

2023 UNIVERSITY EVALUATION: Southern Oregon University (ORS 352.061)



Source: Southern Oregon University

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INTRODUCTION

This report is guided by Oregon Revised Statute 352.061, which requires that the Higher Education Coordinating Commission (HECC) submit to the Legislative Assembly an evaluation of public universities listed in ORS 352.002. Each public university must be evaluated in the manner required by this section once every two years. The purpose of this 2023 report is to evaluate the contributions of Southern Oregon University (SOU) to State objectives for higher education as articulated in statute and in the HECC's Strategic Plan (https://www.oregon.gov/HigherEd/Documents/HECC/Reports-and-Presentations/HECC-StrategicPlan_2016.pdf) and Roadmap for Oregon Postsecondary Education and Training (https://www.oregon.gov/highered/policy_collaboration/Documents/Featured/Strategic-Roadmap-2021.pdf).

The Report relies on a combination of accreditation reports, self-assessments conducted by the university on criteria jointly developed with the HECC, and state and federal data. This is SOU's fifth evaluation, and as such, it builds on the descriptive benchmarks identified in the 2021 Report. It is a formative document that signals areas of key interest to the HECC that support the objectives of the State of Oregon: student success as measured by degree completion; access and affordability as measured by equity across socioeconomic, racial/ethnic and regional (urban/rural) groups; academic quality and research; financial sustainability; and continued collaboration across universities in support of the State's mission for higher education.

Additionally, the report describes how SOU's Board of Trustees has operated since its inception. The form and content of subsequent annual evaluations will be guided by feedback from legislators, the public, and the universities about how to improve the usefulness of this process and product.

LEGISLATIVE MANDATE (SB 270)

Passed by the Oregon Legislature in 2013, Senate Bill 270 established individual governing boards at the University of Oregon (UO) and Portland State University. It also established a time frame for Oregon State University (OSU) to establish an individual governing board, which it subsequently did. House Bill 4018 (2014) and Senate Bill 80 (2015) authorized the establishment of independent governing boards at Western Oregon University (WOU), Southern Oregon University (SOU), Oregon Institute of Technology (OIT) and Eastern Oregon University (EOU) and abolished the Oregon University System. SB 270 and subsequent legislation required the Higher Education Coordinating Commission (HECC) to conduct an evaluation of the public universities. During the 2017 Legislative Session, the legislature amended ORS 352.061 requiring the HECC to evaluate each public university once every two years. The evaluation criteria are codified in Oregon Revised Statute (ORS) 352.061.

ORS 352.061(2) requires that the HECC's evaluations of universities include:

- a) A report on the university's achievement of outcomes, measures of progress, goals and targets;
- b) An assessment of the university's progress toward achieving the mission of all education beyond high school as described in ORS 350.014 (the "40-40-20" goal); and,

Finally, ORS 352.061(2)(c) also requires that the HECC assess university governing boards against the findings set forth in ORS 352.025, including the provision that governing boards:

- a) Provide transparency, public accountability and support for the university.
- b) Are close to, and closely focused on, the individual university.
- c) Do not negatively impact public universities that do not have governing boards.

- d) Lead to greater access and affordability for Oregon residents and do not disadvantage Oregon students, relative to out-of-state students.
- e) Act in the best interests of both the university and the State of Oregon, as a whole.
- f) Promote the academic success of students in support of the mission of all education beyond high school, as described in ORS 350.014 (the “40-40-20” goal).

For context, ORS 352.025 notes four additional Legislative findings:

- a) Even with universities with governing boards, there are economy-of-scale benefits to having a coordinated university system.
- b) Even with universities with governing boards, services may continue to be shared among universities.
- c) Legal title to all real property, whether acquired before or after the creation of a governing board, through state funding, revenue bonds, or philanthropy, shall be taken and held in the name of the State of Oregon, acting by and through the governing board.
- d) The Legislative Assembly has a responsibility to monitor the success of governing boards at fulfilling their missions and compacts, and the principles stated in this section.

This year the HECC evaluated the four technical and regional universities (TRUs): Western Oregon University (WOU), Southern Oregon University (SOU), Eastern Oregon University (EOU), and Oregon Institute of Technology (Oregon Tech).

EVALUATION PROCESS

In an effort to approach the first evaluation cycle in a collaborative manner, the HECC formed a work group comprising university provosts, the Inter-Institutional Faculty Senate, Oregon Education Investment Board staff, HECC staff, and other university faculty and staff. The workgroup began meeting in February 2015, with a focus on understanding the purpose and scope of the evaluation as defined in statutes, the structure of the evaluation, and the process for the evaluation. As a result of these conversations, an evaluation framework was developed as a tool to assist in the process. After final review and consideration of stakeholder feedback, the HECC adopted the framework on September 10, 2015.

A balanced evaluation of whether Oregon’s public universities are meeting the goals described for them by State law does not lend itself to a formulaic or mechanical approach. The Commission draws from contextual elements such as the State’s fluctuating funding for higher education and changing student demographics to help explain data in the framework, and progress towards goals. The Commission also leverages other evaluations already undertaken by universities including self-studies, accreditation reports and the work of boards of trustees to provide a perspective that is uniquely focused on each institution’s contribution to serving the State’s higher education mission under the new governance model.

