with is drafting the position statement based on feedback it receives.

Presidential Contract Amendment (Action)

Chair Thorndike asked for the board's support in amending Dr. Saigo's current contract, which was converted into a presidential appointment, adding that the board now better understands what a 2-year interim contract means. He and President Saigo identified three economic items that can be done as the contract is wrapped up this year.

Trustee Sevcik moved that the Board of Trustees authorize the Board Chair to execute an amendment to President Roy Saigo's contract that will add or modify the following terms of his current contract as follows: (1) extend President Saigo's contract by one month to July 31, 2016; (2) increase the moving expenses to be paid to President Saigo on or about June 30, 2016 from \$5,000 to \$15,000; and (3) increase President Saigo's salary by 3 percent, retroactive to October 1, 2015.

Chair Thorndike noted these are economic changes that would bring President Saigo's total compensation in line with where the board believes he should be relative to the work he does here and recognizes the Saigos made a major commitment in relocating. Trustee AuCoin mentioned the cost of living increase conforms with the increase other SOU

employees received.

Trustee Sayre seconded the motion and it passed unanimously.

Chair Thorndike mentioned the presidential portrait that will be commissioned, the Medford Chamber of Commerce recognition of President Saigo at an upcoming forum and that other avenues of recognition are progressing through SOU's established procedures.

Enrollment Update

Chris Stanek discussed the enrollment numbers for winter, at two weeks into the term. He highlighted numbers for student credit hours (SCH). The total undergraduate SCH is up 3.1 percent. Graduate SCH is almost exactly in the same position as last winter.

The total FTE for the enrolled student headcount is 2.8 percent. Mr. Stanek agreed with Trustee Nicholson's observation that the average student is taking a slightly heavier course load this term compared to last winter. The number of non-resident students continues to increase and the number of students of color increased 10.4 percent. Responding to Trustee AuCoin's question about the diversity in faculty and staff, Mr. Stanek said 10 percent of faculty and 12 percent of classified staff are ethnically diverse. The number of ethnically diverse individuals on campus is almost 30 percent. For these calculations, Mr. Stanek uses only statistics from individuals who declare an ethnic background.

The total headcount and FTE do not yet reflect the incoming advanced southern credit students. Mr. Stanek estimated a final increase of 2 percent over last winter.

Accreditation Update

Dr. Jody Waters, serving as chair of the steering committee, updated the board on the accreditation process, plan and expectations over the next few months. She informed the board of the October site visit.

Dr. Waters described the accreditation standards and explained the focus of SOU's upcoming report. SOU's last comprehensive report was submitted in 2007 and one of the items SOU was asked to address was assessment and how well SOU is undertaking assessment at an institutional level. She further explained the ways in which SOU is addressing that, such as appointing Dr. Kristen Nagy Catz, the Director of Assessment.

SOU has held academic program workshops to train personnel on the self-study they will submit in March. She further explained the process of putting together the report among subcommittees, academic support programs, accreditation retreat, these self-studies and draft writing.

Chair Thorndike noted this process works best as a continuous quality improvement process. Anything that can be done to keep moving towards this being a continuous, ongoing process is to SOU's benefit. Dr. Waters said the accreditors agree with that.

Responding to Trustee Steinman's inquiry, Dr. Waters said she does not know who the NWCCU visitors will be. Answering Trustee Sayre's question, Dr. Walsh did not think

any questions would be provided in advance to the board but she will double check. Mr. Morris said the visiting team will want to meet with the trustees but it is not typical to get questions in advance.

Legislative Update

Liz Shelby began by thanking President Saigo for allowing her to continue to represent SOU in the legislature. She noted the legislature will convene on February 1 for a short 35-day session. Ms. Shelby issued a handout that included several items that will probably generate discussion in the session including: the gross receipts tax; the increase in PERS costs; the governor's proposal on minimum wage changes; and emergency planning at universities.

As a result of the last legislative session, there are many HECC work groups and SOU has been proactive in ensuring its representation on groups, as they may issue reports that could move forward as legislation.

Ms. Shelby noted SOU's priorities: state investment for priority needs; capital projects; and disbursement of a \$1.9 million special purpose allocation, that was provided in the last legislative session to assist the smaller institutions in meeting the requirements of the classified bargaining units. The universities reached an agreement and anticipate the legislators will endorse it and move forward with the disbursement in the February session.

The university venture development fund provides dollars, through tax credits, to transition research ideas to commercialization. SOU does not take great advantage of this but it preserves the opportunity for SOU if it should have patents or ideas for commercialization in the future. Trustee Vincent volunteered to serve on an internal working group if there is a project SOU wishes to commercialize.

Chair Thorndike added that these efforts also represent a good connection between the four TRUs and the three larger institutions, reminding the latter that there are four other universities in the Oregon system. It is important to keep provosts and presidents at the table working jointly and supporting each other.

There are several policy bills identified so far that the team will monitor: measures related to student health records privacy, loan refinancing, payment of community college courses by school districts, student voter registration and concussions for student athletes.

Ms. Shelby highlighted two dates. On February 4, the presidents and board chairs will meet in Salem with the governor and legislative leadership to discuss legislative priorities. February 11 is University Day.

Answering questions from a previous meeting about what the HECC can do if it does not like SOU's conditions report, Ms. Shelby quoted from Senate Bill 493: "If the Higher Education Coordinating Commission determines . . . that the university has not met the necessary conditions by the specified date, the commission shall notify the Governor, the legislative assembly and the governing board of its determination."

HECC Report Update

Dr. Walsh updated trustees that she, President Saigo, Mr. Stanek, Mr. Morris, Dr. Karen Stone and Mark Denney presented a HECC update in December, which was well-received.

Dr. Walsh said Brian Fox at HECC acknowledged SOU's improvements in FTE enrollment, the size of incoming freshman classes, intentional recruiting and enrollment efforts. However, retention is an area needing continuous focus. Dr. Walsh underscored the HECC's appreciation for President Saigo's work at SOU.

The HECC also gave good marks for the academic management of SOU, acknowledging division restructuring. Mr. Fox praised Dr. Stone's work in this area and Dr. Walsh added that Mr. Stanek assisted in those efforts. SOU has one person dedicated to academic resource management and can show every single faculty's loading, every single class they are teaching and any assigned release time for administrative purposes. The HECC also recognized the provost's office, saying its work is increasing SOU's ability to understand and adapt to the new governance structure and dynamic external operating environment.

Mr. Fox acknowledged SOU's lack of a strategic plan, limitations on the university's ability to do other planning, significant transition, upcoming accreditation and other challenges. He added, SOU needs to continue to focus on enrollment and establish more consistent enrollment channels. The HECC commended SOU for its outreach to the Hispanic population in the Rogue Valley.

Trustee Vincent said he thought some of the HECC's comments reflected a lack of understanding what the regional universities are about and asked if the trustees can do anything to bridge that, such as inviting members of the HECC to visit SOU. Dr. Walsh said the HECC did visit SOU before and it might be beneficial to have visits more often. Trustee AuCoin asked if HECC commissioners have higher education backgrounds. Mr. Morris said some of them do and all are dedicated to their jobs.

Although SOU can now track administrative release time, Dr. Walsh said SOU does not do as well tracking contractual release for professorial faculty. A task force comprised of faculty and staff will create a mechanism to ensure that every release for professorial faculty can be accounted for. The goal is to have a tracking mechanism in place before the next promotion and tenure cycle.

Dr. Walsh read an excerpt from the HECC's letter: "Southern Oregon University has managed to stabilize its enrollment and put itself in a much improved fiscal position. It has made great strides over the past two years in building a foundation for success. The HECC appreciates SOU's willingness to have open and frank dialogue regarding its plans, efforts and issues to be confronted. Much work has been done. Much work remains."

Adjournment

Chair Thorndike adjourned the meeting at 4:48 p.m.



**Board of Trustees
Special Meeting**

**Thursday, February 18, 2016
3:15 - 3:45 p.m. (or until business concludes)
DeBoer Room, Hannon Library**

MINUTES

Call to Order and Preliminary Business

Chair Thorndike called the meeting to order at 3:15 p.m.

Chair Thorndike began the meeting by talking about his trip to Salem with President Saigo. All seven institution presidents and their board chairs were there. They had good meetings with legislators and the HECC and there was great value in everyone from the seven institutions being together. They were in Salem again for Student Lobby Day. They had good meetings with the representatives and Senator Bates and they appreciated having SOU students participate.

Chair Thorndike also thanked the trustees for their flexibility in scheduling this special meeting on short notice and thanked Trustee Sayre for allowing the board to use some of her committee's meeting time to conduct this meeting.

The following trustees were present: Chair Bill Thorndike, April Sevcik, Sheri Bodager, Lyn Hennion, Paul Nicholson, Teresa Sayre, Judy Shih, Dennis Slattery, Joanna Steinman and Steve Vincent. Trustees Les AuCoin and Bencomo participated by video/teleconference. Trustees Nootenboom and Washington were absent. President Roy Saigo (ex officio) attended for a portion of the meeting.

Other meeting guests included: Dr. Susan Walsh, Provost and Vice President for Academic and Student Affairs; Jason Catz, General Counsel; Craig Morris, Vice President for Finance and Administration; Ryan Brown, Head of Community and Media Relations; Don Hill, Classroom and Media Services Manager; Gordon Carrier, Computing Coordinator; Sabrina Prud'homme, Board Secretary; Kathy Park, Executive Assistant; Treasa Sprague, Administrative Services Coordinator; Leo McCaffrey, SOU; Torii Uyehara, ASSOU; David Coburn, OSA; and Olena Black, League of Women Voters.

Trustee Vincent moved to approve the January 8, 2016 meeting minutes. Trustee Sevcik seconded the motion and it passed unanimously.

Public Comment

There was no public comment.

Bond Funding to Replace SELP Loan for SOU Science Building: \$1.65M

Introducing the item, Craig Morris referred to the letter he sent Representative Buckley

on February 1 and said that, when the Science building project was started two years ago, SOU wanted to add additional energy efficiency. SOU applied for a SELP (State Energy Loan Program) loan and was approved for \$1.65 million. However, SOU would not draw down the loan until completion of the project. In the meantime, the State Department of Energy (DOE) made some imprudent loans and is at of deficit of \$20 million. As a result, the Treasury Department recommended to the Governor's office that SELP no longer issue loans. At that time, the Treasury Department knew SOU had the loan but did not know the work had been completed. Everyone has been working hard to rectify the situation.

There are currently two solutions proposed but things are changing constantly. First, the Treasury Department is working on a solution involving XI-J bonds (which are SELP loan bonds) that may be sold this spring and used to fund SOU's loan. As a backup, the Legislative Fiscal Office (LFO) has included in the capital construction request that will go to the legislature in the next week or so, a proposal for \$1.65 million in XI-F bonds that would be sold in a year.

Mr. Morris requested from the board the authorization to ask the legislature to convert the SELP loan to XI-F or XI-J bonds or other solution the legislature may propose.

Responding to Trustee Vincent's question on whether the cost of debt between SELP and XI-F bonds is the same, Mr. Morris said they are trying to figure that out. The interest rate on SELP may be slightly higher than XI-F bonds. The benefit to the XI-J bonds is that they would be sold this spring, making funds available earlier than if XI-F bonds were used.

Trustee Vincent then asked if SOU will incur costs associated with the change and if the DOE's action was a breach of contract. He mentioned his prior experience with a similar issue in a different program. Mr. Morris said the executed loan document is a legal document but was not comfortable saying the State is in breach of contract with SOU, as key legislators and those involved from the Treasury Department and LFO are appalled that SOU is in this situation and are working together to rectify it.

Responding to Trustee AuCoin's follow-up question about whether SOU would absorb increased costs because of DOE's actions, Mr. Morris said he could not think of anything that would generate additional costs. However, a year from now, XI-F bonds might cost more than currently anticipated. If there were increased costs for SOU, Mr. Morris doubted the State would cover them. Mr. Morris hopes to get XI-J bonds. Responding to Trustee Sevcik's inquiry, Mr. Morris said SOU is the only entity this has affected.

Trustee Nicholson moved that the Board of Trustees authorize the Vice President of Finance and Administration, in consultation with the University President and the Chair of the Finance Committee, to pursue bond funding in the 2016 legislative session to replace SELP loan funds for the SOU Science Building. This authorization is for \$1.65 million in the form of XI-F(1) bonds, or other bonds as designated by the Treasury and Legislative Finance Office. This motion does not signify the board's or the committee's request or authorization to sell or issue the bonds. He further moved that, upon approval by the legislature of such bonds, the Vice President for Finance and

Administration shall submit to the board such additional resolutions and other considerations necessary for issuance of such legislatively authorized bonds.

Trustee AuCoin seconded the motion and it passed unanimously, with Trustee Hennion abstaining, citing a conflict of interest.

