



OFFICE OF THE BOARD OF TRUSTEES

Public Meeting Notice

July 7, 2016

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

FROM: Sabrina Prud'homme, University Board Secretary

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

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

Topics of the meeting will include a vice president's report with a review of the financial dashboard and updates on enrollment information. There will be discussion and action on deferred maintenance and related renovations of president's residence. There also will be a discussion on the process and timeline for year-end closing, a HECC update and an overview of the SOU Foundation and Office of Development.

The meeting will occur as follows:

Thursday, July 14, 2016
4:00 p.m. to 6:00 p.m. (or until business concludes)
Hannon Library, DeBoer Room, 3rd Floor, Room #303

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



Board of Trustees
Finance and Administration Committee Meeting
July 14, 2016

Call to Order and Preliminary Business



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

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

AGENDA

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

- | | | | |
|-----------|----------|--|--|
| | 1 | Call to Order and Preliminary Business | Chair Nicholson |
| | 1.1 | Welcome and Opening Remarks | |
| | 1.2 | Roll Call | Sabrina Prud'homme,
SOU, Board Secretary |
| | 1.3 | Agenda Review | Chair Nicholson |
| | 1.4 | Consent Agenda: Approval of June 16, 2016 Meeting Minutes (Action) | |
| | 2 | Public Comment | |
| ~ 10 min. | 3 | Vice President's Report | Craig Morris, SOU, Vice President for Finance and Administration |
| | 3.1 | Committee Dashboard Review | |
| | 3.2 | Enrollment Dashboard and Completions Report | Chris Stanek, SOU,
Director of Institutional Research |
| ~ 20 min. | 4 | President's Residence (Action) | Chair Nicholson; Craig Morris |
| ~ 10 min. | 5 | Year-end Closing: Process and Timeline | Craig Morris; Steve Larvick, SOU, Director of Business Services |
| ~ 20 min. | 6 | HECC Update | Craig Morris; Liz Shelby, SOU, Special Projects |

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

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

AGENDA (Continued)

- | | | | |
|-----------|----------|---|--|
| ~ 55 min. | 7 | Overview of SOU Foundation and Office of Development | Marc Bayliss, SOUF, Vice President; Janet Fratella, SOU, Vice President for Development and Executive Director, SOUF |
| | 8 | Adjourn | Chair Nicholson |



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

**Thursday, June 16, 2016
4:00 p.m. – 6:00 p.m. (or until business concludes)
DeBoer Room, Hannon Library**

MINUTES

Call to Order and Preliminary Business

Chair Nicholson called the meeting to order at 4:01 p.m.

The following committee members were present: Paul Nicholson, Jeremy Nootenboom, April Sevcik, Dennis Slattery, Steve Vincent, and Les AuCoin, who participated by videoconference. Trustee Lyn Hennion was not in attendance. Bill Thorndike and Roy Saigo (ex officio) also were in attendance.

Other meeting guests included: Penny Burgess, USSE, Director of Treasury Operations; Craig Morris, Vice President for Finance and Administration; Jason Catz, General Counsel; Dr. Susan Walsh, Provost and Vice President for Academic and Student Affairs; Mark Denney, Associate Vice President for Budget and Planning; Steve Larvick, Director of Business Services; Chris Stanek, Director of Institutional Research; Gordon Carrier, Computing Coordinator; Shane Hunter, Senior Financial Management Analyst; Deborah Lovern, Budget Officer; Janet Fratella, Vice President for Development; Ryan Brown, Head of Community and Media Relations; Treasa Sprague, Administrative Services Coordinator; Vicki Forehand, SOU; Sabrina Prud'homme, Board Secretary; and Kathy Park, Executive Assistant.

Trustee Sevcik moved to approve the May 19, 2016 meeting minutes as drafted. Trustee Vincent seconded the motion and it passed unanimously.

Public Comment

There was no public comment.

Vice President's Report

Reviewing the financial dashboard, Craig Morris said all criteria were on target or better. The dashboard included information on the allowance for doubtful accounts--that portion of receivables that would be deemed uncollectable if SOU were to close. Approximately \$600,000 was added to the accounts receivable reserve (the allowance for bad debt) and \$510,000 was written-off. SOU's new auditors will expect SOU to provide its own conceptual methodology for calculating that reserve and Mr. Morris believes SOU's reserve is in the right place. Examples of doubtful accounts include student accounts more than 5 years old and uncollectable; however, SOU never stops collecting those debts using its internal collector as well as external agencies.

Chris Stanek reviewed the FTE enrollment trends. The FTE numbers change every week

but a lot of the other data does not. The dashboard reflects SCH only from admitted students; there is quite a bit of SCH generated from non-admitted students. The admitted undergraduates for summer 2016 is up from last summer. However, the admitted graduates for summer 2016 is down, especially in the education (the MAT cohort will start in the fall rather than the summer) and business departments. Taking admitted and non-admitted students, the SCH is down about 5-6 points overall compared to last year, most of which is coming from the graduate programs.

Shifting to the completions report, Mr. Stanek said degree applications track the number of students applying for degrees. Since it is an ongoing process through the summer, those numbers as well as degree awards will increase dramatically. Bachelor degree applications are up 5.5 percent compared to last year. The second chart tracks degree applications and awards by sub-populations. The funding model counts veterans very differently than just the number of veterans taking courses. Mr. Stanek is on a working group to analyze tweaks to the funding model and this is one of the focus areas.

Mr. Stanek will go into more detail on these figures at the board meeting. Mr. Morris commented that, although a deeper dive shows lower applications, there appears to be a bigger yield and the staff is cautiously optimistic about the fall term.

Praising Ryan Brown, SOU'S Head of Community and Media Relations, Mr. Morris said that Mr. Brown has accepted a job with the San Jose Community College District.

Regarding the president's residence, Mr. Morris said significant improvements need to be made, especially to the kitchen, bathrooms and windows. At the July committee meeting, he and Drew Gilliland will give a presentation on the necessary improvements and will seek the committee's authorization to move forward with those improvements. President Saigo agreed that improvements need to be made and cautioned about the impression that the incoming president is fixing her own nest in a very comfortable and expensive way.

Fiscal Year 2016-2017 Budget (Action)

Introducing this agenda item, Chair Nicholson said the committee has been working on the budget since the committee's inception last year, working with the staff on key issues and discussing the budget components in great detail. Partha Chatterjee then reviewed the pro forma, focusing on the 2016-17 budget, the 13.6 percent ending fund balance and the primary assumptions used to develop the budget. A new assumption incorporated into the pro forma was a 2.7 percent employment position vacancy rate; Mr. Morris added that a \$500,000 operating contingency was added on the supplies and services (S&S) line to absorb any variation in this vacancy rate.

Mr. Chatterjee then discussed factors impacting the budget. SOU is relatively confident in the level of state funding, S&S and personnel costs. However, the big unknown is enrollment revenue, which is comprised of tuition increases and enrollment growth. The current projections assume 3 percent increases in tuition and flat enrollment. An increase in tuition or enrollment, or both, to a total of 5 percent results in a sustainable ending fund balance. Mark Denney added that without increases in state funding, the real challenge going forward is that tuition revenue (about two-thirds of total revenue) must increase because labor costs (about 85 percent of total expenses) increase about 5 percent per year.

Trustee AuCoin expressed concern over state funding and said SOU needs to be ready for

any scenario. Concurring, Mr. Morris said that a significant reduction in state allocation would create serious budget problems for SOU. The university has a couple of years to work on a strategic plan to determine where to put values, address tuition rates, how to grow enrollment, desired qualities in future students and level of dependence on state allocations.

Trustee Slattery said it is important to take this information to faculty to show what factors could lead SOU right back into retrenchment. This should encourage all of the departments to make every effort to increase their enrollment, which is not yet happening. It is critical that everyone participate in increasing enrollment.

Based on the committee's guidance of an ending fund balance between 12 and 14 percent, Mr. Morris said the budget office intentionally chose 13.6 percent. Going any lower than that would cause the 2017-18 forecast to fall below 11 percent.

Mr. Denney discussed the initial budget development. The budget office started from a zero based budget for all approved positions and built in known expenses. S&S was then rolled forward, which was flat this year. The \$582,000 for student success initiatives was also included. This resulted in a 14.8 percent ending fund balance. Mr. Denney then described revenue changes from the original FY16 budget to the FY17 initial budget.

After developing the initial budget as described, the budget office then developed a proposed budget which builds upon the initial budget by including adjustments and initiatives in academic, student or institutional support that were not otherwise included in the initial budget. In reviewing the proposed budget, Mr. Denney detailed the changes between the initial and the proposed revenue, labor, S&S and transfers. The proposed budget has a 13.6 percent ending fund balance. Mr. Denney added that, if there is a 2 percent enrollment growth, there is the potential to invest and include some of that revenue in the budget for some initiatives that have been set aside.

Mr. Denney addressed designated operations (e.g., JPR and RVTV) and auxiliary operations. Both of those are projected to have a positive operating surplus in FY17.

Responding to Trustee AuCoin's inquiry regarding which previously-unfunded initiatives would be considered for funding, Mr. Denney said the Budget Committee and the UPB will institute a process to provide input to the president and his cabinet so the president can make a final recommendation to the committee.

Trustee Slattery moved that the Finance and Administration Committee recommend to the SOU Board of Trustees, adoption of the fiscal year 2016-17 budget, inclusive of budgeted operations, auxiliaries and designated operations, as presented or as amended. There being no amendments, Trustee AuCoin seconded the motion and it passed unanimously. Chair Nicholson further requested attaching specific numbers to the budget and the board secretary offered to revise the motion that would be presented to the board to include final numbers.

Chair Nicholson and Mr. Morris praised the hard work and huge efforts of Mr. Denney, Mr. Chatterjee, Deborah Lovern, the four accountants in the Service Center and 75 budget managers.

Proposed Endowment Investment Policy

Introducing this item, Chair Nicholson said SOU inherited the existing policy from the Oregon University System (OUS). Ms. Burgess said the proposed draft policy will govern the \$2.1 million in endowment assets held in SOU's name which are separate from the endowment assets managed by the SOU Foundation. She distributed the proposed draft policy and SOU's current policy which was established by OUS to govern the former Higher Education Endowment Pool. The primary edits or modifications to the current policy are focused on the investment strategy and asset allocation section, as the current SOU strategy and allocation differ from the former OUS endowment fund. The other modifications are an attempt to simplify the language and put it into a format similar to the policy used by SOU's investment adviser, State Treasury.

In general, the draft policy outlines the purpose and goals of the endowment investment portfolio which is to preserve and enhance the real purchasing power of the investment assets over the long term, while meeting the annual spend rate currently set at 4 percent. It identifies and articulates relevant constraints, sets an appropriate investment structure and target asset allocation of 70 percent to global equities, 30 percent to fixed income and establishes guidelines to monitor performance and risk. The policy also defines the roles and responsibilities of the board, the investment advisor, managers and any others associated with oversight of the assets, requiring typical fiduciary responsibilities.

Highlighting a couple of key changes, Ms. Burgess said the goals and structure of the portfolio are the major change. The OUS policy was crafted for a \$70 million portfolio and allocated assets across multiple different asset classes. Given SOU's \$2.1 million portfolio, there is not enough money to allocate across all those asset classes. State Treasury recommended the use of index funds, which is currently utilized to populate the 70 percent exposure to global equities, and within the 30 percent fixed income exposure utilizing the western asset core fixed income manager, which the state utilizes in many of its other portfolios. Ms. Burgess said the portfolio is being managed in this 70/30 allocation.

Another component, while not a change, is the spend rate that was set at 4 percent by OUS and is maintained in the current policy. This is one item the committee will want to evaluate and discuss. Chair Nicholson added that the spend rate is based on a 5-year rolling average and asked if that was typical. Ms. Burgess said it is not typical, is usually three years and the distribution rate will vary between four and six percent.

Chair Nicholson proposed creating a working group to review the proposed policy. He recommended the group be chaired by Trustee Sevcik and composed of Trustee Hennion, Trustee Slattery and Mr. Morris.

2016 Third-quarter Investment Report

Ms. Burgess presented the third quarter investment report, which included the performance of the university's operating assets invested in the Public University Fund (PUF) and the university's endowment assets managed by the State Treasury. In the materials, she included the FY16 Q3 market commentary which provides a general discussion on the economy and market performance during the quarter.

Ms. Burgess addressed market highlights underpinning investment performance during the quarter. She then turned to the university's investment returns. The PUF investments consist of an allocation to each of the following investment pools: the Oregon

Short-Term Fund, the Oregon Intermediate-Term Pool and the PUF Long-Term Pool. The PUF investment return for the quarter was a positive 1.1 percent and a positive 1.4 percent year-to-date. The total market value of SOU's operating cash and investment deposits on March 31 was \$36.4 million, equivalent to 6.5 percent of the total PUF balance of \$556 million.

The Short-Term Fund outperformed its benchmark for the quarter and year-to-date by 10 and 40 basis points respectively and outperformed the 3-year benchmark return by 50 basis points. The returns of the Intermediate-Term Pool lagged the benchmark by 50 basis points for the quarter and by 80 basis points year-to-date. The returns of the Long-Term Pool lagged the benchmark for the quarter by 20 basis points and 130 basis points year-to-date.

The underperformance of the Intermediate-Term Pool and Long-Term Pool during the quarter was attributable to an underweight in three to five year U.S. Treasury bonds compared to the benchmark weight. This segment of the Treasury bond sector posted strong returns during the period hurting the relative performance. Additionally, price volatility in the corporate bond segment of the portfolios detracted from performance.

The Portfolio Manager, Tom Lofton, used the price volatility to increase the portfolio allocation to corporate bonds in the Intermediate-Term Pool. During the quarter, the PUF administrator distributed approximately \$107,000 of interest earnings to SOU.

Ms. Burgess then moved to the endowment assets, which were invested in a separately managed account by the State Treasury as of March 31. The total return for the quarter was a positive 1 percent and a negative 1.8 percent year-to-date, underperforming the recommended policy benchmark by 20 basis points for the quarter and outperforming by 30 basis points year-to-date. The total market value of SOU's endowment investments on March 31 was \$2.1 million.

Responding to Trustee Sevcik's question, Ms. Burgess said Arrowstreet Investments is an international equity portfolio and was part of the OUS Higher Education Endowment Pool. When the universities departed from the pooled endowment, there were outstanding foreign tax reclaims. The \$6,000 represents SOU's portion of those tax reclaim reimbursements. Responding to Trustee Sevcik's further inquiry, Ms. Burgess said they generally rebalance annually unless actual allocations deviate substantially from the targets, with 5 percent on either side being the trigger point.

Adjourn

Chair Nicholson adjourned the meeting at 5:46 p.m.

