



April 26, 2017

Dear Commission members,

The enclosed package describing Southern Oregon University's tuition and mandatory fee proposal for the 2017-18 academic year awaits your review and approval. The university, its governing board and students have invested exhaustive efforts and great care in developing this proposal. It was presented to the governing board following judicious campus-wide review, and received the board's full scrutiny before being forwarded to the HECC.

Thoughtful consideration has been given to the needs of SOU's most vulnerable students – those from underrepresented and low-income populations, and those of color. The proposal recognizes those students' needs for programs that assure access and support – programs that would be negatively affected by cost reductions beyond SOU's \$6.5 million in ongoing, already-implemented cuts. Those recently enacted efficiencies amount to more than 10% of SOU's 2017-18 Education and General operational spending and were accomplished strategically so that SOU can continue delivering to all of its students an array of high quality academic programming, critical support systems, targeted intervention and wrap-around programming. SOU has also maintained the second-lowest tuition rate among Oregon's public universities.

Many of the universities whose tuition rates you will be considering are promising sizeable cuts from their budgets. SOU's budget has already delivered on that promise of significant cost reductions. Since 2013, SOU has strictly carried out the retrenchment plan that your commission is now overseeing. SOU has implemented the cuts and efficiencies necessary to move from the middle of the pack among Oregon universities, in terms of total operational expenditures per student FTE, to become the state's lowest-spending public university, as demonstrated by published financial statements for Fiscal Year 2016 and its adopted budget for 2017. Additional cuts to SOU operations were carefully considered and found to present considerably more negative impacts for students than the tuition increase being proposed.

SOU continues to invest in programs that directly support the most critical student populations that Gov. Brown has called out. The 2017-18 budget, based upon this tuition proposal, includes a significant expansion of institutional tuition assistance that will be directed largely toward underrepresented and low-income students, and students of color.

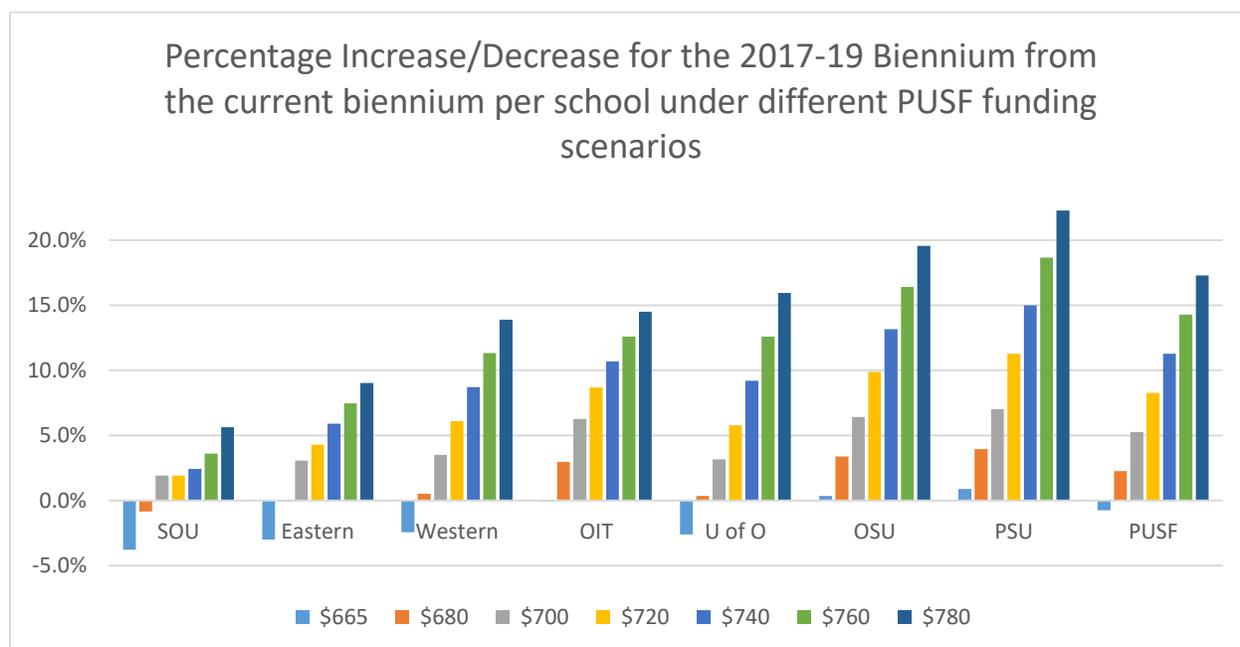
A critical element of access is affordability, and SOU offers tuition rates and mandatory fees that are among the lowest of Oregon's public universities. The university has also worked to keep housing costs low, which results in a 5.8% net increase in the total cost of attendance for next year's freshmen at SOU – a much more accurate measurement of impact on students than the tuition rate alone. Access also goes beyond affordability, particularly for students – especially those from underrepresented populations – who lack the services they need to overcome the challenges of higher education. SOU's ability to preserve support programs for its most vulnerable students is a critical component of its tuition proposal.

SOU trusts members of the HECC to contemplate the university's proposal mindfully and in the best interests of the university and its students – just as members of the governing board did in unanimously approving President Schott's recommendation.

## Additional Information

**Criteria 1: Clear and significant evidence that the university gave serious consideration to alternatives that involved tuition and fee increases below the 5% threshold.**