Trustee Sevcik asked if there was anything in writing that these bonds will be converted and SOU will not endure another curve. Mr. Morris said the LFO has already added the XI-F bonds to the capital construction request. Chair Thorndike noted that Liz Shelby has been very active in creating avenues with key legislators to resolve this problem.

Presidential Search Position Profile

Trustee Hennion discussed the search committee's recent actions: working actively with Parker Executive Search, holding listening sessions, meeting to discuss feedback received and preparing the draft position profile. She asked for the trustees' comments on the draft position profile, but discouraged wordsmithing.

The trustees' discussion about the profile included 1) specific points of clarification about SOU's designation as the first Bee Campus in the United states, and that non-traditional candidates would not be ruled out; and 2) the request for appropriate modifications to best capture the nature and importance of SOU's relationships with OSF, JPR, and the Osher Lifelong Learning Institute. Following the discussion and recording of changes to the profile, Trustee Hennion moved that the Board of Trustees approve the position profile for the SOU President, as presented by the Presidential Search Committee and amended by the board. Trustee Sevcik seconded the motion and it was approved unanimously.

Presidential Search Committee Guidelines

Trustee Hennion highlighted provisions in the guidelines that were distributed to the trustees for review. The search committee is developing the position description, prescreening applicants, interviewing selected applicants, and providing Chair Thorndike recommendations after completing those tasks.

Trustee Hennion moved that the Board of Trustees approve the search committee guidelines for SOU's 2016 presidential search, as presented by the Presidential Search Committee. Trustee Sayre seconded the motion and it passed unanimously.

Answering Trustee Steinman's question on the board's reengagement in the search process after the recommendations are provided to the board chair, Chair Thorndike said the board would be involved in the final selection.

Trustee AuCoin asked how many candidates would be vetted and how many options the board would review. Trustee Hennion said Parker Executive Search recommended the board consider four finalists.

Adjournment

Chair Thorndike adjourned the meeting at 3:46 p.m.

Public Comment

Lunch and Campus Update (Science Building Tour)

President's Report

Committee Reports:

**Executive and Audit
Finance and Administration
Academic and Student Affairs**

Student Leadership Report

Faculty Senate Report

Process for Establishing Tuition and Fees (Action)

Tuition and Fee Recommendation: Process

➤ Tuition Rates	→	Tuition Advisory Counsel
➤ Mandatory Fees		
▪ Student Incidental Fee	→	Student Fee process
▪ Student Recreation Center Fee	→	Student Fee process**
▪ Student Health Fee	→	Director of SHWC
▪ Building Fee	→	Legislative Action
▪ Residence and Dining Fee *	→	Director, Housing
➤ Special Fees (not being presented here)		
▪ Course Fees	→	Academic Directors
▪ Late/Registration Fees	→	Divisions/Departments
▪ Other Misc. Fees	→	Divisions/Departments

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

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

**Southern Oregon University
Board of Trustees**

PROPOSED RESOLUTION: Process for Establishing Tuition and Fees

Tuition and mandatory fees are established annually by the Southern Oregon University Board of Trustees, in accordance with ORS 352.102, 352.105 and other applicable laws. When setting tuition and fees, the board considers a number of factors, including the desire to: create affordable access to programs and courses; encourage a diverse student body; maintain quality academic programs; encourage enrollment, retention and graduation of its students; maintain the university infrastructure necessary to support the academic, cultural and physical development of its students; promote sustainability of the university; and support the educational goals of the State of Oregon.

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

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

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

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

**Southern Oregon University
Board of Trustees**

PROPOSED RESOLUTION: Process for Establishing Tuition and Fees

Now, therefore, be it resolved by the Board of Trustees, that tuition and fees will be established pursuant to this process, and as outlined and presented to the Board of Trustees at its regular meeting this 15th day of April, 2016.

VOTE:

DATE:

University Board Secretary

2016-2017 Tuition and Fees (Action)

Tuition/Fee Rate Proposal Process

- Tuition Rates → Tuition Advisory Counsel
- Mandatory Fees
 - Student Incidental Fee → Student Fee process
 - Student Recreation Center Fee → Student Fee process**
 - Student Health Fee → Director of SHWC
 - Building Fee → Legislative action
 - Residence and Dining Fee * → Director, Housing
- Special Fees (not being presented here)
 - Course Fees → Academic Directors
 - Late/Registration Fees → Divisions/Departments
 - Other Misc. Fees → Divisions/Departments

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

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

Recommended Tuition/Fee Rates for 2016-17



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

Total Tuition and Fees: Limitations

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

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

Questions ?

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

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


DESCRIPTION OF REQUEST
Student Incidental Fee FY17 Budget Proposal
Student Recreation Center Fee FY17 Budget Proposal

SOURCE OF FUNDS
Student Incidental Fee and Incidental Fee Reserve
Student Recreation Center Fee and Recreation Center Fee Reserve

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

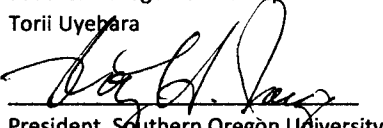
SIGNATURE AUTHORITY

Approve Disapprove


President, Associated Students of
Southern Oregon University
Torii Uyehara

3/17/16
Date

Approve Disapprove


President, Southern Oregon University
Roy Saigo

3/17/16
Date

Recommendation of Tuition and Fees for Academic Year 2016-2017

Date: April 7, 2016

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

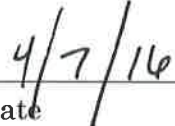
To: Southern Oregon University Board of Trustees

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

Tuition / Fee Rate	2015-16	2016-17	% Inc.	\$ Inc.
Resident Undergrad	\$147.00	\$151.41	3.00%	\$4.41
Western Undergrad Exchange	\$221.00	\$227.12	2.77%	\$6.12
Nonresident Undergrad	\$463.00	\$476.89	3.00%	\$13.89
Online Undergrad	\$212.00	Based on residency status		
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Student Recreation Center Fee	\$35.00	\$75.00	114.29%	\$40.00
Building Fee	\$45.00	\$45.00	0.00%	\$0.00



President, Southern Oregon University
Roy H. Saigo



Date

**Southern Oregon University
Board of Trustees**

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

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

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

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

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

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

Whereas, the board considers a number of factors, including the desire to create affordable access to programs and courses; encourage a diverse student body; maintain quality academic programs; encourage enrollment, retention, and graduation of students; maintain the university infrastructure necessary to support the academic, cultural and physical development of its students; and support the educational goals of the State of Oregon;

Southern Oregon University

Board of Trustees

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

Now, therefore, be it resolved: the Board of Trustees of Southern Oregon University hereby approves the Academic Year 2016-2017 tuition and mandatory fee schedule attached hereto as "Exhibit A."

VOTE:

DATE:

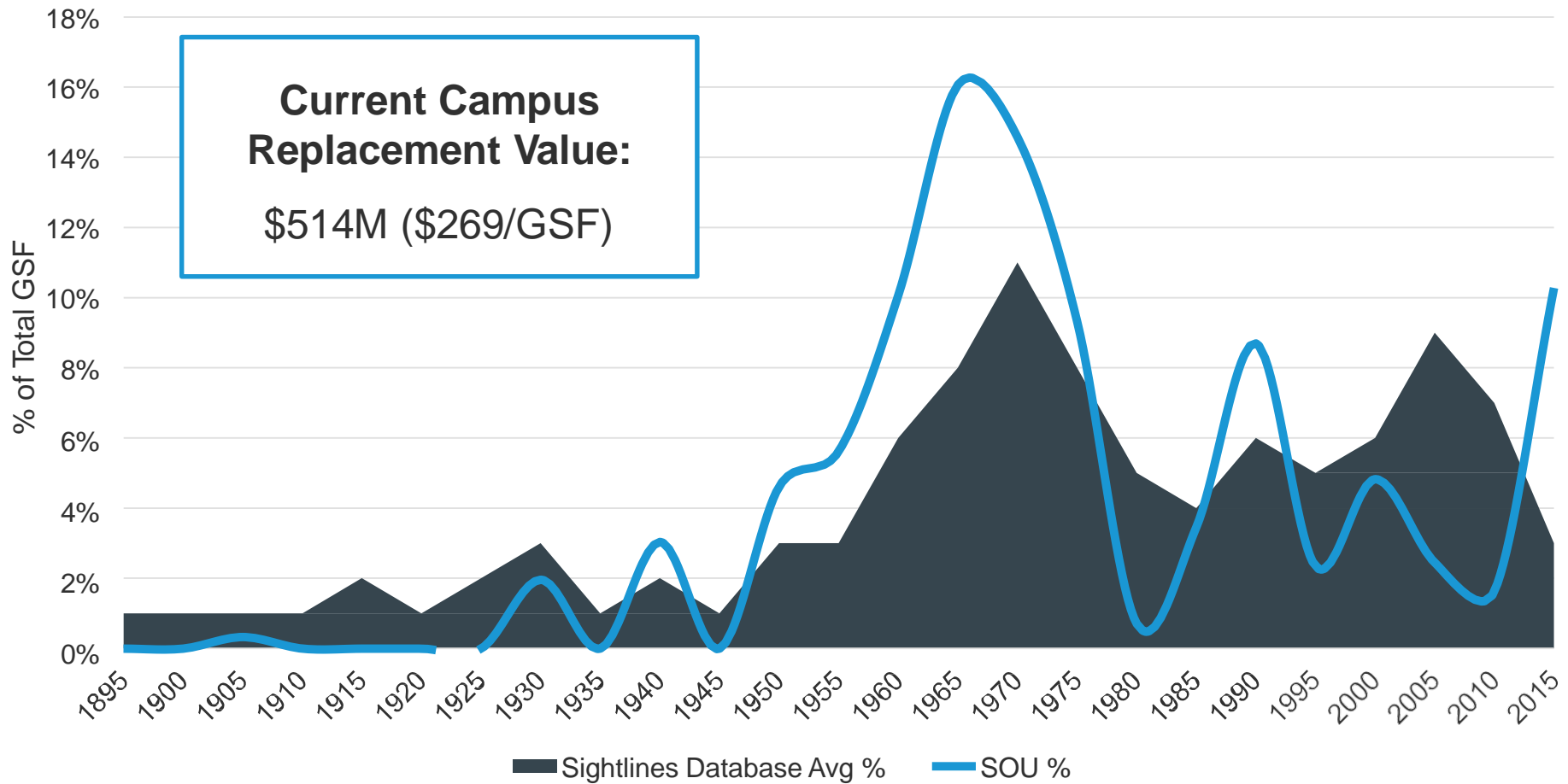
University Board Secretary

2017-2019 Capital Projects Prioritization (Action)

Capital Request: 2017-2019



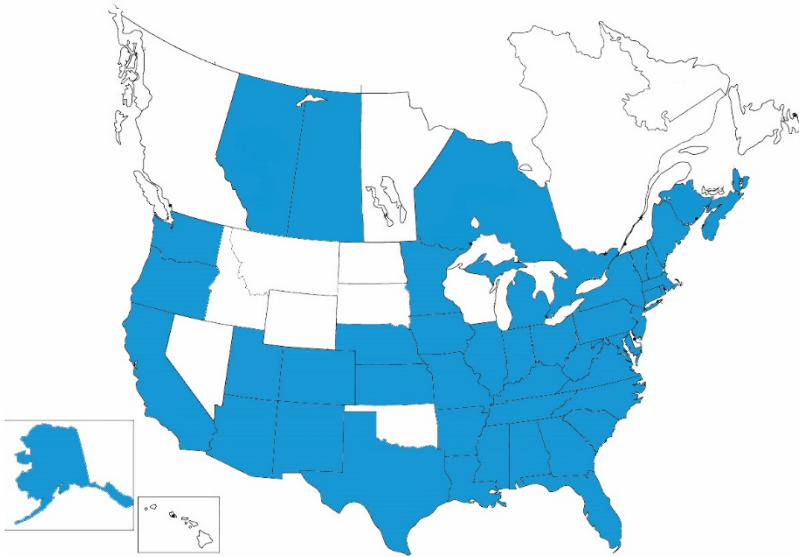
Total Campus Space – 1.9M GSF



Project Funding Sources

- **Churchill** – State-Paid XI-Q Bonds
- **New Residence Halls** – Public/Private Partnership
- **New Dining Hall** – Institution-Paid XI-F Bonds
- **Science Building** – State-Paid XI-Q Bonds
- **Turf and Track** – Institution-Paid XI-F Bonds
- **Student Rec. Center** – Institution-Paid XI-F Bonds
- **McNeal** – State-Paid XI-Q Bonds
- **Theatre** – State-Paid XI-Q Bonds
- **JPR Addition** – Institution-Paid XI-F Bonds
- **Britt** – State-Paid XI-Q Bonds

Robust membership includes colleges, universities, consortiums and state systems



Serving the Nation's Leading Institutions:

- **66% of the Top 20 Colleges***
- **75% of the Top 20 Universities***
- **34 Flagship State Universities**
- **13 of the 14 Big 10 Institutions**
- **9 of the 12 Ivy Plus Institutions**