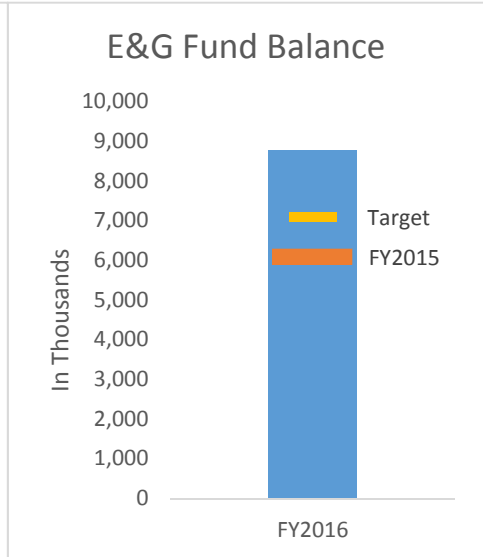
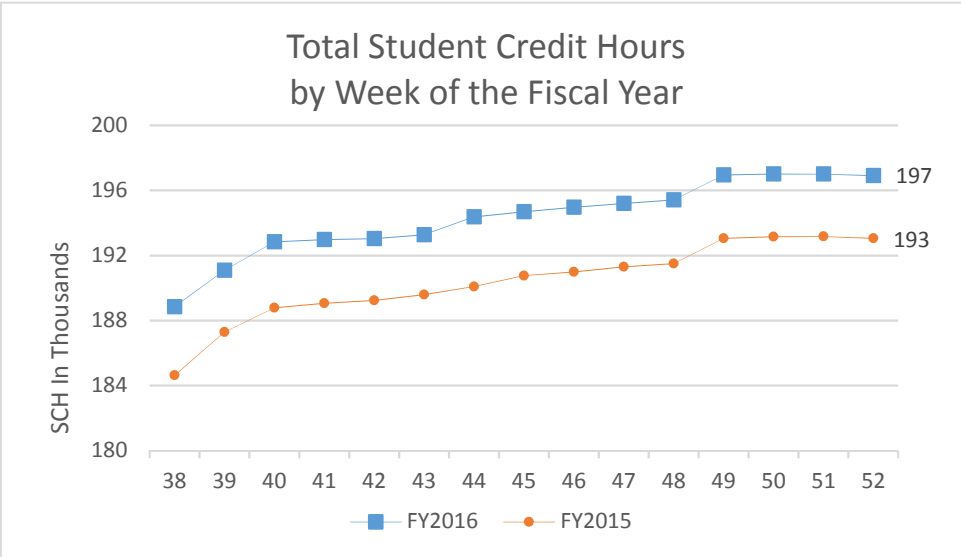
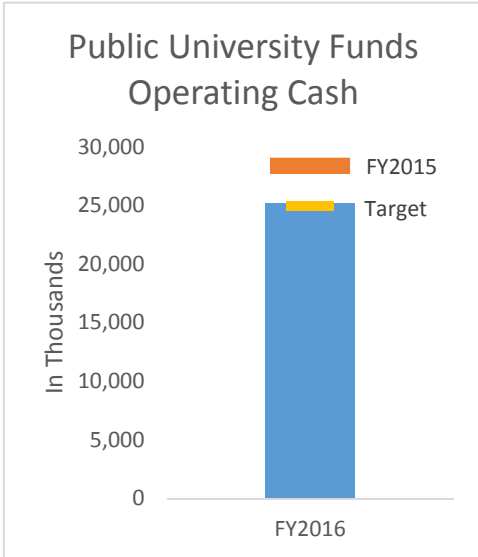
Public Comment

Vice President's Report

Financial Dashboard

For FY16, before close of period 12

As of June 30, 2016

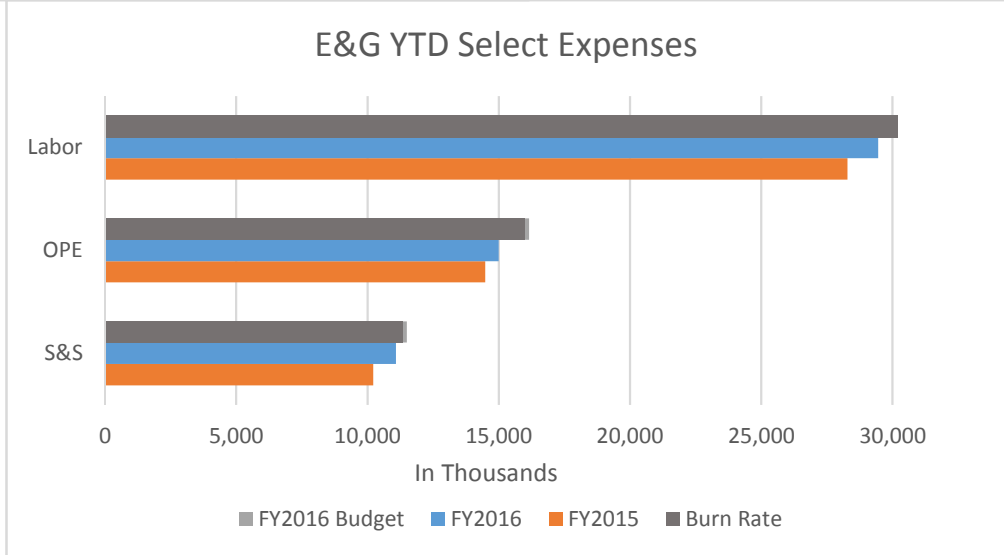
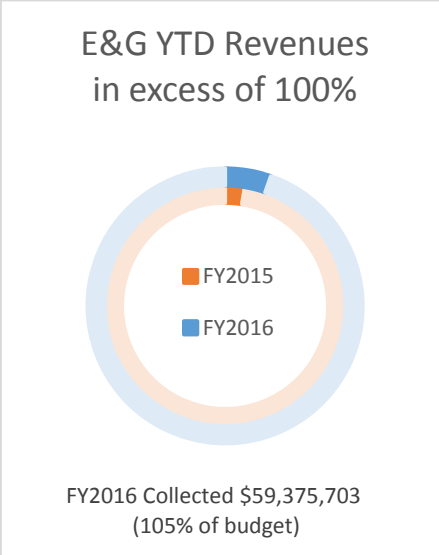


Reserves: FY15 -> FY16

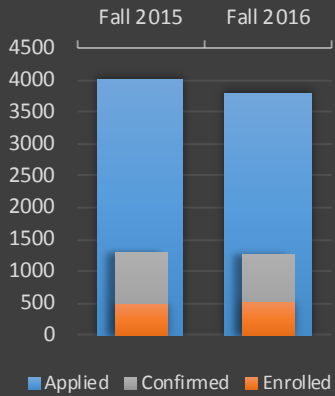
Formal & Informal Building and Equipment:
\$1.9M -> \$1.8M

Informal Restricted:
\$1.1M -> \$1.2M

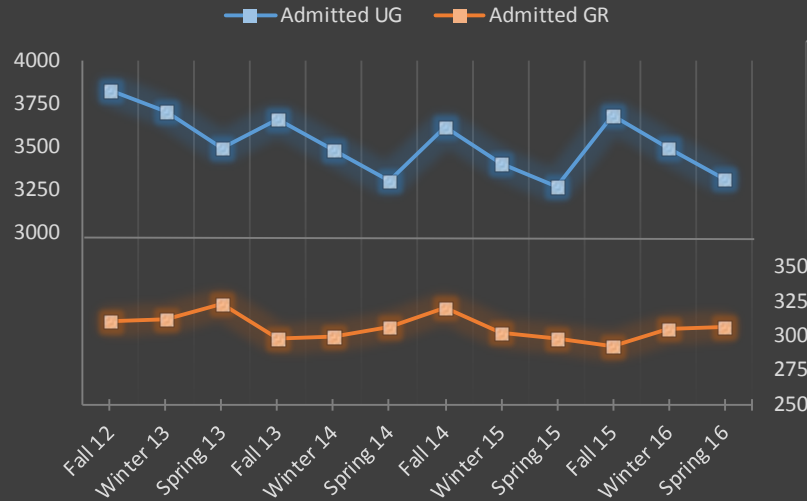
Informal Unrestricted:
\$6.9M -> \$9.8M



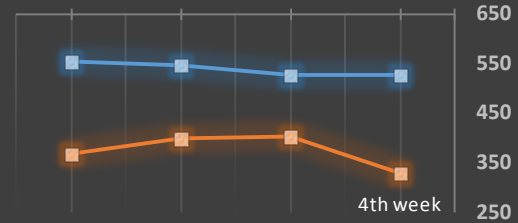
Admission Apps



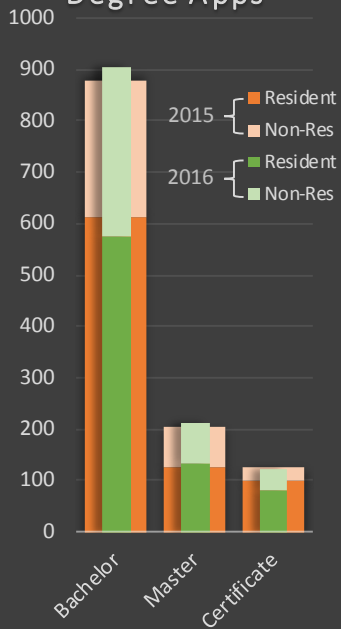
FTE Enrollment Trends



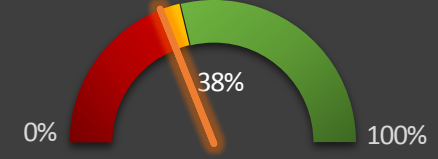
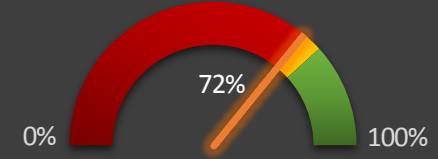
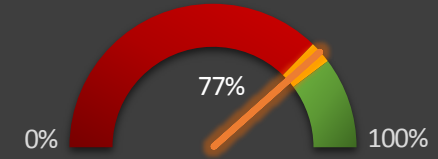
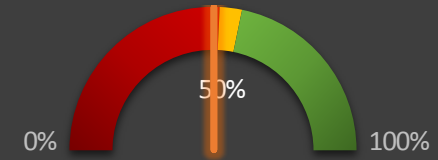
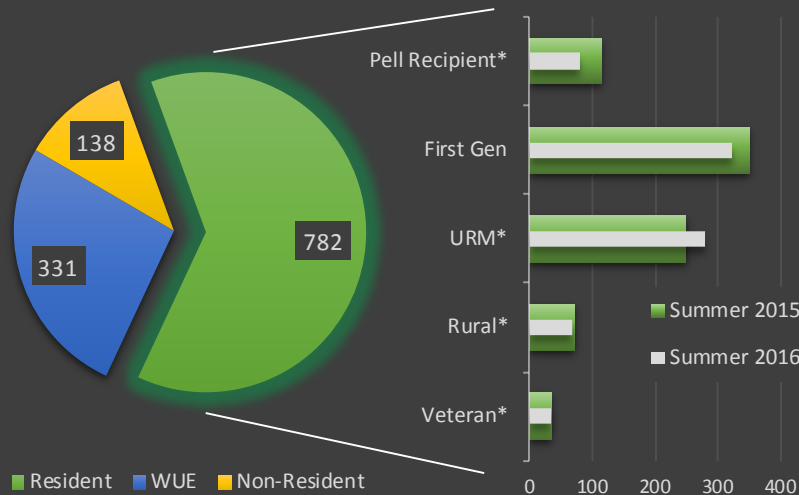
Summer Enrollment Trends



Degree Apps



Summer 2016 UG Student Populations



Last Updated: 7/10/2016

Southern Oregon University

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

	Degree Applications				Degree Awards (as of YTD)	
	2014-15 Apps	2015-16 Apps	Change	% Change	2014-15 Degrees	2015-16 Degrees
Bachelor Degrees (2.0 base pts)	880	906	26	3.0%	811	398
Resident: Entered as First Year	275	227	-48	-17.5%	247	96
Area of Study Premium†	20	18	-2	-10.0%	17	11
Underrepresented Minority*	41	43	2	4.9%	37	15
Pell Grant Recipient*	179	139	-40	-22.3%	160	58
Veteran Status*	3	1	-2	-66.7%	3	-
Rural High School Graduate*	112	64	-48	-42.9%	100	26
Resident: Entered as Transfer (base pts x 0.675)	336	348	12	3.6%	316	154
Area of Study Premium†	35	36	1	2.9%	36	24
Underrepresented Minority*	52	58	6	11.5%	50	24
Pell Grant Recipient*	255	281	26	10.2%	236	131
Veteran Status*	5	9	4	80.0%	5	2
Non-Resident (no state funding)	269	331	62	23.0%	248	148
Master Degrees (1.0 base pts)	203	213	10	4.9%	237	114
Resident	125	133	8	6.4%	131	71
Area of Study Premium†	7	16	9	128.6%	8	9
Non-Resident (no state funding)	78	80	2	2.6%	106	43
Graduate Certifications (0.2 base pts)	126	122	-4	-3.2%	250	75
Resident	101	82	-19	-18.8%	199	55
Area of Study Premium†	1	-	-1	-100.0%	1	-
Non-Resident (no state funding)	25	40	15	60.0%	51	20
Total Awards					1,298	587

† Area of Study Premium increases point value by a factor of 120% for degrees in STEM and Health and a factor of 220% for degrees in Bi-lingual Education.

* pts for sub-pops are additive and applied after all other adjustments: if recipient exists in one sub-pop 0.8 pts added, if two 1.0 pts, if three 1.1 pts, if four 1.2 pts.

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

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

President's Residence (Action)

President Residence Deferred Maintenance Needs and Estimates - \$146,000

Window Replacement (\$45,000): Existing windows are original and single pane. Recommend replacing with double-hung exterior double pane windows. This will lower energy leakage and improve heating efficiency in the winter with a lower cooling load in the summer. We have trouble cooling the house below 72 degrees in the summer.

Master Bathroom Upgrade (\$25,000): Upstairs master bathroom is original and we have had to make repairs to plumbing over the years. We need to replace plumbing under shower and improve fan air flow. The bathroom has a bathtub and separate shower. It also has original mid-1900s colors and desperately needs upgrading to current era.

Bathroom Remodel Second Floor (\$10,000): This bathroom shares a common wall with the master bathroom on the second floor. It is also dated and depending on what the designer recommends, may also need to be updated.

Electrical Upgrade Upstairs (\$5,000): The original knob and tube wiring was replaced in the early 1990s with copper coated wiring and new service breaker boxes. While modernizing the upstairs, this wiring should be evaluated for replacement.

Upstairs Cooling (\$30,000): The current HVAC design was installed prior to air conditioning being standard in houses. The current duct system does not allow enough air flow to adequately cool the upstairs and downstairs. This is most noticeable when 10 or more people are in the lower level during the day. We propose adding individual cooling units (commonly referred to as mini-split).

Kitchen Remodel (\$25,000): Current kitchen is designed for single-family use. When entertaining, catering needs to utilize garage or transport from college. Ideally, the kitchen would be a semi-professional kitchen and re-configured to allow for catering. It could also be "opened and expanded" to allow the dining area to be incorporated into the design. Current kitchen design is early 1980s with ceramic tile counter tops and painted cabinets, which do not reflect current kitchen design.

Bathroom Remodel First Floor (\$6,000): The main floor master bathroom and kitchen bathroom should be included in this project as the bedroom bathroom is dated and in need of modernization. We should take advantage of an empty house to address. The kitchen bathroom is in very good condition, and should be included in the remodel of the kitchen as it opens to the kitchen and dining room. Using it is a bit uncomfortable during public events for a variety of reasons. Perhaps a designer could come up with a better solution.

Above estimates include design fees.

Year-End Closing: Process and Timeline

Year-Ending Closing Update

July 14, 2016

- **June 1st = FY2017 is opened** to accommodate Purchase Orders for items that will have a delivery date that will fall after June 30th.
- **June 25th = Purchasing Card Bank Statement cut-off date.** Purchase made using department procurement cards that don't make this cut-off date will appear as expenses on the following July Operating Statements.
- **June 30th = Official end of Fiscal Year.** Transactions can still be posted to FY2016 after this date by back-dating entries to attached the activity to the appropriate fiscal year.
 - Final Data feeds from the Banner-Student, and Banner-HR, modules will be fed to Banner-Finance.
 - Invoices still being processed for items received by the end of the day on June 30th will be posted to Period 12 until the period is closed.
 - All departments are encouraged to work with the Service Center to get all operating revenues and expenses posted before the close of Period 12. This includes all inter-departmental transactions.
- **July 8th, 5:00pm = Period 12 (June) Closed.** Accrual Period 14 (June = Final Accruals) is opened.
 - **Accrual Period 14:** Campus can work with the Service Center to make any final corrections or adjustment to their books. Business Services will usually give the campus a week to make their final adjustments.
- **July 18th, 5:00pm = Final date for campus and Service Center finishing posting their final Journal entries.** Final few days will then be reserved for Business Services staff to record any final accruals that may be necessary.
- **July 21st, 5:00pm = "Soft" Close of Accrual Period 14.** Officially, Period 14 will remain open until the completion of the financial statement. Only Business Services staff will have access to post transactions after this point, but the only transactions that will be posted will be the transactions that are discussed with Auditors, and jointly agreed to as being necessary for the fair presentation of the financial statements.
- **July 25th = Generate first draft** of financial statements. Management to review, and edit notes and MD&A.
- **August 1st = Return edits** after review of first draft.
- **August 31st = Finalize FY2016 financial statements.** Generate published financial statements with auditor opinion letter.