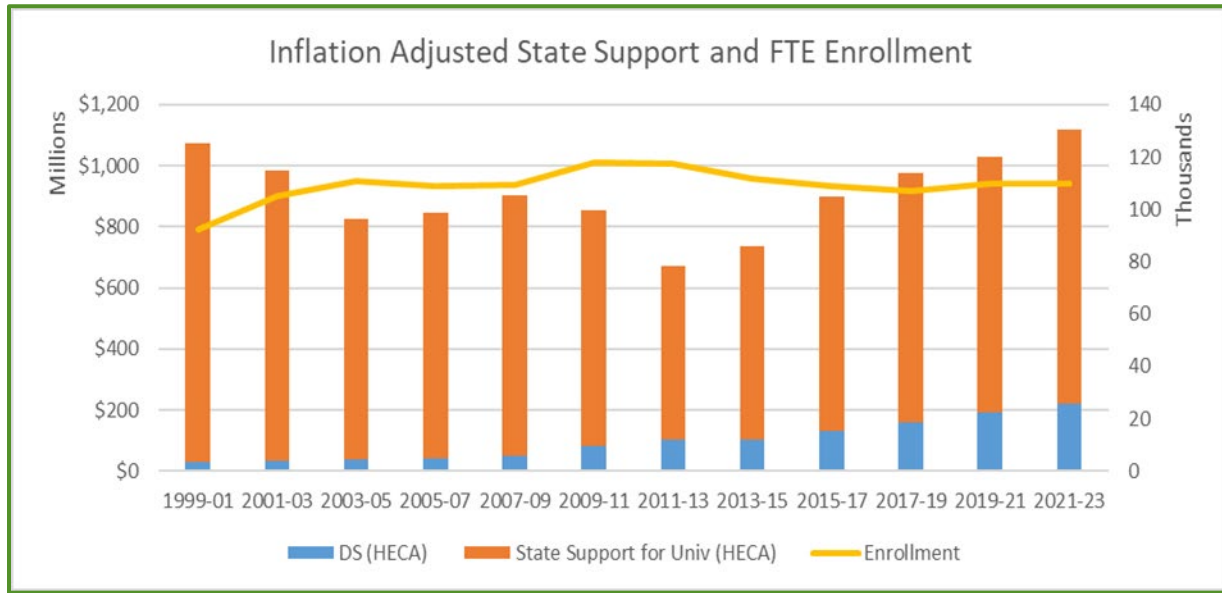
This report is focused on the legislative charge and the HECC’s primary areas of emphasis as indicated in its Strategic Plan. This report is not a comprehensive evaluation. It reflects the narrower scope of legislative issues of interest, incorporating findings from accreditation studies where there is overlap.

STATEWIDE CONTEXT

Funding History

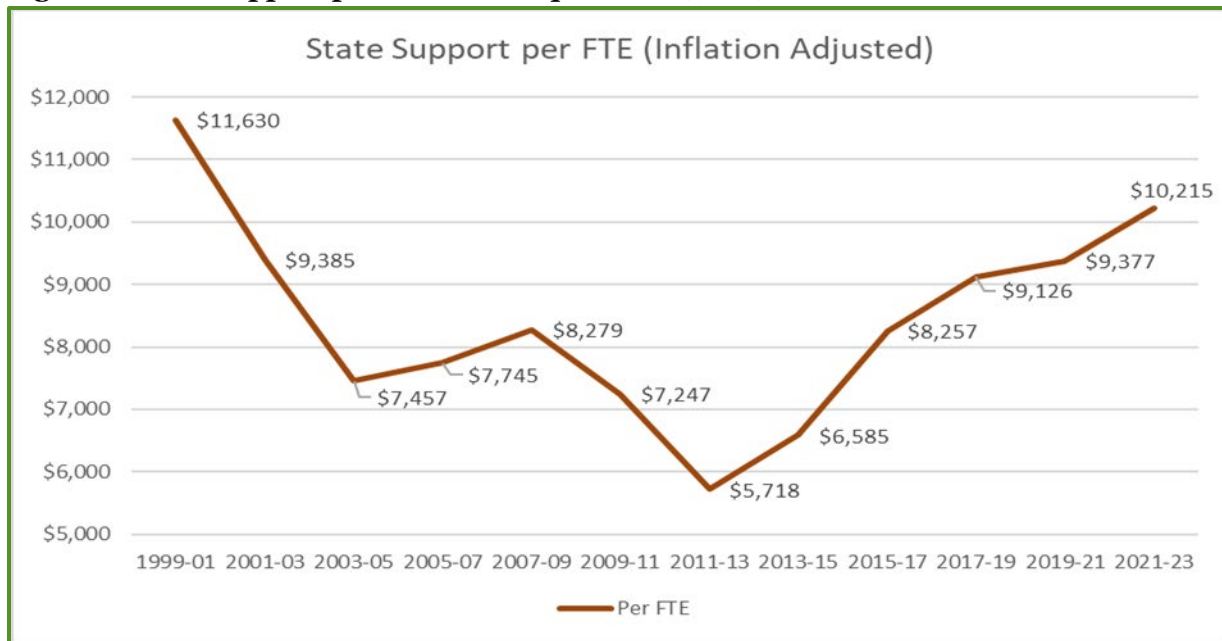
Over the past several biennia, state funding for public universities has not kept pace with enrollment or inflation. While recent investments have moved the needle in a positive direction, additional funding is necessary to support institutions as they work to increase the graduation and completion rates for a growing diverse population.

