



**Southern Oregon University**  
Tuition Rate Recommendation

*Notification Package for*  
**HIGHER EDUCATION COORDINATING COMMISSION**  
*Academic Year 2019-2020*

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## Executive Summary

SOU President Linda Schott and her leadership team have worked since January 2019 with members of the university's Tuition Advisory Council (TAC) and Board of Trustees to determine the appropriate level of tuition for AY19. Numerous factors have been considered, with particular attention paid to the needs of SOU students, the financial stability of the university, expected enrollment in AY19 and the level of funding provided by the State of Oregon. The last two items – Fall Term enrollment and the level of funding provided by the state to the Public University Support Fund (PUSF) – are not yet determined. A general prediction can be made about enrollment, using previous enrollment data and early indicators for the coming year. What cannot be predicted is the final level of funding for the PUSF.

President Schott asked the SOU Board of Trustees this month – based on the uncertainty of PUSF funding and the TAC's recommendation – to approve a range of possible tuition rates for AY19 correlated to the level of funding in the PUSF. The trustees voted unanimously at their May 16 meeting to approve the president's proposal. At the level of funding currently proposed by the legislative Ways and Means Committee (the Governor's Recommended Budget plus \$40.5M, or a PUSF of \$777.5M), the recommended tuition increase is \$23 per credit hour, to a total of \$195 per credit (an increase of 13.5% over AY18). As indicated in Table 1 below, the recommendation is to decrease SOU's tuition rate by \$2 per credit hour for each \$20M the legislature is able to increase the PUSF beyond \$777.5M.

The recommended tuition increase will amplify the need for financial aid, and SOU is committed to increasing by \$500,000 – from the current \$3.6 million to \$4.1 million for AY19 – the aid that enables its most economically vulnerable students to achieve their degrees. SOU also is committed to supporting its students with excellent faculty, highly qualified support staff and an appropriate array of programs to provide for their mental health, physical well-being, intellectual growth and degree attainment.

Some Oregon Public Universities plan to use reserves in FY20 to defer tuition increases, but SOU depleted \$3.3M in reserves this year to ride through an enrollment down-turn. The total budget gap that must be filled – including reserves used in the current fiscal year and projected spending increases in FY20 – is \$7.5M at the GRB funding level. SOU would receive just \$2.9M in additional funding even if the PUSF is increased by \$120M (\$857M PUSF). That funding increase to SOU would fall short of the cost escalation in FY20 for Labor and Other Personnel Expenses (OPE) alone (\$3.5M).

This notification package contains 13 sections, as briefed to the Higher Education Coordinating Commission (HECC) on May 9. Where practical, hyperlinks are provided to websites containing SOU Board of Trustees and TAC agendas, minutes and presentation materials.

## Tuition Advisory Council Recommendation

The Tuition Advisory Council reached a unanimous decision and recommendation, which was presented to the president. See [Section 5](#) for hyperlinks to the board agenda, minutes and presentation materials.

This section summarizes the rationale for the TAC’s tuition rate recommendation. The TAC based its recommendation to the SOU president on a vote of all members present, once a quorum was established. As the vote was unanimous, there is no minority opinion.

The TAC recommended resident undergraduate and graduate tuition should increase at a rate ranging from 11% to 14.5%. Cost reductions associated with each step were discussed. Given the uncertainty of enrollment and PUSF funding levels, the TAC focused on the assumptions developed by the group, then ran scenarios based on different funding and remissions assumptions. Table 1 (below) shows the recommended tuition rates, based on PUSF allocation levels. The TAC preferred a 13.5% increase, based on -.5% enrollment, GRB +\$40.5M in state funding and SOU aid (remissions) increasing \$500K over the current year. The costs for tuition and fees associated with the 13.5% tuition increase scenario are shown in [Example 1](#). For a summary of all tuition categories, see [Example 2](#). The motion passed, 6Y/0N/0A.

The TAC actively considered the criteria in HB 4141. Foremost was a discussion of how SOU aid should be adjusted, based on tuition rate and funding level, to support SOU’s most vulnerable students (see [section 8](#) and [appendix II](#)). The TAC members also expressed concerns about taking care in cost reductions to maintain existing programs and service levels. In summary, the TAC recommended that the president approve tuition rate increases as shown. For a deeper understanding of the dialogue, please see the minutes (<https://sou.edu/president/tuition-advisory-council/>).

**Table 1: Recommended Resident Undergraduate Tuition Rate per PUSF Allocation Scenario**

PUSF	PUSF increase from current biennium	Proposed Undergraduate Tuition Rate per credit	Difference Per Credit	Difference Per Term @ 15 Credits	Difference Per Academic Year @ 45 Credits	% Rate Increase
GRB \$737M	\$0	\$201	\$29	\$435	\$1,305	17.0%
\$757M	+20M	\$198	\$26	\$390	\$1,170	15.0%
\$777.5M	+40.5M	\$195	\$23	\$345	\$1,035	13.5%
\$797M	+60M	\$193	\$21	\$315	\$945	12.0%
\$817M	+80M	\$191	\$19	\$285	\$855	11.0%
\$837M	+100M	\$189	\$17	\$255	\$765	10.0%
\$857M	+120M	\$187	\$15	\$225	\$675	8.5%

\*For undergraduate students, total annual \$ increase assumes 15 student credit hours per term or 45 per academic year

\*For graduate students, total annual \$ increase assumes 9 student credit hours per term or 27 per academic year

Example 1 – TAC Recommended Rates (preferred option is based on PUSF funding at \$777.5M (13.5%))

Tuition Category	Current Credit Rate Per Term	Current Tuition per Academic Year	Proposed Credit Rate Per Term	Proposed Tuition per Academic Year	Increase \$ per Credit	Increase \$ per Academic Year	Increased %
Resident Undergrad	\$172.00	\$7,740.00	\$195.22	\$8,784.90	\$23.22	\$1,044.90	13.5%
WUE	\$250.00	\$11,250.00	\$283.75	\$12,768.75	\$33.75	\$1,518.75	13.5%
Nonres Undergrad	\$526.00	\$23,670.00	\$552.30	\$24,853.50	\$26.30	\$1,183.50	5.0%
Resident Grad	\$430.00	\$15,480.00	\$488.05	\$17,569.80	\$58.05	\$2,089.80	13.5%
Nonres Grad	\$538.00	\$19,368.00	\$564.90	\$20,336.40	\$26.90	\$968.40	5.0%
Masters - Education	\$369.00	\$13,284.00	\$418.82	\$15,077.52	\$49.82	\$1,793.52	13.5%

Mandatory Fees							
Student Incidental	\$345.00	\$1,035.00	\$360.00	\$1,080.00	\$15.00	\$45.00	4.35%
Student Rec Center	\$95.00	\$285.00	\$95.00	\$285.00	\$0.00	\$0.00	0%
Student Health Services	\$140.00	\$420.00	\$143.00	\$429.00	\$3.00	\$9.00	2.14%
Building Fee	\$45.00	\$135.00	\$60.00	\$180.00	\$15.00	\$45.00	33.33%
Composite Mandatory Fees:	\$625.00	\$1,875.00	\$658.00	\$1,974.00	\$33.00	\$99.00	5.28%

Tuition & Fees Totals							
Resident Undergrad	\$3,205.00	\$9,615.00	\$3,586.30	\$10,758.90	\$56.22	\$1,143.90	12%
WUE	\$4,375.00	\$13,125.00	\$4,914.25	\$14,742.75	\$66.75	\$1,617.75	12%
Nonres Undergrad	\$8,515.00	\$25,545.00	\$8,942.50	\$26,827.50	\$59.30	\$1,282.50	5%
Resident Grad	\$5,785.00	\$17,355.00	\$6,514.60	\$19,543.80	\$91.05	\$2,188.80	13%
Nonres Grad	\$7,081.00	\$21,243.00	\$7,436.80	\$22,310.40	\$59.90	\$1,067.40	5%
Masters - Education	\$5,053.00	\$15,159.00	\$5,683.84	\$17,051.52	\$82.82	\$1,892.52	12%

\*For undergraduate students, total annual \$ increase assumes 15 student credit hours per term or 45 per academic year

\*For graduate students, total annual \$ increase assumes 9 student credit hours per term or 27 per academic year