HECC Update

Docket Item:

2017-19 Public University Support Fund Investments

Summary:

The Public University Support Fund (PUSF) is a component of the HECC's Agency Request Budget (ARB), representing the state's largest investment in the operation of the seven public universities. In development of the ARB, a specific level of PUSF investment must be determined. This docket item provides context for a specific level of PUSF investment.

Docket Material:

The Public University Support Fund (PUSF) represents the state's General Fund contribution to the operation of Oregon's seven public universities' education, student support, research, and public service programs. Allocated between the institutions by the Student Success and Completion Model (SSCM), the 2015-17 PUSF investment represents \$665 million in state General Fund.

Beginning in February 2016, HECC staff, in conjunction with the universities, created draft budget guidance to gather cost data and information on additional potential investments, or reductions, in services corresponding to several PUSF funding levels. Those funding levels varied from \$616 million to \$943.4 million.

The baseline calculation for each of these scenarios is the cost of providing 2015-16 service levels to an equivalent number of students during the 2017-19 biennium. While the universities have established \$765 million as a minimum level of 2017-19 PUSF, \$900 million—a \$235 million increase over 2015-17—was identified as the state investment required to fully cover both state and student shares of cost increases. HECC budget guidance further requested consideration of an additional 20% of that increment—amounting to approximately \$43.4 million—and the investments such a PUSF level would enable. The educational, student support, and affordability investments likely to result from this \$943.4 million PUSF are discussed in this document, as well as the projected SSCM allocation of this funding for the 2017-19 biennium.

Each of the universities indicated progress could be made in improving affordability, access, success, and quality with a PUSF of \$943.4 million. Specific proposed initiatives or program expansions at each institution include:

FUNDING AND ACHIEVEMENT SUBCOMMITTEE

May 24, 2016

EOU	Enhance tuition remissions to increase access for rural, minority and first-generation students.
	Funding for student completion initiatives to increase graduation rates for on-campus, online and on-site programs.
	Build a college-going culture through Eastern Promise Collaborative with grade schools through high school and post-secondary education.
OIT	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.
	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.
	Increase degree completion through “Completer” scholarships for successful students who are close to graduation but at risk of dropping out due to financial hardship.
OSU	Increase financial support to bridge gaps that become barriers for students to graduate on time.
	Increase advising capacity to hire additional advisors who specialize in retention, graduation, and career development, including a “one-stop” support center for transfer students.
	Increase capacity for student participation in experiential learning, including financial support needed for students to participate.
PSU	Create programs and services in conjunction with community colleges and other institutions to ensure clear pathways for transfer students.
	Increase advising capacity, revitalize advising systems, improve the visibility of student support services and preparation for career placement.
	Provide flexible degrees to accommodate the diverse needs of students and develop academic programs that prepare students for competitive advantage in life and career.
SOU	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.
	Work with regional high schools to implement accelerated and low cost degree programs for first generation, low-income, under-represented, rural students.
	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.
UO	Further investments in PathwayOregon and graduation assistance grants.
	Increase the number of tenure-track and research faculty with an emphasis on STEM.
	Allocate funding toward successful student transitions, including second-stage advising services, to ensure retention and completion.
WOU	Increase need-based scholarships to under-served students.
	Increase availability of academic, financial and persistence counseling for student degree completion.
	Expand student readiness programming for pre-college outreach.

Since PUSF is allocated using the SSCM funding model, the resources available to a given institution for use in new or expanded programming may be projected for the 2017-19 biennium. The following table presents the increase in funding each institution is projected to receive at the \$765 million PUSF level compared to a \$943.4 million PUSF.

Staff Recommendation:

Discussion only.



2017-19 \$943.4M PUSF compared to 2015-17 PUSF					Percent Increases		
	2015-17	\$765M PUSF	Incremental funding from \$943.4M PUSF	Total increase over 2015-17	\$765M	+\$178.4M	Total (\$943.4M)
EOU	\$ 38,560,034	\$ 3,104,646	\$ 9,323,738	\$ 12,428,384	8.05%	24.18%	32.23%
OIT	\$ 48,088,461	\$ 4,479,074	\$ 11,445,900	\$ 15,924,974	9.31%	23.80%	33.12%
OSU	\$ 207,484,604	\$ 31,465,546	\$ 56,848,806	\$ 88,314,352	15.17%	27.40%	42.56%
PSU	\$ 157,617,218	\$ 32,117,531	\$ 44,032,749	\$ 76,150,280	20.38%	27.94%	48.31%
SOU	\$ 40,901,942	\$ 2,594,349	\$ 9,937,352	\$ 12,531,701	6.34%	24.30%	30.64%
UO	\$ 127,351,683	\$ 20,324,905	\$ 35,330,672	\$ 55,655,577	15.96%	27.74%	43.70%
WOU	\$ 44,996,058	\$ 5,913,950	\$ 11,480,782	\$ 17,394,732	13.14%	25.52%	38.66%
Total	\$ 665,000,000	\$ 100,000,000	\$ 178,400,000	\$ 278,400,000	15.04%	26.83%	41.86%

Docket Item:

2017-19 Agency Request Budget (ARB) Policy Option Packages (POPs)

Summary:

As part of the biennial budget development process, new or enhanced policies or programs are included as Policy Option Packages (POPs). The Commission will need to approve and prioritize packages prior to their inclusion in the Agency Request Budget (ARB). The Commission's Funding and Achievement Subcommittee reviewed an initial list of possible packages at the May 3 meeting and, based on feedback from the subcommittee, staff refined the list before the subcommittee for recommendation to the Commission. The complete ARB will be presented to the full Commission for final approval at the August meeting and submitted to the Department of Administrative Services no later than September 1, 2016.

For the 2017-19 Agency Request Budget, agency staff have identified 19 discrete policy packages before the subcommittee for recommendation to the Commission. The list provides a summary of the package, an estimate of staffing needs, and an estimate of costs.

Docket Material:

2017-19 ARB Policy Option Package list attached.

Staff Recommendation:

Staff recommends initial adoption of the 2017-19 ARB Policy Option Packages as presented in the docket material, subject to technical adjustments by staff and to be presented to the full Commission for final adoption at its August meeting.

Strategic Plan	Office	Title	Purpose	How Achieved	Staff	2015-17 LAB	2017-19 Funding
Goals	Research	Integrated Post-Secondary Data System	Unify Oregon higher education data by integrating 4-year Public University, Private Post-Secondary, and Community College and Workforce Data.	Secure IT Professional Services to enhance Data for Post-Secondary Analysis (D4A) so that 4-year public university and private post-secondary data are integrated with the current system. This will enable better student tracking and more accurate submission of data to the State Longitudinal Data system. It will result in reports of student success across post-secondary educational sectors that are substantially more reliable and valid. Finally, it will provide cost saving by reducing staff time for processing data extracts.	No additional FTE	\$0	General Fund + \$996,000 Contract + \$4,000 S&S Total \$1,000,000

Strategic Plan	Office	Title	Purpose	How Achieved	Staff	2015-17 LAB	2017-19 Funding
Funding	CCWD	Increase CCSF	Increase the Community College Support Fund	Invest increased state resources in the community college support fund in order to mitigate tuition increases and improve the ability of colleges to invest in quality and student success	No staffing impact	\$550M	General Fund + \$244,800,000 Total \$794,800,000
Funding	University Finance	Increase Funding for PUSF	Increase the Public University Support Fund	Invest increased state resources in the public university support fund in order to mitigate tuition increases and improve the ability of universities to invest in quality and student success	No staffing impact	\$665M	General Fund + \$278,000,000 Total \$943,000,000

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 PS: Personal Services; S&S: Services and Supplies

Strategic Plan	Office	Title	Purpose	How Achieved	Staff	2015-17 LAB	2017-19 Funding
Pathways	University Academic	A common statewide transfer course equivalency platform	Currently seventeen of the twenty-four public institutions use TES – a database of hundreds of thousands of national course equivalencies. If the state of Oregon were to adopt a statewide license for all twenty four institutions, it would increase transfer and articulation efficiency and consistency across the state.	Institutional alignment, measured by transfer student outcomes referenced above	Existing Staff	\$0	General Fund + \$186,000 S & S
Pathways	CCWD/ University Academic	Transfer Pathway Coordinator	To improve the transfer of credits that meet graduation requirements within majors for students that attend multiple higher education institutions (public and private) in Oregon in order to shorten time and cost to degree.	One new LD position will convene several workgroups to develop stronger transfer pathways that will enable students to transfer courses that meet major requirements. Workgroups will include: Joint Transfer and Articulation Committee (JTAC), English/writing faculty, math faculty, and faculty from the state's three most popular majors. Funding will be used to support workgroup meetings, buy out faculty time for participation, enable institutions and HECC to identify discrepancies and inefficiencies in transfers across the state, scope out the benefits and barriers to a comprehensive transfer student portal, and to conduct research that builds upon work completed under HB 2525.	1.0 OPA3 (LD)	\$0	General Fund + \$200,000 PS + \$10,000 x 24 + \$60,000 = \$300,000 for research + \$10,000 Special Payments to Institutions Total \$510,000

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Strategic Plan	Office	Title	Purpose	How Achieved	Staff	2015-17 LAB	2017-19 Funding
Pathways	University Academic	Data Reporting	Clarify the data reporting mechanisms necessary to assure quality in accelerated learning programming	Revise ORS 340.310 section 3, in addition to annual reports, use course flags within the existing postsecondary data reports. Consider partnering with ODE for High School Course flags. Convening of campus personnel is likely necessary to determine and craft the common set of definitions and rules that would be used for reporting all college credit in the high school. Partnering with ODE for high school course flags.	Research Analyst 3 .50 FTE to staff groups and pull together the data as it becomes available/ 24 months. Generate reports. Implement recommendations from the Accelerated Learning	\$0	General Fund + \$151,000 PS + \$22,730 S&S Total: \$173,730

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Strategic Plan	Office	Title	Purpose	How Achieved	Staff	2015-17 LAB	2017-19 Funding
Student Support	PPS	Strengthening Consumer protection and Veteran's Support	Coordinated and centralized HECC complaint resolution process. Allows HECC to respond to new, expanded, VA-SAA responsibilities. Strengthens oversight of the regulated sector.	Establishing a coordinated, integrated and centralized approach would increase the systemic response to complaint resolution. Increases staff support to veterans and their approved training providers. Early identification of struggling schools and programs, and early detection of unauthorized illegal operators. Overall increase in systemic and institution accountability for student success.	1 Education Spec 2 3 Compliance Specialists 1 Office Specialist 2	\$0	General Fund + \$781,000 PS and S&S
Student Support	OSAC	ASPIRE Continuation	Continue the expansion of the ASPIRE mentoring program originally funded by a federal College Access Challenge Grant to more middle schools, high schools, community-based organizations, and colleges across the state.	Expand the ASPIRE post-high school mentoring program to 40 more sites across the state.	1.0 FTE Program Coordinator, 1.0 FTE Recruiter, 2.0 FTE Access Specialists, increase existing Training and Development position from 0.5 to 1.0. 1.0 FTE Program Assistant	\$1.6M onetime federal grant funding total for both ASPIRE and Outreach	General Fund + \$895,760 PS and S&S
Student Support	OSAC	Minority Teacher scholarship/network (in partnership with CEEdO)	Create and fund scholarship program and social network infrastructure, including peer-to-peer mentoring, designed to recruit and retain a cadre of students of color in the teaching profession across multiple universities.	Scholarship program would be administered by OSAC/HECC. Communication social network would be developed and housed at OSAC (similar to ASPIRE network), but could be managed by CEEdO.	Limited duration software developer at OSAC. Depending on program design, 0.5-1.0 FTE of a PA1 to manage day to day operation of the social network and to do recruiting.	\$0	General Fund + \$119,000 PS and S&S

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Strategic Plan	Office	Title	Purpose	How Achieved	Staff	2015-17 LAB	2017-19 Funding
Affordability	OSAC	Continue/Expand FAFSA Completion Program (FAFSA Plus)	Make FAFSA completion initiative and tools available to all Oregon public high schools and designated entities (TRIO, Tribes, GEAR UP, and 501c3 nonprofits) across the state.	Dedicated staff will work with schools and school districts to share FAFSA completion data and create and run FAFSA completion events. Increase data-sharing relationships from 110 sites to all Oregon public high schools and designated entities	1.0 FTE Program Coordinator; 1.0 FTE Assistant; 1.0 FTE Technical Support	\$0	General Fund + \$462,000 PS and S&S
Affordability	OSAC	Continue/Expand Outreach Program	Expand opportunities for Oregonians to pursue and complete higher education and career training goals through information.	Dedicated staff will provide information through training, college fairs, financial aid nights targeting rural communities and underserved populations.	1.0 FTE Program Coordinator; 1.0 FTE Outreach; 4.25 FTE Regional Outreach Staff	\$0	General Fund + \$164,400 PS and S&S
Affordability	OSAC	Serve more low-income students with Oregon Opportunity Grant	Help more low-income students enroll in and complete college through financial support	Increased funding for the Opportunity Grant enables the program to help more low income students pay for college. Increase could lead to more awards, larger awards, or a combination of the two.	None identified, unless application process needs to change due to changes with FAFSA.	\$140M	General Fund & Lottery Fund + \$60,560,000 Special Payments Total \$200,560,000
Affordability	OSAC	Continue and Expand Oregon Promise	Continued funding for the program helps students at all income levels enroll in and complete two years of community college through state financial support.	Continued funding for Oregon Promise enables the first cohort of students to complete two years of higher education, and enables a second and third cohort to participate.	1.0 FTE ISS4 (Software Development/Maintenance – junior level), 1.0 FTE OPA3 (Program Administration/Coordination), 1.0 FTE AS2 (program support), 1.0 FTE eMentoring Coordinator.	\$10M	General Fund + \$33.468 million Special Payments + \$532,000 PS & SS Total \$44,000,000

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Strategic Plan	Office	Title	Purpose	How Achieved	Staff	2015-17 LAB	2017-19 Funding
Economic/ Community Impact	CCWD	Youth Work Experience	To respond to increasing and clearly expressed business demand for skilled workers, particularly those younger than 25.	Funding would be distributed via the nine LWDBs that will receive funding for summer and year round work experiences for youth ages 14-24. Programs will be modeled after and supplement existing WDB and OYCC programs. Programs will be competency based in their approach and include workforce and academic preparation.	1.0 Project Manager 2	\$0	General Fund + \$15,000,000 Grants + \$169,000 PS + \$20,000 S&S Total \$15,189,000
Economic/ Community Impact	University Finance	State Programs-Oregon Renewable Energy Center	Increase the relevance and quality of the student experience at OIT, increase engineering degree output, and contribute to economic development in rural Oregon.	The addition of OIT program staff and research faculty will allow the development of sustaining funding, provide part-time teaching of undergraduate and graduate students, encourage collaborations with companies on applied research projects, and leverage private and federal funds. One program director and five half-time research faculty positions will be created at OIT. An additional five researcher positions will be created and sustained in the future by grant and/or industry funding.	No staffing impact	\$0	General Fund + \$985,000 Grants