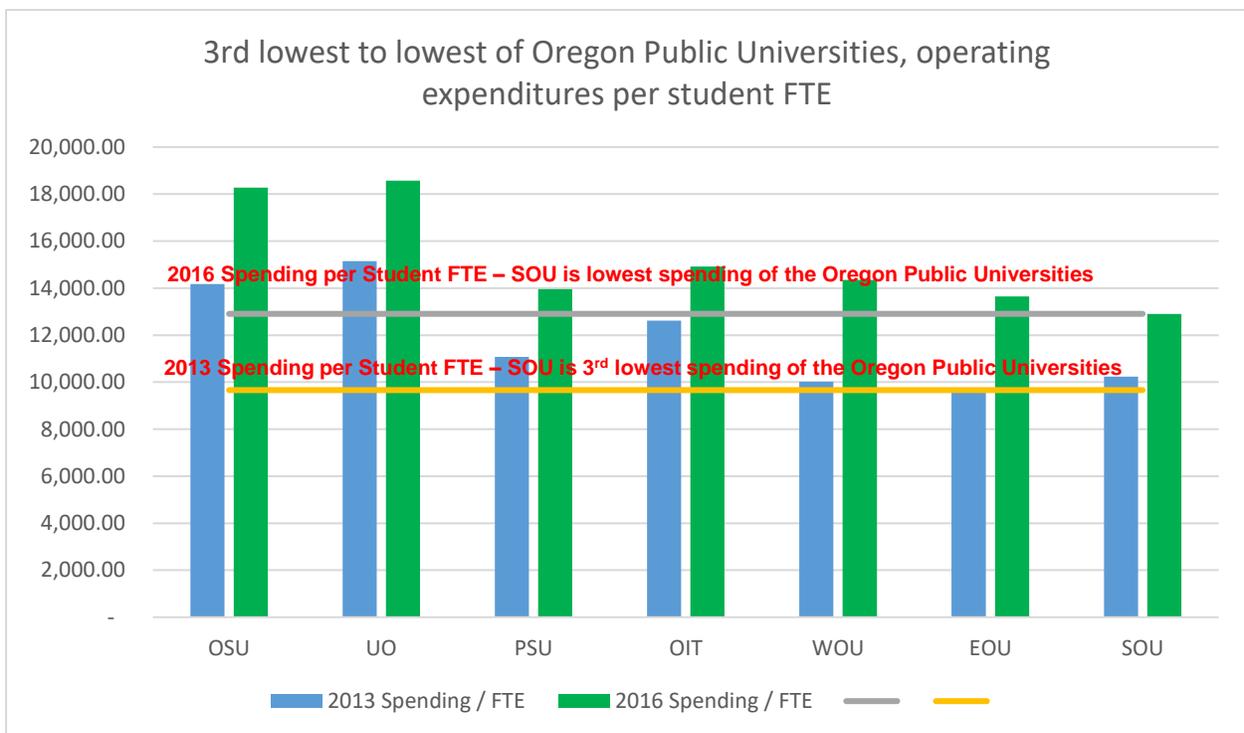
**Various scenarios for tuition and fee increases under 5% were unacceptable for SOU because they did not provide a reasonable assurance of student success or financial stability for the university.** SOU thoroughly explored multiple tuition scenarios through an interactive pro forma program that models different levels of state funding, tuition rates, enrollment projections and cuts to direct expenditures. An increase beneath the 5% threshold would have required more than \$2 million in additional cuts, beyond the \$6.5 million in ongoing cuts already reflected in our 2017-18 budget. We would otherwise risk an ending fund balance below 5% in this next biennium. Our thoughtful conclusion is that those cuts would have a much greater negative impact on our students than the proposed tuition rate increase. SOU's treatment under the SSCM formula – regarding our size more than our successes (see graph) – also influenced this decision. A wide range of campus constituencies participated in the tuition-setting process and gave serious consideration to multiple scenarios and contexts. In each discussion, the impact to students was a primary driver. For each scenario, we considered the impact on students and the university's financial stability, as neither can be considered in isolation. The \$6.5 million in cuts already built into our budget represent SOU's ongoing focus on efficiency, cost-reduction and retention of quality academics and critical support programs for our most vulnerable students. Additional cuts would have eliminated some of those programs, leaving few student support options.



**Criteria 2: Clear and significant evidence of how Oregonians who are underrepresented in higher education, including low-income students and students of color, would benefit more under the university's proposal than one that stays within the 5% threshold.**

**SOU's proposal comprehensively addresses the needs of underrepresented Oregon students through increased institutional aid, emphasis on cost-saving enrollment programs, expanded academic tutoring and advising, and the continuation of effective student success initiatives.** The proposed tuition rate will enable SOU to directly support its most significantly impacted students –

including those who are underrepresented, low income and students of color – by increasing institutional tuition assistance from the current \$3.5 million to more than \$4 million in 2017-18. It will enable SOU to continue key student success initiatives such as SOU Cares and increase academic tutoring and advising services, student support and intervention case management. It anticipates increased focus on cost-saving programs such as the Jack/Jo Pledge, which offers reduced tuition and a three-year degree, and prioritizes underrepresented students through offerings such as the SOU Bridge program for students prior to enrollment and throughout their first year. These initiatives provide direct, immediate support to vulnerable students, support student progression and reduce the cost of an SOU education. SOU has overhauled its operational structure over the past four years, eliminating more than \$6.5 million in ongoing expenses and almost \$7.5 million in one-time expenses from its budget. These strategic cuts enabled SOU’s tuition rates to remain among the lowest at Oregon’s public universities – even after the current tuition proposal. The restructuring also enabled SOU to become the most efficient of Oregon’s public universities (see graph). This efficiency has allowed SOU to keep its tuition low and invest strategically in support programs that are critical to our most vulnerable students.



**Criteria 3: A plan for how the university’s board and central administration are managing costs on an ongoing basis.**

Please describe your plan for how your university’s board and central administration are managing costs on an ongoing basis. In particular, please note ways that your cost-management strategies incorporate any of the following elements or themes:

**SOU proposes three courses of action to maintain student access and affordability, and financial stability for the university: the proposed tuition rate increase, using a portion of its ending fund balance and \$6.5 million in ongoing and already implemented cost reductions.** Spending down SOU’s ending fund balance from 11.8% to 10% will eliminate one month of operating reserves. The university’s budget proposal projects continued consumption of critical reserves to a balance as low as

5% by the end of the 2019-2021 biennium. **The \$6.5 million in ongoing cost reductions, implemented over the past three fiscal years, represents cuts in excess of 10% of SOU's Education and General Operations budget for 2017-18. These cuts include the elimination of approximately 60 faculty FTE and 20 staff FTE.**

These cost reductions have required an extensive, collaborative process involving all constituent groups and significant managerial effort.

This transformative process has taken SOU from the middle of the pack, in terms of operational expenditures per student FTE, to the lowest among Oregon's public universities for education and general expenditures per student FTE. At the same time, SOU has invested in student success initiatives and institutional tuition assistance for its most vulnerable student populations.

Evidence of these actions can be seen in the following:

- Instruction and service delivery that is responsive to demand;
  - Academic reorganization – SOU shifted from three large and difficult to manage schools to seven academic divisions, resulting in greater oversight, operational control and faculty accountability, and significantly reduced costs.
  - SOU established and implemented key metrics for academic programs such as student credit hours generated, faculty FTE, course fill rates, course completion rates, average class size and student FTE-to-faculty-FTE ratios, all enabling greater identification of operational challenges and informed action.
  - Academic Resource Management integrated system and support tools that have enabled SOU to set and maintain cost management across the entire campus with consistent standards.
    - Course budget planner
    - Faculty loading report
  - Establishment of a budget officer position in the Provost's Office, enabling greater oversight and increased responsiveness in decision-making.
- Use of a budget and/or financial management structure that encourages efficiency and precision;
  - Contribution Margin budgeting model establishing benchmarking between academic programs.
  - Gainsharing model implementation encouraging individual action to reduce costs and create savings.
- Use or development of reserves or fund balance – at the central and departmental levels – that maximizes institutional effectiveness;
  - 100% of SOU fund balance is managed centrally
  - Establishment of a budget officer position in the Provost's Office enabling greater ability to manage divisional and departmental surpluses to address emerging needs through all academic operations.
  - Fund balance growth between 2013 and 2017, from 2.1% to a projected 11.8%
- Computation of Return on Investment (ROI – in terms of student-focused cost savings – of new or voluntarily increased administrative, faculty or service costs;
  - Management review and analysis of Student FTE to Faculty, Administrative, and Staff FTE ratios
  - ROI of student support initiatives, such as division advisor in Social Sciences
- Use of benchmarking to assess institutional efficiency and value to students;
  - Internal benchmarking on academic metrics, ensuring efficiency of operations.
  - Internal benchmarking between academic divisions through contribution margin budgeting model