Figure 1: Public University Funding



Source: HECC (2023; *figures adjusted for inflation)

Figure 2: State Support per Full Time Equivalent (FTE)



Source: HECC (2023; *figures adjusted for inflation)

Governance Changes

Senate Bill 270 (2013) outlines the benefits that are to be achieved from having public universities with governing boards that are transparent, closely aligned with the university's mission, and that "act in the best interest of both the university and state of Oregon as a whole." In addition, the Legislature found that there are benefits to having economies of scale and as such, universities were granted the ability to continue participation in shared service models. It is important to note that all public universities are required to participate in group health insurance, a select set of group retirement plans, and collective bargaining through July 1, 2019 per ORS 352.129. After July 1, 2019 the universities were no longer mandated to offer the same scope and value for each of the employee benefits referenced in the statute (ORS 352.129), but are still required to participate in a shared administrative arrangement for the provision of the benefits. Those benefits are outlined in a latter section of this report (Shared Administrative Services).

Local Conditions and Mission

Throughout Southern Oregon University's (SOU) 152-year history, the university has played a variety of roles. Strongly rooted in the liberal arts tradition, with nationally known programs, the university is also a key institution in the Southern Oregon region. The Institution is a key partner with businesses, government organizations, and community partners as well as other educational institutions. Like all universities, SOU was significantly impacted during the COVID 19 pandemic. SOU's enrollment numbers continue to rebound, but they are still significantly lower than prior to the pandemic. In addition, SOU overcame a second significant event in the Fall of 2020 due to the Alameda and Obenchain fires that devastated local communities. Many faculty, staff, and students were impacted by these fires. Despite these challenges SOU continues to thrive and enrollment numbers for Fall 2023 continue to bounce back.

While SOU faces additional national and statewide challenges including the changing profile of higher education, the dearth of traditional college-aged students, and the evolution of local and statewide economies and workforce needs, SOU is taking bold steps to move from a position of reactivity to proactivity. In response to a budget shortfall in academic year 2022-2023 and under the leadership of President Rick Bailey, SOU engaged in a campus-wide cost management program to resolve a looming \$4.9 million shortfall. The majority of the savings of the cost management process came through personnel reductions. In total, SOU cut almost 82 FTE, approximately 13 percent of its total workforce. The majority of these reductions (66 percent) came from cutting vacant positions and retirements. However, it should be noted that a significant number of employees (22 percent) were adversely impacted by this process.

SOU's cost management efforts in the academic year 22-23 led to the development of the [SOU Forward plan](#) launched in the Fall of 2023. That plan outlines four planks that will guide SOU. The first of those planks is ongoing cost management which balances short term decisions with an eye towards long-term financial stability. The SOU Forward plan also identifies three other planks including; 1) Significant investments in grants, contracts, and other types of sponsored funding; 2) A reinvigorated approach to philanthropy; and 3) Aggressive efforts to identify and develop diverse revenue streams.

Liberal arts universities such as SOU have mission statements that describe high-level expectations for their students. Southern Oregon University strives to achieve a balance between providing a liberal arts education and meeting the professional and workforce needs of its region. These objectives are expressed in [SOU's mission, vision, and values](#) and the strategic directions that are assessed to show the extent to which the curriculum, academic programs, and support services address these directions.

The mission of SOU was originally approved by the State Board of Higher Education in 2008, consistent with its legal authority for higher education in the state of Oregon. Oregon Revised Statute 352.089(1), established in July, 2014, requires higher education governing boards to adopt a mission statement for the university and forward that statement to an office designated by the Higher Education Coordinating Commission for review. ORS 350.075 and 350.085 require the HECC to review and approve public university mission statements.

In January 2017, SOU began a strategic planning process, including a revision of its mission and vision, which was approved by its Board of Trustees in November 2017 and approved by the HECC on January 11, 2018. From 2022 to 2023, the university focused its strategic efforts at solving a monumental budget shortfall. This led to the creation of *SOU Forward*, which serves as a complement to the SOU Strategic Plan (particularly Strategic Direction V, which calls for fiscal sustainability). After consultations with the Board of Trustees, the university intends to review and update the strategic plan through a comprehensive process starting in 2025, with the intention of releasing a new updated plan in 2026-2027.

MISSION:

Southern Oregon University is a regionally engaged learning community committed to being the educational provider of choice for learners throughout their lives.

We inspire curiosity and creativity, compel critical thinking, foster discovery, and cultivate bold ideas and actions.

We achieve student success, professional preparation, and civic engagement through service excellence, evolving technologies, and innovative curriculum.

We foster access, equity, inclusion and diversity in thought and practice.

We prepare our learners to be responsible, engaged citizens in our democracy.

We promote economic vitality, sustainability, cultural enrichment, and social well-being in our region, the state, the nation, and the world.

As of this writing, for the period from 2021-2023, 70 percent of key performance indicators (KPIs) for seven institutional strategic directions have been completed and 30 percent have been started but not completed.