* U.S. News 2016 Rankings

Sightlines is proud to announce that:

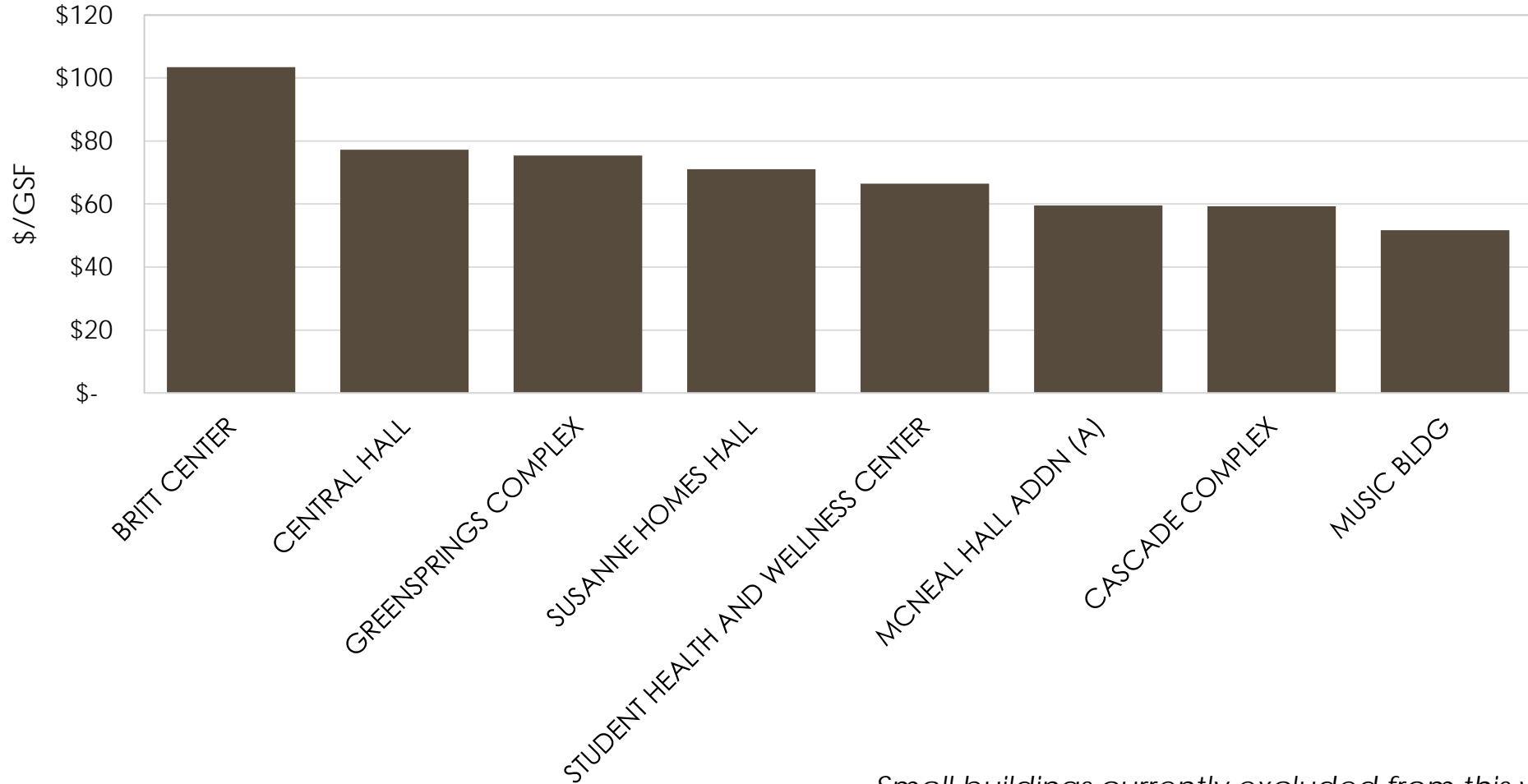
- 450 colleges and universities are Sightlines clients including over 325 ROPA members.
- Consistently over 90% member retention rate
- We have clients in 40 states, the District of Columbia and four Canadian provinces
- More than 125 new institutions became Sightlines members since 2013

Sightlines advises state systems in:

- Alaska
- California
- Connecticut
- Hawaii
- Maine
- Massachusetts
- Minnesota
- Mississippi
- Missouri
- Nebraska
- New Hampshire
- New Jersey
- Pennsylvania
- Texas
- West Virginia

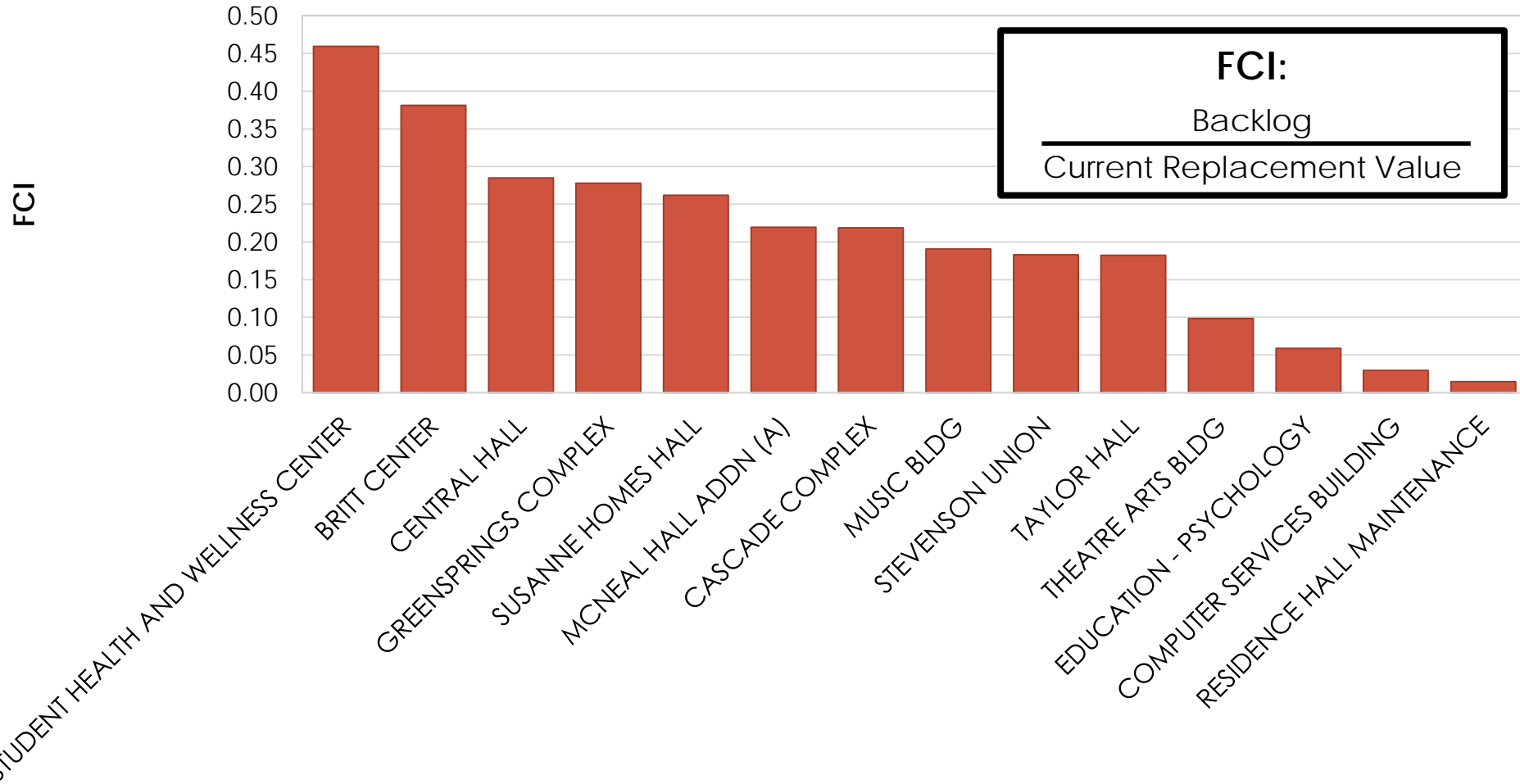
BRITT CENTER LEADS TOTAL BACKLOG

Backlog by Building



Small buildings currently excluded from this view

Facilities Condition Index by Building

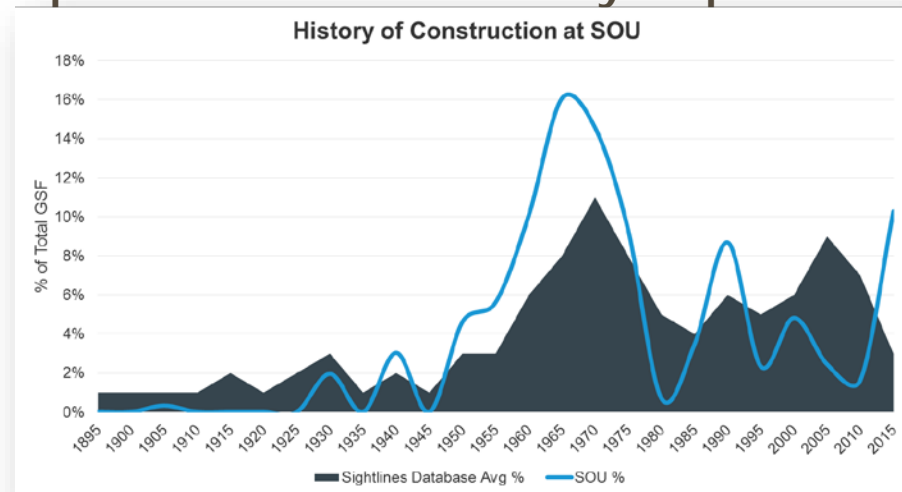


Small buildings currently excluded from this view

Systematic Renovations:

Due to the age distribution of the Southern Oregon University campus, as well as the biennial nature of state funding for capital projects, Sightlines recommends a systematic building renovation schedule that is prioritized by:

1. Impact on backlog and future capital renewal.
2. Consideration of programmatic initiatives and institutional mission. This will coordinate backlog/renewal efforts with modernization efforts and ensure limited capital is used as efficiently as possible.



Proposed Capital Projects: State-Paid Debt Service



2017 - 2019

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

FOR FUTURE CONSIDERATION

2019 - 2021

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

2021 - 2023

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

Proposed Capital Projects: Institution-Paid Debt Service

2017 - 2019

None

FOR FUTURE CONSIDERATION

2019 - 2021

1. Greensprings Deferred Maintenance Project - \$8M

2021 - 2023

None

QUESTIONS?

Bond Funding to Replace SELP Loan Funding (Action)

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

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

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

Additional spread on XI-J loan 1.50%

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

*Preliminary, subject to change

HB 3375 (2015) and Preparation of Diverse Educators (Action)

Pathway to Teaching - SUMMARY

Full Undergrad Pathway - per student

Revenue Per Student	\$	51,135		
Cost Per Student	\$	51,470		
			Net Impact	\$ (335)

Full Grad Pathway - per student

Revenue Per Student	\$	84,726		
Cost Per Student	\$	80,376		
			Net Impact	\$ 4,350

~Prepared by Deborah Lovern Budget Officer for Academic and Student Affairs 4/6/16

Pathway to Teaching - PER STUDENT REVENUE TO SOU

	SCH	From student		From state		Total Revenue From activity
		Rate	Revenue	Rate	Revenue	
1. Pirates/BullDogs to Raiders No revenue stream						
2. Pre Education Path - Dual Credit earn up to 15 SCH new courses, new revenue	15			\$ 50.00	750	750 -
			-		750	750
3. Undergrad Degree in Elem Education						
a. Need 180 total, already earned 15	<u>165</u>					
b. Activity Based Funding Outcome Based funding		\$ 151	24,915	\$ 41.60	6,864	
c. Degree completion weight				2.00	8,324	
d. SSCM weighting (minority, Pell eligible)				1.00	4,162	
e. Fees	12 terms	\$ 510.00	6,120			
			31,035		19,350	50,385
4. MAT in 13 months NON-Education Undergrad Degree						
a. Need 180 total, already earned 15	<u>165</u>					
b. Activity Based Funding Outcome Based funding		\$ 151	24,915	\$ 41.60	6,864	
c. Degree completion weight				2.00	8,324	
d. SSCM weighting				1.00	4,162	
e. Fees	12 terms	\$ 510.00	6,120			50,385
MAT in 13 months (5 terms) 68 SCH	68					
Activity Based Funding Outcome Based funding		\$ 341.00	23,188	\$ 42.04	2,859	
MA Degree completion weight				1.00	4,162	
Graduate Certificate (Licence) weight				0.20	832	
Fees	5 terms	\$ 510.00	2,550			33,591
			56,773		27,203	83,976
Full Undergrad Pathway - per student (1,2,3)			62,070		40,200	51,135
Full Grad Pathway - per student (1,2,4)			56,773		27,953	84,726

Assumptions:

1. Pirates/BullDogs to Raiders is free to students so there is revenue
2. SOU receives \$50 per SCH from the state for dual credit enrollment
- 3.a. 180 credits required for Elementary Education Degree, assumption is that 15 were taken as dual credit while in high school
- 3.b. Averaged tuition for FY16-17 will be \$151 per credit. The state will pay \$41.60 for every resident undergraduate credit
- 3.c. the Outcome based funding model provides 2 points for completion of an undergraduate BS/BA degree
- 3.d. The outcomes based model provides extra weighting for targeted sub-populations. This program targets 2 or 3 of those sub-populations
1.0 points for under-represented minorities and low-income (Pell eligible) students. There is a strong expectation many will also be rural, but we did not include that bump in this analysis. Every rural student would add \$416.20 in state revenue
- 3.e. In order to show all mandatory costs to the student, Student Fees have been included here. No attempt has been made to include food housing, course fees or other non-mandatory fees an average student might incur.
- 4.a. The MAT has been reduced as of 2016-17 to 68 credits, to be completed in 13 months, or 5 terms.
- 4.b. The Education specific tuition will be \$341 per credit for 2016-17. State revenue will be \$42.04 per credit for Education graduate credits
- 4.c. the Outcome based funding model provides 1 points for completion of an graduate degree
- 4.d. The outcomes based model provides no extra weighting for targeted sub-populations. It does provide .2 points extra weighting for graduate certifications (aka licensure)
- 4.e. See 3.e.