- External benchmarking of operational efficiencies between Oregon public universities
- Regular engagement with the institution’s governing board on the institutional business model,
  - Monthly review of institution interactive pro forma model
  - Quarterly presentations of management report and projection of achievement of operational targets and remedies
- Operations and finances, including revenue/expense projections and budget-to-actual variances;
  - Quarterly presentations of management report and projection of achievement of operational targets and remedies
  - Interactive pro forma model that projects revenue and expense for two biennia
- Use of data and data systems to guide cost-containment efforts.
  - Metrics for academic programs such as number of majors and degrees conferred, student credit hours generated, faculty FTE, course fill rates, course completion rates, average class size and student FTE-to-faculty FTE ratio
  - Internal “Delaware study” analysis of instructional cost and productivity
  - Academic Resource Management integrated system and support tools
- More to come
  - SOU is developing and will implement in the next academic year an Academic Director/Program Chair’s dashboard with benchmarked metrics to identify opportunities for operational efficiencies and improvements across the academic divisions.

## **Retrenchment Update**

Since the release of the final Retrenchment plan in March 2014, we have accomplished \$7.8 million in one-time savings and \$6.2 million in permanent savings. These savings – coupled with an active student recruitment plan, student support initiatives targeting increased retention, modest (below 3%) tuition increases and deliberate management – have enabled us to grow our ending fund balance from 2.1% in FY13 to 11.8% in FY16 and a projected 11.8% in FY17.

## **One-time Savings**

The one-time savings and other actions were intended to bridge the immediate challenge of the university’s critically low fund balance until permanent savings from the structural and operational changes would begin to show a return in the form of reduced operating costs. The bulk of the one-time actions was the transfer of \$6.2 million dollars from university operations outside of the principle operations into the university’s Education and General operations. These transfers came primarily from Housing. Additional one-time savings came from furloughs to both administrative staff and faculty. In fiscal 2015, furloughs were imposed on faculty and amounted to approximately a 1.5% reduction in their pay. In both fiscal 2014 and 2015, furloughs were imposed on administrators and amounted to an average 2.4% reduction in pay. Additional reductions of pay occurred in fiscal 2014 when classified staff had a freeze imposed on their step increases. It should also be noted that in the two years prior to retrenchment, both administrators and classified staff had an average 2% reduction in pay from furloughs. Finally, new revenue was generated through an adjustment to the annual assessment on auxiliary operations paying their share of centralized administration costs from which they benefit.

## **Academic Resource Management – *Strategies***

Curricular reductions resulting from retrenchment included the elimination of three majors, (French, Physics and Art History), three co-majors, 11 minors, two certificates and nine concentrations/programs. Faculty reductions included the elimination of approximately 45 FTE of permanent faculty lines (tenured

faculty, instructors and retirements) plus an additional 15 FTE of adjunct instructors. These reductions were necessary, and the academic reorganization that accompanied retrenchment has provided us the opportunity for more intentional management and oversight.

The academic reorganization created seven divisions within Academic Affairs; whereby, each director of a division is responsible for the oversight of approximately 20-30 FTE of faculty. The reorganization also included the creation of two positions in the Provost's Office, an associate vice president for academic resource management and a budget officer. With a new organizational structure in Academic Affairs in place and a retrenchment plan firmly committed to reducing costs, the "new" SOU was positioned to change its practices. Focusing on finding efficiencies and faculty accountability, SOU has refined and instituted many processes since AY2012-13, including:

- a. **Administrative Release document** – In the past, administrative reassigned time (e.g. chair release) was loosely and inconsistently governed across academic departments. Administrative reassigned time is now determined centrally through the Provost's Office during the planning process for the upcoming academic year.
- b. **Course Budget Planner** – Although the planner was developed several years ago, it has been refined to give more insight into a program's plan for the upcoming year. Each program submits a planner, which projects student credit hours (SCH), proposes faculty assignments and creates a budget request. An iterative process of review with the Provost's Office aligns programmatic needs with fiscal constraints.
- c. **Class size management** – The Course Budget Planner (explained above) also allows programs to propose yearlong schedules of courses and projected enrollments. Through the iterative process of review with the Provost's Office, courses with low or inflated projected enrollments can be addressed proactively before courses are scheduled. Although offering a schedule of courses with a high probability of appropriate enrollments is most ideal, we also run reports each term indicating courses with low enrollments. During the last weeks of an academic term, we adjust schedules for the following term in order to cancel low-enrolled courses, if needed, and reassign faculty.
- d. **Faculty Loading Report** – This report is probably the single most beneficial management tool that we have recently created. It accounts for faculty time for our ongoing and adjunct year-long faculty. For example, we can calculate how much time is re-assigned to non-SCH generating activities, and identify the specific activities (e.g., chair release, sabbatical, advising and leave with pay). This report also aligns the loading for a course with the associated number of students and student credit hours. The report is used to pre-load information into a software program called *Activity Insight* for faculty reporting and is instrumental in the Delaware Cost Study (see below).
- e. **Reporting through Activity Insight** – *Activity Insight* is used for Promotion & Tenure review and Faculty Professional Activity Reports (FPARs). Faculty self-report through the annual FPAR, where they outline accomplishments related to teaching, service and scholarship. Sabbatical reviews and reporting, colleague evaluations and chair evaluations of probationary faculty members will also be migrated to *Activity Insight*.
- f. **Performance Expectations** – We have posted performance expectations for all academic programs outlining acceptable, preferred and exceptional categories for teaching, service and scholarship. These serve as the benchmarks for promotion and tenure.
- g. **Faculty Tracking document** – For each faculty member, this document records information such as contract type, date of last evaluation, anticipated date of upcoming evaluation, date

eligible to promote, etc., so that we can better assist programs with alerts about upcoming evaluations needed and missing evaluations.