In alignment with Strategic Direction I: *SOU will transform its pedagogy and curriculum (how and what it teaches) to enhance the success of its learners and graduates; and, in particular, Goal One: SOU will develop curriculum and provide learning experiences that prepare all learners for life and work in an evolving future; connect directly with the challenges of the southern Oregon community, region, and world; and build self-confidence and the capacity to think critically, innovate boldly, and create lives of purpose*, we developed a new [general education curriculum](#). After five years of curricular planning, SOU officially launched that new GE model this past Fall (2023). This new GE model features seven capacities including, Purposeful Learning, Communication and Expression, Creativity and Innovation, Inquiry and Analysis, Numerical Literacy, and Equity Diversity and Inclusion.

Also worth noting is SOU's ongoing effort to develop policies and processes for creating and approving alternative stackable credentials for both degree seeking and non-degree seeking students, in particular

adult learners with degrees/some or no college, who wish to skill up. To date, SOU offers 44 Micro-credentials and more than 20 standalone Certificates.

ECONOMIC AND COMMUNITY IMPACT¹

Southern Oregon University

Based in Ashland with an additional satellite campus in downtown Medford, Southern Oregon University is an important driver of the regional economy in Southern Oregon. The university consists of five Academic Schools: School of Arts and Communication, School of Science and Business, School of Education, Leadership, Health & Humanities, School of Social Sciences, School of Library and Undergraduate Studies. A satellite campus of Oregon Health Science University is also located on the main campus of SOU.

The University offers 41 majors and 10 graduate degrees offered within the five academic schools. Most SOU students come from counties closest to where the university's campuses are located (Jackson and Josephine).

Since SOU's last evaluation, they have launched seven new major degrees and six new minors. Also worth noting is SOU's ongoing effort to develop policies and processes for creating and approving alternative stackable credentials for both degree seeking and non-degree seeking students, in particular adult learners with degrees/some or no college, who wish to skill up. To date, SOU offers 44 Micro-credentials and more than 65 Certificates. The marked increase in the types of credentials is evidence to our commitment to be more responsive to market demands both nationally and regionally.

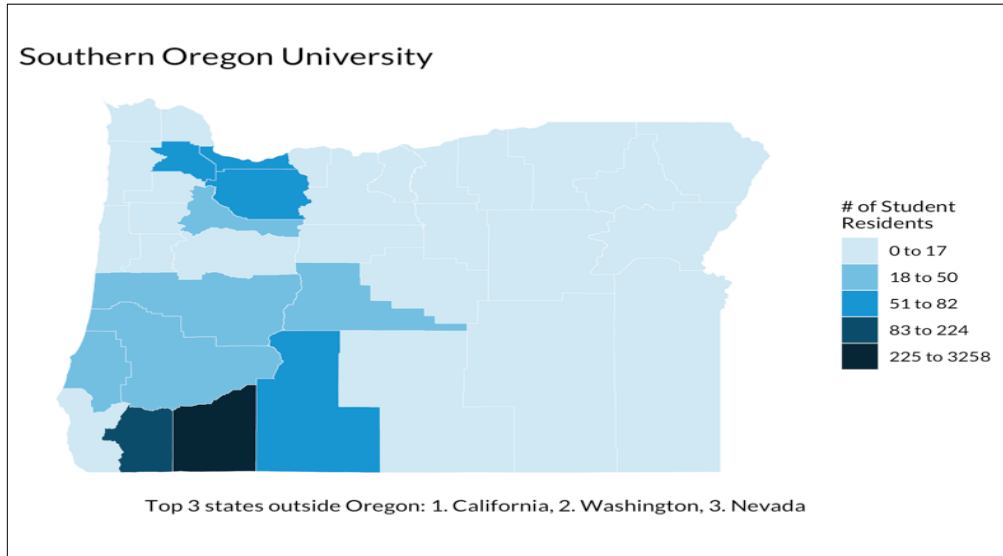
SOU has the most affordable tuition of any four-year public university in Oregon. Students pay 44 percent less than the state average tuition for publicly funded institutions.² This provides an important benefit to students once they begin their careers. Based on the U.S. Department of Education's College Scorecard, SOU average annual enrollment costs to graduate salary ratio is the lowest in the state among reported institutions (23 cents per dollar earned), with graduates earning slightly less than the national average salary of \$47,060.[†]

¹ Summary provided by ECONorthwest Economic Contributions report (January 2020) commissioned jointly by EOU, OIT, SOU, and WOU.

² U.S. Department of Education College Score Card.

[†] SOU has identified the need to verify these data to confirm consistency between National Center for Educational Statistics (NCES), The College Scorecard, and SOU Financial Aid data.