~Prepared by Deborah Lovern Budget Officer for Academic and Student Affairs 4/6/16

Pathway to Teaching -PER STUDENT COST TO SOU

	Cost per student
1. Pirates/Bulldogs to Raiders program	
Labor, operating costs	234
	234
2. Pre Education Path ASC	
earn up to 15 SCH towards major @ \$41/ SCH	615
Program to cover cost of tuition for the student	
	615
3. Undergrad Degree in Elem Education	
a. Tuition Waiver	6,229
b. Marginal Cost per Graduated student	38,272
c. Student Fee supported activities	6,120
	50,621
4. MAT in 13 months	
a. Marginal Cost per Graduated student	38,272
b. Student Fee supported activities	6,120
c. Tuition Waiver	23,188
d. Marginal Cost per MAT student on the Path	8,333
e. Student Fee supported activities	2,550
Opportunity Cost	
f. Forgone tuition for average .4 students who would have attended MAT regardless of Pathway	1,064
	79,527
Full Undergrad Pathway - per student	51,470
Full Grad Pathway - per student	80,376

Assumptions:

1. Costs include partial FTE for SOU staff member, student labor, and an operating budget, prorated by the total student each school will accept. Student head count assumes 70% retention rate.
2. Pathway program will cover the cost of Pre-Education dual credit courses. \$41 per credit x 15 credits.
- 3.a. Pathway program will cover the final years tuition.
- 3.b. Marginal cost to educate a student was derived by dividing all budgeted operations spending by degrees awarded. This averaged \$213 based on 2014-15. Using this method, it becomes the same for graduate as well as undergraduate students.
- 3.c. While it was informative to show total student costs to include student fees, it is not relevant to the pathway program. We are simply reversing revenue out here. This is a fair assumption since student fees are collected to cover specific activities and should be expended fully each year.
- 4.a. see 3.b.
- 4.b. see 3.c.
- 4.c. Pathway program will waive Graduate tuition for students who earned BA/BS at SOU.
- 4.d. This cost represents the increase in faculty wages required
- 4.e. see 3.c.
- 4.f. Opportunity cost represents the cost of a student from this targeted population who would have attended SOU at full cost had the pathway program not been offered.

** There is no SOU retention rate applied to Pathway students because outside of the dual credits in high school being free, there is no added cost for these students until they begin their final year of school.

**Board of Trustees
Thursday, April 14, 2015**

**Proposed Motion for Agenda Item:
HB 3375 (2015) and Preparation of Diverse Educators**

As outlined in ORS [342.447](#), The Higher Education Coordinating Commission (HECC) shall require each public teacher education program in this state to prepare a plan with specific goals, strategies and deadlines for the recruitment, admission, retention and graduation of diverse educators [. . .]. The commission shall review the plans for adequacy and feasibility, with the governing board of each public university with a teacher education program and, after necessary revisions are made, shall adopt the plan.

Toward fulfillment of this requirement, and on the recommendation of the Academic and Student Affairs Committee, I move that the full board approve submission to the HECC, SOU's "Pathway to Teaching: Southern Oregon University Diverse Educator Recruitment and Development Plan."

The board has reviewed this plan for "adequacy and feasibility" in support of accomplishing the goal stated in HB 3375 (2015) and ORS [342.437](#).

The board authorizes the board chair to create or cause to be created, any communications on behalf of the board, necessary to accompany SOU's submission of this plan to HECC.

Pathway to Teaching

Recruiting and Developing Diverse Educators at Southern Oregon University

Submitted in accordance with HB 3375: Oregon Educator Equity Report

February 18, 2016

Consistent with the goals of 40-40-20 and the Oregon Equity Lens, HB 3375 requires each public teacher education program in the state to prepare a plan with specific goals, strategies and deadlines for the recruitment, admission, retention and graduation of diverse educators. The bill further requires the governing board of each public university to review these plans for adequacy and feasibility before final submission to the Higher Education Coordinating Commission.

Statewide Context: Valuing Teacher Diversity

Improving the diversity of our teaching workforce is a critical priority for closing the achievement gap and advancing towards 40-40-20. HB 3375 defines “diverse” as people with culturally or linguistically diverse characteristics including:

- (a) Origins in any of the black racial groups of Africa but not Hispanic;
- (b) Hispanic culture or origin, regardless of race;
- (c) Origins in any of the original peoples of the Far East, Southeast Asia, the Indian subcontinent or the Pacific Islands;
- (d) Origins in any of the original peoples of North America, including American Indians or Alaskan Natives; or
- (e) A first language that is not English.

Increasing the number of culturally and linguistically diverse teachers in Oregon contributes to the goal of enhancing educational equity and success for all students. As explained in the 2015 Oregon Educator Equity Report, research on teaching and learning demonstrates that having teachers they can relate to helps students become more engaged and thereby increases their effort, interest and confidence. For Oregon’s increasingly diverse student population, having high achieving teachers with cultural backgrounds similar to their own provides access to real life, relatable role models of academic achievement and career success that can inspire and support their own success in and outside of the classroom.

Oregon has made some progress towards the goal of increasing teacher diversity over the last twenty years, more than doubling the percentage of non-white teachers from 3.9% to 8.5%. That progress, however, has failed to keep pace with the growing diversity among Oregon’s k-12 student population such that the gap between the percentage of non-white students and teachers statewide (known as the Teacher Diversity Index) has ballooned from 12.4 to 27.9%. As a

result, Oregon's schools and teacher preparation programs face a significant challenge in their efforts to improve outcomes for Oregonian students by recruiting, developing and supporting a more diverse teacher workforce.

Institutional Context: Building a Diverse Student Body at Southern Oregon University

Teacher preparation programs at both the graduate and undergraduate level are highly dependent upon the student population of the university in which they are located. At Southern Oregon University (SOU), 69% of our teacher education candidates in 2014-15 were drawn from the undergraduate student population at SOU. Thus, efforts to enhance the diversity of the teacher education candidates stand to benefit from initial steps aimed at developing a more diverse student population university-wide. The Pathway to Teaching builds upon a strong foundation of successful minority outreach efforts already underway at Southern Oregon University:

The university invests in attracting and retaining a diverse student body through Diversity Scholarships which provide tuition remissions of up to \$5000/year for new and continuing students who demonstrate academic excellence and contribute to the university through community involvement, cultural sharing, leadership roles and extracurricular activities. The newly instituted Bridge Program employs a wrap-around approach to supporting Oregonian first generation college-going students as they transition into higher education through providing early summer entry, campus jobs, and pro-active advising and academic supports. The Office of Diversity and Inclusion, meanwhile, works to ensure a supportive and inclusive campus climate for all students by fostering a culture of respect and a rich diversity of ethnicity, race, gender and gender identity, size, nationality, age, language, religious affiliation, sexual orientation, socioeconomic background, disability, and political affiliation. Safeguarding this culture of respect, a Bias Response Team provides proactive education and responsive action to bias-related incidents, while programs such as SOU Connections help connect underrepresented students to each other and to the array of resources available across campus aimed at promoting student success and inclusion.

Pre-College Youth Programs offer an array of opportunities designed to open the door to college for children and families from underrepresented populations:

- Academia Latina is a week-long residential summer program which immerses Latino 7th, 8th and 9th graders in the university setting through classes, field trips, cultural experiences and recreational activities;
- Latino Family Days help students and their families experience the university setting and learn about college admissions through campus tours, sessions on college applications, financial aid/scholarships, and student and faculty panels;
- Cesar Chavez Leadership Conference invites regional Latino high school students to address contemporary issues and educational opportunities beyond high school through workshops on leadership and community engagement;
- Pirates to Raiders is a partnership program between students, families, school districts and Southern Oregon University to support students from 8th grade through high school completion and admission to SOU;

- Konoway Nika Tillicum is a year-long academic and cultural support program for Native American students in grades 6-12 culminating in an 8-day residential academy on the college campus.

The SOU School of Education also provides targeted efforts aimed at building the pipeline of underrepresented students aspiring and academically prepared to succeed in college. Education practicum students spend approximately 100,000 hours each year in K-12 school settings and much of this time is now being directed to programs such as AVID and ASPIRE which provide academic support and mentoring for potential first generation college goers. We have dedicated two .5 FTE positions to Minority Outreach Coordinator and Navigator roles to support the expansion of Pirates and Bulldogs to Raiders programs which provide after school tutoring, family outreach, and college preparation and planning workshops for over 120 Latino middle and high school students in the Phoenix-Talent and Medford school districts. And, to help ensure all teachers we graduate are well equipped to support the academic achievement of linguistically diverse students, each of our teacher licensure programs was revised between 2014 and 2016 to integrate competencies in culturally responsive pedagogy and teaching English Language Learners within the general education classroom.

Extending the Bridge: Creating a Pathway to Teaching

Now, in a unique collaboration with two local school districts and the Southern Oregon Educational Services District (SOESD), the SOU School of Education seeks to build upon these efforts to create a sustainable, high impact model for cultivating a diverse educator workforce from within our local community. The specific goals, strategies, deadlines and success metrics for this Pathway to Teaching are presented below:

Goals

- 1) Increase the number of teachers from culturally and linguistically diverse backgrounds within schools throughout Southern Oregon;
- 2) Increase university enrollment by expanding the pipeline of culturally and linguistically diverse students from within the Rogue Valley who are actively encouraged and academically prepared to enter and succeed in higher education.

Core Strategies

- 1) Starting early:
 - Efforts to recruit diverse teachers which begin in or after college have historically proven ineffective and the percentage of culturally and linguistically diverse teachers nationwide continues to lag significantly behind that of students;
 - The Pathway to Teaching links with existing minority outreach efforts which begin in the 8th grade and employ a whole family approach. It supports academic achievement and post-secondary aspirations at each step from 8th grade through graduate school.
- 2) Articulated career pathway including dual credit:
 - Students can earn 15 credits of college coursework while still in high school;
 - No tuition will be charged for college credits earned through the Pre-Education Pathway.

- 3) Bridging systems to support post-secondary and career aspirations:
 - Bridging middle & high school through Pirates/Bulldogs to Raiders program;
 - Bridging high school & college through Pirates/Bulldogs to Raiders program and dual credit Pre-Education pathway;
 - Bridging college & career through concurrent enrollment in the Master of Arts in Teaching (MAT) or undergraduate Elementary Education (EE) licensure track program and the Teacher Equity Fellows program.
- 4) Incentivizing participation for culturally and linguistically diverse students:
 - Free MAT/EE licensure program for students who complete the Pre-Education Pathway and earn their undergraduate degree from SOU;
 - Intent to Employ offer for students who complete the Pre-Education Pathway;
 - Paid fellowships for students completing their MAT or EE licensure program.
- 5) Leveraging community partnerships around common priorities and shared commitments:
 - Southern Oregon University agrees to earmark “targeted student sub-population” state funding generated by students participating in the Pathway to support tuition remissions during their MAT or EE licensure track program;
 - Medford and Phoenix-Talent school districts agree to award fund paid fellowships for students from their district participating in the Pathway during their MAT or EE licensure track program;
 - Southern Oregon Educational Services District (SOESD) Migrant Education agrees to fund instructor Professional Learning Communities (PLCs) to develop and articulate courses in the Pre-Education Pathway.