- h. **SOU's version of the Delaware Cost Study** – The Delaware Cost Study is a national study of instructional cost and productivity. We are creating this data-rich analysis for SOU, which will be run annually.
- i. **Dashboard** – The Office of Institutional Research (IR) is working with the Provost's Office to create a display of program-level metrics such as number of majors and degrees conferred, SCH generated, faculty FTE, course fill rates, course completion rates, average class size and student FTE-to-faculty FTE ratio. These metrics are essential for determining allocation of resources across programs, including faculty lines.
- j. **Faculty Cost Model** – This model is a collaborative effort among the Budget Office, IR and the Provost's Office. Using assumptions about the mix of faculty, percentage of time allocated for non-SCH bearing activities, faculty salaries, class size, etc., we are developing a model to predict the budget needed for faculty lines.

### **Academic Resource Management – Metrics**

All of these processes are interrelated and give us the ability to manage our resources at a level never achieved before. Because of these and related management tools, we have been able to make significant gains in efficiencies, which have translated into savings for the university. For example, we were able to increase our average class size from 24.8 in Fall '12 to 26.5 in Fall '15, largely through managing the number of low-enrolled courses. Also, adjusting enrollment caps resulted in the average class size for lower division courses to increase from 29.8 in Fall '12 to 33.5 in Fall '15. We have been proactive about scheduling courses students need to ensure viable enrollments, and diligent to cancel low-enrolled courses. Combined efforts in course management resulted in 45 fewer classes offered in Fall '12 compared to Fall '15, a 10% decrease. This has resulted in decreasing the number of low-enrolled courses by nearly 40% from Fall '12 to Fall '15.

Another management objective has been to decrease reassigned time and place faculty into more SCH-generating activities (i.e., teaching courses). Seventy-eight percent of faculty time was associated with teaching courses during AY2015-16, which decreased the faculty expense attributed to non-SCH generating activities by 27% from AY2012-13 to AY2015-16. Lastly, although we have experienced cost-of-living, PERS and health care cost increases over the past three years, our direct instructional expenditure has remained flat. Holding expenses flat while increasing total revenue has generated a net return in AY2015-16 of 5% compared to -8% in AY2012-13.

### **Enrollment Management – Strategies**

During this same period of time (AY2012-13 to present), we have implemented several strategies targeting an increase in recruitment and retention. Some recent recruitment and retention strategies include:

- A recruiter based in Portland, a growing recruitment opportunity for SOU that adds diversity to our campus;
- Case manager in Student Success and Intervention to address those specific needs most experienced by first-generation, socioeconomically underrepresented minorities, and other minority populations, so critical to their continued success;
- Reverse Transfer with Rogue Community College, allowing students to move easily between our two institutions;

- A new Admissions website;
- Curriculum Design academy, specifically targeting the redesign of courses with statistically high rates of students earning grades of DFW (withdrawal), or I (incomplete) to remove bottlenecks to student progression;
- Development of predictive analytics data analysis to help identify students who can be more accurately identified as “at risk” and apply preemptive support strategies;
- Greater community minority outreach through the dedication of staff and resources specifically targeting minority communities who have low traditional matriculation to post-secondary education;
- Expansion of high school counselor outreach, highlighting the access, affordability, and unique programs at SOU to support minority students;
- Comprehensive California recruitment strategy (recruiters, SOU2YOU events, community college transfer receptions);
- North State Promise to recruit students from northern California;
- Jackson-Josephine Pledge fast-tracking college-prepared students to a degree in three years; and
- Bulldogs-to-Raiders, an expansion of the Pirates-to-Raiders program, which reaches out particularly to underrepresented minorities in Medford middle and high schools.

Several state-supported student success initiatives have been implemented, including:

- The Bridge Program, which is designed to help underprepared students better succeed, and
- Division academic advisor located within the Division of Social Sciences, which has been so impactful that we plan to extend this strategy to other academic divisions.

Other recent retention strategies have included the addition of Student PEAK (Professional Experience, Achievement and Knowledge) jobs, two athletic teams (men’s soccer and women’s wrestling) and the Sports Band.

### **Enrollment Management – *Metrics***

As a result of increased efforts in enrollment management, SOU saw an increase of new applicants climb by 15% from Fall ’13 to Fall ’14. These efforts were also reflected in an increase of another 9% from Fall ’14 to Fall ’15. This growth in recruitment was the primary driver for the positive gains experienced in enrollment.

In Fall ’14, SOU had a 4% increase in enrollment and Fall ’15 saw another 5% increase when compared to retrenchment projections. Additionally, increases in freshman-to-sophomore retention rates helped sustain these gains.

Both Fall ’14 and Fall ’15 retention rates were 73%, a full five-point increase versus the prior four-year average of 68%. Retention rates from first-year to third-year also increased dramatically. The Fall ’13 to Fall ’15 cohort experienced a four-point increase when compared to the Fall ’11 to Fall ’13 cohort, 58% versus 54%, respectively.

We are seeing steady gains in the number of courses in which students are enrolled each quarter. The ratio that monitors this metric, student FTE to student headcount, has increased from 82% in Fall ’13 to 88% in Fall ’16, indicating students are quite close to taking the right amount of course work to finish their degrees in four years. Finally, the pipeline initiatives listed above have taken the past few years to develop but are all now producing new student enrollment from the southern Oregon region.