Example 2 – Tuition Costs Associated with Rate Increase at 13.5%

	2018-19	2019-20	FY20			
	Current	Proposed	Difference Per Credit	Difference Per Term @ 15 Credits	Difference Per AY @ 45 Credits	Annual Tuition Cost
<b>Undergraduate Tuition Rate per Credit</b>		Res: 13.5% Non-Res: 5.0%				
01-WUE SCH	\$258	\$293	\$35	\$525	\$1,575	\$13,185
02-UG Resident SCH (incl. EXRES)	\$172	\$195	\$23	\$345	\$1,035	\$8,775
02.2-UG JackJo Pledge	\$115	\$131	\$16	\$240	\$720	\$5,895
03-UG Non Resident SCH	\$526	\$552	\$26	\$390	\$1,170	\$24,840
04.1-UG Online SCH RES	\$172	\$195	\$23	\$345	\$1,035	\$8,775
04.2-UG Online SCH NON-RES	\$172	\$195	\$23	\$345	\$1,035	\$8,775
04.3-UG Online SCH WUE	\$172	\$195	\$23	\$345	\$1,035	\$8,775
<b>Graduate Tuition Rate per Credit</b>		Res: 13.5% Non-Res: 5.0%	Difference Per Credit	Difference Per Term @ 12 Credits	Difference Per AY @ 36 Credits	Annual Tuition Cost
05-GR Resident SCH (incl. EXRES)	\$430	\$488	\$58	\$696	\$2,088	\$17,568
06-GR Non Resident SCH	\$538	\$565	\$27	\$324	\$972	\$20,340
07.0-GR AP MBA Online SCH	\$430	\$488	\$58	\$696	\$2,088	\$17,568
07.1-GR Online SCH RES	\$430	\$488	\$58	\$696	\$2,088	\$17,568
07.2-GR Online SCH NON-RES	\$430	\$488	\$58	\$696	\$2,088	\$17,568
07.3-GR AP M.Ed Online Credit	\$369	\$419	\$50	\$600	\$1,800	\$15,084
08-GR - MEDU SCH	\$369	\$419	\$50	\$600	\$1,800	\$15,084
<b>Other Categories Tuition Rate per Credit</b>		5.00%				
09-Staff	\$51	\$58	\$7	\$105	\$315	\$2,610
10-Waived Tuition SCH	\$0	\$0	\$0	\$0	\$0	\$0
11-Course Based Tuition SCH (excl. On-Line, ASC, EE, STAFF/Co-Pay)	\$101	\$106	\$5	\$75	\$225	\$4,770
12-Adv Southern Credit SCH	\$45	\$47	\$2	\$30	\$90	\$2,115
13-Early Entry Credit SCH	\$167	\$175	\$8	\$120	\$360	\$7,875

## Introduction to Notification Package

The following 13 sections present data as requested by the HECC. The most comprehensive set of links to Board of Trustees materials is in [section 5](#).

### 1. Any and all information on tuition deliberations including any minority opinions

SOU’s Tuition Advisory Council met 12 times between December 2018 and May 2019. Members received training and information about the budgeting process, the legislative appropriations process and the relationship between state appropriations and SOU’s tuition and fees. The council also dedicated considerable time to examine the effects of different funding scenarios on the university’s financial outlook and discuss variables that could be adjusted to keep costs down for students while still allowing the university to maintain financial stability and deliver on its core mission. The agendas, materials and minutes from each of the council’s meetings can be found on the TAC’s website at <https://sou.edu/president/tuition-advisory-council/>.

Although there were robust and detailed discussions of other possible recommendations, TAC members made a unanimous recommendation to President Schott; there were no minority opinions.

## 2. Any and all public comments received during the process

The only public comments came through the normal board process and social media. Here is a summary and hyperlinks to board public comments. Additional details are provided in [section 5](#).

DATE	BOARD OR COMMITTEE	DOCKET ITEM / SUBJECT	Minutes
<b>Public Comment</b>			
Oct 19, 2018	Board of Trustees	Kat Henderson and Allyson Quick, from SOU's Oregon Student Public Interest Research Group, provided details on the organization and its work, including efforts to decrease overall costs of higher education by introducing free and open textbooks.	<a href="#">Minutes</a>
May 16, 2019	Finance and Administration Cmte.	Melissa Anderson (faculty member and Secretary of Faculty Senate) discussed how faculty have been engaged in tuition and budget issues and what information has been shared with them.	Minutes available June 20
May 16, 2019	Finance and Administration Cmte.	Rachel Jones (Director of Youth Outreach and Engagement Programs) encouraged consideration of the underserved, first generation, migrant and economically disadvantaged populations. Students in their programs have a higher rate of high school graduation and college matriculation than state averages.	Minutes available June 20
May 16, 2019	Board of Trustees	Melissa Anderson (faculty member and Secretary of Faculty Senate) discussed how information about budgetary issues and tuition decisions are shared across faculty. Faculty are aware of the work of the TAC, related budgetary matters and legislative issues in a number of ways. They have been encouraged to be engaged in the process and share information as widely as possible.	Minutes available June 20
May 16, 2019	Board of Trustees	Sandra Slattery (Executive Director of the Ashland Chamber of Commerce) provided written comments, in which, she mentioned the strong community partnership between the Chamber and SOU and SOU's impact on the region.	Pg. 6: <a href="#">Comments</a>
May 16, 2019	Board of Trustees	Andrew Zucker (student and student employee in the Government Relations office) commended Provost Walsh on keeping students informed during the process. Throughout the process, students were extremely engaged but frustrated with having to make [un]informed decisions given the uncertainty in the state funding level.	Minutes to be approved June 20
May 16, 2019	Board of Trustees	Ty Dean (student, athlete and President of the Black and Red Crew) understands why an increase is needed for SOU but tuition increases make it harder for students. SOU is a great school.	Minutes to be approved June 20

To facilitate outreach, a comprehensive communication plan was developed by the TAC, then was presented to the board ([see appendix III](#)). A sample of the social media engagement is shown below.



### **3. Agendas, minutes and packets from all tuition review committee meetings.**

The agendas, materials and minutes from each of the Tuition Advisory Council meetings can be found on the Tuition Advisory Council's website at <https://sou.edu/president/tuition-advisory-council/>.

### **4. Any documents or information provided to the tuition review committees**

The agendas, materials and minutes from each of the Tuition Advisory Council meetings can be found on the Tuition Advisory Council's website at <https://sou.edu/president/tuition-advisory-council/>.

### **Tuition Setting Process**

SOU engaged in a collaborative tuition setting process with guidance provided by the Tuition Advisory Council, which included students, staff and faculty members. The TAC was established to provide a written report to the president of the university, setting forth the recommendations, deliberations and observations of the TAC regarding tuition and mandatory enrollment fees for the 2019-20 academic year.

## 5. All board and committee agendas and docket items pertaining to the tuition increase

Agenda items pertaining to tuition appear in the table below as they occurred in meetings of the Board of Trustees and its committees. The title of each item appearing on a Board of Trustees or related committee agenda is hyperlinked to the meeting materials, which include the agenda itself and in many cases, supporting materials that were prepared for the item. Some items were discussion-only and do not have supporting materials.

Some of these items very obviously pertain to tuition, such as “Tuition Advisory Council Update.” Others, such as “State Funding Update” or “Pension Overview and Total Pension Liability,” include the board’s deliberations on agenda items inextricably linked or closely related to tuition throughout the academic year.

Some items may appear to be less clearly related. For example, the board maintains a standing agenda for a “Student Leadership Report” from the president of the Associated Students of Southern Oregon University (ASSOU) and from the chair of the SOU Faculty Senate. The board regularly requests updates from these shared governance partners on their constituent groups’ engagement and knowledge about the tuition-setting process on the SOU campus, and updates these groups wish to share with the board on other topics.

*Meeting minutes capture the general sense of discussions in In varying levels of detail*

Board and Committee Agendas and Docket Items Pertaining to the Tuition Increase			
Oct. 18, 2018	Academic and Student Affairs Cmte.	<a href="#">Affordable Course Materials</a>	<a href="#">Minutes</a>
Oct. 18, 2018	Finance and Administration Cmte.	<a href="#">First Quarter Forecast and Pro Forma</a>	<a href="#">Minutes</a>
Oct. 19, 2019	Board of Trustees	<a href="#">Student Success and Completions Funding Model, Part I</a>	<a href="#">Minutes</a>
Oct. 19, 2019	Board of Trustees	<a href="#">Enrollment, Retention, and Completions Update</a>	<a href="#">Minutes</a>
Jan 17, 2019	Academic and Student Affairs Cmte.	<a href="#">Tuition Advisory Council Update</a>	<a href="#">Minutes</a>
Jan 17, 2019	Finance and Administration Cmte.	<a href="#">HECC Update</a>	<a href="#">Minutes</a>
Jan 18, 2019	Finance and Administration Cmte.	<a href="#">Tuition Advisory Council Update</a>	<a href="#">Minutes</a>
Jan 18, 2019	Finance and Administration Cmte.	<a href="#">Pension Overview and Total Pension Liability</a>	<a href="#">Minutes</a>
Jan 18, 2019	Finance and Administration Cmte.	<a href="#">State Funding for the 2019-21 Biennium</a>	<a href="#">Minutes</a>
Jan 18, 2019	Finance and Administration Cmte.	<a href="#">Review of Pro Forma and Budget Assumptions</a>	<a href="#">Minutes</a>
Jan 19, 2019	Board of Trustees	<a href="#">Student Leadership Report</a>	<a href="#">Minutes</a>
Jan 19, 2019	Board of Trustees	<a href="#">Tuition and Mandatory Fees Process</a>	<a href="#">Minutes</a>
Jan 19, 2019	Board of Trustees	<a href="#">Student Success and Completions Funding Model, Part II</a>	<a href="#">Minutes</a>
Jan 19, 2019	Board of Trustees	<a href="#">State Funding for 2019-20 Biennium and Campus Impacts</a>	<a href="#">Minutes</a>