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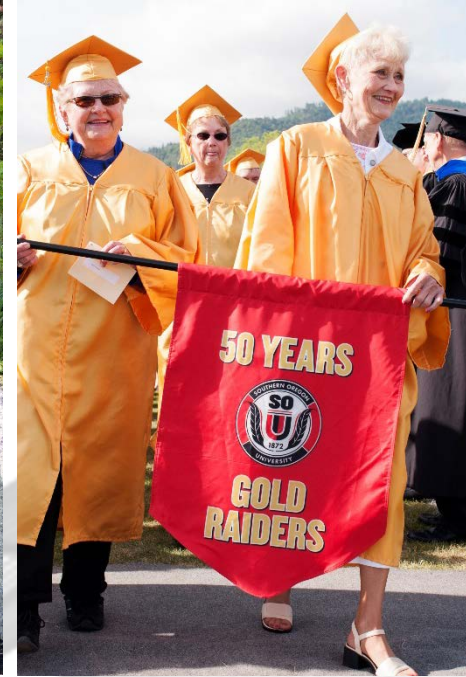
Strategic Plan	Office	Title	Purpose	How Achieved	Staff	2015-17 LAB	2017-19 Funding
Agency Infrastructure	Agency-wide	Infrastructure	Address identified needs within the agency to effectively function as a more complex agency	Internal Audit position, Human Resource Analyst 3 (addresses the position requested in 2015 that was inadvertently left out), Permanent Diversity and Inclusion position, Support position for Deputy, Procurement and Compliance Specialist 1 due to workload, Article 81 reclass requests (OSAC), and move 2 positions from .5 to 1.0 FTE in OSAC (PA1 and a AS1). \$400,000 for penetration testing of systems as required by SB1538 (2016 session), \$105,000 for lifecycle replacement of pc's, \$50,000 Various other IT needs (2-factor authentication, increase OSAC network bandwidth)	1.0 Internal Audit 3 1.0 HRA3 1.0 Div Incl OPA 4 1.0 ESS 2 1.0 PCS1 2 positions from .5 to 1.0 FTE in OSAC (PA1 and a AS1). Permanent funding for the Article 81 requests (3 positions)		General Fund + \$1,130,000 PS + \$550,000 S&S Total \$ 1,680,000
Agency Infrastructure	OSAC	Replace Financial Aid Management Information System (FAMIS) for security purposes	Replace existing software programs with secure, reliable software program/suite	Contract with software development firm, purchase and customize "off the shelf" software, or develop replacement software in-house	Last business case suggested addition of three permanent FTE, regardless of source of software. They stated OSAC should add: Business Intelligence & Analytics Specialist 3; Business Process Information Manager 3 and User Support Technician (ISS4).	\$0	General Fund + \$7,000,000 Contract + \$616,000 PS & SS Total: \$7,616,000

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Strategic Plan	Office	Title	Purpose	How Achieved	Staff	2015-17 LAB	2017-19 Funding
Agency Infrastructure	OSAC	Scholarship budget rebalance	Establish and maintain Private Scholarships program at OSAC as a self-supporting service	Appropriately budget FTE to reflect level of effort dedicated to each OSAC program. Reallocate fixed S & S budgets across programs proportionally	Two Other Funds FTE (to replace phased-out General Fund FTE) with an off-setting change in S & S. Should be essentially cost neutral on an all-funds basis.	\$0	Other Funds + \$331,000 PS General Fund (\$331,000) S&S Total: \$0
Agency Infrastructure	OSAC	Move Barbers' and Hairdressers' Grant corpus to Oregon Community Foundation	Increase the number and size of grants under the Barbers' and Hairdressers' grant program	By law, only the earnings of this fund can be distributed as student grants. Move corpus of this state-funded, continuously appropriated grant fund from the Treasury to the Oregon Community Foundation, where they traditionally generate much larger investment returns; OSAC can then award more and larger student grants.	No new FTE. This is a one-time fund transfer only.	\$0	Other Funds + \$900,000

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Overview of SOU Foundation and Office of Development

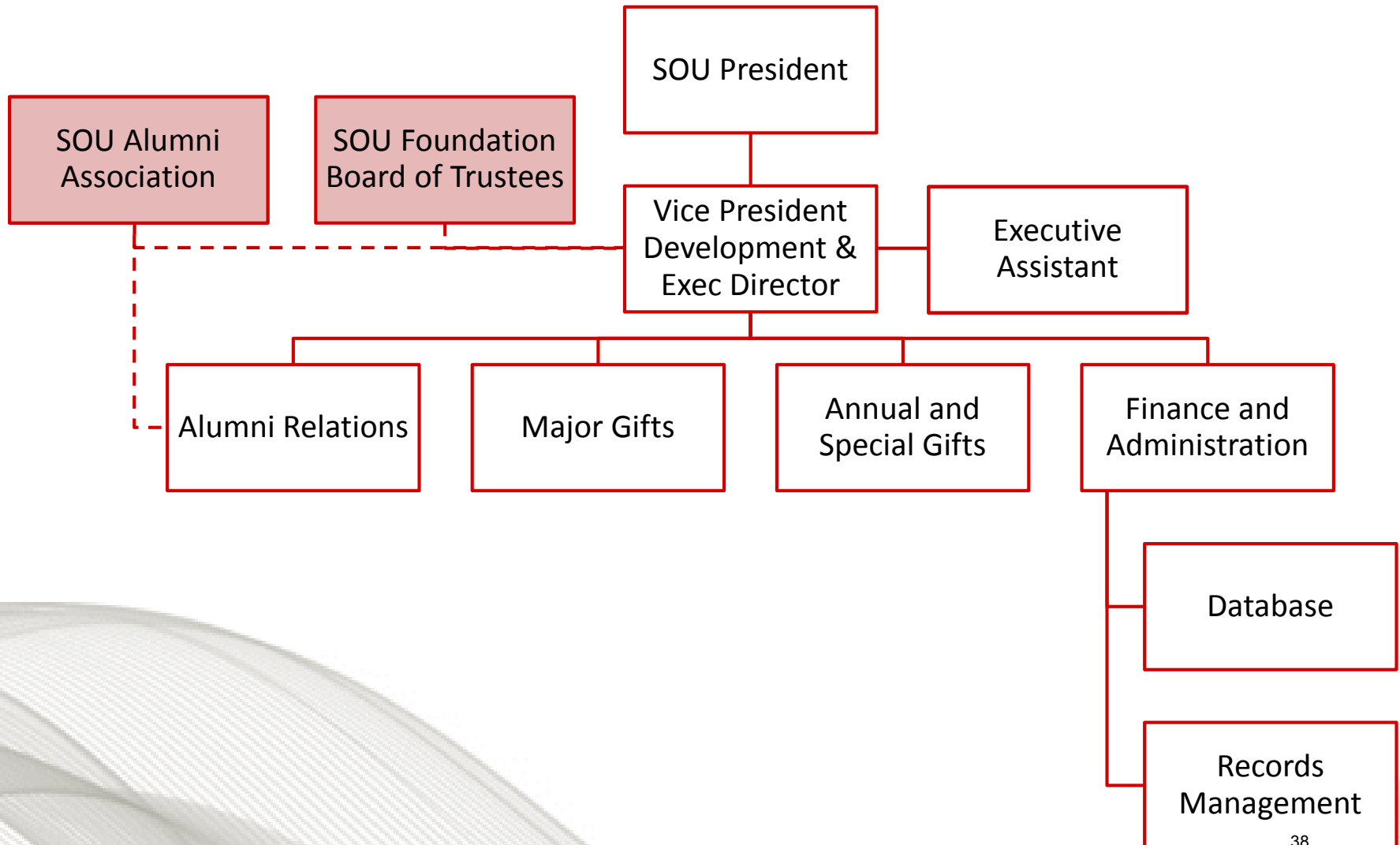


Preview

- Organizational structure
- Fundraising overview
- Peer comparison study
- A path forward

Organizational Structure

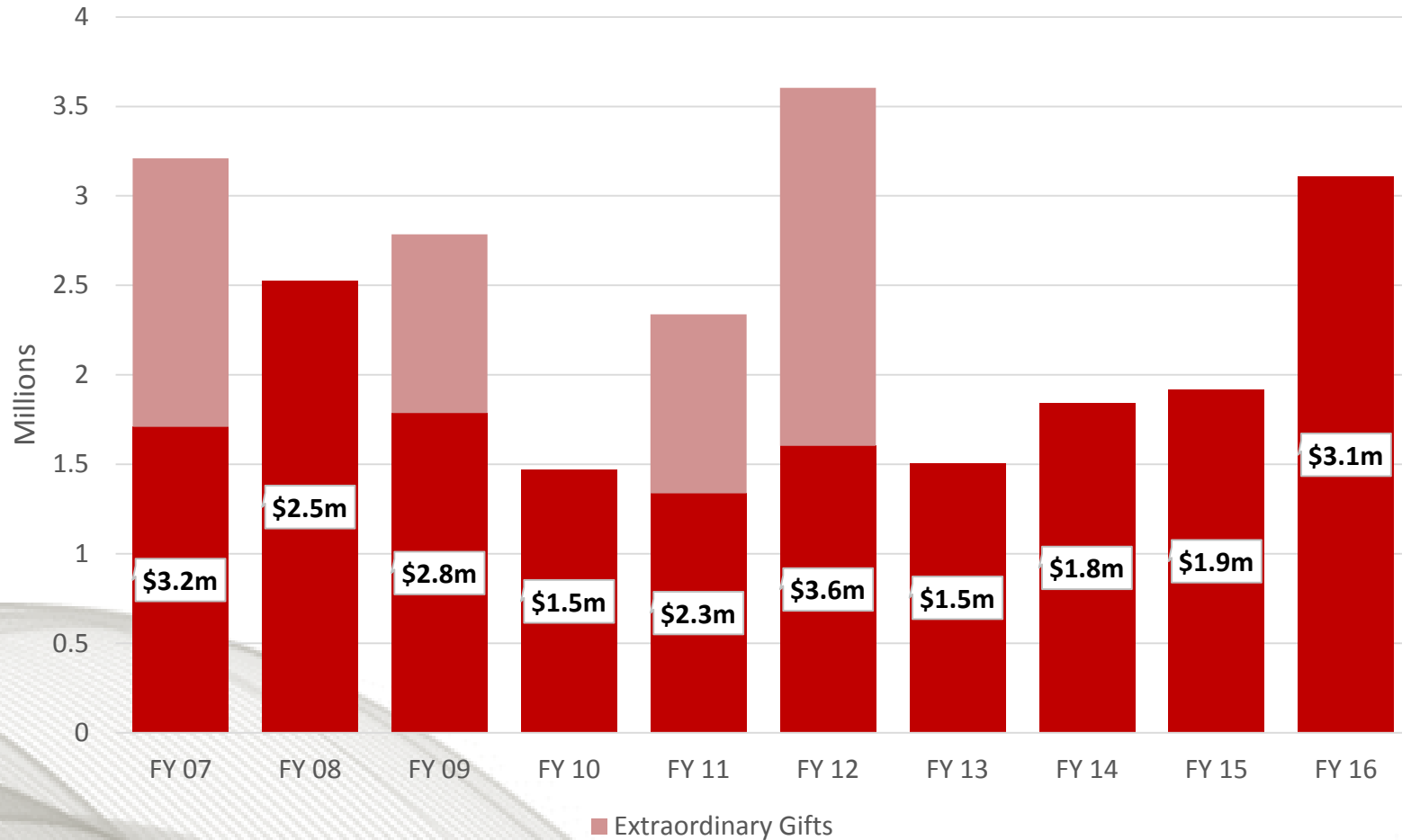
Development Organization



Development Philosophy

- Donor-centered
 - Passion drives philanthropy
 - Relational vs. transactional
- Development is a team sport
- CASE reporting standards for fundraising
- GAAP for accounting