## Southern Oregon University

SOU Enrollment Related Retrenchment Metrics <small>targets have red col. headings, green cell values are adjusted targets*, blue cell values are actuals</small>	Academic Year 2015 <small>Avg course size targets set at 1/2 student more than most recent eight year average. Low enrolled targets set at 80% of most recent eight year average.</small>						Academic Year 2016 <small>Avg course size targets set at 1/2 student more than the prior term target. Low enrolled targets set at 90% of the prior term target.</small>						Academic Year 2017 <small>Avg course size targets set at 1/2 student more than the prior term target. Low enrolled targets set at 90% of the prior term target.</small>											
	Target Fall 14	Actual Fall 14	Target Winter 15	Actual Winter 15	Target Spring 15	Actual Spring 15	Target Fall 15	Actual Fall 15	Target Winter 16	Actual Winter 16	Target Spring 16	Actual Spring 16	Target Fall 16	Actual Fall 16	Target Winter 17	Actual Winter 17	Target Spring 17	Actual Spring 17						
<b>3.Course Sizing</b>																								
Average Course Size	25.3	27.1 (n=453)	24.5	25.2 (n=444)	23.9	24.5 (n=438)	25.8	26.5 (n=471)	25.0	25.0 (n=456)	24.4	24.3 (n=440)	26.3	26.3 (n=455)	25.5	24.8 (n=451)	24.9	24.9						
Lower Division	30.5	32.1 (n=241)	29.0	31.1 (n=201)	27.2	29.3 (n=201)	31.0	33.5 (n=236)	29.5	30.2 (n=209)	27.7	29.5 (n=200)	31.5	31.8 (n=231)	30.0	30.1 (n=199)	28.2	28.2						
Upper Division	22.1	22.8 (n=163)	21.9	22.1 (n=189)	22.8	22.3 (n=188)	22.6	22.2 (n=180)	22.4	21.9 (n=196)	23.3	22.0 (n=189)	23.1	22.8 (n=180)	22.9	23.0 (n=192)	23.8	23.8						
Graduate	15.0	16.4 (n=49)	14.3	13.8 (n=54)	13.4	12.9 (n=49)	15.5	15.3 (n=55)	14.8	15.8 (n=51)	13.9	12.7 (n=51)	16.0	14.8 (n=54)	15.3	13.2 (n=60)	14.4	14.4						
Number of Low Enrollment Courses	47	25 (n=453)	48	49 (n=444)	50	48 (n=438)	42	28 (n=471)	43	37 (n=456)	46	41 (n=440)	37	20 (n=455)	39	18 (n=451)	42	42						
Lower Division	10	7 (n=241)	11	11 (n=201)	15	12 (n=201)	9	4 (n=236)	10	8 (n=209)	14	11 (n=200)	8	1 (n=231)	9	5 (n=199)	13	13						
Upper Division	19	9 (n=163)	21	22 (n=189)	20	17 (n=188)	17	11 (n=180)	19	19 (n=196)	18	16 (n=189)	15	11 (n=180)	17	7 (n=192)	16	16						
Graduate	18	9 (n=49)	16	16 (n=54)	15	19 (n=49)	16	14 (n=55)	14	10 (n=51)	14	14 (n=51)	14	8 (n=54)	13	6 (n=60)	13	13						
<small>*n" refers to total number of courses</small>																								
<b>4. Faculty Load</b>	Target AY 2015						Actual AY 2015						Target AY 2016						Actual AY 2016					
Percent of permanent faculty's teaching ELU to their expected teaching ELU (prfssr=36/yr, prfssni=45/yr)							82.4% (n=174)						83.0%						85.2% (n=154)					
Number of FTE Faculty (e.g. professorial)	None Established						132						125						122					
<3 ELU Release (e.g. less than one course release)							77 (58.3%)						75 (60.0%)						67 (54.9%)					
3<X<=5 ELU Release (e.g. one course release)							21 (15.9%)						25 (20.0%)						7 (5.7%)					
>5 ELU Release (e.g. more than one course release)							34 (25.8%)						25 (20.0%)						48 (39.3%)					
<b>5.1 Enrollment Figures</b> <small>(includes all students)</small>	Target Fall 14	Actual Fall 14	Target Winter 15	Actual Winter 15	Target Spring 15	Actual Spring 15	Target Fall 15	Actual Fall 15	Target Winter 16	Actual Winter 16	Target Spring 16	Actual Spring 16	Target Fall 16	Actual Fall 16	Target Winter 17	Actual Winter 17	Target Spring 17	Actual Spring 17						
HC Enrollment Total (actuals taken from EOT-Graybook)	6016	6245	5761	5835	5005	5104	5950	6242	5698	5911	4950	5132	5962	6098	5709	5811	4960	5132						
% change vs. target		3.8%		1.3%		2.0%		4.9%		3.7%		3.7%		2.3%		1.8%		2.3%						
% change vs. prior		1.1%		-1.4%		-0.7%		0.0%		1.3%		0.5%		-2.3%		-1.7%		-1.7%						
FTE Enrollment Total	4262	4356	4046	4082	3679	3769	4214	4413	4001	4193	3639	3830	4222	4301	4009	4109	3646	3830						
% change vs. target		2.2%		0.9%		2.4%		4.7%		4.8%		5.2%		1.9%		2.5%		2.5%						
% change vs. prior		-0.5%		-1.8%		-1.2%		1.3%		2.7%		1.6%		-2.5%		-2.0%		-2.0%						
FTE Undergraduates Total	3942	3987	3711	3725	3336	3413	3898	4076	3670	3839	3300	3484	3906	3974	3678	3779	3307	3484						
Residents	2667	2626	2519	2453	2220	2165	2637	2536	2491	2390	2196	2089	2642	2400	2496	2270	2200	2089						
Non-Residents	343	334	316	312	271	287	339	374	313	352	268	322	340	374	314	367	269	322						
Non-Residents paying WUE Rates	933	1028	876	960	845	961	922	1165	866	1097	836	1073	924	1200	868	1142	838	1073						
FTE Graduates Total	320	369	335	356	343	356	316	338	331	354	339	346	316	327	331	330	339	346						
Residents	230	260	231	252	241	257	227	250	228	262	238	257	227	246	228	247	238	257						
Non-Residents	90	108	104	104	102	99	89	88	103	92	101	89	89	81	103	83	101	89						
<b>5.2 Enrollment Funnel</b>	Target Fall 14						Actual Fall 14						Target Fall 15						Actual Fall 15					
All Applicants							3588						3638						3718					
Admits							2760						3105						2860					
Enrolled							1220						1438						1321					
Enrolled/Admitted Ratio							44.20%						46.31%						45.19%					
<b>5.3 Retention - All admitted UGs Fall to next Fall</b>	Target Cohort 2013 Fall 13 to Fall 14						Actual Cohort 2013 Fall 13 to Fall 14						Target Cohort 2014 Fall 13 to Fall 14						Actual Cohort 2014 Fall 13 to Fall 14					
All Undergrads							77.0%						77.1%						78.0%					
All First-time Full-time Freshmen							78.0%						78.0%						79.0%					
All Undergrad Transfers							77.5%						76.0%						78.5%					
All Oregon Residents							76.0%						75.1%						77.0%					
<b>Retention - All newly admitted UGs Fall to next Fall</b>	Target Cohort 2013 Fall 13 to Fall 14						Actual Cohort 2013 Fall 13 to Fall 14						Target Cohort 2014 Fall 13 to Fall 14						Actual Cohort 2014 Fall 13 to Fall 14					
New Undergrads							70.0%						72.7%						71.0%					
New First-time Full-time Freshmen							68.0%						73.8%						69.0%					
New Undergrad Transfers							73.0%						72.8%						74.0%					
New Oregon Residents							70.0%						73.8%						71.0%					
<b>Retention - All newly admitted UGs Fall to third Fall</b>	Target Cohort 2012 Fall 12 to Fall 13 to Fall 14						Actual Cohort 2012 Fall 12 to Fall 13 to Fall 14						Target Cohort 2013 Fall 13 to Fall 14 to Fall 15						Actual Cohort 2013 Fall 13 to Fall 14 to Fall 15					
New Undergrads							57.00%						56.8%						57.50%					
New First-time Full-time Freshmen							67.00%						53.8%						67.50%					
New Undergrad Transfers							62.00%						61.5%						59.1%					
New Oregon Residents							56.00%						55.3%						57.4%					
<b>5.4 Headcount to FTE ratio (admitted students)*</b>	Target Fall 14	Actual Fall 14	Target Winter 15	Actual Winter 15	Target Spring 15	Actual Spring 15	Target Fall 15	Actual Fall 15	Target Winter 16	Actual Winter 16	Target Spring 16	Actual Spring 16	Target Fall 16	Actual Fall 16	Target Winter 17	Actual Winter 17	Target Spring 17	Actual Spring 17						
Undergraduate	1.20	1.17	1.21	1.22	1.22	1.17	1.18	1.15	1.19	1.15	1.20	1.17	1.16	1.14	1.17	1.14	1.18	1.18						
Graduate	1.45	1.40	1.51	1.41	1.45	1.30	1.44	1.32	1.50	1.31	1.44	1.20	1.43	1.25	1.49	1.30	1.43	1.43						