Feb 21, 2019	Finance and Administration Cmte.	<a href="#">Vice President's Report, Committee Dashboard</a>	<a href="#">Minutes</a>
Feb 21, 2019	Finance and Administration Cmte.	<a href="#">HECC Update</a>	<a href="#">Minutes</a>
Feb 21, 2019	Finance and Administration Cmte.	<a href="#">Update on Student Incidental Fees</a>	<a href="#">Minutes</a>
Feb 21, 2019	Finance and Administration Cmte.	<a href="#">Tuition Advisory Council Process and Progress</a>	<a href="#">Minutes</a>
Feb 21, 2019	Finance and Administration Cmte.	<a href="#">State Funding Update</a>	<a href="#">Minutes</a>
Feb 21, 2019	Finance and Administration Cmte.	<a href="#">Update on Baseline Budgets and Pro Forma</a>	<a href="#">Minutes</a>
Mar 21, 2019	Academic and Student Affairs Cmte.	<a href="#">Tuition Advisory Council Update</a>	Minutes to be approved June 20, 2019
Mar 21, 2019	Academic and Student Affairs Cmte.	<a href="#">Enrollment Dashboard</a>	Minutes to be approved June 20, 2019
Mar 21, 2019	Academic and Student Affairs Cmte.	<a href="#">Update on Financial Aid Leveraging Project</a>	Minutes to be approved June 20, 2019
Mar 21, 2019	Academic and Student Affairs Cmte.	<a href="#">Update on Implementation of Education Advisory Board's "Navigate"</a>	Minutes to be approved June 20, 2019
Mar 21, 2019	Academic and Student Affairs Cmte.	<a href="#">Update on Affordable Instructional Materials</a>	Minutes to be approved June 20, 2019
Mar 21, 2019	Finance and Administration Cmte.	<a href="#">Committee Dashboard</a>	<a href="#">Minutes</a>
Mar 21, 2019	Finance and Administration Cmte.	<a href="#">Legislative Affairs Update</a>	<a href="#">Minutes</a>
Mar 21, 2019	Finance and Administration Cmte.	<a href="#">General Updates</a>	<a href="#">Minutes</a>
Mar 21, 2019	Finance and Administration Cmte.	<a href="#">Tuition Advisory Council Update</a>	<a href="#">Minutes</a>
Mar 21, 2019	Finance and Administration Cmte.	<a href="#">Student Incidental Fee Update</a>	<a href="#">Minutes</a>
Mar 21, 2019	Finance and Administration Cmte.	<a href="#">Review of Pro Forma and Budget Discussion</a>	<a href="#">Minutes</a>
Mar 22, 2019	Board of Trustees	<a href="#">Student Leadership Report</a>	<a href="#">Minutes</a>
Mar 22, 2019	Board of Trustees	<a href="#">Enrollment Update</a>	<a href="#">Minutes</a>
Mar 22, 2019	Board of Trustees	<a href="#">Legislative Update</a>	<a href="#">Minutes</a>
Mar 22, 2019	Board of Trustees	<a href="#">State Funding and Budget Update</a>	<a href="#">Minutes</a>
Mar 22, 2019	Board of Trustees	<a href="#">Tuition Advisory Council Update</a>	<a href="#">Minutes</a>
April 18, 2019	Finance and Administration Cute.	<a href="#">2019-20 Student Incidental Fee and Mandatory Fees (Action)</a>	<a href="#">Minutes</a>
April 18, 2019	Finance and Administration Cute.	<a href="#">Update on Tuition and Fees for 2019-20 Academic Year</a>	<a href="#">Minutes</a>
April 18, 2019	Finance and Administration Cute.	<a href="#">Update on 2019-21 State Funding</a>	<a href="#">Minutes</a>
April 18, 2019	Finance and Administration Cute.	<a href="#">Preliminary Baseline Budget Information</a>	<a href="#">Minutes</a>
May 16, 2019	Finance and Administration Cute.	<a href="#">Tuition and Mandatory Fees for Academic Year 2019-20 (Action)</a>	Minutes to be approved June 20, 2019
May 16, 2019	Board of Trustees	<a href="#">Tuition and Mandatory Fees for Academic Year 2019-20 (Action)</a>	Minutes to be approved June 21, 2019
May 16, 2019	Board of Trustees	<a href="#">Fiscal Year 2019-20 Budget Information</a>	Minutes to be approved June 21, 2019

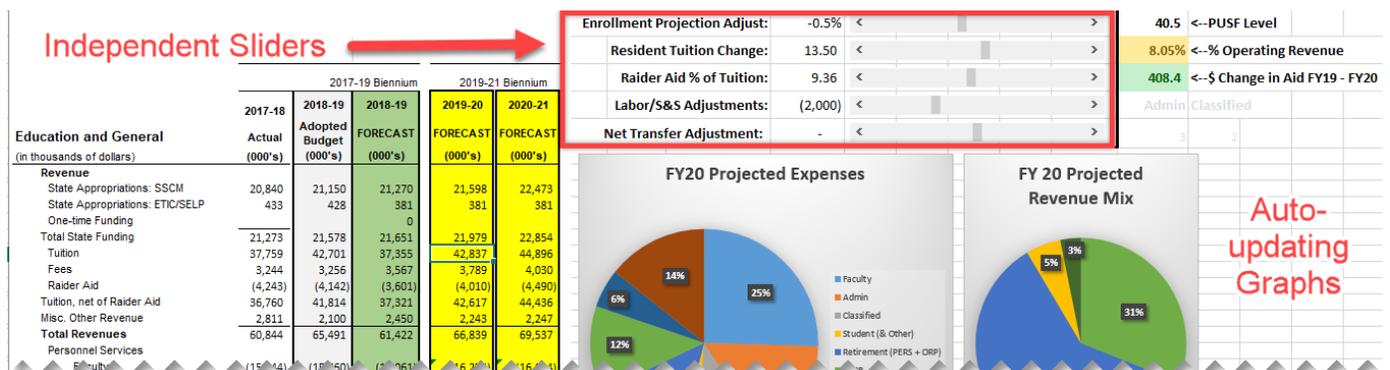
## 6. Pro forma budget statements or documents of a similar nature, presented for all tuition scenarios to the institution’s tuition advisory committee

SOU develops forecasts and projections using an interactive pro forma that promotes transparency and enhances understanding across the broader university community. The tool enables SOU leaders to present summarized projections of the university’s status, based on current financial inputs.

SOU’s goal in each modelled tuition scenario is to maintain affordability for all students, with a focus on historically underrepresented populations. Cost drivers affecting the institution’s future financial picture must be completely transparent. To accomplish this level of transparency and communication, SOU has enhanced its interactive pro forma modeling tool to provide real-time interactivity. Multiple factor “sliders” built directly into the tool can be independently manipulated to see their impact over the next biennium. The modelling tool was critical to on-the-fly scenario modeling during the Tuition Advisory Council’s deliberations and enables SOU to provide users an instant answer to their tuition questions.

Dozens of models were created during meetings to assist committee members in their understanding of tuition outcomes (the read-ahead material for the May 16<sup>th</sup> Board meeting shows the evolution of that analysis; see [Section 5](#) for hyperlinks to the presentation materials). Many of these models are presented on the Tuition Advisory Committee’s website as part of the materials available for download. Ultimately, the entire pro forma model used to make the tuition recommendation to President Schott was available to the TAC for its own use through a secure shared online location.