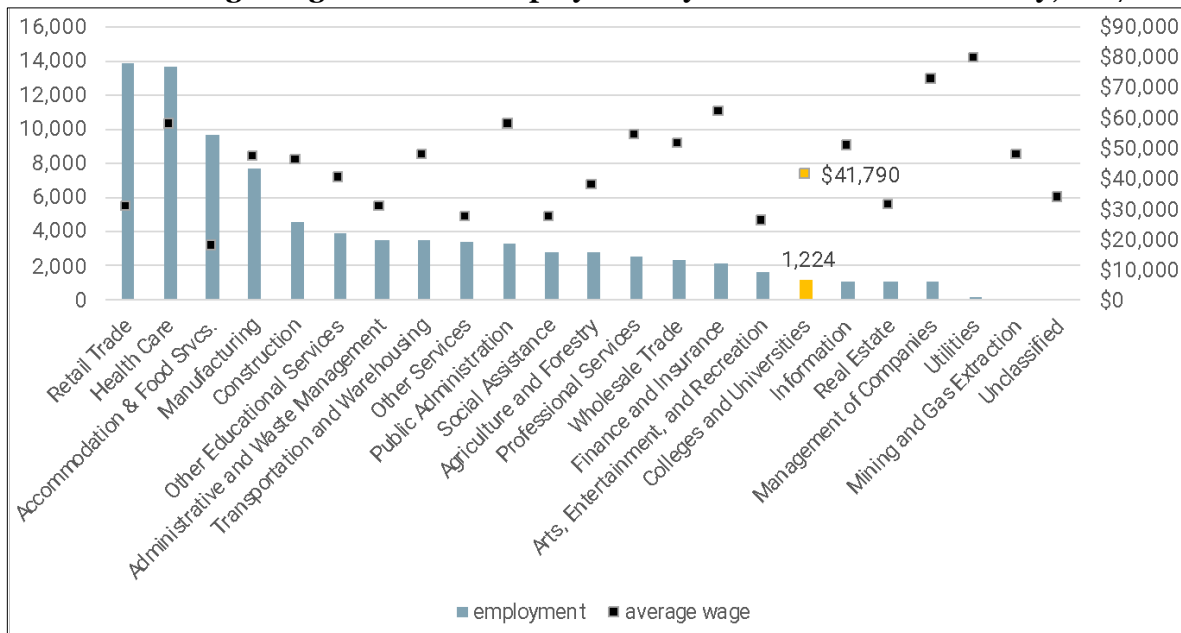
Exhibit 1. SOU Student Origin by County



Southern Oregon’s place within the county

As with other TRUs in Oregon, the college and university sector plays an important role in the regional economy. According to the Quarterly Census of Employment and Wages, the sector is the fifteenth largest in Jackson County with 1,224 employees, and falls in the middle of the spectrum for pay, averaging \$41,790 per year. This indicates that the college and university employment sector is an important source of middle-income jobs in the county. Exhibit 2 illustrates the employment and average pay by sector in Jackson County.

Exhibit 2. Average Wage and Total Employment by Sector in Jackson County, 2017



Source: ECONorthwest using QCEW data

SOU Contributes to a Robust Job Sector

Of the 1,224 jobs in the colleges and universities sector, 63 percent of those are direct SOU operations jobs. During the 2017-2018 academic year, SOU operations supported 775 direct jobs, which includes salaried professors and administrators. These jobs paid on average about \$79,259 in salaries and benefits and produced \$92.7 million in economic output.

Exhibit 3. Operational, Student, and Visitor Contributions of Southern Oregon

| Type of Impact | Output | Labor Income | Jobs |
|----------------|----------------------|----------------------|--------------|
| Jackson County | | | |
| Direct | \$92,726,595 | \$61,426,422 | 775 |
| Indirect | \$19,499,912 | \$11,364,705 | 156 |
| Induced | \$170,224,461 | \$69,256,288 | 1,215 |
| Total | \$282,450,969 | \$142,047,415 | 2,146 |

Note: Operations contributions include student and visitor spending for ease of reporting
 Source: ECONorthwest using inputs from TRU and the IMPLAN model

Renovation and Upgrades Further Support the Region

Capital spending on SOU’s main campus supported additional economic activities. Ongoing construction projects such as the Britt Seismic Renovation, the Student Health, and Wellness lobby remodel project and boiler replacement went to support 154 direct construction jobs in 2018, paying on average \$65,676 in wages and benefits and contributing \$29.9 million in direct economic output to the region.

Exhibit 4. Construction Contributions of Southern Oregon

| Type of Impact | Output | Labor Income | Jobs |
|----------------|---------------------|---------------------|------------|
| Jackson County | | | |
| Direct | \$0 | \$0 | 0 |
| Indirect | 40,332,300 | 13,508,287 | 218 |
| Induced | 10,296,749 | 3,750,261 | 78 |
| Total | \$50,629,049 | \$17,258,548 | 296 |

Source: ECONorthwest using inputs from TRU and the IMPLAN model

Student and Visitor Spending

SOU enrolled 5,475 undergraduates in 2017 who on average spent \$15,144 on non-tuition expenses such as housing, food, and entertainment.³ Combined this spending injected \$82.9 million into the local economy. Additionally, the university attracted 73,722 visitors to the campus to either visit students or attend other

³ Southern Oregon University Cost of Attendance.

campus activities. Such visitors spent about \$6 million in Jackson County on food, lodging, and entertainment.⁴

Renovation and Upgrades Further Support the Region

Capital spending on SOU's main campus supported additional economic activities. Ongoing construction projects such as the Britt Hall OHSU Skills Lab 3 Construction, the Central Hall Seismic Renovation and other smaller capital renewal projects totaling ~\$12M supported the local economy, with all of this work being awarded to local, Oregon based contractors.

⁴ The 2017 Oregon Travel Impacts report produced by Dean Runyan Associates estimated that visitors in the state spent on average \$82 per day. ECONorthwest applied this to estimate total visitor spending for each university.