10-Year Fundraising History



Cost of a Dollar Raised



Fundraising Priorities



Students



Programs



Faculty

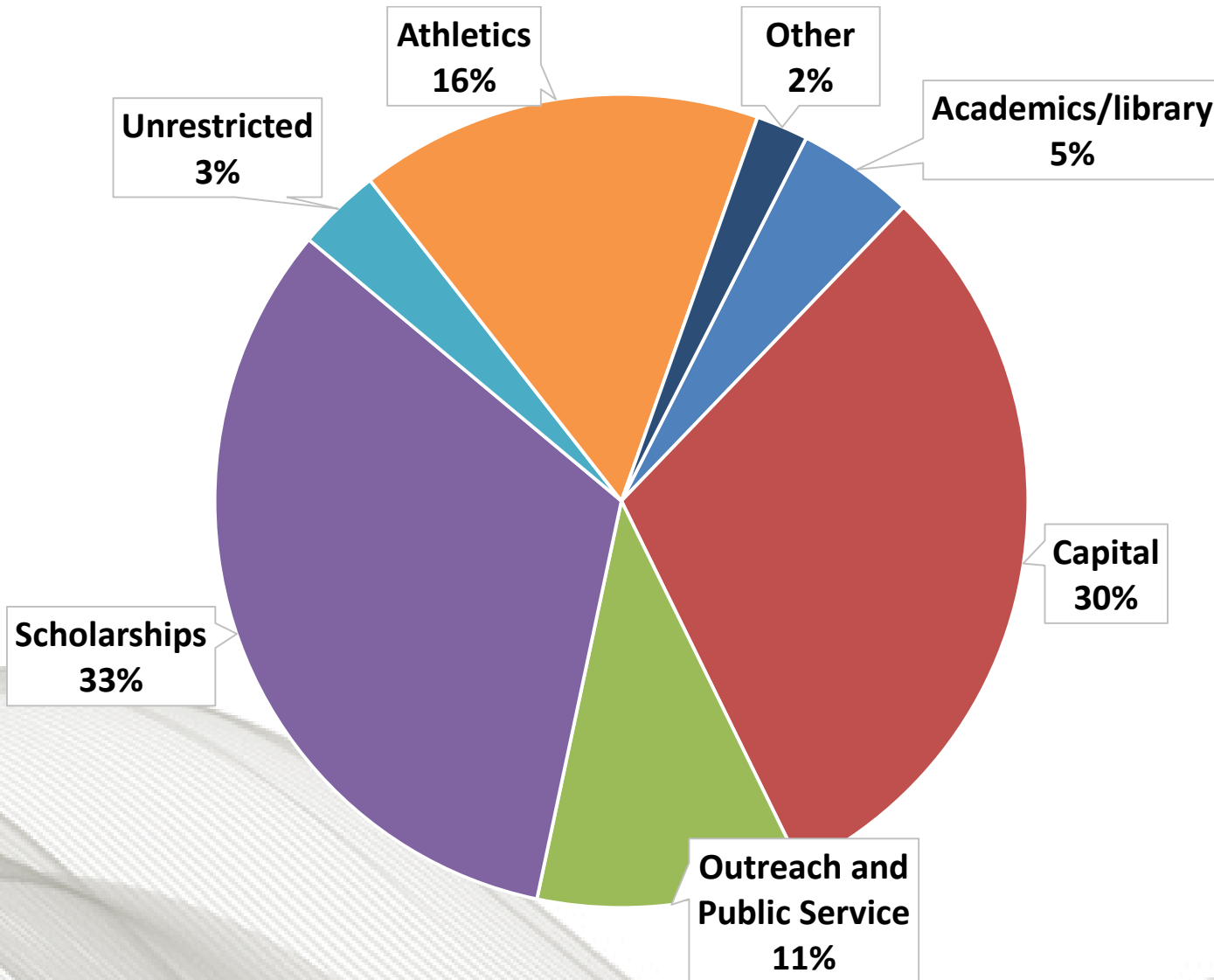


Infrastructure



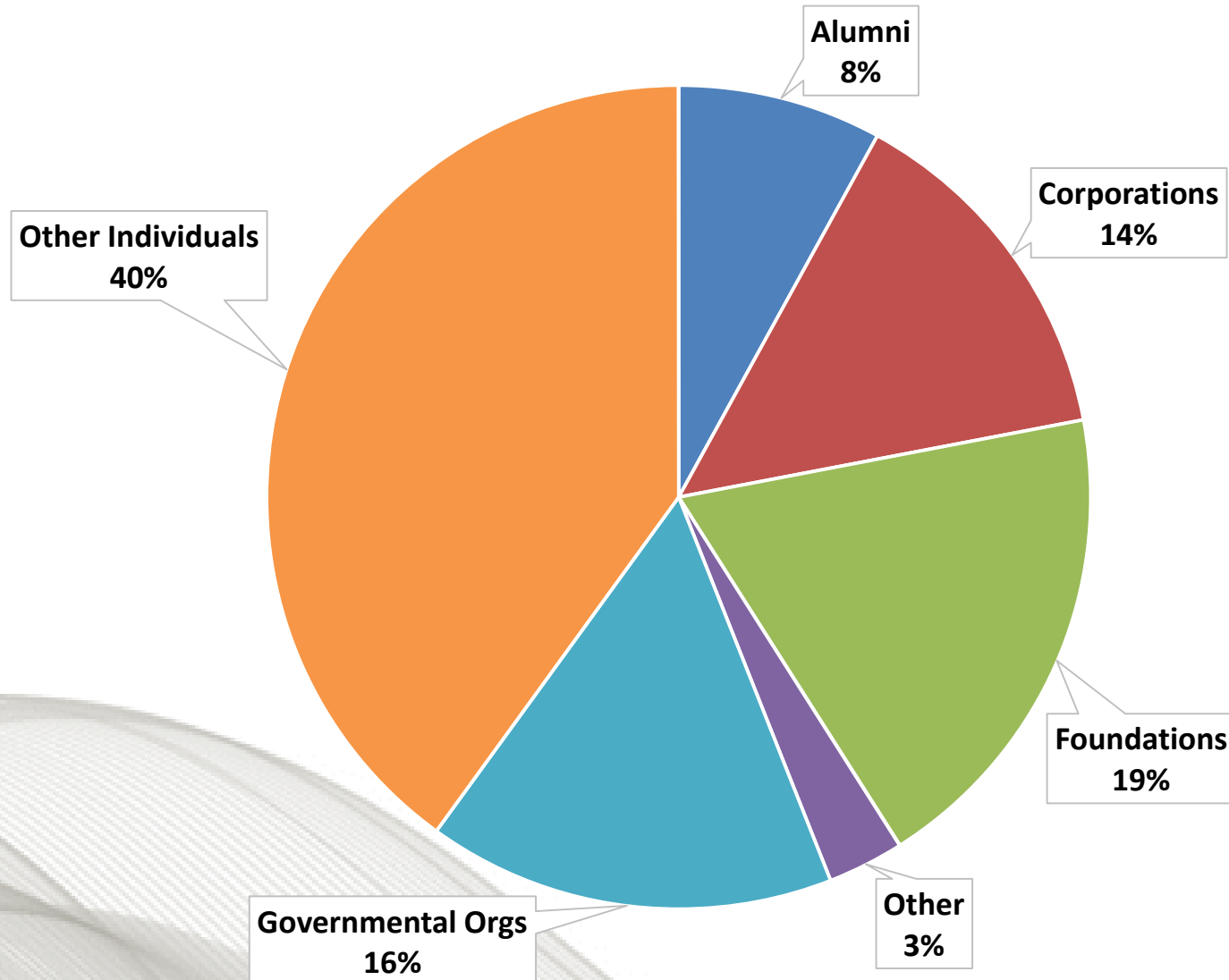
Philanthropic Support

FY 15-16



Sources of Support

FY 15-16



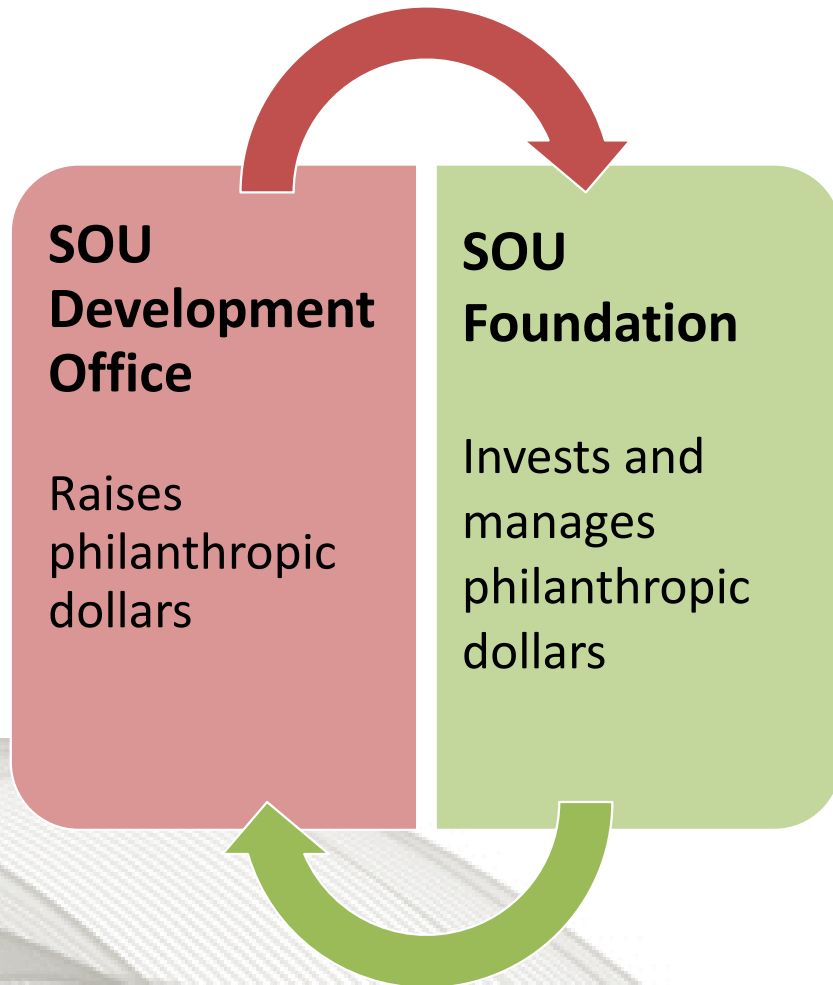
The SOU Foundation

- Chartered in 1959
- 501(c)(3) non-profit organization
- Governance
 - Foundation has no employees
 - Board of Trustees
- Affiliates (fiscal sponsor)
 - Chamber Music Concerts
 - SOU Alumni Association
 - OLLI
 - Friends of Schneider MOA
 - Friends of Hannon Library
 - Raider Club

Mission Statement

The Southern Oregon University Foundation exists to **secure private philanthropic** support to advance SOU and to **invest and manage gifts responsibly** to honor donors' wishes.

Reciprocal Relationship



Contract to Exchange Services reviewed and updated annually

“University agrees to encourage and maintain the independence of the Foundation, to act at all times so as not to jeopardize that independence, while at the same time encouraging the cooperative relationship between University and Foundation.”

Contract between SOUF and SOU

- Use of name and logo
- Institutional officers and employees (voting rights)
- Gift acceptance and management
- Flow of funds between organizations
- Compliance with university and foundation policies

Contract between SOUF and SOU

University Support

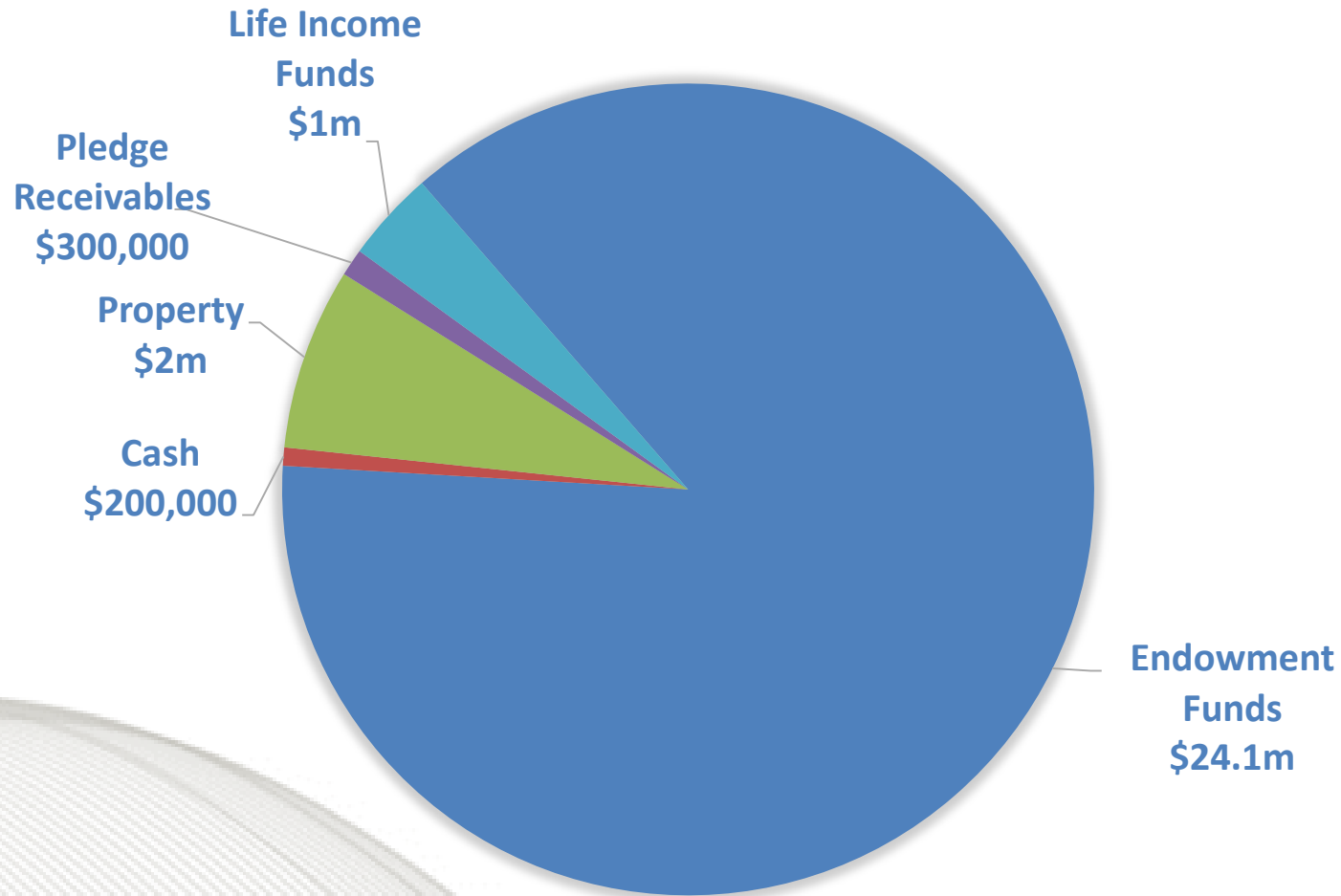
- Office space and supplies
- Staff to perform functions of the foundation
- Consultation with university resources

SOUF Support

- Raise funds for university
- Provide funds for employees not covered by university

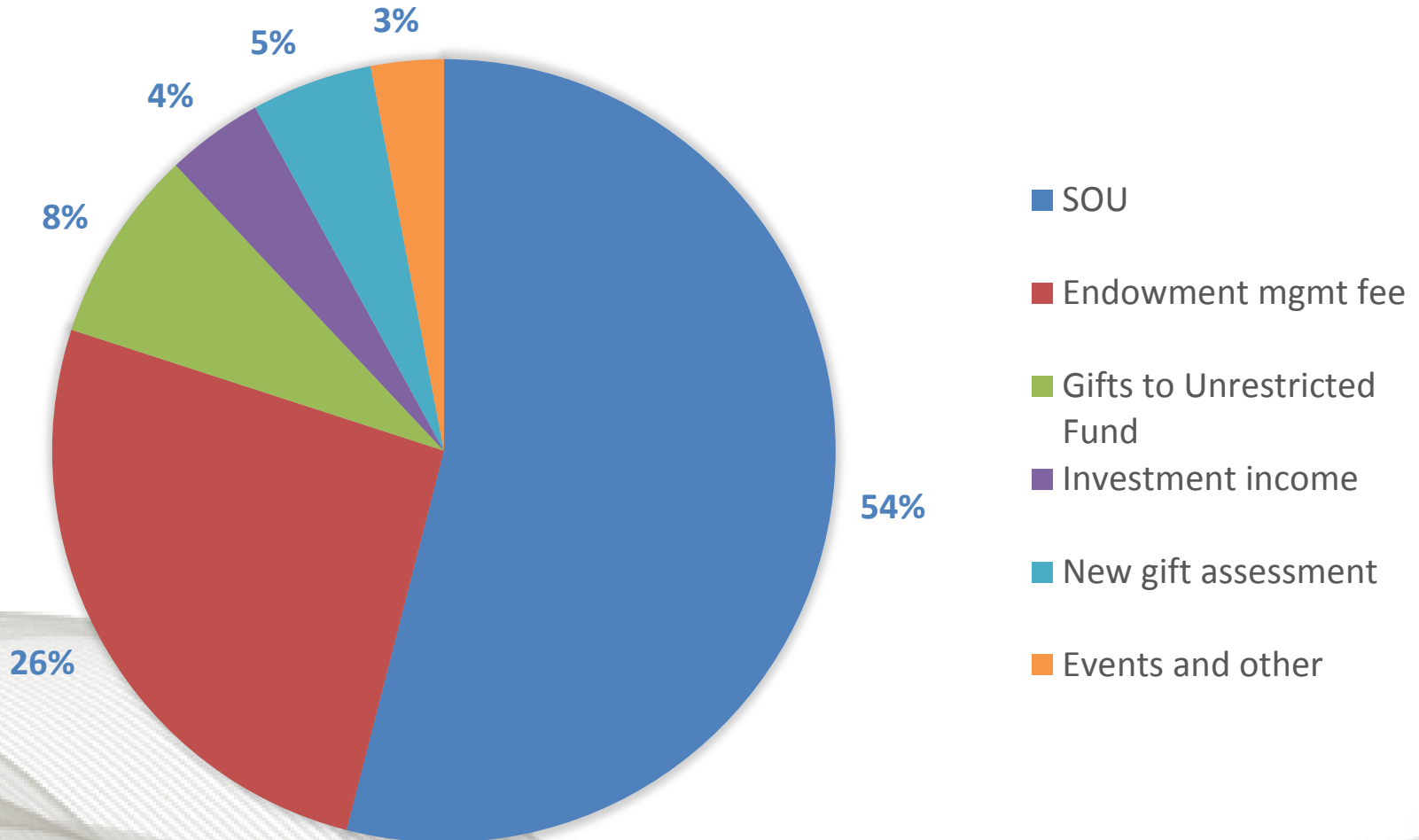
Foundation Assets

\$27.6 million



Operating Revenue

FY 16-17 Budget



Foundation Budget Model

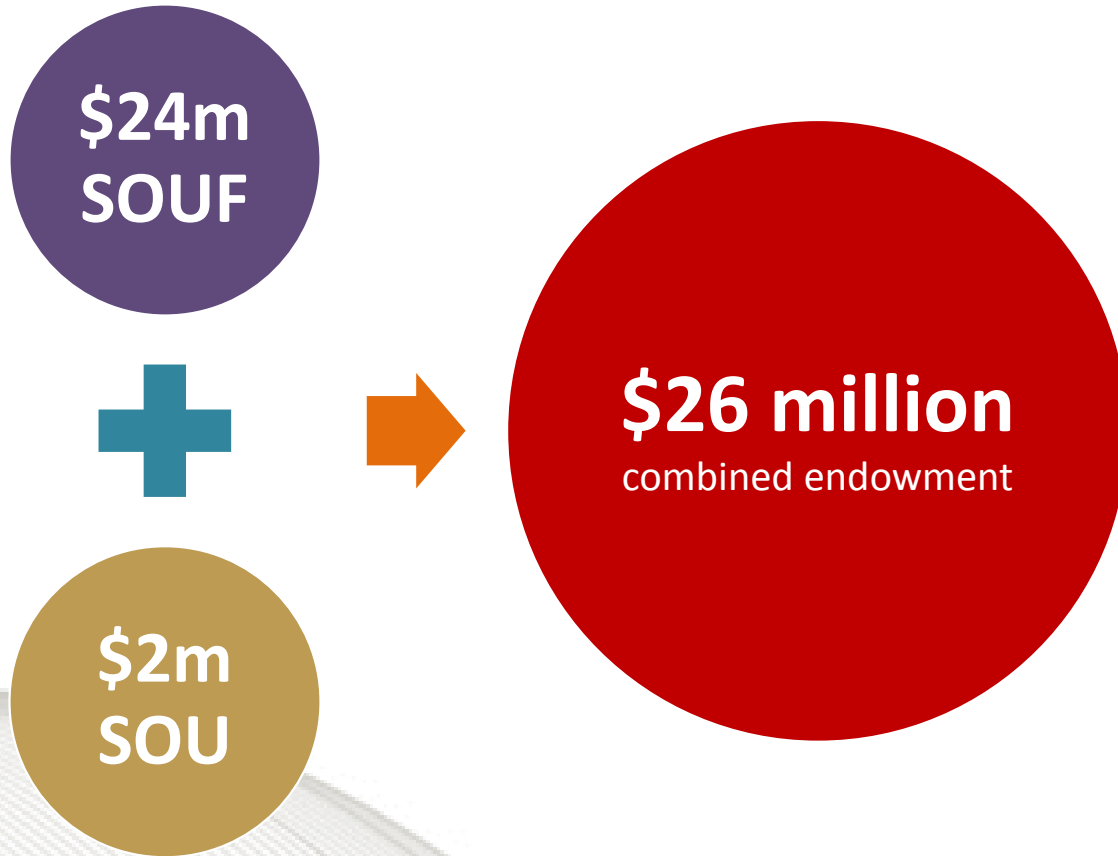
SOU	\$640,000	54%
Endowment mgmt fee (1.5%)	317,300	26%
Gifts to Unrestricted Fund	100,000	8%
Invest income/endow	45,000	4%
New gift assessment (3%)	58,000	5%
Events and other	39,200	3%
	\$1,199,500	

Gift Assessments

Institution	% Fee
University of Oregon	up to 5%
Oregon State University	5%
Western Oregon University	3%
Eastern Oregon University	6%-8%
Portland State University	5%
Oregon Tech	5%
OHSU	n/a
SOU	3%

Half of the universities in the country have a gift fee to cover the costs associated with fundraising.