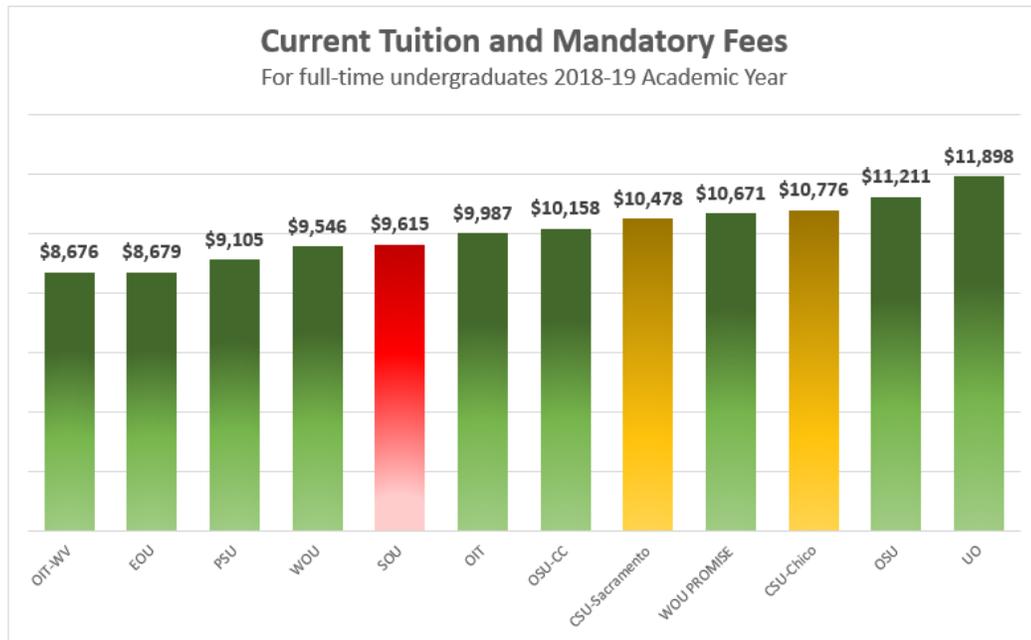
Below is a screenshot highlighting the “sliders” portion of the model



## 7. Information on how each proposed tuition increase level impacts tuition remissions.

The [executive summary](#) and [Tuition Advisory Council](#) sections briefly introduced the importance of considering remission levels as the tuition rate increased. A modeling tool was developed and vetted through the TAC which enabled a robust discussion about remissions during those meetings. The example

below shows how SOU compares to Oregon Public Universities and Northern California universities.



\*CSU schools contain 12 units of non-resident tuition fee

Affordability matters, and the TAC recommended that SOU not cut costs more than \$2M (having established an upper limit for cost reductions).

### SOU Commitment to Affordability

SOU’s Tuition Advisory Council discussed tuition remissions during its April 24, May 1 and May 8 meetings. Excerpts from the minutes for those meetings are copied below. Please note, in the excerpts shown in [Appendix II](#), tuition remissions are also called “SOU Aid” and evolved later to “Raider Aid.”

## 8. The impact of that increase on students, especially historically underserved students

The board and TAC have engaged in ongoing discussions to ensure SOU’s “safety net” for students is in place – especially for the university’s underserved students as defined below. Adding upon the HECC definition of underserved students, SOU defines underserved more specifically as:

- \$0 Expected Family Contribution from the Free Application for Federal Student Aid and full Pell Grant eligible;
- Underrepresented populations;
- Students from rural communities; and
- Military veteran status.

SOU makes every effort to ensure these students are not affected disproportionately by tuition increases. We have conducted training in financial literacy and provided outreach for the availability of financial aid. SOU will continue to set aside institutional aid (remissions) for these students. The university's current remissions budget is approximately 10% of tuition revenue (our current year baseline is \$3.6M). We are keenly aware that the student supported tuition increase will increase the cost for financially vulnerable students. To this end, SOU will increase the allocation of remissions from \$3.6M to \$4.1M, adding an additional \$500,000. These remission funds (which we have branded as Raider Aid), will be automatically added to these student's financial aid awards thereby making it simple for our students to benefit from the additional funds.

SOU's commitment to prioritizing Raider Aid for underserved students follows similar commitments made in 2017-18 when SOU provided \$613 to each of the 714 students with the aforementioned characteristics – a total allotment of \$437,682.

Spreading out the additional Raider Aid to students meeting the underserved characteristics as institutional gift aid minimizes the impact of the tuition increase and reduces student dependency on student loans. We pay close attention to student loan debt and are proud to note that the average loan debt per SOU graduate has dropped from \$23,492 in 2016-17, to \$21,313 in 2017-18.

Philanthropic support from SOU donors is another means to help mitigate the impact of tuition increases on students. Since 2013, the university and its affiliated foundation have partnered to raise \$6.5 million in new scholarship aid through endowed and current-use contributions. More than 80% of these new funds are specifically for students with high financial need. Additionally, the foundation has consistently provided an average of \$1.3 million annually for student scholarships.

## **9. The impact of that increase on the mission of the university**

This tuition increase is critical to provide financial sustainability in support of SOU's vision and mission. In January 2018, Southern Oregon University went before the HECC to discuss its new mission: "Southern Oregon University is a regionally-engaged learning community committed to being the educational provider of choice for learners throughout their lives." This mission accompanied a new vision that indicated that "Southern Oregon University will become an inclusive, sustainable university for the future that guides all learners to develop the knowledge, capacities and audacity to innovate boldly and create lives of purpose." SOU also discussed with the HECC how it planned to achieve this vision and fulfill the new mission through seven strategic directions aligned with HECC's strategic goals.

The HECC unanimously approved SOU's new mission statement, and its members described our strategic planning work as "exemplary" and "energizing." (<https://sou.edu/president/sou-mission-statement-strategic-plan-praised-oregons-hecc/>)

Since receiving approval from the HECC, SOU has made significant progress on initiatives in support of the

new mission. Some examples are:

- SOU took the lead in forming the Southern Oregon Higher Education Collaborative that brings Rogue and Klamath Community Colleges and Oregon Tech together with SOU in service to the learners and employers of southern Oregon.
- SOU initiated a “University-Community Collaborations” project that is encouraging collaborations among the major employers in Ashland: the Ashland School District, the Asante Ashland Community Hospital, the City of Ashland, the Chamber of Commerce and the Oregon Shakespeare Festival.
- To better serve adult learners, SOU has developed several completely online, adult-focused degree programs: a Masters of Business Administration, a baccalaureate-completion program in Innovation and Leadership, and a Masters of Education (launching in September 2019)
- SOU has developed training in “service excellence” and is supporting all employees in their efforts to provide excellent customer service.
- SOU has provided extensive professional development opportunities to faculty members as they envision how to transform their pedagogical approaches and SOU’s curricula.
- SOU has grown its successful “pipeline programs,” particularly those serving Native American and Latinx youth. The Latinx programs have increased the high school graduation rate among their participants to 90% (compared to 72% for nonparticipants statewide) and its college enrollment rate to 78% (compared to 39% for nonparticipants statewide.)

Overall, the campus community has embraced the new mission and vision. Perhaps the best testament to campus support has been the level of volunteer engagement by faculty and staff members. In 2017, President Schott invited interested staff and faculty in to participate in one or another of seven Professional Learning Community (PLC) groups. Each group was given a research question, or set of questions, to study for one quarter. Their findings helped provide information on trends, changes and other likely developments affecting the future of higher education. This work proved to be so successful, the president decided to replicate the process in January 2019, but with seven additional questions for seven new Professional Learning Communities made up of SOU faculty and staff members. Each time, the groups presented their work at a well-attended Campus Expo. (More information on this work can be found here: <https://sou.edu/strategic-planning/research/>)

Members of the SOU community have been willing to volunteer for these research projects because they are committed to student success and to ensuring the sustainability of campus. Without adequate revenue – either from state appropriations or tuition – this work will slow and eventually stop altogether. Instead of working to become “Oregon’s University for the Future,” SOU will begin to focus on how to downsize its programs and lay off employees. The challenges before every higher education institution are great, and to confront those challenges successfully each employee must be engaged and enthusiastic about their work.

Inadequate revenue may also force SOU to reduce its service to students and the region. To cope with decreased funding, SOU would need to reduce the institutional aid it provides to supplement federal and state financial aid. It may also need to reduce the support it provides to programs that enhance the student experience and success. Such programs include the Degree in Three, which allows students to achieve a baccalaureate degree in three years; the Bridge Program, which provides additional supports for students who may struggle to succeed at SOU; and K-12 pipeline programs for Latinx and Native American students.

**10. Alternative scenarios involving smaller increases**

The SOU Board of Trustees voted on the table presented here, which includes scenarios where the PUSF is increased above the Ways and Means Committee figure of \$777.5M for the biennium. Increases to the PUSF above this amount indicate smaller potential tuition rate increases.

**Table 1: Recommended Resident Undergraduate Tuition Rate per PUSF Allocation Scenario**

PUSF	PUSF increase from current biennium	Proposed Undergraduate Tuition Rate per credit	Difference Per Credit	Difference Per Term @ 15 Credits	Difference Per Academic Year @ 45 Credits	% Rate Increase
GRB \$737M	\$0	\$201	\$29	\$435	\$1,305	17.0%
\$757M	+20M	\$198	\$26	\$390	\$1,170	15.0%
\$777.5M	+40.5M	\$195	\$23	\$345	\$1,035	13.5%
\$797M	+60M	\$193	\$21	\$315	\$945	12.0%
\$817M	+80M	\$191	\$19	\$285	\$855	11.0%
\$837M	+100M	\$189	\$17	\$255	\$765	10.0%
\$857M	+120M	\$187	\$15	\$225	\$675	8.5%

**11. Information about how much revenue would be generated by each 1% resident tuition or 1% enrollment increase**

Tuition and enrollment are inexorably linked. Yet we can model outcomes of each independently if certain variables are ‘locked’ in the tool (pro forma). Presented below are two tables, each independently showing either a 1% increase to tuition or a 1% increase to enrollment over a baseline scenario.