Implementation Plan and Timeline

Fall 2015

- Expand Pirates to Raiders model to Medford School District (Bulldogs to Raiders)
- Present draft Diverse Educator Recruitment and Development Plan to the Phoenix-Talent and Medford school districts and the SOESD

Winter 2016

- Establish instructor PLCs to develop Learners and Learning course and articulate ED 251 Introduction to Teaching
- Revise Co-Pay Voucher agreements to address Diverse Educator Recruitment Plan
- Each party conducts institutional review of budget framework
- Present the Diverse Educator Recruitment and Development Plan for SOU Institutional Board approval

Spring 2016

- Develop and sign Documents of Commitment
- Present Diverse Educator Recruitment and Development Plan for HECC approval
- Develop Memorandum of Understandings regarding multiple entry points for high school and college students already in the Pathway pipeline

Fall 2016

- Announce Pathway to Teaching at Pirates and Bulldogs to Raiders kickoff nights
- Establish PLCs to develop and articulate ED 201 Risk and Resilience, ED 202 Culture in the Classroom, and ED 252 Social Foundations

Winter 2017

- Create articulation agreements with existing Rogue Community College (RCC) Early Childhood and Elementary Education dual credit courses

Spring 2017

- Co-sponsor diverse educator hiring fair with SOESD Migrant Education Office

Summer 2017

- Begin targeted incentives for students in the MAT and Elementary Education licensure track programs

Fall 2017

- Begin offering dual-credit Pre-Education Pathway courses

Program Success Metrics

Pathway to Teaching:

- Annual target of ten local CLD teachers graduating from the MAT and Elementary Education licensure track programs
- Budget neutrality

Pirates and Bulldogs to Raiders:

- Academic achievement metrics: high school gpa, high school graduation rates, dual-credits earned, college admission rates, college completion rates
- Non-cognitive metrics: growth mindset, post-secondary aspirations, high school attendance, college persistence

Pathway Elements

Supports and Incentives as students transition from:



Middle School and High School: targeted support programs provide:

- After school mentoring
- Post-secondary planning and application support
- Family outreach and community events

Pirates and Bulldogs to Raiders program currently serve Latino students within Phoenix-Talent and Medford school districts. Future expansion possible to Eagle Point school district and Native American students participating in the Konaway program.



High School: Pre-Education pathway provides ALL students the opportunity to earn 15 credits of college level coursework while still in high school.

- ED 251 Introduction to Teaching, 3 credits
- ED 202 Culture in the Classroom, 3 credits
- ED 252 Social Foundations of Education, 3 credits
- ED 201 Risk and Resilience, 3 credits
- ED 209 Practicum, 3 credits
- Additional transition support programming includes:
 - Visits to the Southern Oregon University campus
 - Assistance applying for college admission and financial aid
 - Family outreach and student leadership conferences

FREE TUITION for college credits earned through the Pre-Education Pathway

TARGETED INCENTIVES: students who complete the Pirates or Bulldogs to Raiders program and complete the Pre-Education Pathway with a GPA of 3.0 or above will be offered an Intent to Employ letter guaranteeing a teaching position after graduating from college and qualifying for an Oregon Teaching License.



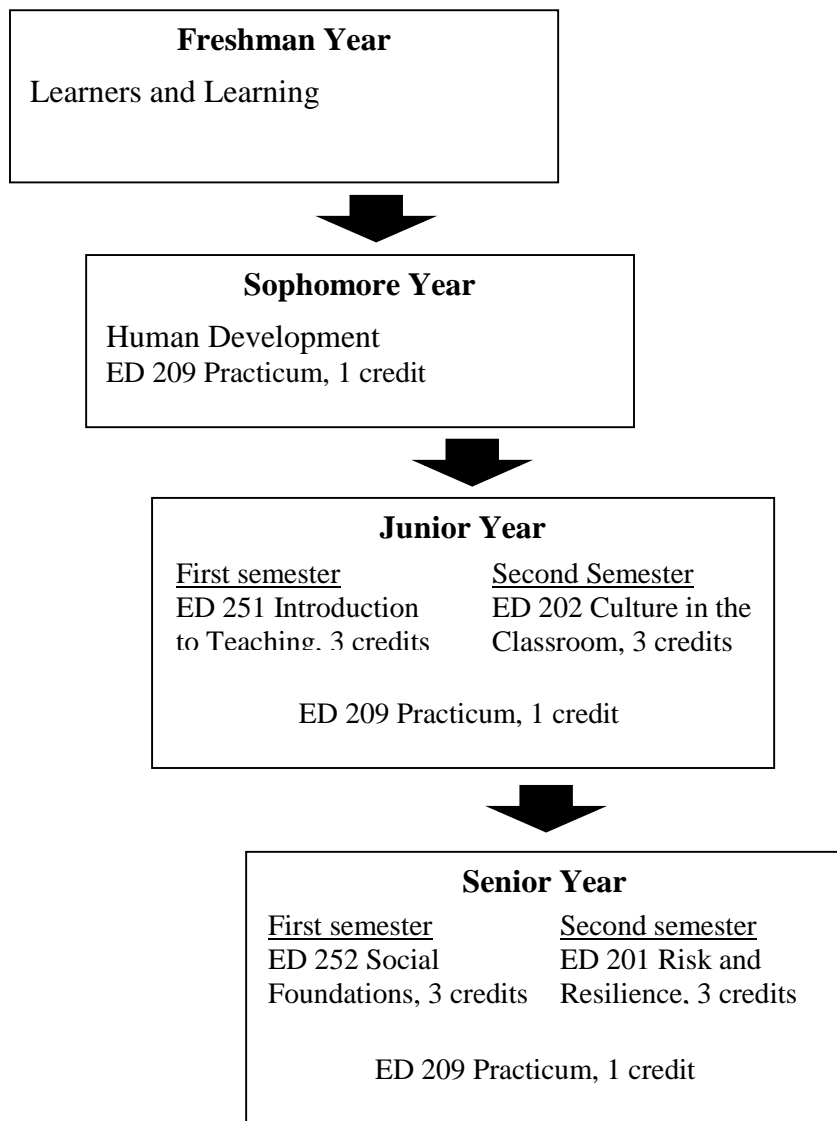
College: Earn your college degree from SOU and qualify for an Oregon Teaching License.

TARGETED INCENTIVES: students who complete the Pirates or Bulldogs to Raiders program and the Pre-Education Pathway, earn their bachelor's degree at SOU, and meet all program entrance requirements will be offered FREE TUITION in the MAT or Elementary Education Licensure Track program and a PAID FELLOWSHIP through the Teacher Equity Fellows Program.



Career: Teach in local schools!

Pre-Education Pathway



High School Offerings (not for dual credit)

Learners and Learning (co-developed with reference to ED 462 Human Development, Cognition and Learning and ED 470 The Exceptional Child)

Human Development (co-developed with reference to ED 340 Child and Adolescent Development and ED 460 Whole Child Development)

Dual Credit Offerings (15 credits)

ED 201 Risk and Resilience, 3 credits (develop with reference to ED 481 From At-Risk to Resiliency and ED 426 Bullies and Victims)

ED 202 Culture in the Classroom, 3 credits (develop in reference to ED 346 Child, Family and Community and ED 460 Multicultural Education)

ED 251 Introduction to Teaching, 3 credits

ED 252 Social Foundations in Education, 3 credits

ED 209 Practicum, 3 credits (may be satisfied through paid internships with the Medford after-school program)

Course development and articulation supported through funding provided by SOESD and Migrant Education Office

Budget Framework

Costs

- Pirates/Bulldogs to Raiders programming = \$273/student¹
- Tuition waivers for dual credit courses = \$615/student²
- Opportunity cost of foregone tuition and fees = \$10,636³
- Marginal cost to educate = \$8,333/student⁴
- Teacher Equity Fellowships = \$9,360/student⁵
- Instructor PLCs for course development and articulation = \$4,500⁶

Revenue

- State support based upon dual credit incentives = \$750/student⁷
- Additional UG state support incentives for targeted sub-populations = \$4,578/student⁸
- Additional UG state support incentives for bi-lingual education = \$2,081/student⁹
- State support for GRAD enrollment and degree completion = \$4,994/student¹⁰
- External fundraising:
 - Juan Young Trust, College Dreams, Ellwood Foundation, Oregon Campus Compact
 - Potential ODE contribution: Diverse Educator Pipeline Grant or its successor

Cost-sharing guarantees to be included within a Document of Commitment

- SOU agrees to accept co-pay vouchers and earmark incentivized state support through the Student Success and Completion Model (SSCM) to fund tuition remissions for up to ten qualifying students in the MAT or senior year Elementary Education licensure track
- Districts agree to provide paid fellowships and allocate co-pay vouchers to support eligible candidates completing the MAT/EE programs
- ESD Migrant Education office agrees to support instructor PLC engaged in course development and articulation

¹ Based on 2014-15 programming costs

² Based upon \$41/credit for 15 credits of ASC completed through the Pre-Education Pathway

³ Based upon ten year average of .4 qualifying students per year (i.e. culturally/linguistically diverse graduates from Medford or Phoenix high schools who complete the MAT program after earning their BA/BS from SOU)

⁴ Based upon 3 ELU at average professorial rate for MAT 527, 528, 540, 541, 542, 543 (and equivalent ED 411, 416, 417, 418, 435, 458)

⁵ Based upon .5 FTE Instructional Assistant average rate of \$13/hr.

⁶ Based upon \$50/credit for 15 credits of ASC completed through the Pre-Education Pathway

⁷ Based upon 20 hours at ESD curriculum rate (\$45/hour) for five member PLC

⁸ Based upon 1.1 "Targeted Student Populations" weighting under the SSCM

⁹ Based upon 1.5 "Area of Study" weighting under the SSCM

¹⁰ Based on 1.0 "Degree Level" and "Graduate Certificate" weighting under the SSCM

PATHWAY TO TEACHING

Southern Oregon University
Diverse Educator Recruitment Plan

Existing Minority Outreach Efforts at SOU

- Diversity Scholarships
- Academia Latina, Latino Family Days, Cesar Chavez Leadership Conference, Konoway
- Pirates and Bulldogs to Raiders programs
- Deploying Education practicum students to support targeted intervention programs within k-12 schools
- Bridge Program

Pathway to Teaching: Goals

1. Increase the number of teachers culturally and linguistically diverse backgrounds within schools throughout Southern Oregon
2. Increase university enrollment by expanding the pipeline of culturally and linguistically diverse students from within the Rogue Valley who are actively encouraged and academically prepared to succeed in higher education.

Pathway to Teaching: Core Strategies

1. Starting early
2. Articulated pathway including dual credit
3. Bridging secondary and post-secondary systems
4. Targeted incentives for culturally and linguistically diverse students
5. Leveraging community partnerships

Pathway to Teaching: Fiscal Impact

1. SOU: achieve budget neutrality through earmarking “targeted student sub-population” state funding
2. Phoenix-Talent and Medford school districts: fund teacher equity fellowships
3. SOESD: fund instructor PLC’s to develop and articulate new dual credit courses

Measuring Success

- Increase college admission and completion rate among Latino students above statewide averages
- Increase number of “locally-grown” CLD teachers from .4 to 10 per year
- Create a replicable, scalable and sustainable model

We are tackling persistent social and educational challenges in a coherent and multifaceted way!

Next Steps

1. Spring 2016: SOU Institutional Board review for adequacy and feasibility
2. Spring 2016: SOU, Phoenix-Talent and Medford School District, and SOESD sign documents of commitment
3. Summer 2016: submission to the HECC
4. 2016-17: develop full dual-credit pathway
5. 2017-18: begin targeted incentives

Board Staffing Discussion and Process (Action)

Southern Oregon University

Board of Trustees

Proposed Policy on Recommending Candidates for At-Large Board Positions

1. Goal

Under ORS 352.076, Southern Oregon University trustees are appointed by the Governor of the State of Oregon and confirmed by the Oregon Senate. It is a goal of the Board of Trustees to recommend at-large candidates for the Governor's consideration who meet the individual characteristics desired for the board and who complement the needs of the board as a whole.

2. Purpose

The purpose of this policy is to guide the board's efforts in identifying potential candidates to recommend to the Governor for at-large board positions.

3. Board Composition

The board should be composed of members who have:

- A commitment to public higher education;
- A record of public or community service;
- Knowledge of complex organizations or academic institutions;
- Demonstrated collaborative leadership;
- A willingness and availability for constructive engagement;
- A commitment to open-minded, non-partisan decision-making;
- A record of integrity, good judgment, and civic virtue;
- A commitment to engagement in board responsibilities and interests; and
- Qualifications and characteristics that reflect and support the Governor's goals, priorities, and initiatives.

There should be a balance of perspectives, backgrounds, experience, and skills among the members of the board. These could include, but are not limited to:

- Gender, ethnicity, age, geographic location of residence, and other expressions of diversity;
- Unique skills and competencies, including experience that will benefit the board;
- Complementary skills and perspectives;
- A broad range of professional fields (e.g., education, legal, finance, engineering, healthcare, and business); and

- Knowledge of and connection to Southern Oregon University (alumni relation, campus service, etc.).