ACCREDITATION

A comprehensive assessment and review of academic and institutional quality is available from the Northwest Commission on Colleges and Universities (NWCCU) that accredits SOU and other universities in Oregon. Accreditation of an institution of higher education by the NWCCU indicates that it meets or exceeds criteria for the assessment of institutional quality evaluated through a peer review process. As of their most recent evaluation, SOU is substantially compliant with the Standards, Policies, and Eligibility Requirements of the Northwest Commission on Colleges and Universities. An accredited college or university is one that has the necessary resources to achieve its stated purposes through appropriate educational programs, is substantially doing so, and gives reasonable evidence that it will continue to do so in the foreseeable future. Institutional integrity is also addressed through accreditation. Reviews are structured as a cyclical process of continuous improvement. NWCCU accreditation occurs on a seven-year cycle in four parts: Annual Reports each year; Mid-Cycle self-review and peer review in the third year; Policies, Regulations, and Financial Review in sixth year; and Evaluation of Institutional Effectiveness self-review and peer review in the seventh year. This section draws on relevant NWCCU reports that are identified as of interest to the Legislature and in alignment with the HECC Strategic Plan. SOU was last reaffirmed for accreditation in 2024.

SOU submitted its Year Seven [Evaluation of Institutional Effectiveness](#) report in Fall of 2023 and received [feedback](#) from NWCCU in February 2024. NWCCU reaffirmed institutional accreditation for SOU but noted five areas for continuous improvement and two findings for appropriate action within a four-year period. The following standards are areas substantially in compliance but where improvement is needed.

The Commission recommends that Southern Oregon University:

- Demonstrate a continuous process to assess institutional effectiveness, including student learning, student achievement, and support services by creating an ongoing and systematic evaluation and planning process to inform and refine its effectiveness, assign resources, and improve student learning and achievement. (2020 Standard(s) 1.B.1) (Recommendation 1)
- Set and articulate meaningful goals, objectives, and indicators of its goals to define mission fulfillment and to improve its effectiveness in the context of and in comparison with regional and national peer institutions. (2020 Standard(s) 1.B.2) (Recommendation 2)
- Fully demonstrate that the results of its assessment efforts are systematically used to inform academic and learning-support planning practices to continuously improve student learning outcomes and student support services. (2020 Standard(s) 1.C.5; 1.C.7) (Recommendation 5)
- Publish in the catalog, or provides in a manner available to students and other stakeholders, expected student learning outcomes. (2020 Standard(s) 2.G.2;1.C.3) (Recommendation 6)
- Create a Regular and Substantive Interaction policy to maintain effective learning environments with appropriate programs and services to support student learning and success. (2020 Standard(s) 2.G.1) (Recommendation 7)

The following two recommendations are areas where Southern Oregon University is out of compliance with the NWCCU Standards for Accreditation. According to U.S. Department of Education Regulation 34 CFR 602.20 and Commission Policy, the Commission requires that Southern Oregon University take

appropriate action to ensure these Recommendations are addressed and resolved within the prescribed four-year period.

- Benchmark their disaggregated student achievement indicators against student achievement indicators from regional and national peer institutions. (2020 Standard(s) 1.D.2) (Recommendation 3)
- Use their benchmarked student achievement indicators to inform the creation of student achievement goals for the institution and to pursue continuous improvement efforts in planning, decision making, and allocation of resources to mitigate perceived gaps in achievement and equity. (2020 Standard(s) 1.D.3;1.D.4) (Recommendation 4)

All reports, records of official NWCCU actions and accreditation materials are located on SOU's [Institutional Research web page](#). In March of 2024, SOU received notice to reaffirm accreditation from NWCCU. In addition, their letter indicates that SOU has fulfilled all of the requirements as designated in the feedback that was received in the Fall 2022 Policies, Regulations, and Financial Review.

The following programs are accredited by external evaluators:

- Business (Accreditation Council for Business Schools and Programs),
- Chemistry (American Chemical Society),
- Music (National Association of Schools of Music),
- Clinical Mental Health Counseling Program (Council for Accreditation of Counseling and Related Educational Programs)
- Education (Oregon Teacher Standards and Practices Commission)
- Environmental Education (North American Association for Environmental Education)

STUDENT ACCESS AND SUCCESS

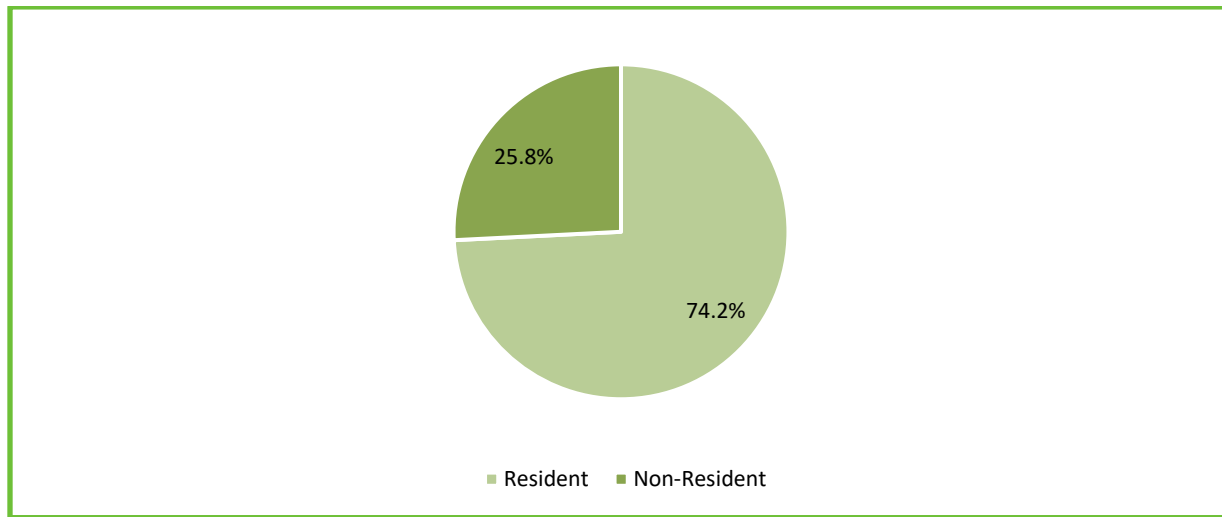
Undergraduate enrollment rose in fall 2023 for the first time since the pandemic, according to the latest report from the National Student Clearinghouse Research Center. The report found that undergraduate enrollment grew 1.2 percent in fall 2023 compared to the prior year⁵.