**1% Enrollment Increase Models\***  
For Academic Year 2019-20

Enrollment Model	Tuition (in thousands)	Difference from Baseline
-0.50%	40,056	-
0%	40,257	201
1%	40,661	605
2%	41,064	1,008
3%	41,467	1,411
4%	41,871	1,815

\*Baseline Scenario Assumptions:  
 Locked 4.99% tuition rate increase  
 Locked State Funding at GRB+\$40.5M  
 Variable Enrollment starting at -0.5%

**1% Resident Tuition Increase\***  
For Academic Year 2019-20

Tuition Model	Tuition (in thousands)	Difference from Baseline
4.99%	40,056	-
5.99%	40,262	206
6.99%	40,647	591
7.99%	41,023	967
8.99%	41,272	1,216
9.99%	41,655	1,599
10.99%	42,040	1,984
11.99%	42,424	2,368
12.99%	42,625	2,569
13.50%	42,837	2,781
13.99%	43,007	2,951
14.99%	43,385	3,329
15.99%	43,777	3,721
16.99%	44,019	3,963

\*Baseline Scenario Assumptions:  
 Locked -0.5% Enrollment Projection  
 Locked State Funding at GRB+\$40.5M  
 Variable Tuition starting at 4.99%

SOU understands the balance between increased revenue and the ability to implement its strategic plan. The university has made strategic investments in the areas of enrollment and retention, and fully recognizes these as mission critical areas for growth. In the current fiscal year 2019, SOU has made significant advances in those areas and is strategically positioned to reinvigorate enrollment growth. Recent examples of our emphasis on enhancing enrollment and retention include:

- Developed a strategic enrollment management plan; and hired leadership to enhance expertise and oversight
- Commissioned SimpsonScarborough consulting to conduct a Southern Oregon University Perception Market Research Study (delivered Mar 2019) to identify areas of awareness about the institution that influence enrollment and establish baselines for communication and marketing
- Launched the Education Advisory Board (EAB) Navigate platform to enable pinpoint accuracy in identifying at-risk students and to improve student success through academic advising (Fall Term 2018). The platform has resulted in double-digit increases in retention at other institutions.

**12. Any documentation on how an increase in the PUSF above the level upon which the tuition increase is based will reduce resident tuition increase in \$20M increments**

The SOU Board of Trustees voted on the table presented here, which includes scenarios where the PUSF is increased above the Ways and Means Committee figure of \$777.5M for the biennium. Increases to the PUSF above this amount indicate smaller potential tuition rate increases.

**Table 1: Recommended Resident Undergraduate Tuition Rate per PUSF Allocation Scenario**

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\$837M	+100M	\$189	\$17	\$255	\$765	10.0%
\$857M	+120M	\$187	\$15	\$225	\$675	8.5%

**13. Information on cost containment efforts**

SOU is a lean and efficient university. By using its innovative Faculty Loading System, the university ensures efficient analysis and scheduling of faculty and determines faculty release time. SOU has steadily reduced faculty since 2014 (driving a reduction of almost 20%). Identifying efficiencies and driving retrenchment efforts created \$16.5M in one-time and recurring savings. Other mitigations occurred in FY 19 (see examples below).

The board concluded that taking reductions greater than \$1M may erode academic quality and student success for all students, particularly those who are historically underrepresented. Academic quality would be impacted by the loss of teaching capacity and student experiences would be impacted by the loss of faculty leadership in developing new degree programs that meet changing student educational needs.

To be more specific, two rounds of retrenchment at SOU resulted in cuts to Business Affairs, Academic Affairs and Student Affairs programs and service levels. Here is a summary (from the final conditions report, totaling \$16.5M):

## Appendix II. – Retrenchment Savings Analysis

**Southern Oregon University Final Retrenchment Plan: Projected targets vs. Achieved results**

Retrenchment Reduction Distribution															
	FY14		FY15		FY16		FY17		FY18		Total		FTE		Notes
	Target	Achieved	Target	Achieved	Target	Achieved									
<b>One-Time Savings</b>															
Fund Transfers	3,000,000	2,506,093	3,200,000	2,424,616	-	1,700,000	-	-	-	-	6,200,000	6,630,709			
Faculty Furlough Days	-	-	253,000	273,638	-	-	-	-	-	-	253,000	273,638			
Annual Assessment Savings (Aux and Des Ops)	-	-	300,000	268,176	300,000	376,249	300,000	323,589	300,000	411,061	1,200,000	1,379,076			(1)
Administrator Furlough Days	94,000	250,935	94,000	137,114	-	-	-	-	-	-	188,000	388,050			
<b>Total One-Time Savings</b>	<b>3,094,000</b>	<b>2,757,028</b>	<b>3,847,000</b>	<b>3,103,544</b>	<b>300,000</b>	<b>2,076,249</b>	<b>300,000</b>	<b>323,589</b>	<b>300,000</b>	<b>411,061</b>	<b>7,841,000</b>	<b>8,671,472</b>			
<b>Permanent Savings</b>															
Academic Reorganization	227,000	1,361,949	854,000	139,228	-	-	-	-	-	-	1,081,000	1,501,177	19.25	16.25	(2)
Assumed Retirements	-	-	-	-	316,000	162,541	316,000	224,823	316,000	480,996	948,000	868,360	10.00	8.00	(3)
Term-by-term Adjuncts	-	-	100,000	324,003	-	-	-	-	-	-	100,000	324,003	3.31	12.00	(4)
Undergraduate Studies	-	-	-	-	124,000	121,415	152,000	76,335	-	-	276,000	197,751	4.00	2.67	(5)
Business, Communication, & the Environment	-	135,185	160,000	181,407	145,000	253,205	46,000	85,991	75,000	48,954	426,000	704,743	5.45	6.55	(5)
Education & Health	-	-	244,000	433,622	228,000	408,447	174,000	62,625	111,000	-	757,000	904,695	9.16	9.16	(5)
Science, Technology, Engineering, & Math	-	84,394	278,000	416,955	430,000	241,863	161,000	329,267	37,000	40,327	906,000	1,112,006	9.39	10.17	(5)
Center for the Arts	-	30,560	122,000	155,967	160,000	183,259	68,000	79,368	68,000	16,102	418,000	465,256	5.28	4.95	(5)
Language and Culture	-	28,480	14,000	57,171	96,000	191,428	198,000	281,779	53,000	46,554	361,000	605,411	3.66	5.10	(5)
Social Sciences & Public Affairs	-	345,594	230,000	249,555	475,000	217,780	151,000	211,238	36,000	80,970	892,000	1,105,137	10.68	9.56	(5)
<b>Total Permanent Incremental Savings</b>	<b>227,000</b>	<b>1,986,162</b>	<b>2,002,000</b>	<b>1,957,908</b>	<b>1,974,000</b>	<b>1,779,939</b>	<b>1,266,000</b>	<b>1,351,426</b>	<b>696,000</b>	<b>713,904</b>	<b>6,165,000</b>	<b>7,789,339</b>	<b>80.18</b>	<b>84.41</b>	
<b>Total Cumulative Permanent Savings</b>	<b>227,000</b>	<b>1,986,162</b>	<b>2,229,000</b>	<b>3,944,071</b>	<b>4,203,000</b>	<b>5,724,009</b>	<b>5,469,000</b>	<b>7,075,436</b>	<b>6,165,000</b>	<b>7,789,339</b>	<b>6,165,000</b>	<b>7,789,339</b>			
<b>Total One-Time + Ongoing (Permanent) savings</b>	<b>3,321,000</b>	<b>4,743,191</b>	<b>6,076,000</b>	<b>7,047,615</b>	<b>4,503,000</b>	<b>7,800,259</b>	<b>5,769,000</b>	<b>7,399,025</b>	<b>6,465,000</b>	<b>8,200,400</b>	<b>14,006,000</b>	<b>16,460,811</b>			
												<b>16,557,634</b>	<b>18%</b>		(5)

**Notes**

(1) Annual assessment for Auxiliary and designated operations was increased from 7% to 10% to better reflect true costs of general support within Education and General (E&G). This increased assessment is ongoing.

(2) FTE reductions experienced through Classified and Administrative position eliminations and faculty reduction through non-backfill of new academic directors.

(3) Additional savings from better budgetary oversight resulting in reduced spending for program direct support costs.

(4) Assumed retirements were projected at 10, however, due to enrollment beyond projections, actual retrenched retirements was not achieved, however, ongoing resource management tactics continue to achieve efficiencies and savings

(5) Despite enrollment growth between 2013-14 and 2014-15, due to better loading and efficient use of faculty assets, Term By Term faculty use was decreased.

(5) While outcomes were projected only through FY18, per the original plan, due to enrollment and required teach outs, the full retrenchment plan now continues through FY20, with an additional 0.77 FTE and 562K yet to be realized.