4. Process

The process for identifying and vetting potential candidates will include the following:

4.1. Conduct Needs Assessment

When a vacancy on the board is anticipated or occurs, the board secretary, in conjunction with the president and board chair, will conduct a needs assessment by analyzing the present board membership against the composition identified in Section 3. The board will also conduct periodic self-assessments, which the board secretary, president, and board chair also will consider in assessing the board's needs.

4.2. Identify and Vet Potential Candidates

Based on the needs assessment, the president and board chair will identify potential candidates. To assist the president and board chair in identifying potential candidates, the board secretary will maintain a list of individuals submitted by sources such as trustees, the president, senior administrators, and others. The president will vet potential candidates in consultation with the board officers. Vetting will include a discussion with potential candidates about the responsibilities of serving as a trustee and their interest, readiness for nomination, and fit with the desired characteristics, which include but are not limited to:

- Commitment of time and talent;
- Attendance at and participation in board and committee meetings;
- Ability to maintain a university-wide perspective on issues and concerns;
- Promotion of the university mission through advocacy and oversight of policy; and
- Active involvement in the life of the university.

4.3. Present Recommendations

The president will present recommendations to the board chair. The board chair will consult with board members regarding potential candidates who are willing to serve and who satisfy the needs identified by the needs assessment. Candidates will be asked to complete an application packet, including the Governor's Executive Appointments Interest Form, Background Information Form, and other documentation required for

executive appointments. The board chair will recommend candidates on behalf of the Board of Trustees to the Governor for consideration.

It is understood by the board that providing recommendations to the Governor's office regarding potential trustees in no way guarantees or implies appointment of any applicant. As executive appointments, Southern Oregon University trustees are appointed by the Governor and confirmed by the Senate.

Approved on _____.

Board Chair

Board Secretary

DRAFT

HECC Funding Request - Update

State Biennial Funding

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

HECC Funding Request Summary

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

Suggested Talking Points

2017-19 Agency Request Budget Submission to HECC

Operating Funds

03/29/2016

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

2017-19 Consolidated Funding Request

March 30, 2016

Introduction

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

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

Reversing the Cycle

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

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

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

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

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

Higher Education as an Economic Lever

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

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

A MORE ACCURATE CURRENT SERVICE LEVEL (CSL)

Universities' History with the CSL

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

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

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

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

Recent Developments

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

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

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

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

Budget Note:

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

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

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

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

The Universities’ Calculation Approach

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

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

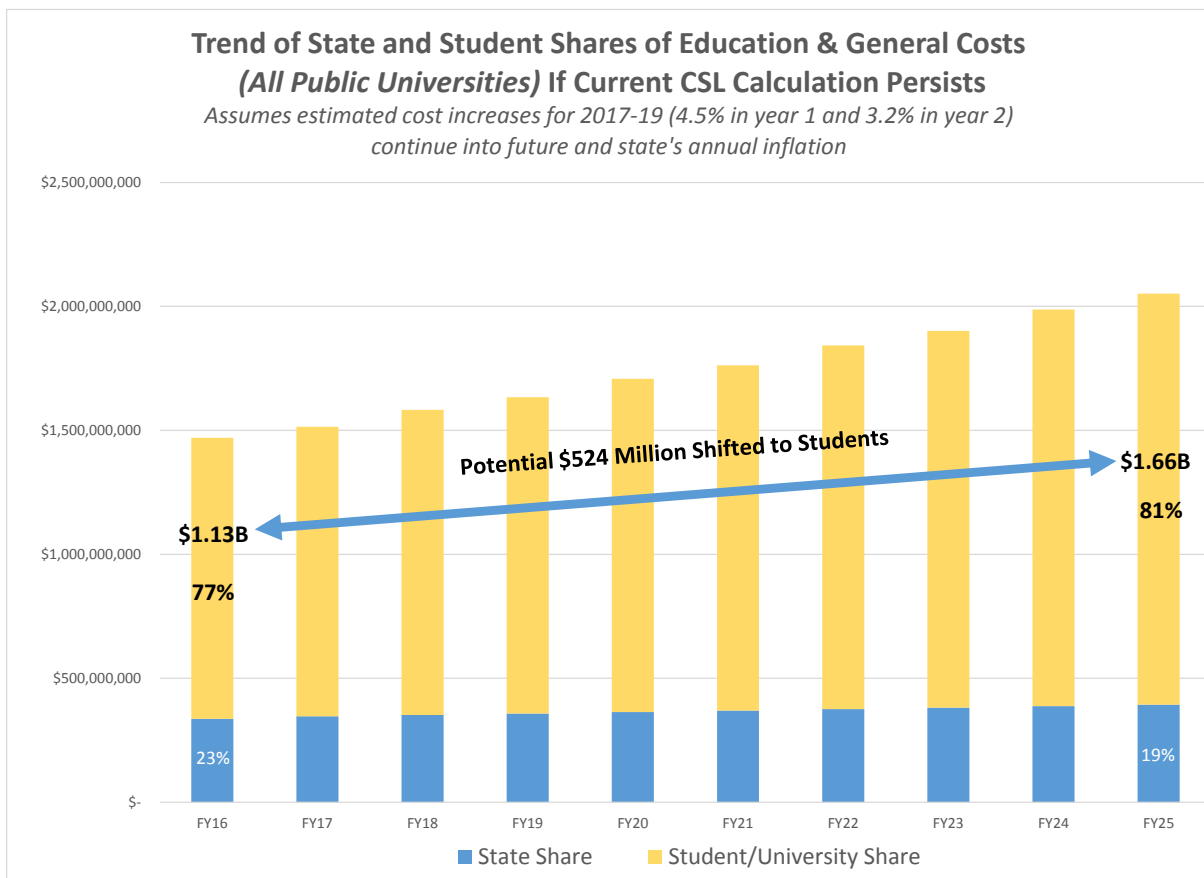
<ul style="list-style-type: none"> Individual university estimates range from 6.1% to 8.5% (3% - 4.6% annually) 	<ul style="list-style-type: none"> General salary pool increases for existing positions Fiscal impact of SB 1532 - minimum wage increase 	
<p><u>Healthcare</u></p> <ul style="list-style-type: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

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

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

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

Chart 1:



Oregon Opportunity Grant

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

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

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

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

Public University Support Fund (PUSF)

Background

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

- Public University Support Fund**

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

- State Programs**

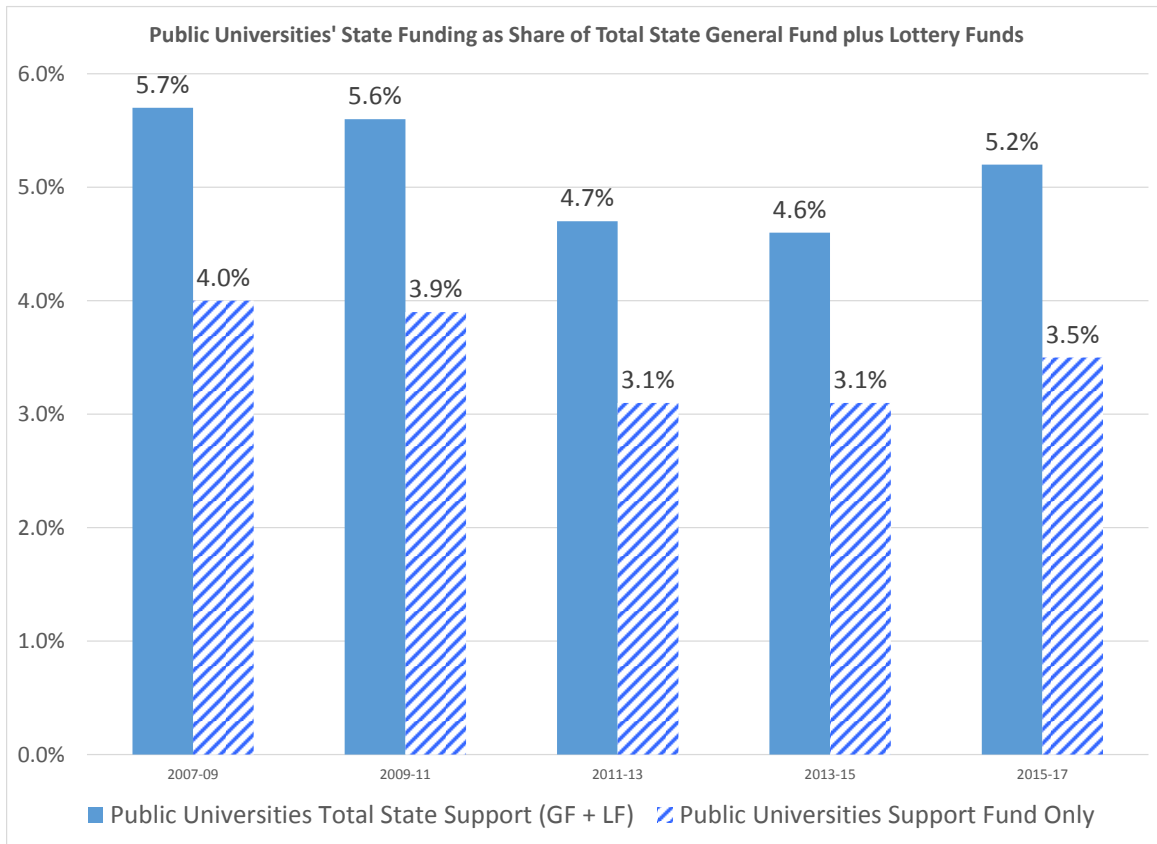
Funding for centers, institutes, and programs addressing statewide economic development, natural resource, and other needs are included in the State Programs unit (this appropriation is discussed in more detail later in the document).

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

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

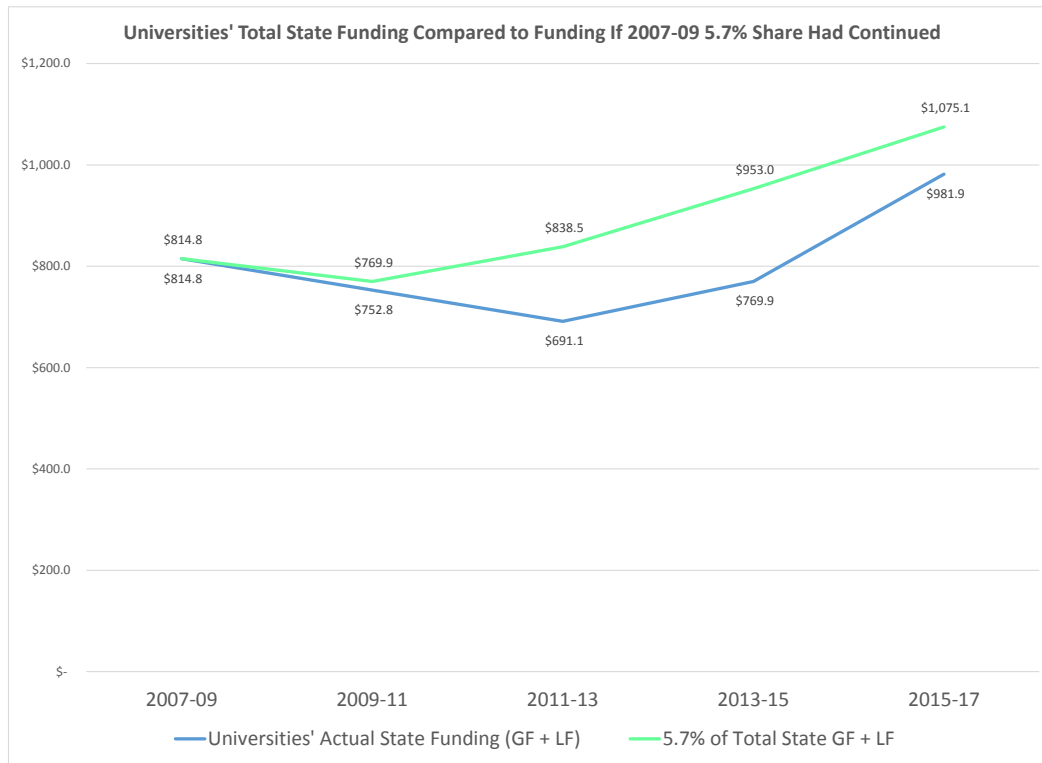
Charts 2 and 3 that follow provide additional historical context.