Note: values closer to one (1) means closer to full-time

\* Targets were adjusted upon recommendation from Acting Chancellor Cathy Dyck due to corrections in the courses that were defined to be included in the "Course Sizing" metrics.

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**\*Notes:**  
 - when this value equals one the student is taking a full load of courses (15 for UG and 12 for GR)  
 - as this value rises above one it indicates the student is taking less than a full load of courses  
 - as this value drops below one it indicates student is taking more than a full load of courses

**Students progress faster through their degree requirements as this value stays closer to one.**

## **Southern Oregon University Supplemental Information to HECC**

More than 6,000 students who attend Southern Oregon University succeed best when SOU is a student-centric, financially strong, healthy institution with stable enrollment. SOU has implemented changes during the last three years that have positioned it for continued success.

SOU understands that success in growing and sustaining enrollment is the key factor in our future success. Recruitment and retention goals, objectives, and initiatives are central to our strategic planning process. When we established our Retrenchment plan, a series of metrics were established to measure and assess the success or failure of the plan. SOU will establish a similar set of metrics to assess the success or failure of our strategic plan when it is completed and approved by our Board of Trustees. It will be the strategic preference of SOU to grow enrollment and related revenue to offset the continued growth of cost drivers that continue to plague higher education in Oregon.

The Board of Trustees, guided by its commitment to the economic and cultural health of Southern Oregon, established metrics to ensure the advancement and future success of SOU and hold management responsible. These metrics include but are not limited to performance of Education and General fund balance; tracking of SOU's greatest budget components: labor, other personnel expenses, and supplies and services; ongoing revenue tracking; operating cash; and student credit hours. The board also tracks closely the university's enrollment trends (examples attached). In addition to regular tracking of these metrics, the governing board challenges the administration to improve performance.

Another level of accountability exists within our accreditation process. We were reaccredited by NWCCU in January of this year. NWCCU commended SOU for maintaining morale and a positive campus climate during retrenchment and other changes, and reiterated the University's self-assessment that strategic planning, mission and core theme revision, and fiscal sustainability remain priorities. Our current accreditation cycle includes year-one, year-three, and year-seven reports; it provides ongoing opportunity for reflection and assessment. Our next response to NWCCU is due in early December 2017, which coincides with SOU's final Retrenchment report to the HECC and the final stage of the strategic plan.

Southern Oregon University has appreciated the ongoing support of the HECC during this period of statewide and university transition. In written communications between SOU and the HECC during the period between December 2015 through January 2016 and leading up to SOU's last conditions review, HECC staff noted the following:

*HECC recognizes that that this review takes place at a time during which there has been significant changes in institutional leadership including the establishment of new governing boards. Further, as each institution is in the process of undergoing their seven-year accreditation review, the information and focus of this review can be leveraged to inform the HECC of the institution's programmatic review and mission attainment efforts.*

With our new permanent president firmly at the helm, the institutional leadership team is stable. Members of the governing board, the entire campus and broader community are engaged in a strategic planning process that has generated a great deal of excitement and enthusiasm, and will include a much-anticipated revisiting of our mission, vision and strategic directions.

The university is on track with the conditions established, with our retrenchment plan, strategic planning, and with the important metrics which help determine the health of the institution. While determining the tuition rates for the 2017-18 academic year has presented our campus, our president and our board with a difficult decision, we are confident that the proposed increase is the right direction for the university at this pivotal time in our history.

## **Additional Information on Cost Control Measures**

After years of decreasing state funding, followed by two years of moderate enrollment decline, SOU responded with changes in our organizational structure for fiscal and operational efficiency. We combined Academic & Student Affairs; consolidated staff and operations into a Service Center; and reorganized Academic Affairs to create seven academic divisions with equal faculty FTE and a more efficient structure. The Provost's Office has quickly yielded significant gains in reducing faculty re-assigned time; articulating curricular needs with faculty resources; and eliminating low-enrolled and cost-ineffective course offerings. Simultaneously, the Retrenchment initiated in 2014 reduced faculty costs. Seeking to minimize disruptions to students, we have prioritized management of faculty and instructional resources, program reduction and monitoring of administrative overhead. These changes were also informed by comments from the State Board, the OUS, and NWCCU's evaluation of SOU's Year-Three report indicating concern regarding administrative staff being "thin."

SOU's last strategic plan expired in 2014. That same year, we declared Retrenchment and an interim president was appointed to SOU for a two-year term. Since 2014, the Retrenchment plan has served as the "proxy" for our strategic plan.

With a new academic structure and a Retrenchment plan firmly committed to reducing costs, SOU has focused on operational efficiencies and faculty accountability. These changes have created a much stronger institution, as evidenced by: 1) increasing our ending fund balance from 2.1% in FY13 to 11.8% in FY16 and a projected 11.8% in FY17; 2) exceeding Retrenchment metrics set by the OUS and the State Board of Higher Education; and 3) increasing morale and trust throughout our campus community, as noted by our NWWCU accreditors and faculty and staff testimonies given during our latest SOU Board meeting. We have proven our abilities to manage and even thrive.

SOU's budget also includes new cuts in the form of efficiency actions made in previous years, and which we continue to implement. These actions extend beyond the one-time act of eliminating positions (although over 60 faculty positions, including tenured faculty, were eliminated over the past three years). They are ongoing processes that continue to identify and capture savings on a daily, monthly, and annual basis, producing continuous savings that significantly reduce the Education and General funds budget at SOU. We continuously track our metrics, identify outliers, review programs, and identify efficiencies and ways to save costs. This approach does not simply implement cuts, but rather operationalizes a savings methodology process as our operational imperative. With every cycle of actions, we introduce efficiencies, remove costs, and eliminate low-efficiency programs. Continually seeking and executing saving strategies has become the operational norm at SOU, ensuring that savings are ongoing and continue to grow each year.