Cost savings and institutional effectiveness are critically important – even small program savings. Some recent examples of current fiscal year initiatives include:

- Creating efficiencies (managed printing; centralized order consolidation; discount shipping; purchasing cooperative; etc.) – over \$100K
- Physical plant improvements (optimize steam utilization; improved long term gas price hedges; replace chillers; energy savings per year; utilities management - \$245K / year
- Faculty loading enhancements; initiated previously, but producing ongoing annual savings - \$250K
- Service Center enhancements (DocuSign; invoice purchasing card; etc) - \$50K
- Auxiliary assessment; operational analysis of admin surcharge to auxiliary operations - \$50K
- 5% services and supplies cut; all VPs budgets reduced - \$500K recurring
- Professional development restrictions; facilities – dues and memberships \$44K (60% Reduction)
- Campus Master Plan – leverage the HECC contractor’s 10-year strategic capital plan, data and process; reduce SOU master plan costs - \$100K
- IT enhancements – eliminated redundancy of software; studied failure rate for PC and laptops; negotiated savings rental contract - \$240K
- Studying life expectancy of data-center computing (servers). Have extended the useful life by one additional year.

Sample process Improvement initiatives (to drive efficiencies or reduce waste)

- Comprehensive review of Business Services policies and procedures - TBD

- Streamline internal communication in shared services, develop alternative to event announcing, etc. - \$15K
- Managed onboarding; expedite onboarding for faster integration - \$10K
- Payroll processing initiative – TBD

Note: corrective actions can lead to process improvement but are tracked separately by Internal Audit

Minimum austerity strategies moving forward:

- Additional supplies and services reductions
- Holding vacant positions open and not filling term-by-term faculty positions (based on work load management process)

The chart below shows SOU is very “lean,” when looking at the manager / student ratio.

A Comparison of Managers per 1,000 Students			
Rank	Institution	Full-time managers per 1,000 students	Spending on managers' salaries per student
301	U. of Oregon	8.5	\$1,130
316	Oregon State U	8.2	\$1,145
506	Eastern Oregon U	4.8	\$451
570	Oregon Institute of Technology	3.5	\$355
586	Western Oregon U	3.2	\$349
614	Portland State U	2.5	\$339
681	Southern Oregon U	1.1	\$157

Source: *Chronicle of Higher Education*, online, September 18, 2018.

(<https://www.chronicle.com/article/Which-Colleges-Have-the-Most/244519>). The analysis was derived from Integrated Postsecondary Education Data System (IPEDS).

For additional context, the public institutions ranking at the top of this list have 40 - 62 managers at a cost of \$4,000 - \$5,000 per student, versus \$157 per student at SOU. In fact, this data demonstrates that nearly all of four-year public colleges have more managers than SOU.

## APPENDICES

### APPENDIX I - HB4141 Compliance Matrix

The Office of Internal Audit reviewed the SOU process and documentation and found our processes in compliance.

Here is a copy of the HB 4141 checklist

## House Bill 4141 Compliance measures

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The University must create a shared governance body that advises the president concerning resident tuition and fees recommendations to be brought before the University's Board of Trustees; SOU chartered the Tuition Advisory Council.

That body must provide a written document describing the role of the advisory council and be composed of at least:

- a) Two administrators
- b) Two faculty
- c) Two students representing student government
- d) Two students representing historically underserved students

The university must provide training on:

- a) The budget of the university
- b) The legislative appropriation process
- c) Data showing the relationship between tuition and fees to state appropriations

The university must provide the council with:

- a) A plan for managing costs
- b) A plan for how tuition and fees *could be decreased* if the university receives extra appropriations

If the council feels a recommendation greater than 5% annually is necessary, the council must document its consideration of:

- a) The impact of that increase on students, especially historically underserved students

- ☒ b) The impact of that increase on the mission of the university
- ☒ c) Alternative scenarios involving smaller increases

The council must also:

- ☒ a) Provide opportunities for students to actively participate in the process and deliberations
- ☒ b) Provide a written report to the president with recommendations, deliberations and observations about tuition and fees for the upcoming academic year including any sub-reports requested by members of the council or other documentation produced or received by the council

The university must ensure that the process is described on the university's website and include downloadable materials such as:

- ☒ a) The council's role and relationship to the Board
- ☒ b) Any documentation, agendas and data considered during deliberations

## **APPENDIX II – Sample TAC Raider Aid discussion**

Here is an extract of the discussions during the TAC related to balancing tuition increases with remissions (Raider Aid) funding:

[from the [April 24<sup>th</sup> Tuition Advisory Council meeting minutes](#)]

[Lovern entered “most likely” levers into the pro forma. These levers include \$40.5M in state funding to the PUSF, the inclusion of the sports lottery and ETSF, enrollment of -1%, budget savings of \$1M, and SOU Aid of \$4.2M]. Perkinson said the legacy principle is setting aside 10% in SOU Aid, but that number could be changed. [In this “most likely” scenario, the pro forma showed that to get the ending fund balance to 8.1% of operating revenue, tuition would have to be increased by 17%.] Walsh said she would like to ask if the Council believes this is the most likely scenario. Slattery asked what numbers can be adjusted, either increasing the cuts or increasing the tuition. Perkinson suggested looking at changing the cuts from \$1M to \$2M. [Lovern entered this into the pro forma, splitting \$2M in cuts over 2 years, with \$1.35M in cuts in the first year. In this scenario, a 14% tuition increase was required to get the ending fund balance to 8% of operating revenue]. Stillman noted that the last time SOU made an increase of that magnitude we set aside additional tuition revenue for SOU Aid. Woolf said there might be ways to better use the current 10% that goes to SOU Aid.

Woolf asked to see the difference lowering SOU Aid to 8% would make. [In this scenario, with 8% in SOU Aid and \$1.45M in cost cutting in the first year, tuition would need to raise by 11% to result in an ending fund balance of 8% of operating revenue]. Perkinson said he was not excited about the idea of SOU Aid going down. Walsh said she would be more comfortable with 8% in SOU Aid and a lower tuition increase, especially with new tools we'll have to improve how we use SOU Aid and grow enrollment.

[. . .]

[Lovern entered "optimistic" scenario levers into the pro forma: \$80M in state funding, 1% enrollment growth, 10% SOU Aid, cuts of \$1M both years. To get the ending fund balance to 8% of operating revenue, a 10% tuition increase was required.]

Woolf asked to see the effect of reducing SOU Aid to 8% in this scenario. [With this change, a tuition raise of 7.5% would result in an ending fund balance of 8.1% of operating revenue.]

[from the [May 1<sup>st</sup> Tuition Advisory Council meeting minutes](#)]

Lovern displayed slides 4 and 5, which show Scenario 2. This scenario shows what would be required to get to an ending fund balance around 8% of operating revenue with a tuition raise of 12.5%. In this scenario, SOU Aid would need to be cut to 8% and spending cuts of \$1.2M would be needed.

Woolf said that through a new tool we can gain some efficiency in our SOU Aid usage, so this reduction may not impact students as negatively as it might seem. Stillman asked if Woolf thinks we'll see that much efficiency in the first year of using the new tool. He said he agrees that there's efficiency to be gained but he's worried about the timing. Woolf said he does believe we'll see that degree of efficiency, even in our first year using the tool, also considering how much money we set

aside for retention. Pardo asked for more details about the efficiencies to be gained by the new enrollment tool. Woolf said that, among other things, the tool will help with money that is allocated that may not actually be needed. It can help us see if there is a more cost effective way of operating. Pardo asked if Woolf thinks SOU can operate in a more cost effective way in this regard. Woolf said yes he does. He said with the help of the tool we'll be able to look at all SOU Aid and see what it yields in enrollment. Based on students' ability to pay and need we can do a crosswalk to see where different students fit and determine on which student profiles our investment will have the most impact enrollment-wise. He said for example, there's not much of a point spending as much on students who yield at 70% as you would on students who yield at much lower rates. Stillman said he just wants to ask again, because everything explained so far applies to new students, if Woolf still feels there will be enough efficiency gained to make a difference in the first year. Woolf said yes, and there will be efficiencies in other areas beyond first year students.

Lovern displayed slides 6 and 7, which show Scenario 3. This scenario shows what would be required to get the ending fund balance to 10% of operating revenue with state support to the PUSF of \$40.5M, spending cuts of \$1.8M, and SOU Aid of 8%. In this scenario, tuition would need to be increased by 14%. Eldridge asked if the Council would be concerned by the optics of raising tuition considerably and at the same time cutting SOU Aid. Walsh said that's a good question and noted that one thing SOU did the last time tuition needed to be raised substantially was go in at a certain rate and pledge to use any additional money to buy that rate back down. She said Eldridge made a good point that the optics of raising tuition and cutting aid at the same time might be problematic. Slattery said his understanding of Woolf's belief is that we'll be able to service just as many students at the same level with less money in SOU Aid. Woolf said that is partially true, and we'll also be able to recapture winter and spring money that hasn't been used. Pardo asked if data is available showing how many students don't use their SOU Aid. Woolf said this data is not currently easy to come by, which is one reason we need the new tool.