Total SOU Endowment



INVESTMENT

OBJECTIVE:

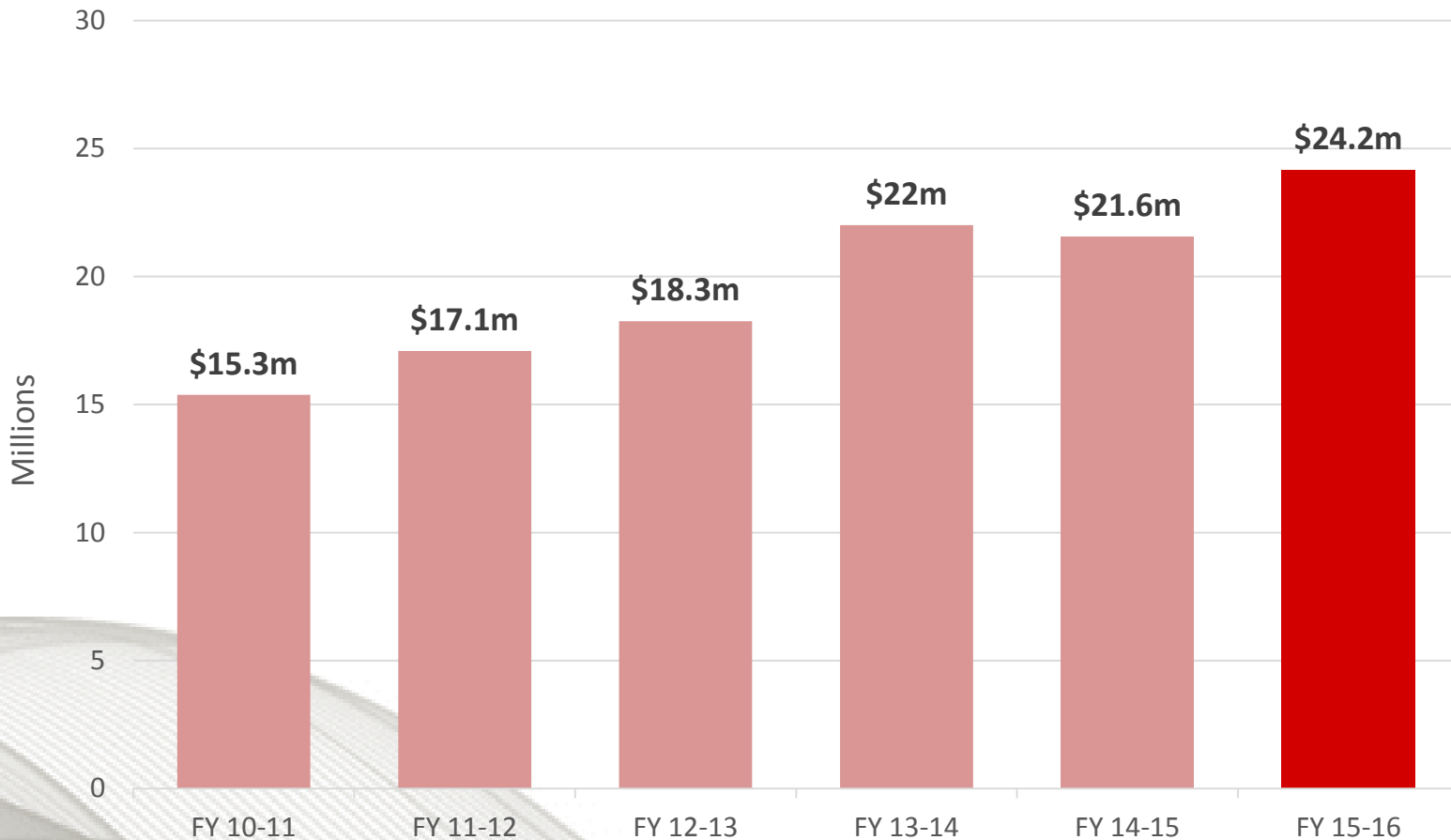
REAL

GROWTH

OVER THE

LONG TERM

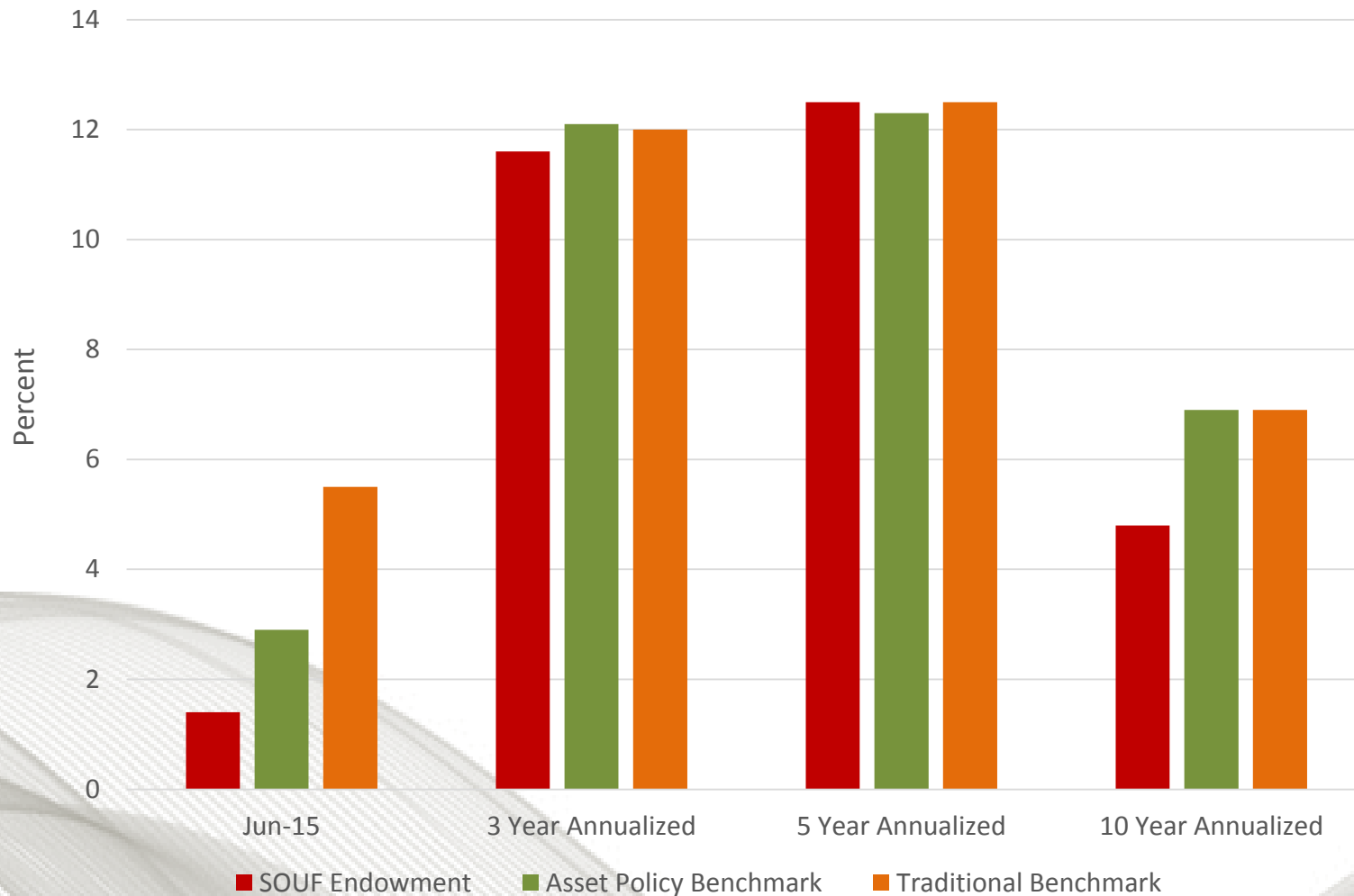
SOUF Endowment Growth



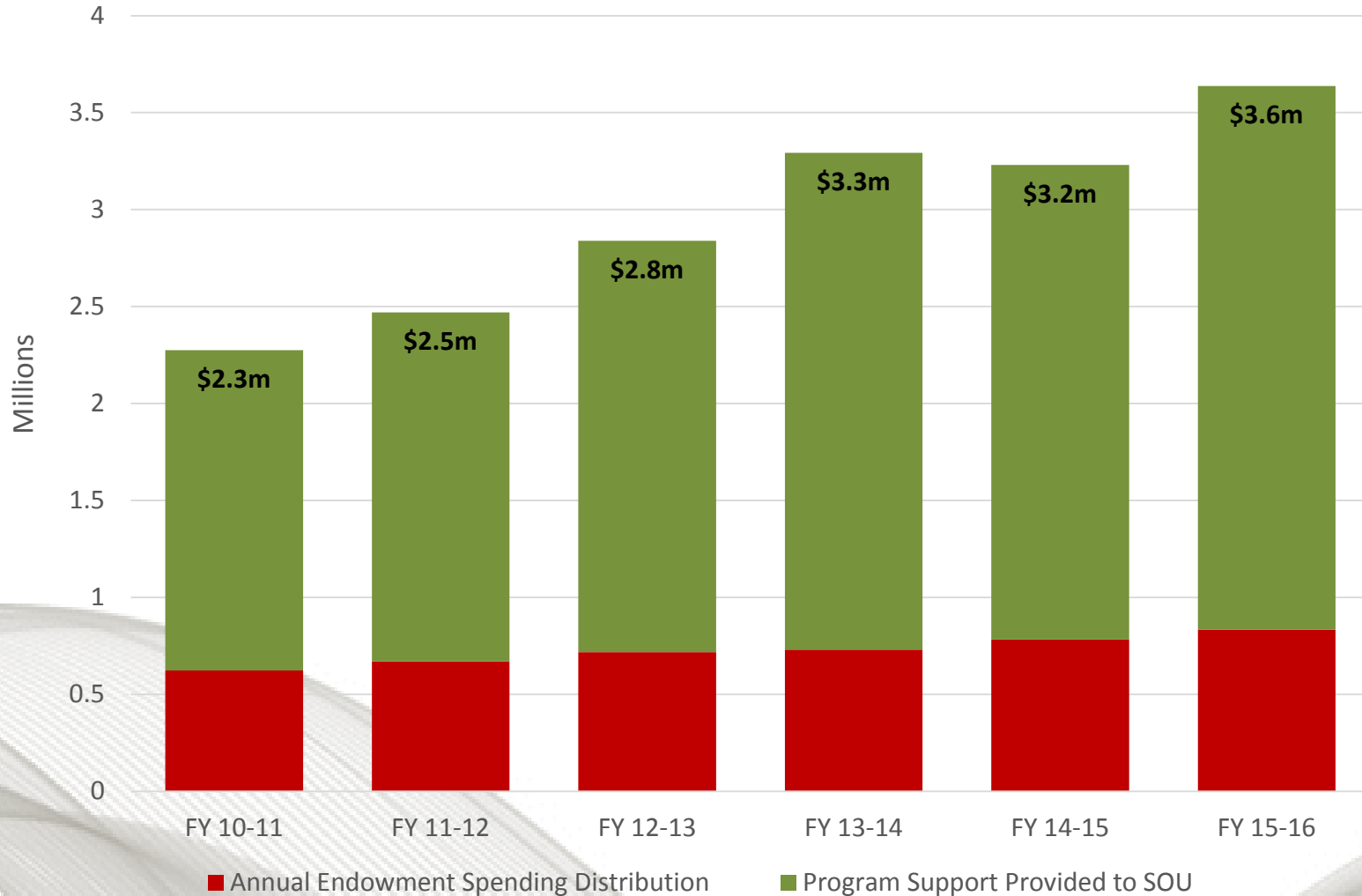
Investment Management

- Kaspick & Company
 - Founded in 1989; manages \$5.8 billion in assets
 - Subsidiary of TIAA (Teachers Insurance and Annuity Association)
 - Planned gift portfolio since 1995
 - Endowment portfolio since 2014

10-Year Endowment Performance (6/30/15)

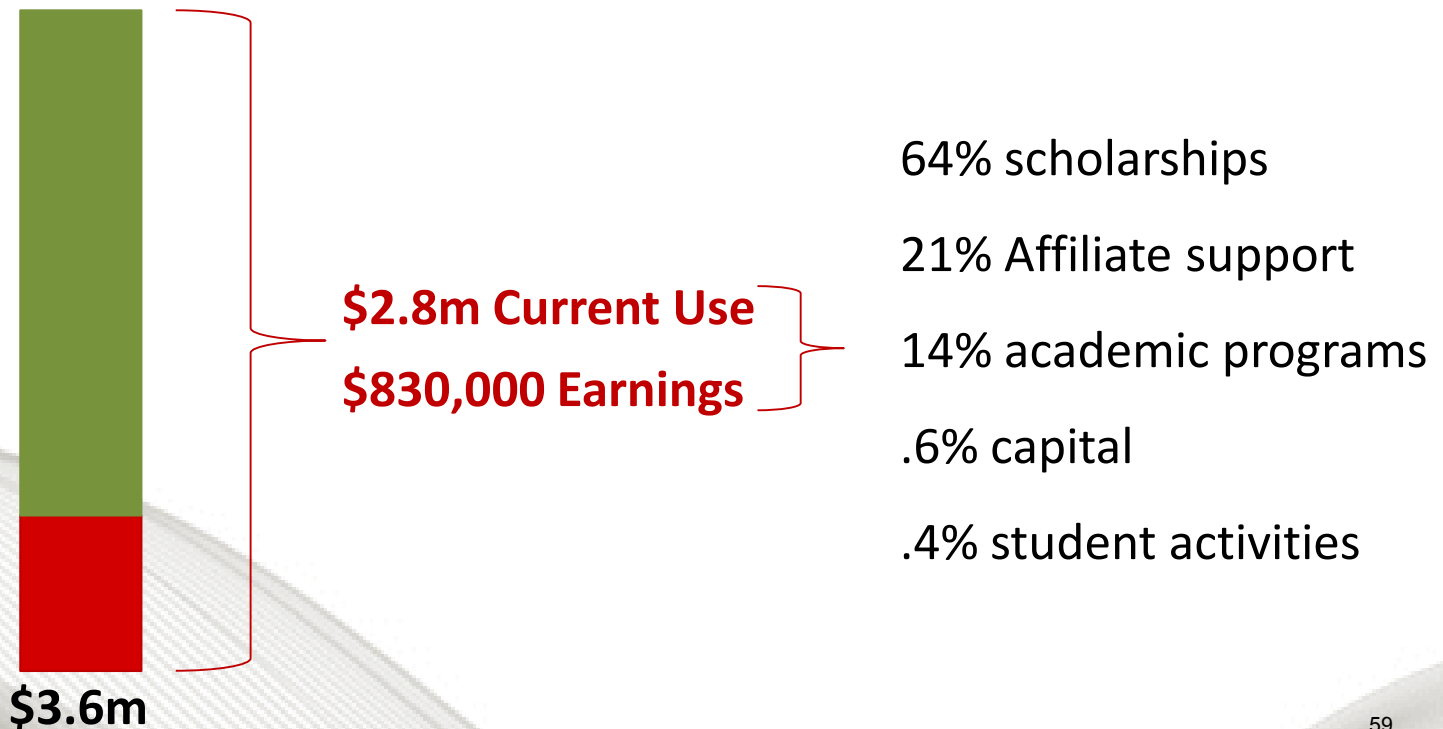


Steady Support for SOU



Support to SOU

- Endowment spending policy
 - 3.5% of investment earnings are distributed
 - Based on a 3-year rolling average



Peer Comparison Study

Peer Analysis and Benchmarking

Assumptions

- SOU's need for private philanthropy will increase
- SOU and SOUF want to achieve and sustain private gift support at a significant level

What is SOU's opportunity?