## **Additional Information on Revenue Generation**

In concert with our current strategic planning process, and working directly with our Governing Board, SOU has developed metrics by which we track and manage our objectives. We acknowledge that the process is iterative, and thus incomplete, however we are working diligently to keep our Board informed and to ensure Board approval at major junctures. Anticipated outcomes focus on enrollment growth to support the university's goals for itself, its students, and the region, and to provide financial stability. These include:

- Recruitment growth – a strong portion of sustainable enrollment growth is the targeted recruitment of new students to SOU, particularly from specific communities. SOU utilizes a recruitment funnel concept to track and manage its annual student recruitment campaign, which includes conversion metrics that track prospective students from application, through admission, commitment, and enrollment

- Retention growth and Completion– SOU uses programming and detailed performance metrics to track and manage student retention and progression toward graduation. These metrics are presented on a management dashboard for both academic directors and enrollment specialists to track outcomes and assess programs designed to improve those metrics.

This strategic process specifically identifies those programs, either existing or new, that are expected to drive the outcomes identified above. Meeting and exceeding targets triggers analysis of what’s working and how to expand those efforts. Failure to meet those metrics triggers additional reassessment, potential elimination of some underperforming support programs, and subsequent re-investment of resources into programs with greater demonstrated success. Performance will be communicated with the board through dashboards, and alternative actions are identified, ensuring financial stability for SOU.

As we complete our Strategic Plan, we continue to focus on recruitment activities and increasing retention through student success initiatives. Some important recent recruitment strategies have included:

- A recruiter based in Portland, a growing opportunity for SOU that adds diversity to our campus;
- A reverse transfer program with Rogue Community College allowing students to move easily between our two institutions;
- A new Admissions website and streamlined admissions and enrollment procedures;
- Greater community minority outreach through the dedication of staff and resources specifically targeting minority communities with low traditional matriculation to post-secondary education;
- Expansion of high school counselor outreach, highlighting access, affordability, and the unique programs at SOU that support minority students;
- A comprehensive California recruitment strategy (recruiters, SOU2YOU events, community college transfer receptions);
- The North State Promise which recruits students from northern California;
- The Jackson-Josephine Pledge, which fast-tracks college-prepared students to a degree in 3 years at reduced tuition; and
- “Bulldogs-to-Raiders”, an expansion of the “Pirates-to-Raiders” program, which reaches out to underrepresented minorities in Medford middle and high schools.

Some important recent student success strategies to increase retention have included:

- The Bridge Program, which is designed to help underprepared Oregon students better succeed in university, and prepares them to identify and enter careers
- Implementation of a new dedicated Division Academic advisor and Retention position within the Division of Social Sciences which, in its first year, has demonstrated enough impact on retention in the division that we plan to extend this strategy to other academic Divisions;
- A new case manager in Student Success and Intervention to address those specific needs most experienced by first generation, socioeconomically underrepresented minorities, and other minority populations;
- The Curriculum Design Academy, targeting the redesign of first-year “gateway” courses with statistically high rates of students earning grades of DFW (withdrawal), or I (incomplete) to remove bottlenecks to student progression;
- Development of predictive analytics data analysis to help identify students who can be more accurately identified as “at risk” and apply preemptive support strategies;
- Student PEAK (Professional Experience, Achievement and Knowledge) jobs.

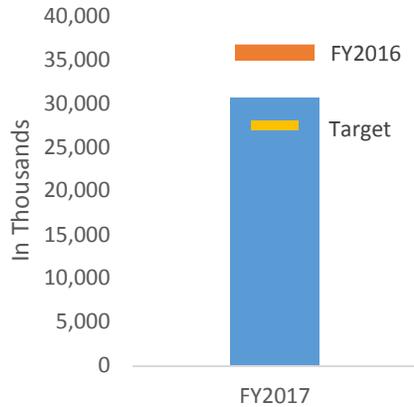
**We anticipate the payoff from these strategies and initiatives to yield an increase of .5% per year in overall sustained enrollment growth and realize the revenue associated with that growth. The Board of Trustees will determine when and if SOU fails to meet enrollment and revenue goals and will require the university to take the necessary corrective actions.**

# Financial Dashboard

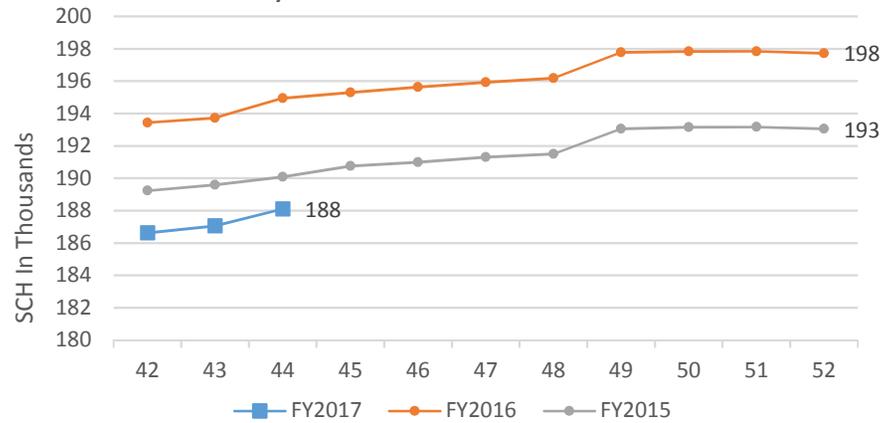
For FY17 before the close of period 10

As of April 30, 2017

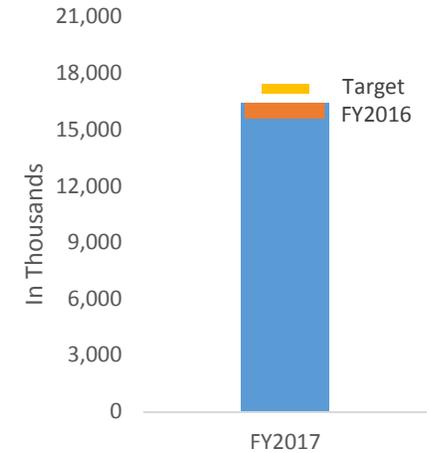
## Public University Funds Operating Cash



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



## E&G Fund Balance



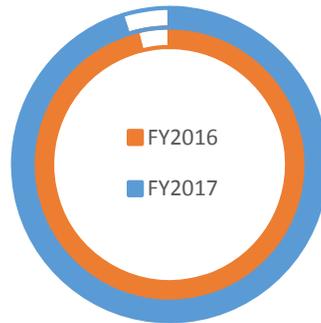
## Cost per Student Credit Hour by Faculty Type FY2015 -> FY2016