Oregon has a similar pattern, with slight variation across its public universities, in seeing statewide enrollment surpassing pandemic-era figures. This section of the report is focused on tracking trends in enrollment, completion outcomes, and demographic variances.

As described by Figures 2 and 3, the majority of SOU students during the 2022-23 academic year (74.2 percent) are resident, and the majority (51.6 percent in 2022-23) also attend part-time.

In the most recent year (fall 2022 to fall 2023) headcount enrollment slightly increase from 5,156 to 5,175 students. During this evaluation cycle, non-resident enrollment decreased by 16.3 percent while resident enrollment increased by 0.4 percent. Overall, student FTE decreased by 2.6 percent since the last evaluation cycle.

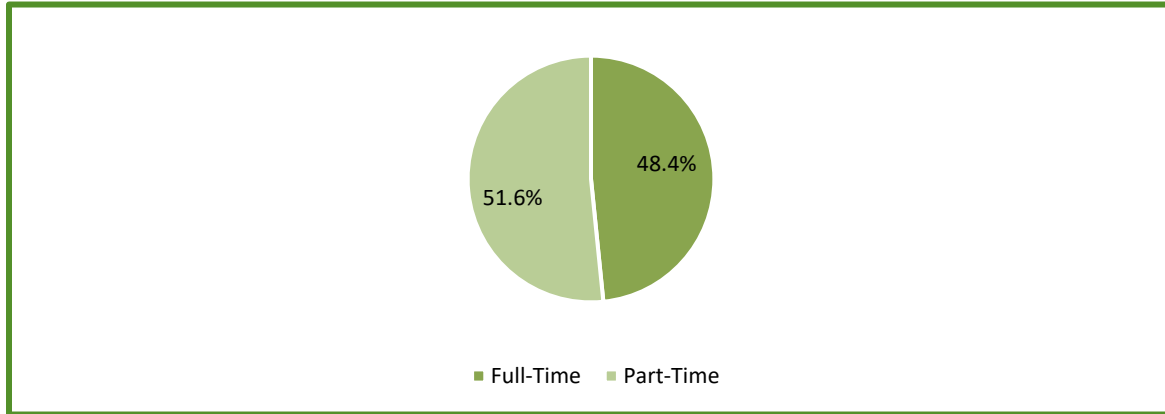
Figure 2: SOU Student Enrollment by Residency, 2022-23



Source: HECC (2023)

⁵ <https://www.insidehighered.com/news/students/retention/2024/01/24/enrollment-rising-first-time-pandemic>

Figure 3: SOU Student Enrollment by Full-Time/Part-Time Status, 2022-23



Source: HECC (2023)

Table 1: Headcount Enrollment, Historical

| Fall of | Non-Resident | Resident | Total |
|-------------|--------------|----------|--------------|
| 2009 | 1,214 | 3,890 | 5,104 |
| 2010 | 1,519 | 4,924 | 6,443 |
| 2011 | 1,653 | 5,091 | 6,744 |
| 2012 | 1,678 | 4,803 | 6,481 |
| 2013 | 1,680 | 4,460 | 6,140 |
| 2014 | 1,777 | 4,426 | 6,203 |
| 2015 | 1,873 | 4,342 | 6,215 |
| 2016 | 1,880 | 4,208 | 6,088 |
| 2017 | 1,935 | 4,204 | 6,139 |
| 2018 | 1,849 | 4,270 | 6,119 |
| 2019 | 1,699 | 4,267 | 5,966 |
| 2020 | 1,573 | 3,468 | 5,041 |
| 2021 | 1,429 | 3,627 | 5,056 |
| 2022 | 1,329 | 3,827 | 5,156 |
| 2023 | 1,196 | 3,979 | 5,175 |

In fall 2023, SOU enrolled 5,175 students. Of those, 975 were newly admitted undergraduates, compared to 976 newly admitted undergraduates in the previous academic year. SOU’s overall enrollment decline over the last ten years is 16.6 percent, and has concentrated among non-resident students, which declined 32.7 percent between fall 2014 and fall 2023, while resident students decline was 10.1 percent over the same time period.

SOU students come from diverse backgrounds. In fall 2023, 18.3 percent of SOU’s total enrollment came from underrepresented student populations.