Peer Group

- Established peer groups
 - Council of Public Liberal Arts Colleges
 - Association of American Colleges & Universities
- Comparisons
 - Fundraising revenue...last 10 years
 - Program
 - Staffing

Common Characteristics

- Number of alumni (approx. 40,000)
- Enrollment (6,000)
- Carnegie classification
 - Arts and sciences + professions
 - Primarily undergraduate programs
 - Primarily nonresidential
 - “Larger” Master’s level university

Peer Group

- Cal State University, Stanislaus
- Eastern Connecticut State University
- Eastern Washington University
- Midwestern State University, TX
- Ramapo College of New Jersey
- **Southern Oregon University**
- State University of New York, Fredonia
- Truman State University, MO

Peer Group



3-Year Averages in Private Support

Institution	Average FY 2006-08	Average FY 2012-14	Percent Change	Compounded Average Growth
CSU, Stanislaus	\$2.6 M	\$2.0 M	-23%	-6%
Eastern Connecticut	\$3.6 M	\$2.5 M	-31%	3%
Eastern Washington	\$3.0 M	\$2.2 M	-27%	-1%
Midwestern State, TX	\$6.0 M	\$9.1 M	52%	13%
Ramapo College, NJ	\$2.5 M	\$2.7 M	8%	6%
SOU	\$2.4 M	\$1.8 M	-25%	-6%
SUNY, Fredonia	\$1.9 M	\$2.2 M	16%	6%
Truman State, MO	\$3.8 M	\$2.6 M	-32%	6%

10-Year Growth in Endowment

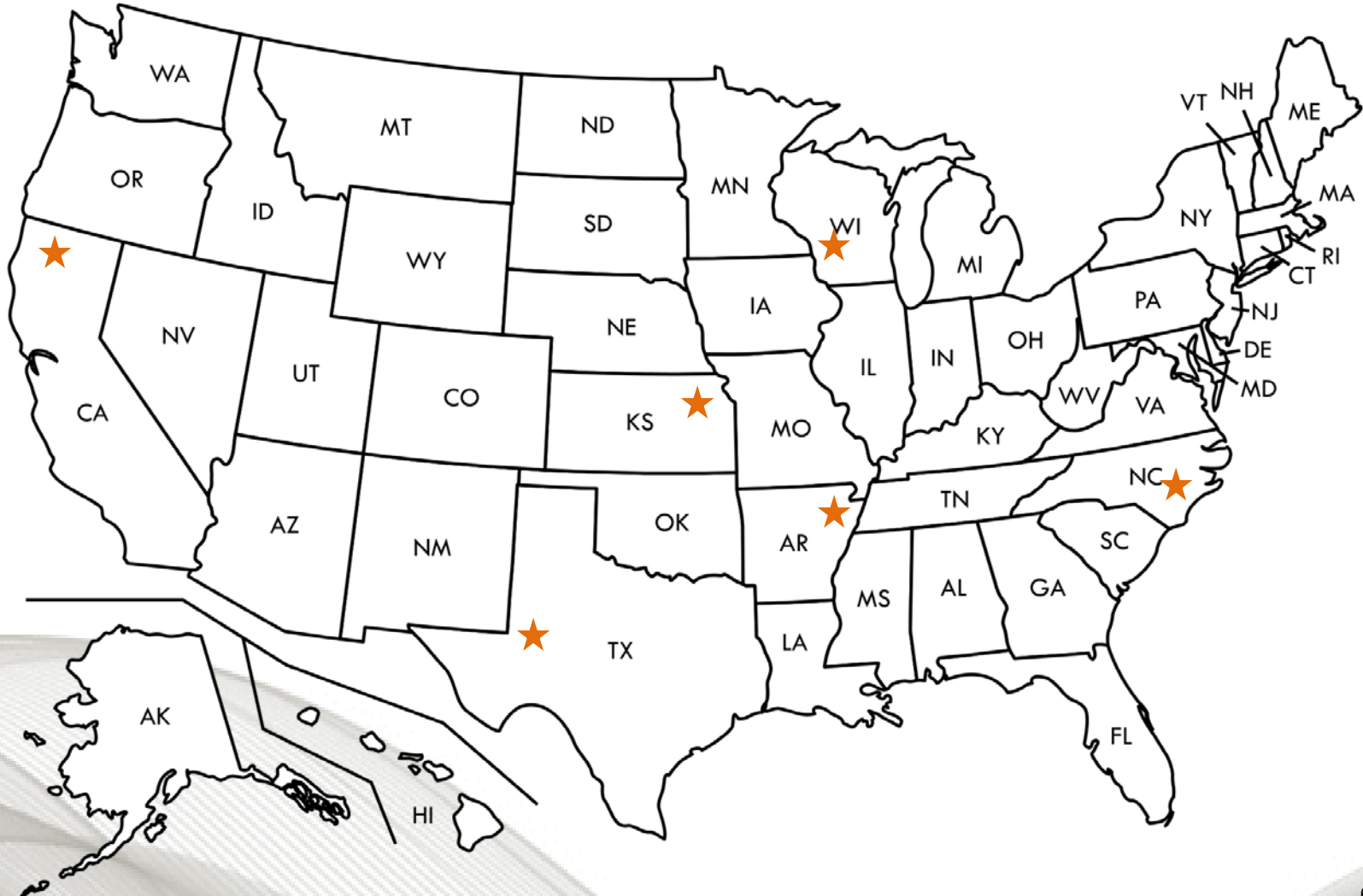
Institution	FY 2003-04	FY 2013-14	Percent Change
CSU, Stanislaus	\$7.7 M	\$12 M	56%
Eastern Connecticut	\$10.6 M	\$12.9 M	21%
Eastern Washington	\$15.9 M	\$27.1 M	70%
Midwestern State, TX	\$4.5 M	\$76.5 M	1,615%
Ramapo College, NJ	\$4.8 M	\$16.4 M	245%
SOU	\$13.1 M	\$24.4 M	85%
SUNY, Fredonia	\$13.4 M	\$28.2 M	111%
Truman State, MO	\$28.3 M	\$40.3 M	42%

Aspirational Peer Group

Raising \$5m-\$10m annually

- Arkansas State University
- Humboldt State University (CA)
- University of North Carolina, Wilmington
- University of Texas of the Permian Basin
- University of Wisconsin-Eau Claire
- Washburn University (KS)

Aspirational Peer Group



Aspirational Peer Group

Institution	Average FY 2006-08	Average FY 2012-14	Percent Change	Compounded Average Growth
Arkansas State (AR)	\$7.1 M	\$8.7 M	23%	7%
Humboldt State (CA)	\$4.3 M	\$6.3 M	47%	3%
UNC, Wilmington	\$8.2 M	\$7.1 M	-13%	2%
UT, Permian Basin	\$4.3 M	\$5.2 M	21%	14%
Univ Wisconsin-Eau Claire	\$4.6 M	\$8.3 M	80%	11%
Washburn University	\$8.7 M	\$8.8 M	1%	5%
SOU	\$2.4 M	\$1.8 M	-25%	-6%

10-Year Growth in Endowment

Institution	FY 2003-04	FY 2013-14	Percent Change
Arkansas State (AR)	\$37 M	\$52 M	40%
Humboldt State (CA)	\$13 M	\$26 M	107%
UNC, Wilmington	\$34 M	\$85 M	154%
UT, Permian Basin	\$15 M	\$43 M	183%
Univ Wisconsin-Eau Claire	\$25 M	\$62 M	148%
Washburn University	\$112 M	\$163 M	46%
SOU	\$13.1 M	\$24.4 M	85%

Alumni Solicitations 2004 vs. 2014

Institution	2004			2014		
	Percent Solicited	Percent Partic	Percent of Total Raised	Percent Solicited	Percent Partic	Percent of Total Raised
Eastern Connecticut	59%	7%	4%	77%	7%	19%
Midwestern State	84%	8%	15%	90%	6%	19%
Ramapo College, NJ	100%	10%	12%	100%	8%	26%
SOU	78%	5%	20%	11%	2%	10%
SUNY, Fredonia	70%	8%	36%	43%	5%	29%

Alumni Solicitations 2004 vs. 2014

Institution	2004			2014		
	Percent Solicited	Percent Partic	Percent of Total Raised	Percent Solicited	Percent Partic	Percent of Total Raised
Arkansas State	100%	7%	29%	98%	7%	18%
Humboldt State	88%	5%	11%	62%	7%	17%
UNC, Wilmington	88%	11%	8%	98%	5%	8%
UT, Permian Basin	68%	2%	1%	94%	8%	7%
UWisc-Eau Claire	55%	13%	14%	96%	8%	72%
Washburn	39%	8%	38%	91%	7%	43%
SOU	78%	5%	20%	11%	2%	10%



Staffing Comparisons

	SOU	Asp Peers	Nat'l Avg
Major Gifts	1.50	4.00	4.00
Annual Giving/Special Gifts	1.00	2.00	2.00
Reporting	1.00	1.50	2.00
Stewardship	0.00	1.00	2.00
Communications	0.00	1.00	1.00
Alumni Relations	1.00	2.00	1.50
Administration	3.50	4.00	4.00
TOTAL	8.00	15.50	16.50

Observations and Conclusions

- **Direct correlation** between fundraising revenue and sustained investment in external relations
 - Communications
 - Marketing
 - Alumni relations
- **Level of staffing** impacts fundraising results
 - Three years to develop fully a new portfolio

Observations and Conclusions

- **Alumni** can significantly impact long-term fundraising success
 - As alums age, they give more often (participation rate) and in larger increments
 - Teachers are prime candidates for planned gifts
- **Campaigns** motivate but have to be funded

The Opportunity

\$2 M → \$5 M

**What will it take for
us to achieve this?**

Opportunities and Threats

Opportunities

- Engage with alumni
- Engage with broader geographic audiences to expand donor base
- Express compelling message to create broader understanding of SOU vision
- Express impact of philanthropy to motivate other donors
- Engage volunteer leadership in fundraising mission
- Enhance partnerships with SOU faculty/staff to lead to more and larger gifts

Threats

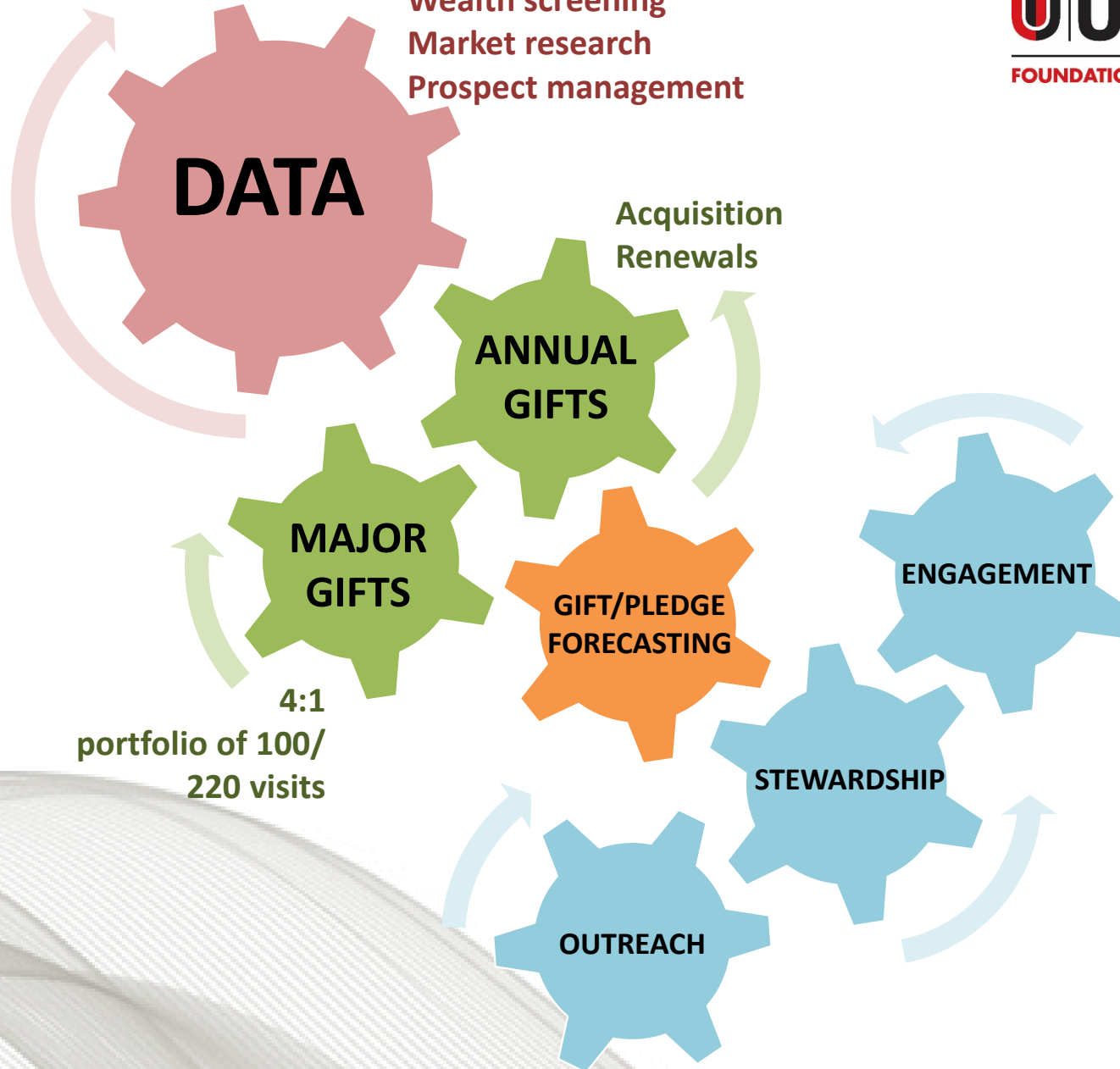
- Competition for SOU resources
- Level of current funding and staffing will not support philanthropic goal of raising \$5 million annually
- An economic downturn may affect ability to hit fundraising targets
- Competition for regional philanthropic support among potential donors
- Donor fatigue
- Donor pool is too narrow to support fundraising goals

A Path Forward

Resources Needed

- Solid development infrastructure
- Funding model for growth
- Compelling SOU vision
- Fundraising priorities that match donor interest
- Active and engaged boards