Tenure Faculty:  
\$168 -> \$169

Professional Faculty:  
\$101 -> \$97

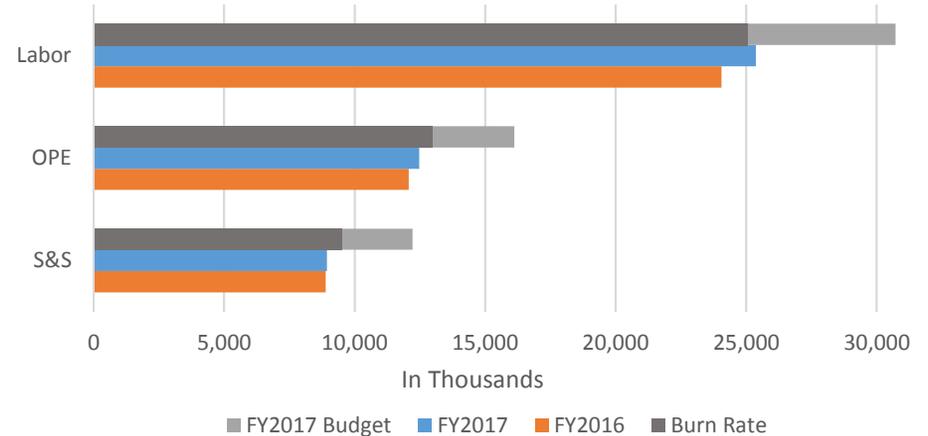
Adjunct:  
\$59 -> \$64

## E&G YTD Revenues



FY2017 Collected 56,085,925 (95% of budget)

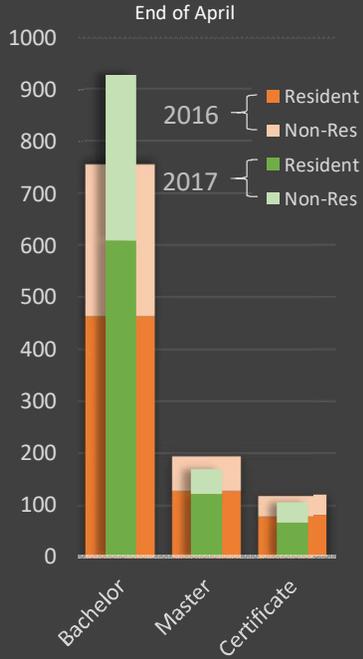
## E&G YTD Select Expenses



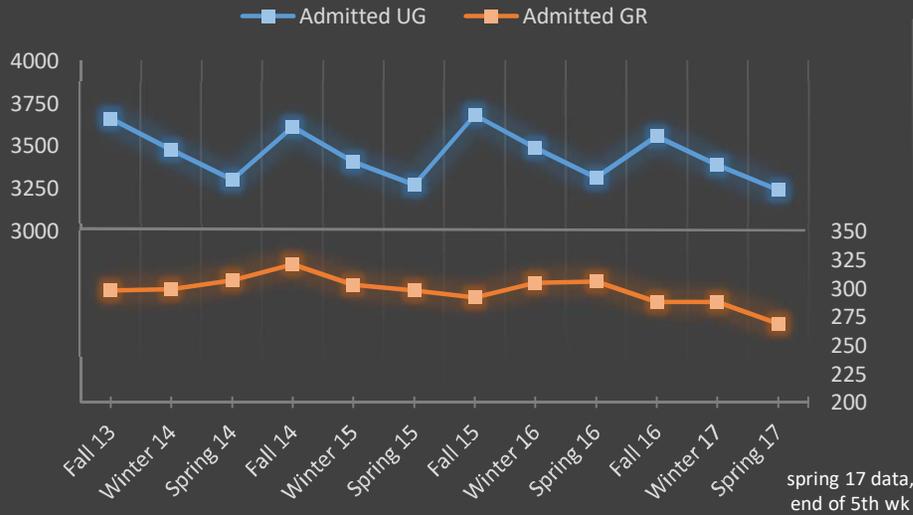
### Admission Apps



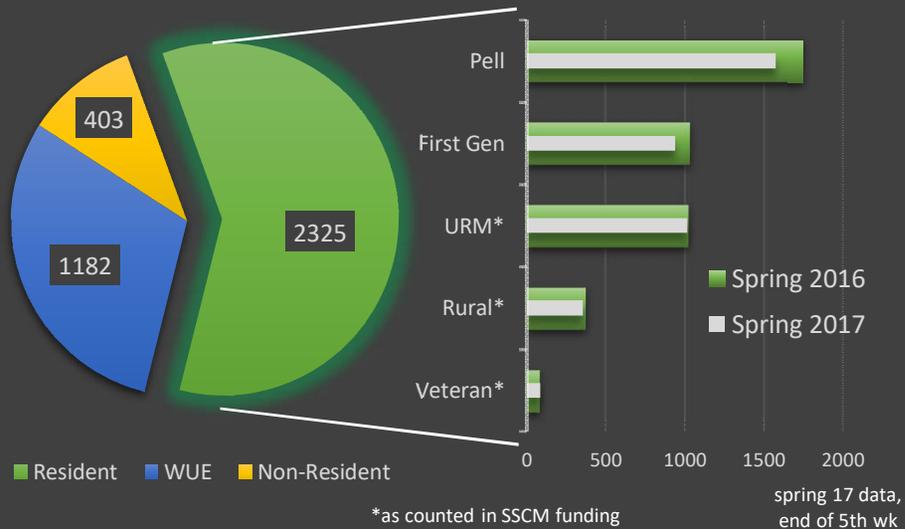
### Degree Apps



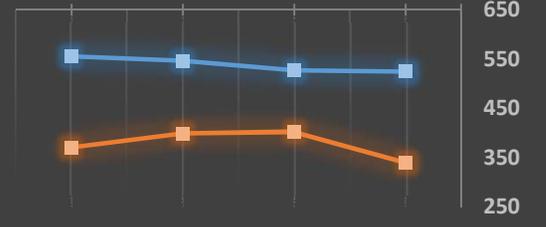
### FTE Enrollment Trends



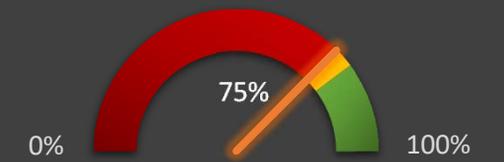
### Spring 2017 Admitted UG Students



### Summer Enrollment Trends



### First Year Retention



### UG Retention



### First Year Grad Rate



### Transfer Grad Rate

Last Updated: 5/5/2017