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



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

Chart 3 – Universities’ Share of Total State Funding

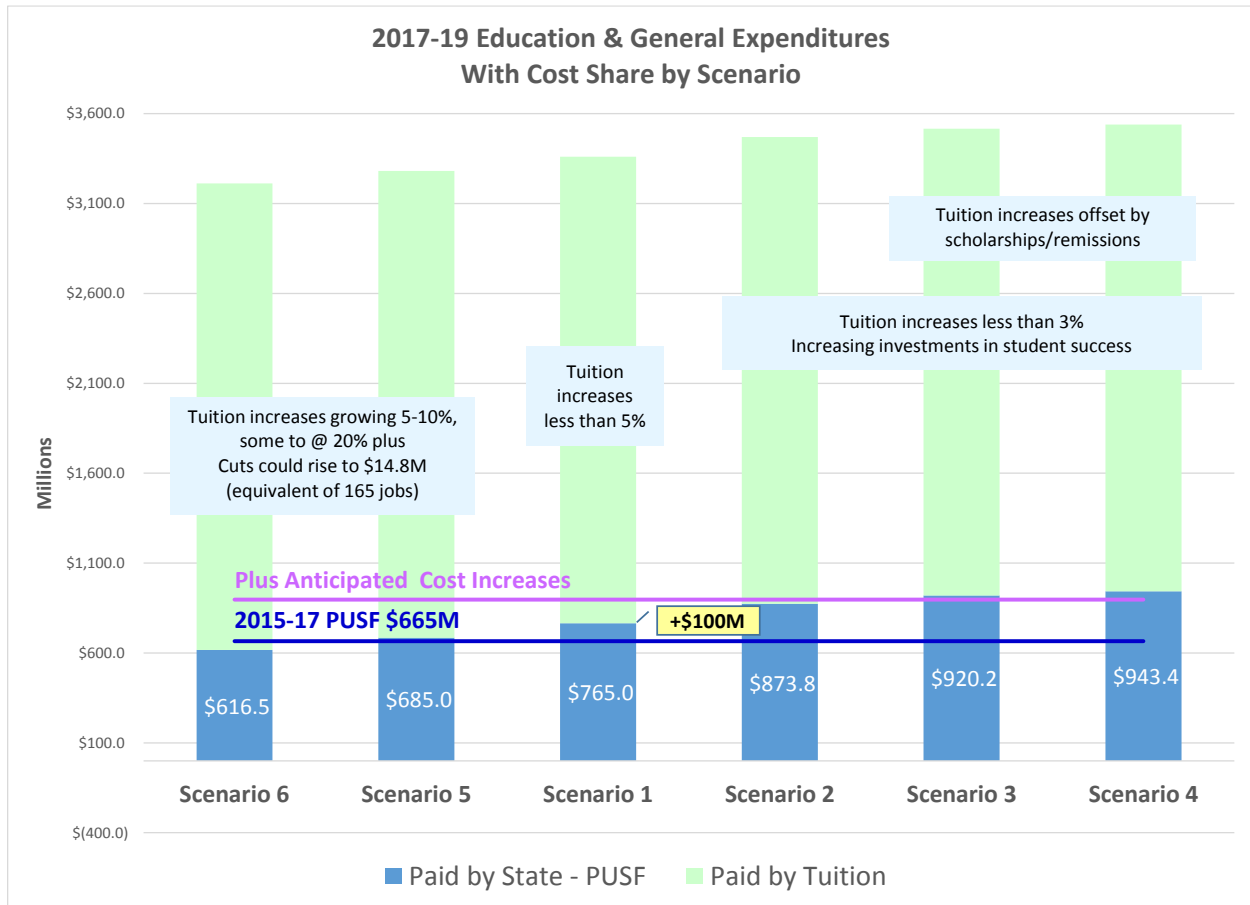


Had universities’ total state funding continued at the 2007-09 participation rate of 5.7%, they would have received an additional \$93.2 million in funding.

Funding Scenarios

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

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



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

Scenario 1: Keep tuition increases under 5%

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

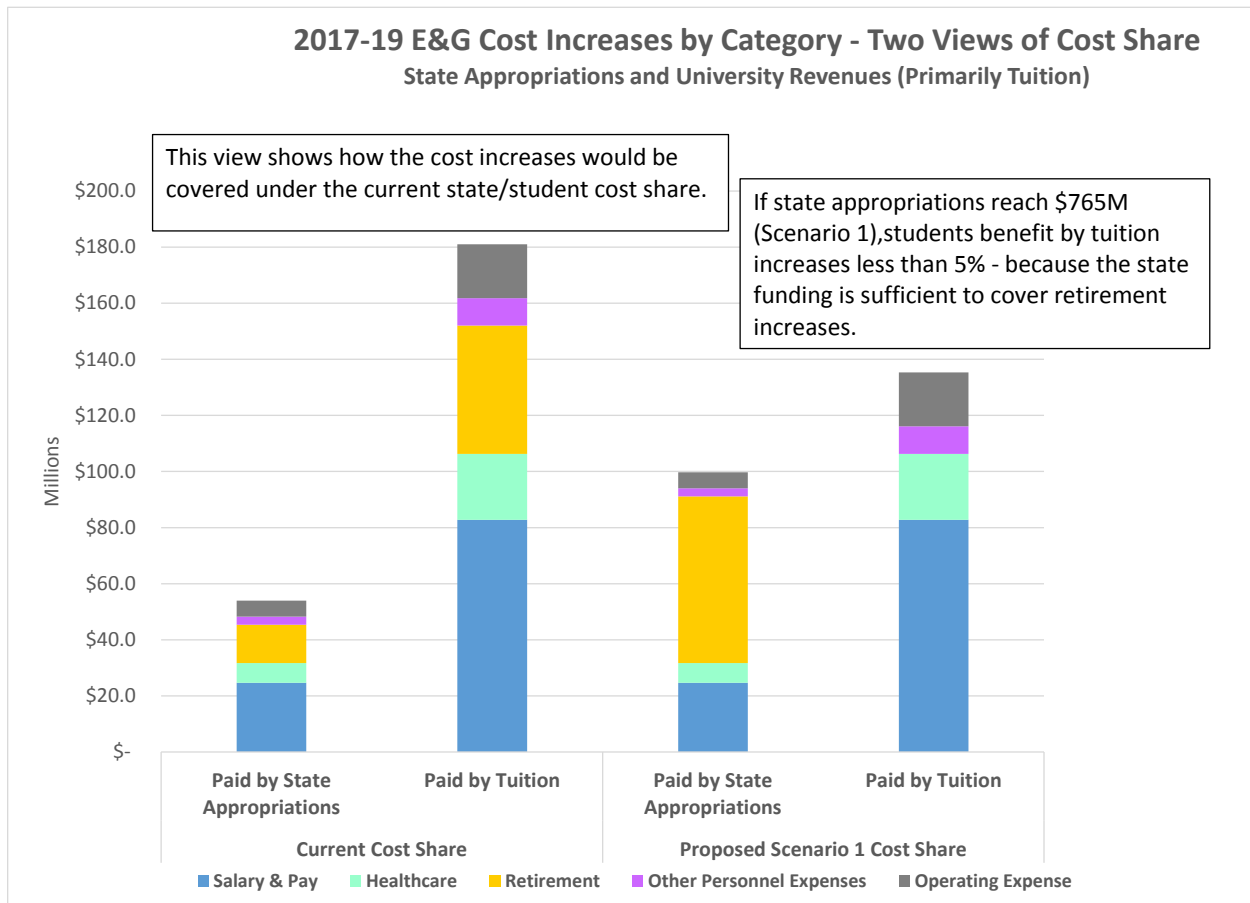
1) **PUSF of \$765 million** – an increase of \$100 million, 15% over 2015-17

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

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

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

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



Scenarios 2 – 4: Improved Outcomes for Students

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

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

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

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

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

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

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

Provosts Council Initiatives

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

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

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

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

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

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

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

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

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

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

Possible short-term options:

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

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

Other University Appropriations – State Programs

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

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

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

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

Other State Appropriations – Statewide Public Services

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

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

Other State Appropriations – Sports Lottery

Background

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

University Allocations

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

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

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

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

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

Return to Statutory 1%

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

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

Summary

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

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

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

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

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

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

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

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

APPENDIX B – University-Specific Information

Eastern Oregon University Supplemental Information

Investment: Student Success and Outcomes

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

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

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



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

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



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

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

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

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



Oregon Institute of Technology (Oregon Tech) Supplemental Information

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

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

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

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

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

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

Connection to Oregon Tech Strategic Plan:

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

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

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

Connection to HECC Strategic Plan:

Goal 1: Improving educational attainment and completion

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

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

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

Oregon State University Supplemental Information

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

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

OSU Strategic Plan 3.0 Connections

<u>Reference</u>	<u>Strategy</u>
Goal 1. Provide a transformative educational experience for all learners	
OSU-1.a.	Enhance an integrated learning environment that raises and equalizes retention and success of all learners.
OSU-1.b.	Make high-impact learning a hallmark of Oregon State undergraduate education, preparing students for responsible citizenship and global competitiveness.
OSU-1.c.	Advance teaching and learning in the Baccalaureate Core through innovations in course design, authentic assessment, interactive teaching and faculty development.
OSU-1.d.	Strategically grow online education programs, explore new pedagogical models and address all learning styles through myriad learning platforms.
OSU-1.e.	Enhance our comprehensive Healthy Campus Initiative, caring about the health and well-being of students, faculty and staff.
OSU-1.f.	Expand strategies to recruit diverse and high-achieving students and meet enrollment goals for OSU-Cascades.
Goal 2. Demonstrate leadership in research, scholarship and creativity while enhancing preeminence in the three signature areas of distinction.	
OSU-2.a.	Attract and retain faculty to strengthen the foundational disciplines and excellence in signature areas.
OSU-2.b.	Expand and cultivate transdisciplinary research through partnerships within Oregon State, along with industry and national and international partners.
OSU-2.c.	Selectively increase the quality, capacity and impact of Oregon State's graduate programs, while improving retention and student success.
OSU-2.d.	Expand and increase visibility of high-profile programs in the performing arts and creative work in the humanities.
Goal 3. Strengthen impact and reach throughout Oregon and beyond.	
OSU-3.a.	Position Oregon State's outreach and engagement programs as learning laboratories to promote high-impact experiences for students and to promote the broader impacts of university research more effectively.
OSU-3.b.	Drive economic development in Oregon by expanding commercialization, technology transfer and startup companies that originate from Oregon State research.
OSU-3.c.	Increase the number of Oregon State students who participate in study abroad and grow the number of strategic international research partnerships.
OSU-3.d.	Engage alumni and other external partners to advance university goals and priorities.

HECC Strategic Plan Connections

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

Portland State University Supplemental Information

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

Transfer Center

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

Connection to PSU Strategic Goals:

STRATEGIC GOAL #1: ELEVATE STUDENT SUCCESS

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

Connection to HECC Strategic Plan:

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

Connection to outcomes: Improve retention and completion

PSU Flexible Degrees

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

Connection to PSU Strategic Goals

STRATEGIC GOAL #1: ELEVATE STUDENT SUCCESS

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

Connection to HECC Strategic Plan

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

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

Advising, Analytics, and Curricular Redesign and for Increasing Graduation

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

Connection to PSU Strategic Goals

STRATEGIC GOAL #1: ELEVATE STUDENT SUCCESS

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

Connection to HECC Strategic Plan

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

Connection to outcomes: Improve retention and completion

Focus on Research

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

Connection to PSU Strategic Goals

STRATEGIC GOAL #1: ELEVATE STUDENT SUCCESS

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

STRATEGIC GOAL #2: ADVANCE EXCELLENCE IN TEACHING AND RESEARCH

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

Connection to HECC Strategic Plan

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

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

Southern Oregon University Supplemental Information

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

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

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

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

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

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

University of Oregon Supplemental Information

University of Oregon: 2017-2019 Legislative Themes

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

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

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

PathwayOregon

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

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

The PathwayOregon program supports the following institution and state priorities:

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

Graduation Incentive Grants

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

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

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

Tenure-Track Faculty

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

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

Student Transitions

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

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

Western Oregon University Supplemental Information

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

1. Expanding Student Persistence Fee Remissions.

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

2. Introduce Degree Completion Remissions.

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

3. Expanding Student Academic Support.

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

4. Expanding Student Support Services.

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

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

5. Transition Projects.

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

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

6. Bilingual Teacher Scholars Program.

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

7. Faculty Recruitment and Retention Initiatives.

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

8. Faculty development

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

APPENDIX C – Oregon Tech: Oregon Renewable Energy Center

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

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

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

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

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

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

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

OREC leverages globally distinguished capabilities at Oregon Tech.