[. . .]

Woolf said he would like to add one more comment about SOU Aid: we don't present the idea of cutting SOU Aid as an ideal thing to do, but as something we can look at in the situation we're in. Ideally, we'd be able to keep SOU Aid at its current rate and still use it better. Lovern said he hasn't modeled a 1% reduction in SOU Aid in any of the scenarios, but that is something that can be

modeled.

Lovern displayed slides 8 and 9, which show Scenario 4. This scenario shows what would be required to get the ending fund balance to 10% of operating revenue with a tuition increase of 10%. In this scenario, with SOU Aid reduced from 10% to 7%, spending cuts of \$2.9M would need to be made. Eldridge said that in the scenarios examined last week the cost cuts never exceeded \$2M. She asked if that is approximately the maximum amount of cuts that is considered feasible. Lovern said that he would consider even \$1.2M in cuts pushing it.

Lovern displayed slides 10 and 11, which show Scenario 5. This scenario shows what would be required to get the ending fund balance to 8% of operating revenue with a tuition increase of 4.99%, so we would not need to go before the HECC for approval. In this scenario, with SOU Aid reduced from 10% to 7%, spending cuts of \$3M would need to be made. Cabral said it looks like the only way to meet our ending fund balance goal without raising tuition enough to require HECC approval would be massive cuts and a reduction in SOU Aid.

[. . .]

Lovern displayed slides 12 and 13, which show Scenario 6. This scenario shows what would be required to get the ending fund balance to 8% of operating revenue with \$1.2M in spending cuts and SOU Aid at 8%. In this scenario, tuition would need to be increased 12.5%. Perkinson said if we were to receive additional funding this might be the kind of scenario where we earmark it for SOU Aid. Ayers said additional funding might allow us to restore aid as well as buying down the tuition increase. Schott said any scenario with additional funding would mean a buy down of tuition first, not a restoration of aid in lieu of tuition buy down, which she feels will never get passed.

Slattery said in Scenario 6 there's a piece coming out of all of the levers, this feels about as equitable as it appears we can get. Schott asked what's assumed for 2021 tuition in this scenario. Lovern said this assumes an increase in tuition of 5% next year. Schott said one of the HECC criteria for tuition increases is demonstrating how we will protect the lowest income students from being negatively impacted by tuition increases. Last time we had to raise tuition by more than 5% we

said we'd accomplish this by increasing aid. This time, if we say we're reducing aid to make a lower tuition increase possible, that may be alarming from the perspective of getting approval from the HECC. We'd have to be able to show how we're still protecting the lowest income students even though we've reduced aid. Slattery said he wasn't sure the Council was at a place where they could consider that issue yet, this is the first time we're this close to considering actual numbers. Walsh said there has been some discussion about setting aside money especially for those students, so they would not be affected by a reduction in SOU Aid.

Cabral said with regard to vulnerable students, the optics of cutting aid may not be good, but one could argue the issue from the other side: if you increase tuition by more it hits them too. Eldridge said she would like to take scenario 6 as a starting point and tinker with the levers. She said she keeps being tempted to explore the options with the fund balance even below 8%. Schott said the Board of Trustees will not approve an ending fund balance below 8% of operating revenue. She said honestly 10% is minimal and she feels uncomfortable at that rate, though she's willing to at least consider 8% for a couple years if necessary. She encouraged the Council to think about how vulnerable that would leave the university in case of an emergency like an earthquake or something that does massive damage to the university, like a severe hailstorm once did in the past.

Slattery said looking at SOU Aid in Scenario 6, between what was given this year and what would be given next year if SOU Aid were 8%, the difference in dollars comes out to around \$300K. If we were to raise SOU Aid that ~\$300K above 8% we'd be keeping SOU Aid flat. It wouldn't help us to talk about decreasing SOU Aid by percentages of revenue, we'd really be looking at funding it at the same level as this year. Looking at it and communicating it this way, the optics would be better. Perkinson agreed that we would want to be smart about our messaging whatever decision is made around these rates.

Eldridge said she was interested in looking at what tuition would need to be with SOU Aid at 9% and then 10%. Keeping other levers the same, with a SOU Aid rate of 9% tuition would need to increase by approximately 14%, and with SOU Aid at 10%, tuition would need to increase by approximately 15%. Schott asked to see what this scenario would look like with SOU Aid at 10% and \$80M in state funding to PUSF. In this scenario a tuition increase of 12.25% would bring the ending fund balance to 8% of operating revenue.

[. . .]

Stillman said he would be curious what it would look like with enrollment down by 1%. In this scenario, with SOU Aid at 10%, \$40.5M in state funding, cuts of \$1.2M, and the ending fund balance at 8% of operating revenue, tuition would need to be increased by 17%. Stillman asked to see how much the tuition increase could be reduced by reducing SOU Aid by 1% in this scenario. A tuition increase of 15.25% would get the ending fund balance to 8% of operating revenue in this case.

Eldridge said Scenario 6 looks closest to what she would be comfortable with, but the whole discussion about aid concerns her. She said she feels it would be upsetting to hear that SOU is raising tuition and at the same time cutting aid.

[from the [May 8<sup>th</sup> Tuition Advisory Council meeting minutes](#)]

Perkinson said he and Lovern spoke with President Schott about how best to begin today to keep us moving forward in a positive direction. He said in this discussion they talked about SOU Aid, and the presentation for today's meeting [TAC Scenarios 05.08.19.pptx] includes a slide with some details around tuition rates and SOU Aid. He highlighted several guidelines for the tuition rate scenarios to be considered today:

- To support student success, every scenario considered must keep SOU Aid healthy, using \$3.6M in SOU Aid as the baseline.
- The scenarios include considering the possibility of \$80M in additional funding to the Public University Support Fund (PUSF). Perkinson said there have been anecdotal reports that this level of additional state funding is a possibility.
- Based on feedback regarding the importance of SOU's long-term stability, no scenario will allow the ending fund balance to be less than 8% of operating revenue.
- Enrollment projections vary from -1% to flat. Perkinson said we've heard different enrollment projections based on different models, but this seems to be the expected range as far as we know right now.

[. . .]

Lovern showed slide 6 in the presentation, which is a chart that looks at scenarios with tuition increasing from 5% up to 15% and shows how that would affect the other levers in both the \$40.5M and \$80M scenarios. Eldridge asked if SOU Aid is 10% in the baseline scenario under consideration. Perkinson said this scenario takes the amount of SOU Aid given this year as the baseline. Stillman said in this scenario the percentage of SOU Aid is below 10%, but the raw dollars are going up from this year. Perkinson said the raw dollars going to SOU Aid in this scenario would actually up by about \$350K. He said these numbers are not set in stone like a contract, but are more of a reference frame. He said he would expect there to be a very robust dialog between President Schott and her staff, as well as the Board of Trustees.

Woolf mentioned the discussion at last week's meeting about efficiencies to be found in the way SOU Aid is administered and the new tool we have that is expected to help. He said it's too early to say what the new tool will give us, but the primary goal will be to use the money we have to help "zero EFC" (Expected Family Contribution) students. He said the additional SOU Aid money in this scenario would more than cover that. Perkinson said that Lovern talked to SOU's Director of Financial Aid, Kristen Gast, and built a model based on the conditions she related about the number of vulnerable students and the amount that would be needed to support them. He said the scenarios we will look at today are all premised on making sure those needs are met. Lovern showed how the pro forma has been modified so that it shows when this "unmet need" has been met when different levers change. Perkinson said that at President Schott's request Lovern has also added more granularity to the levers in the pro forma so the Council can really fine-tune the increments as they consider their recommendation.

Slattery said every time we increase tuition we create more of a need for aid. Stillman agreed and said it's effectively redistribution. Slattery said when we raise tuition we're pushing up the cost for everyone, then we take some of that and use it to address the additional aid needed. He said at some point that's going to impact enrollment. Stillman said WUE tuition is an interesting example to consider in relation to this. He said it's an interesting balance. Perkinson said part of the Council's work is to make a recommendation on where that sweet spot is. Stillman said even the premise that the students we've identified as most vulnerable really are the most vulnerable is hotly debated. Walsh said we're using the population identified by the Governor. Stillman said sometimes middle income students without parental support are more vulnerable. Perkinson said this is the group known as the "murky middle." Walsh said that is duly noted as an issue.

[. . .]

Slattery asked about the level of SOU Aid. Lovern said we would not be cutting back in SOU Aid overall. He said he and Perkinson had a discussion with President Schott and she wants to make sure we can show that we're not digging into aid, it's just not growing as much as it would in the best case scenario. Walsh said this was an important point to tease out and we'll make sure we present it to the Board in a way that makes this clear.