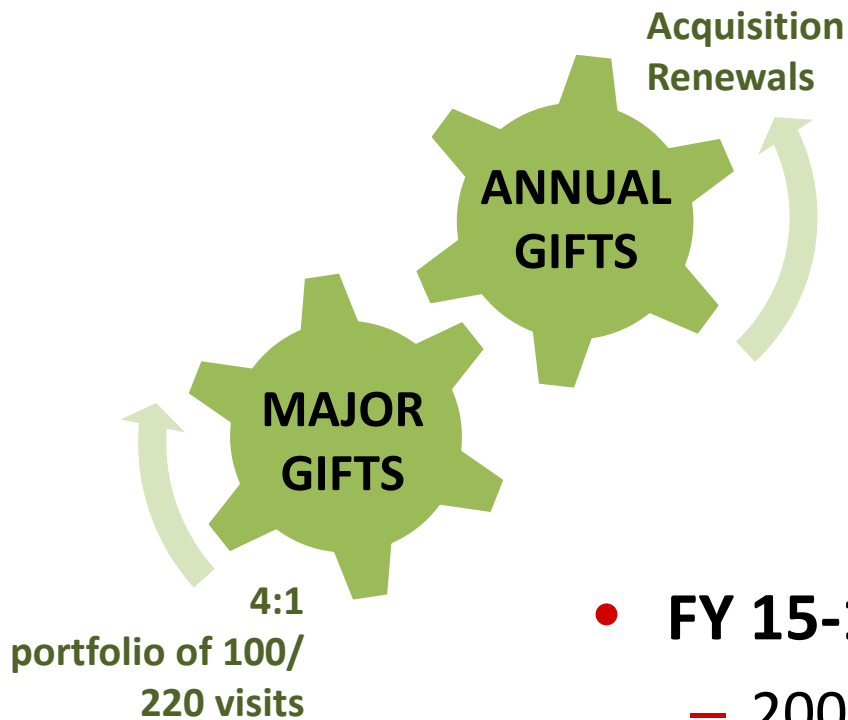
Valid addresses
Wealth screening
Market research
Prospect management





- **FY 15-16 Focus**

- 15,000 alumni records updated
- 35,000-40,000 alumni records
 - Software upgrade: provides wealth screening → prioritize prospective donors; ability to segment donor records
 - Employment data added via LinkedIn
 - Email addresses for direct communication



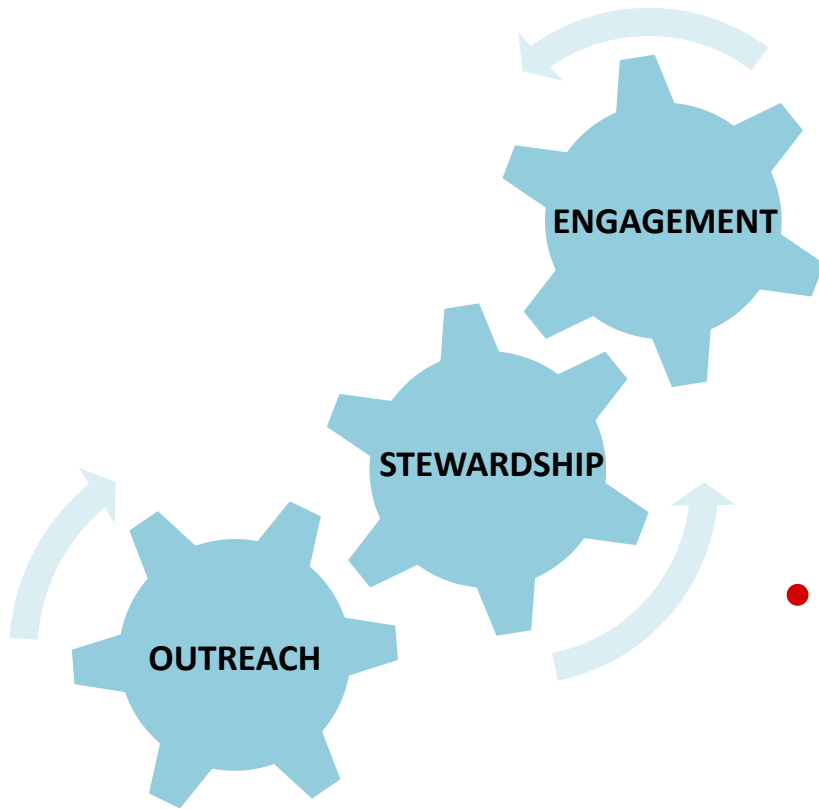
- **FY 15-16 Focus**

- 200 major gift donors assigned
- Recalibrate Annual Giving Program with interest-area solicitations
 - SOU Fund, athletics, OCA, scholarships



- **FY 15-16 Focus**

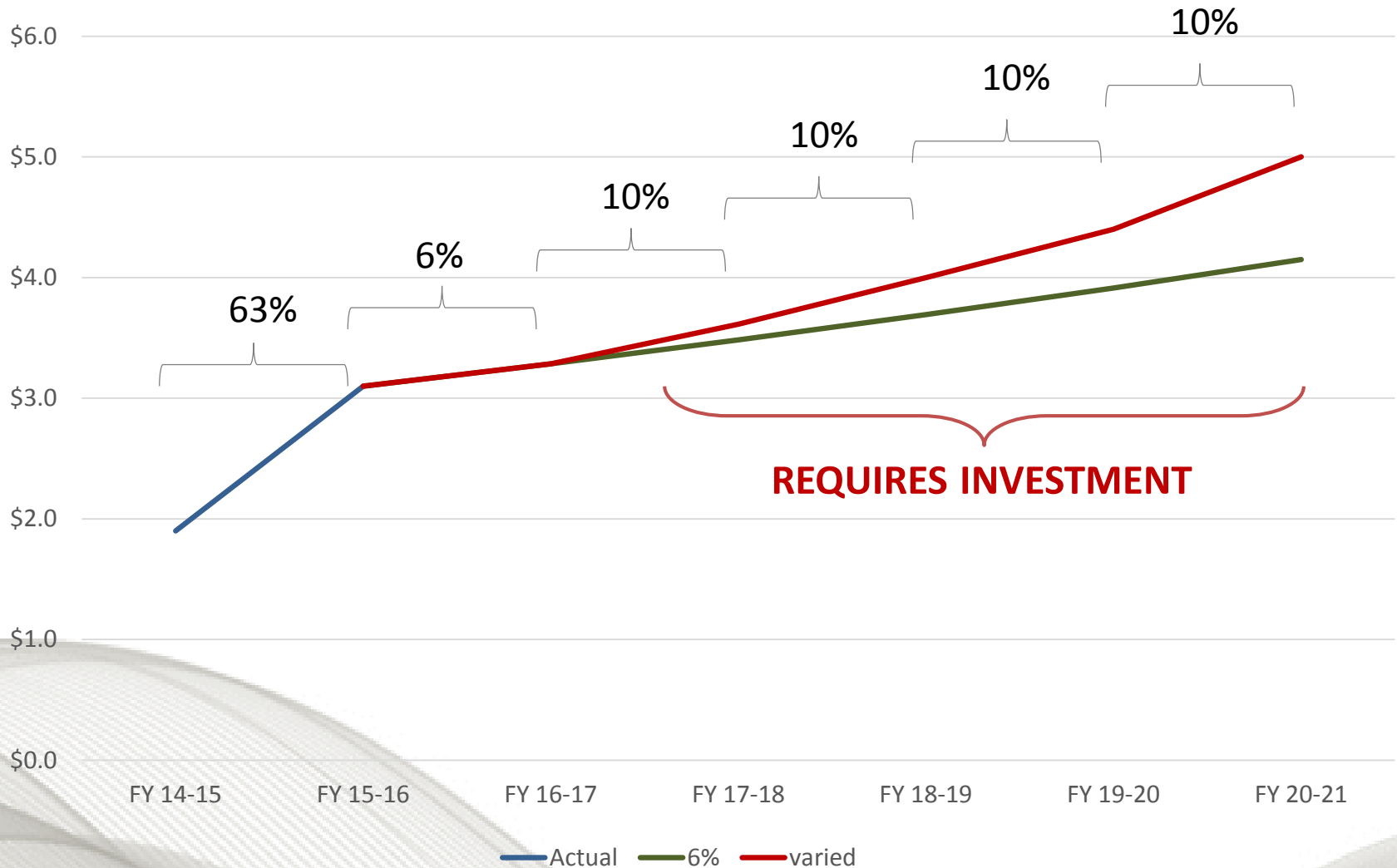
- Forecasting model to track proposals and corresponding gift revenue
- Pipeline development
- Raise donor sights



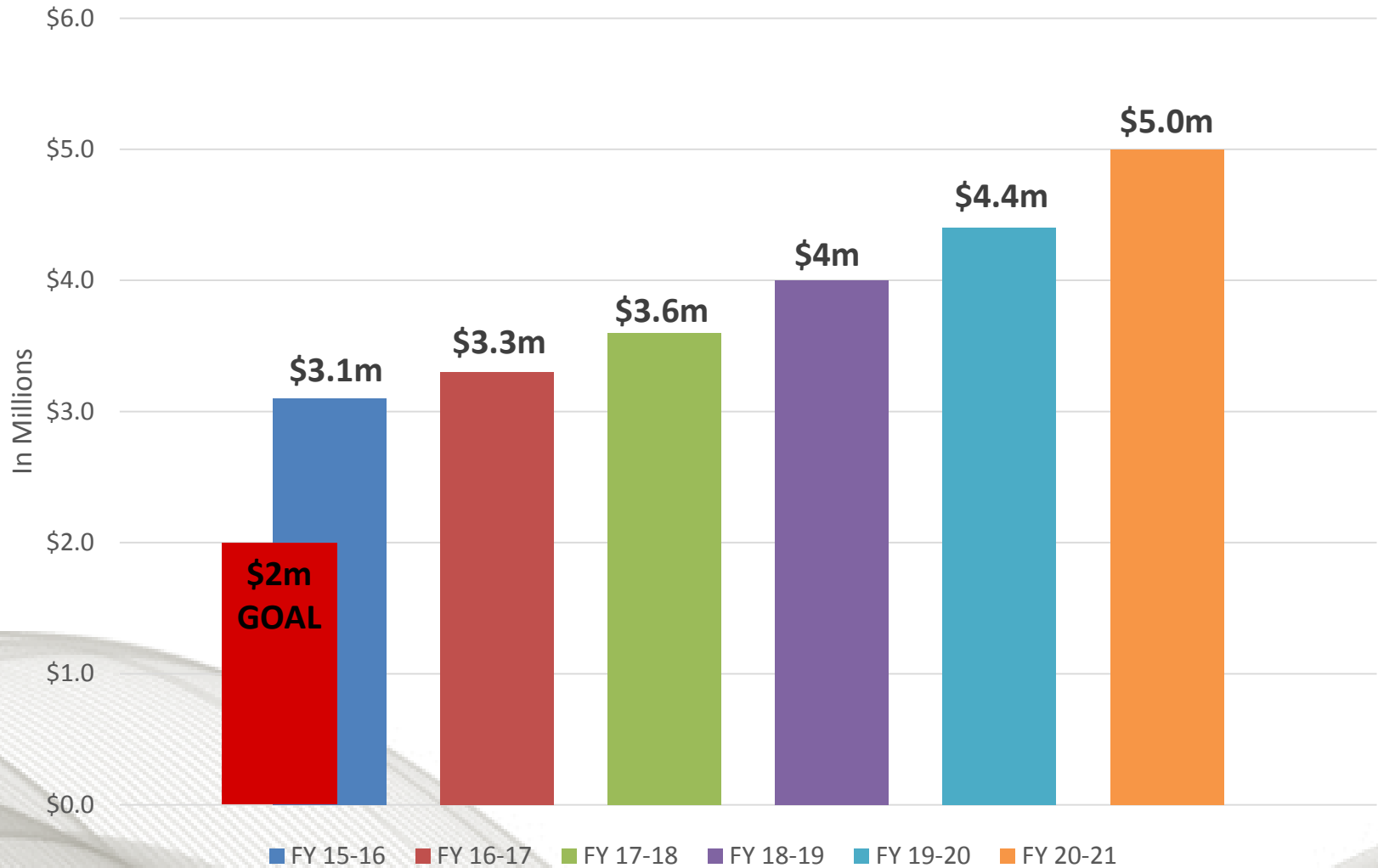
- **FY 15-16 Focus**

- The Raider publication
- President's Circle
- Endowment reporting
- Student/donor connections
- Regional events
- Affiliates

Proposed Path to \$5 million



5-Year Fundraising Goals



Giving by Source

	2014		2021	
	% of Total Raised	\$2 million	% of Total Raised	\$5 million
Alumni	10%	\$185,000	25%	\$1,000,000
Foundations	28%	\$530,000	25%	\$1,000,000
Other Individ	29%	\$535,000	30%	\$1,200,000
Corporations	19%	\$331,000	30%	\$1,200,000
Other Orgs	11%	\$203,000	10%	\$400,000
Parents	3%	\$55,000	5%	\$200,000

Budget Model for Growth

*Fairly
Predictable*

*Less
Predictable*

Endowment
management fee

Events and other

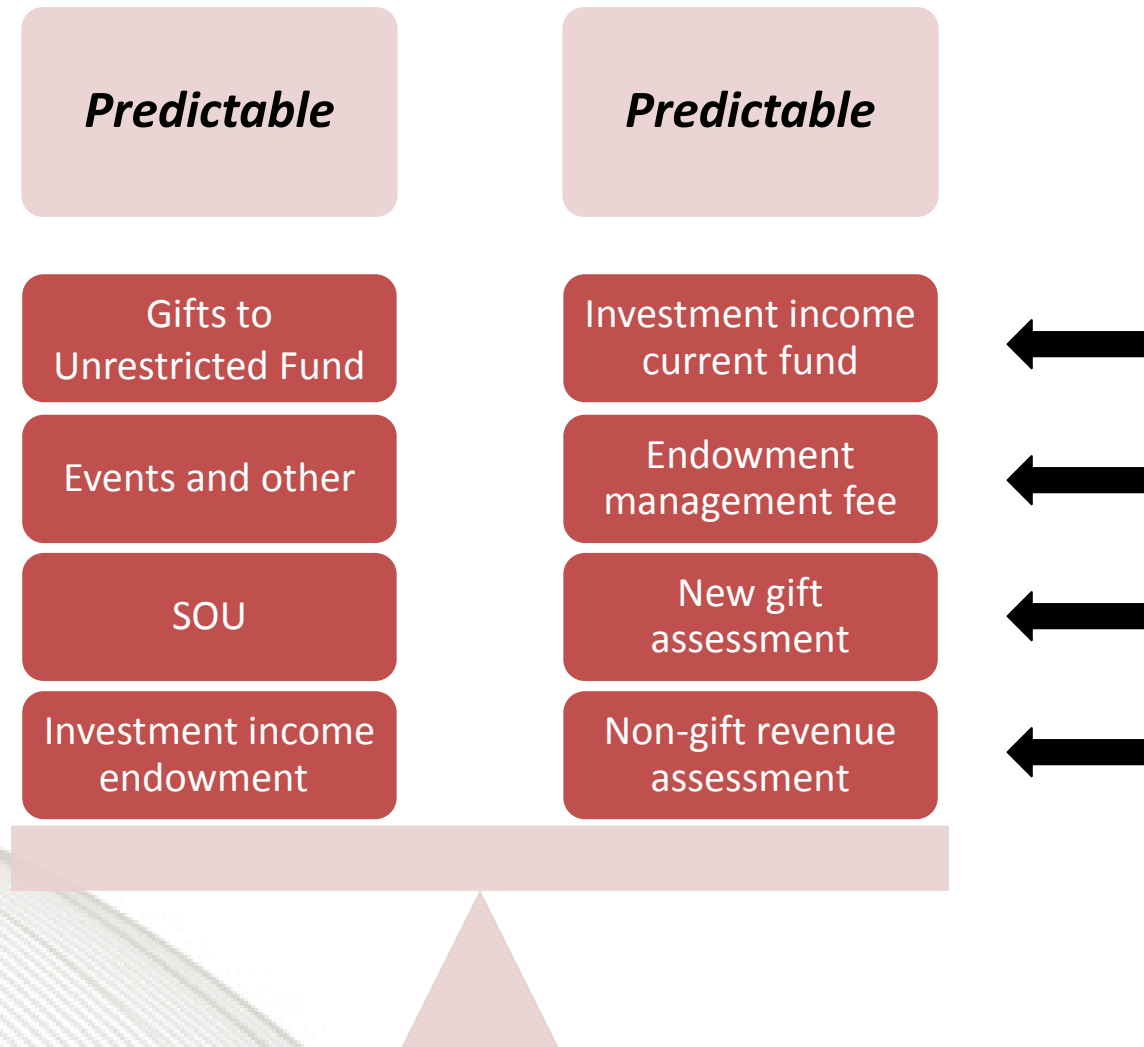
Investment income
endowment

SOU

Gifts to
Unrestricted Fund

New gift
assessment

Creating Balance



Big Ideas Drive Big Philanthropy

Adjourn