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

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

Partners

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

Industry Partners (partial list)

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

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

University Partners

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

Community-based Partners

- Klamath County Economic Development Association (KCEDA)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

HECC Conditions Report - Update

SOU's Interim Progress Report

Review of the HECC Response

Commendations:

1. **“SOU has effectively staunched the significant declines in FTE enrollment...” and “...the rebuilding of a freshman class bodes well for the future of SOU.”**
2. **“The appointment of an interim president... has created a sense of optimism and commitment within the administrative team and campus community.”**
3. **“Total Education and General revenues have increased... creating fiscal space for the stabilization of the institution’s balance sheet, rebuilding of reserves, and for broadly positive ratios.”**
4. **“The academic management of the institution has been fully restructured to enhance authority for curricular and departmental management through newly created Division Directors... and are supported by a newly created Associate Vice President for Academic Resource Management.**
5. **“After years of hollowed out administrative ranks at SOU, the institution has begun to rebuild its management team.”**
6. **“...the institution has begun the data collection phase and is engaging stakeholders throughout the organization to create buy-in and a meaningful strategic plan will be the end result.”**

SOU's Interim Progress Report Review of the HECC Response



Recommendation 1:

“SOU did not elect to re-examine its mission or institutional focus during the development or execution of its retrenchment plan... ensuring that the process was an exercise in tactical cost-reduction and not a strategic repositioning.”

SOU Response:

- Transition in executive leadership
- Establishment of a new governing board
- Current accreditation cycle and its measurement of mission fulfillment
- Retrenchment was intended to be an exercise in cost-reduction not strategic repositioning

SOU's Interim Progress Report

Review of the HECC Response



Recommendation 2:

“In many cases savings associated with faculty retirements will not be fully realized as these retirements come in areas of high demand and little excess capacity, requiring SOU to backfill retirements with new faculty.”

SOU Response:

- Provost office routinizes a quarterly assessment of capacity and needs
- Director's closely manage the balance of capacity and faculty needs
- Director's create three-year division plans
- Savings still realized when transitioning from senior faculty to junior faculty

Recommendation also stated:

“...the auxiliary unit was recently hit with a \$2.5M BOLI prevailing wage settlement, which is material to the university and will likely reduce the auxiliary's ability to support the institution's E&G budget.”

SOU response:

The BOLI settlement has already been discussed and analyzed by the Board of Trustees.

SOU's Interim Progress Report

Review of the HECC Response



Recommendation 3:

“Enrollment at SOU has been highly volatile and counter-cyclical, increasing when the economy declines and shrinking when the economy is growing. However, nascent efforts to increase diversification of enrollment in terms of demographics, geographic boundaries and resident/non-resident status will need to take root.”

SOU Response:

- All university's enrollment patterns follow this counter-cyclical trend
- Demonstrates how workers choose to retrain, re-certify, and seek advanced degrees to become more marketable in economic downturns
- Positive diversification trends are a direct result of a new commitment and the ongoing investment in recruitment
- The enrollment mix will always have to include non-resident students

SOU's Interim Progress Report Review of the HECC Response



Recommendation 4:

“SOU does not have a systematic and centralized system which allows management to understand utilization rates or instructional capacity and thus to effectively manage faculty, departmental or divisional productivity.”

SOU Response:

- Faculty Loading Report
- Course Planners from Budget Analyst focusing on general education
- Development of Division and Program level dashboards
- Implementation of Activity Insight software

SOU's Interim Progress Report

Review of the HECC Response



Recommendation 5:

“Faculty non-teaching time is not systematically understood, tracked, evaluated or intentionally managed to support the institution’s needs. This deficiency encumbers the institution’s ability to understand its service, research and scholarship which support the institution’s mission.”

SOU Response: (same as recommendation 4)

- Faculty Loading Report
- Course Planners from Budget Analyst focusing on general education
- Development of Division and Program level dashboards
- Implementation of Activity Insight software



March 8, 2016

Bill Thorndike, Chair
Board of Trustees
Southern Oregon University
1250 Siskiyou Boulevard
Ashland, OR 97520

Re: Transmission of HECC-SOU Conditions Response Letter

Dear Bill,

Enclosed you will find a letter approved by the Higher Education Coordinating Commission (HECC) at its January 14, 2016 meeting in partial fulfillment of the HECC's responsibility to review Southern Oregon University's progress toward conditions identified during the establishment of the SOU governing board. The Commission extends its thanks to the leadership and staff at SOU for prioritizing the conditions review process, making significant time and information available to our staff, and for engaging in open and frank dialogue with the Commission.

The enclosed letter concludes the second of three reviews agreed to by SOU, the State Board of Higher Education and the Governor in 2014 during the establishment of the institutional governing board. The third and final review, due to the Commission on December 31, 2017, will be a comprehensive report developed by the institution. Upon receipt of this final report, the HECC will make a determination as to whether SOU demonstrates a clear institutional focus and durable niche within the portfolio of public higher education assets in Oregon, and that this niche:

- Supports the state's and region's civic, cultural, economic and 40-40-20 needs;
- Enables a cohesive and sustainable enrollment model; and
- Supports the long-term viability of the institution.

The HECC's determination will be reported to the Governor, the Legislature, and the SOU Board of Trustees.

The enclosed letter highlights areas of institutional progress as well as areas where we believe continued emphasis and improvement are warranted. Given that specific areas for improvement were identified, the Commission has tasked staff with collecting information for an interim review of progress in conjunction with the HECC's regular annual institutional evaluation in late 2016. This



Oregon
Kate Brown, Governor

Higher Education Coordinating Commission
775 Court Street NE
Salem, OR 97301

information will ensure that potential issues are raised and flagged in advance of the comprehensive report due in December 2017.

Several documents outlining the development of the enclosed letter, including the letter itself, are available on the HECC's [website](http://www.oregon.gov/HigherEd), at www.oregon.gov/HigherEd.

Sincerely,

Neil Bryant
Chair, Higher Education Coordinating Commission

Enclosure: Southern Oregon University Conditions Response Letter

cc: SOU Board of Trustees
President Roy Saigo

Docket Item:

Southern Oregon University Conditions Response Letter

Summary:

This letter is written to fulfill the Higher Education Coordinating Commission's (HECC) responsibility under the Second Review included within the conditions agreed to by Southern Oregon University (SOU), the State Board of Higher Education (SBHE) and the Governor in May of 2014 in order to establish an independent board of trustees at SOU. These conditions were established because of the long-term financial weakness at SOU. The SBHE saw this weakness as a persistent, and not transitory, condition of the institution caused by an unfocused and unaligned mission.

The following sections of this letter outline areas of clear progress in which improvement has been made or substantial efforts are under way, as well as areas of needed improvement and continued focus. It is important to note that for those areas where evidence of progress exists, sustained long-term progress is needed to secure the success of SOU and the southern Oregon region for which it plays such a critical role.

Docket Material:

Background Discussion

Three reviews are required under the established conditions, culminating in a comprehensive report to be developed by the institution and submitted to the HECC by December 31, 2017. The HECC must then make a determination, and report its findings to the Governor, the Legislature and the board of trustees at SOU, as to whether the institution demonstrates "a clear institutional focus and durable niche within the portfolio of public higher education assets in Oregon and that this niche:

- Supports the state's and region's civic, cultural, economic and 40-40-20 needs;
- Enables a cohesive and sustainable enrollment model; and
- Supports the long-term viability of the institution."

On December 10th, 2015 SOU's leadership team and others met with the HECC to submit the Second Review stipulated by the agreed upon conditions. The Commission extends its thanks and gratitude to SOU leadership and staff for prioritizing this presentation, and for making time and relevant material available to HECC staff before and after to facilitate the review process. The purpose of the Second Review is for the HECC to "provide feedback related to institutional progress and suggested areas of emphasis and needed improvement."

Institutional Progress

Below is a non-comprehensive set of areas in which SOU has demonstrated success and institutional progress through its retrenchment and restructuring efforts. It is clear that much work has been done and there is commitment from institutional leadership to the long-term success of the institution.

- SOU has effectively staunched the significant declines in FTE enrollment experienced over the past several years. The 2014-15 Academic Year enrollment was a mere 0.5% below 2013-14 enrollment, and 2015 Fall 4th week enrollment was up 1.4% when compared to 2014. This increase is the result of a larger freshmen class that more than offsets a somewhat shrinking transfer cohort. The rebuilding of a freshman class bodes well for the future of SOU. The establishment of a tactical enrollment plan by SOU is paying dividends.
- The appointment of an interim president, Dr. Roy Saigo, and the focus he has brought to morale, improving campus culture, implementing and supporting a restructuring of academic administration, and seeing through a significant portion of the previously established retrenchment process has created a sense of optimism and commitment within the administrative team and campus community that is key to building a successful and more deft SOU. This change in institutional perspective to one of confidence and optimism is palpable and bodes well for the institution.
- Total Education and General (E&G) revenues have increased significantly for SOU since FY14, creating fiscal space for the stabilization of the institution's balance sheet, rebuilding of reserves, and for broadly positive ratios. However, this increase is largely due to significantly increased state funding, which is fickle by nature.
- The academic management of the institution has been fully restructured to enhance authority for curricular and departmental management through newly created Division Directors who operate closer to the departmental level than Deans did under the previous structure. The Directors are empowered to make faculty allocation decisions and are supported by a newly created Associate Vice President for Academic Resource Management (AVP ARM). This system appears to be a significant improvement over the prior system for an institution the size of SOU.
- After years of hollowed out administrative ranks at SOU, the institution has begun to rebuild its management team. This is overdue and a needed improvement. It is clear that the enhanced capability in budget and finance, institutional research, the registrar/enrollment management office, as well as the Provost's Office is increasing that ability of SOU to understand and adapt to the new governance structure and dynamic external operating environment.
- The institution currently lacks a strategic plan. This lack of a strategic plan reduces the ability of academic and non-academic units to plan, organize and orient their efforts. However, the institution has begun the data collection phase and is engaging stakeholders throughout the organization to create buy-in and a meaningful strategic plan will be the end result. The early efforts today will bear fruit through a document which will effectively guide the institution over the medium-term.

Suggested Areas of Emphasis and Improvement

Below are a set of key areas which the HECC has identified for improvement or emphasis at SOU.

- SOU did not elect to re-examine its mission or institutional focus during the development or execution of its retrenchment plan, nor during its subsequent report to the HECC, and has it

HIGHER EDUCATION COORDINATING COMMISSION

January 14, 2016

demonstrated efforts to do so in the near future. The significant transition in executive leadership at SOU, establishment of a new governing board and its accreditation cycle have likely contributed to this. That this critical aspect of examination was taken off the table during the retrenchment planning phase, despite pressure from the State Board of Higher Education, ensured that the process was an exercise in tactical cost-reduction and not a strategic repositioning. The institution will need to face and answer questions as to what it is, and just as importantly, what it is not given longstanding concerns over the sustainability of its broad array of programs. This will allow it better to orient and adjust its curricular offerings to focus on areas of strength with recognition of regional needs and fiscal constraints.

- The retrenchment plan established by SOU is tactical in nature and relies on the retirement of faculty members, compensation cost savings, and one-time transfers from auxiliary units. In many cases savings associated with faculty retirements will not be fully realized as these retirements come in areas of high demand and little excess capacity, requiring SOU to backfill retirements with new faculty. Compensation savings that were expected to be permanent in the retrenchment plan were not achieved and ongoing roll-up costs associated with compensation and benefits will challenge revenue growth. In addition, the auxiliary unit was recently hit with a \$2.5M BOLI prevailing wage settlement, which is material to the university and will likely reduce the auxiliary's ability to support the institution's E&G budget.
- Enrollment at SOU has been highly volatile and counter-cyclical, increasing when the economy declines and shrinking when the economy is growing. Tactical improvements and long-term efforts are underway to establish more consistent enrollment channels. However, nascent efforts to increase diversification of enrollment in terms of demographics, geographic boundaries and resident/non-resident status will need to take root. An area of success has been the long-term investment in outreach to the growing Hispanic population in the Rogue Valley.
- SOU does not have a systematic and centralized system which allows management to understand utilization rates or instructional capacity and thus to effectively manage faculty, departmental or divisional productivity. Without this critical internal management system the institution is unable to effectively prioritize or rationalize investments given financial constraints.
- Faculty non-teaching time is not systematically understood, tracked, evaluated or intentionally managed to support the institution's needs. The current collective bargaining agreement outlines only the general duties expected of tenured faculty members for contractually obligated non-teaching time, but does not classify, measure or assess the use of this time. This deficiency encumbers the institution's ability to understand its service, research and scholarship which support the institution's mission. Further, there continues to be a significant amount of release time beyond contractually obligated non-teaching time at SOU which should, to the extent possible, be incorporated into this non-teaching time.

Conclusion

Southern Oregon University has managed to stabilize its enrollment and put itself in a much improved fiscal position. It has made great strides over the past two years in building a foundation for success. The HECC appreciates SOU's willingness to have open and frank dialogue regarding its plans, efforts and issues to be confronted. Much work has been done; much work remains.

The Commission wishes to receive an interim update at the end of 2016 regarding the areas highlighted in this communication and on the institution's general operating condition and strategy. This update should be a

HIGHER EDUCATION COORDINATING COMMISSION

January 14, 2016

part of the annual institutional evaluation process conducted by the HECC. SOU and the HECC share a deep interest and commitment to ensuring the institution's long-term viability.

Staff Recommendation:

Approve feedback to Southern Oregon University related to the conditions review.

Curriculum Update

Accreditation Update

Presidential Search Update

Adjourn