Woolf asked for a correction to the terminology being used around SOU Aid; these are not "unmet need" students, but the most financially vulnerable students. [Lovern changed "unmet need" to "most financially vulnerable."] Woolf said 293 students meet that criteria, as identified by Gast. Perkinson said he would like to make another point, which is that aid was higher a couple years ago, but the student body was also higher. Woolf said we're not necessarily looking to meet the need of all of our students, but to see who is most vulnerable to tuition raises and make sure to meet their needs. Slattery asked about the composition of that 293 students. Woolf said these are students who typically don't do a FAFSA. Walsh said there may be additional levers to help these students. Woolf said that when the new tool comes on board the priority will be these students.

### **APPENDIX III – Strategic Communication Plan**

Here is the plan that was developed by the TAC:

#### **Strategic Communication Plan**

##### **Enabling Student, Faculty and Staff Engagement**

The following table outlines actions, frequency and ownership of the communication and outreach plan for Southern Oregon University. The purpose is to ensure key stakeholders know what actions are being taken and fundamentally, to ensure we create opportunities to provide information and receive feedback.

<b>When? (date and frequency)</b>	<b>What? Action / Event</b>	<b>Ownership</b>	<b>Media / Approach</b>	<b>Message or Desired Outcomes</b>
11/29/18	Met with Student Fee Committee (SFC) Chair	Deb	In person	Initial meeting
12/4/18	Formed TAC	Sue	In person	Formed team, communicated expectations
12/12/18	Met with SFC Chair	Josh / Beau	In person	Listened and provided feedback as professional staff advisers
12/20/18	Met with SFC Chair	Josh / Deb / Beau	In person	Listened and provided feedback as professional staff advisers
1/9/19	Met with SFC Chair	Josh / Deb / Beau	In person	Listened and provided feedback as professional staff advisers
1/11/19	Met with SFC	Josh / Deb / Beau	In person	Listened and provided feedback as professional staff advisers
1/17/19	Finance Committee (BOT)	Greg	In person and public record	Budget basics, State funding, pro forma outlook
1/18/19	Board of Trustees	Sabrina	In person and public record	State funding prognosis, pro forma outlook
1/18/19	Met with SFC	Josh / Deb / Beau	In person	Listened and provided feedback as professional staff advisers
1/25/19	Met with SFC	Josh / Deb / Beau	In person	Listened and provided feedback as professional staff advisers
1/28/19	TAC meeting	Sue	In person	Budgeting basics
1/31/19	HECC Finance Director orientation	Greg	In person	SOU budget process, constraints and opportunities
2/1/19	Met with SFC	Josh / Deb / Beau	In person	Listened and provided feedback as professional staff advisers
2/4/19	TAC meeting	Sue	In person	State funding prognosis
2/11/19	TAC meeting	Sue	In person	Developed Social Media outreach plan / ideas
2/12/19	Open Forum	Greg and President	In person	Budgeting 101, State Funding and connection to Strat Plan
2/13/19	Open Forum	Greg and President	In person	Budgeting 101, State Funding and connection to Strat Plan

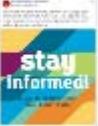
2/15/19	ASSOU Budget Committee	Josh / Deb	In person	Listened and provided feedback as professional staff advisers
2/18/19	TAC	Sue	In person	Stop the shift; pro forma levers
2/20/19	AAC Advisory Committee	Josh / Beau	In person	Listened and provided feedback as professional staff advisers
2/21/19	Finance Committee	Greg	In person and public record	Dashboard, TAC update, SFC update and pro forma levers
2/21/19	EAAC Advisory Committee	Josh / Deb	In person	Listened and provided feedback as professional staff advisers
2/24/19	EAAC Advisory Committee	Josh / Deb	In person	Listened and provided feedback as professional staff advisers
2/25/19	TAC	Sue	In person	
2/25/19	EAAC Advisory Committee	Josh / Deb	In person	Listened and provided feedback as professional staff advisers
2/26/19	Affordability Fair at SU	Greg and Josh	In person and Visual aids	Stop the Shift
2/28/19	SU Advisory Committee	Josh / Deb	In person	Listened and provided feedback as professional staff advisers
3/1/19	SU Advisory Committee	Josh / Deb	In person	Listened and provided feedback as professional staff advisers
3/2/19	SU Advisory Committee	Josh / Deb	In person	Listened and provided feedback as professional staff advisers
3/4/19	TAC	Dennis S.	In person	Stop the shift; pro forma levers
3/4/19	Facebook Post	Nicolle	Social media	Stop the Shift
3/4/19	Tweet	Nicolle	Social media	We need your help
3/4/19	Instagram Post	Nicolle	Social media	1,214 impressions / 58 views- likes
3/4/19	Instagram Story	Nicolle	Social media	564 views / likes
<b><u>See Table 1 Below: Full Listing of Social Media Outreach Activities</u></b>				
3/4/19	SFC	Josh / Deb / Beau	In person	Listened and provided feedback as professional staff advisers
3/5/19	ASSOU Senate	Greg	Presentation	Open forum repeat – budget basics

3/6-7/19	Visits with Legislators	Linda, Jeanne & Greg	Office calls	Accountability and transparency (and cost savings if asked)
3/8/19	SFC	Josh / Deb / Beau	In person	Listened and provided feedback as professional staff advisers
3/11/19	TAC	Sue	In person	Stop the shift; pro forma levers
3/11/19	SFC	Josh / Deb / Beau & Greg	In person	Extra credit with Dennis's class?
3/14/19	Retention Summit	Neil, Sue, Greg	In person	Retention overview & promotional efforts
3/18/19	TAC	Sue	In person	Stop the shift; pro forma levers
3/21/19	Finance Committee (BOT)	Greg	In person and public record	Dashboard, TAC update, SFC Update, State funding, pro forma outlook
3/22/19	Full Board mtg	Sabrina	In person and public record	TAC update, Gov Affairs, State funding, pro forma outlook
3/25/19	TAC	Sue	In person	Stop the shift; pro forma levers
4/1/19	TAC	Sue	In person	Stop the shift; pro forma levers
4/8/19	TAC	Sue	In person	Stop the shift; pro forma levers
4/11/19	Student / Campus Leaders Conversation about Tuition and Budget	Sue, Neil, Greg	In person	Budget basics / tuition basics and way ahead
4/17/19	TAC	Sue	In person	Stop the shift; pro forma levers
4/18/19	HB4141 cross check	Linda	In Person	Results of Checklist / process review (Gate review)
4/24/19	TAC	Sue	In person	Stop the shift; pro forma levers
5/1/19	TAC	Sue	In person	Stop the shift; pro forma levers
5/1/19	Athletics Open Forum	Sue, Neil, Greg	In Person	Stop the Shift
5/6/19	Budget brief to Faculty Senate	Greg	In Person	Stop the Shift...and the Faculty's role
5/8/19	TAC	Sue	In person	Stop the shift; pro forma levers
5/10/19	Student / VP Forum in	Sue, Neil, Greg	In person	Discuss budget, tuition and fees

	Greensprings Dorm Lobby			
5/13/19	TAC	Sue	In person	Stop the shift; pro forma levers
*TBD*	Student Open Forum	Greg	In person	Present TAC recommendation and Board's decision
5/16/19	Finance Committee (BOT)	Greg	In person and public record	TAC and SFC Recommendation
5/16/19	Full Board mtg	Sabrina	In person and public record	Tuition and Student Fee decision

**Table 1 – Full Listing of Communications Outreach Activities**

Social Media Platform	Date	Thumbnail Sample	Views/Likes	Impressions	Saves	Shared
Instagram	4/10/2018		140	-	-	-
Instagram	04/11/2018		206	-	-	-
Facebook	04/10/2018		6	1,134	0	1
Twitter	04/10/2018		2	1,679	-	3
Facebook	04/11/2018		3	1,887	0	1
Twitter	04/11/2018		6	1,547	-	4

<b>Instagram</b>	03/04/2019		<b>58</b>	<b>1,214</b>	<b>3</b>	<b>2</b>
<b>Instagram Story</b>	03/04/2019		<b>564</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Twitter</b>	03/04/2019		<b>5</b>	<b>3,165</b>	<b>-</b>	<b>7</b>
<b>Facebook</b>	03/04/2019		<b>5</b>	<b>2,085</b>	<b>0</b>	<b>3</b>
<b>Instagram</b>	04/09/2019		<b>55</b>	<b>1,171</b>	<b>2</b>	<b>7</b>
<b>Instagram Story</b>	04/09/2019		<b>616</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Twitter</b>	04/09/2019		<b>7</b>	<b>1,580</b>	<b>-</b>	<b>6</b>
<b>Facebook</b>	04/09/2019		<b>4</b>	<b>1,695</b>	<b>0</b>	<b>2</b>
<b>Instagram</b>	05/02/2019		<b>36</b>	<b>1,028</b>	<b>0</b>	<b>1</b>
<b>Instagram Story</b>	05/02/2019		<b>419</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Twitter</b>	05/02/2019		<b>6</b>	<b>1,513</b>	<b>-</b>	<b>3</b>

<b>Facebook</b>	05/02/2019		<b>0</b>	<b>1,428</b>	<b>0</b>	<b>0</b>