Table 1: SOU 4th Week Headcount Enrollment by Race/Ethnicity

| Race/ Ethnicity | Fall 2020 | Fall 2021 | Fall 2022 | Fall 2023 | Change Fall 2022 to Fall 2023 |
|---|------------------|------------------|------------------|------------------|--------------------------------------|
| Non-Resident Alien | 51 | 67 | 67 | 61 | -6 |
| American Indian/ Alaska Native | 87 | 82 | 71 | 74 | 3 |
| Asian | 140 | 143 | 138 | 129 | -9 |
| Black Non-Hispanic | 93 | 84 | 91 | 68 | -23 |
| Hispanic | 535 | 531 | 527 | 532 | 5 |
| Pacific Islander | 55 | 55 | 45 | 67 | 22 |
| Two or more races, Underrepresented Minorities | 251 | 217 | 178 | 207 | 29 |
| Two or more races, not Underrepresented Minorities | 66 | 70 | 74 | 75 | 1 |
| White Non-Hispanic | 2,683 | 2,516 | 2,365 | 2,332 | -33 |
| Unknown | 1,080 | 1,291 | 1,600 | 1,630 | 30 |

Source: HECC (2023)

Underrepresented minority students and Pell Grant recipients graduated at rates that are, on average, 3 to 4 percentage points more/less than the rate for the overall student population during this evaluation cycle.

The four and six-year graduation rate for SOU first time freshmen who entered in the fall term of 2016 is as follows:

Table 2: Four-Year and Six-Year Graduation Rate, First-Time, Full-Time Freshmen Entering fall 2016

| | Four-Year Graduation Rate | Six-Year Graduation Rate |
|------------------------------------|----------------------------------|---------------------------------|
| All Students | 35.8 % | 52.2 % |
| Underrepresented Minorities | 32.7 % | 48.1 % |
| Pell Grant Recipients | 32.5 % | 47.9 % |

Source: HECC (2023)

*Fall 2016 cohort is the latest year of available data. Includes students who completed at any Oregon public university.

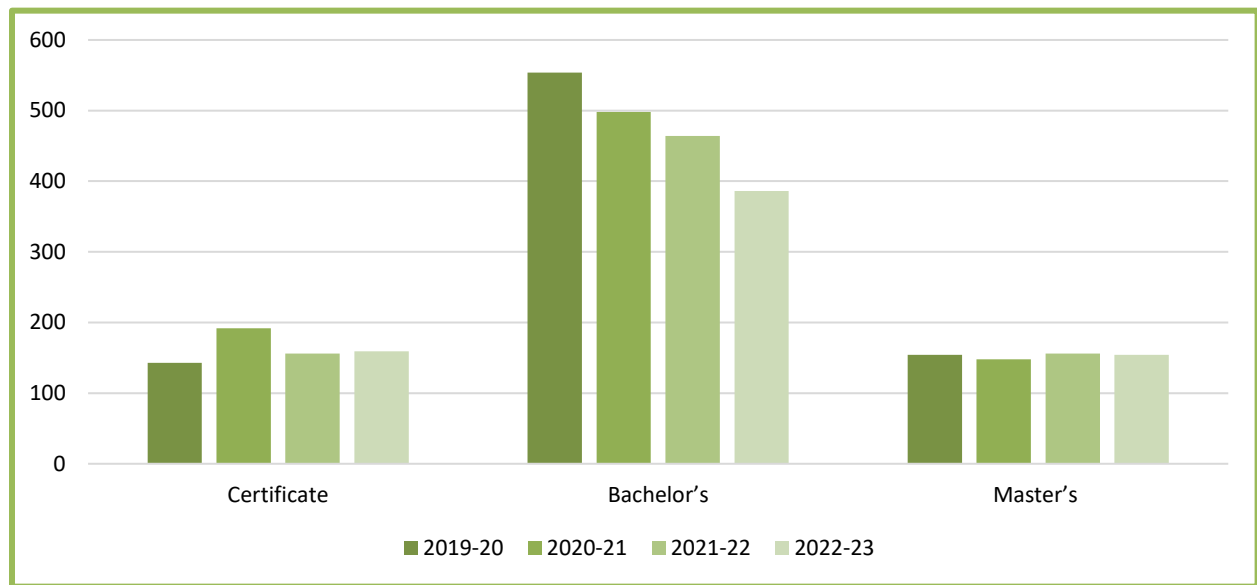
In the 2020-21 academic year, there were 498 bachelor's degrees awarded, which slightly decreased to 464 in the following year (2021-22), marking a decrease of approximately 6.8 percent. Furthermore, in the 2022-23 academic year, the number of bachelor's degrees awarded dropped to 386, reflecting a further decline of about 16.4 percent from the previous year and 22.5 percent decrease since the last evaluation. No associate's degrees, doctoral degrees, and professional degrees were awarded because SOU does not offer those degree types.

Table 3: SOU Resident Student Completions by Award Type

| | 2019-20 | 2020-21 | 2021-22 | 2022-23 |
|--------------|----------------|----------------|----------------|----------------|
| Certificate | 143 | 192 | 156 | 159 |
| Associate's | - | - | - | - |
| Bachelor's | 554 | 498 | 464 | 386 |
| Master's | 154 | 148 | 156 | 154 |
| Doctoral | - | - | - | - |
| Professional | - | - | - | - |

Source: HECC (2023)

Figure 4: SOU Resident Student Completions by Award Type



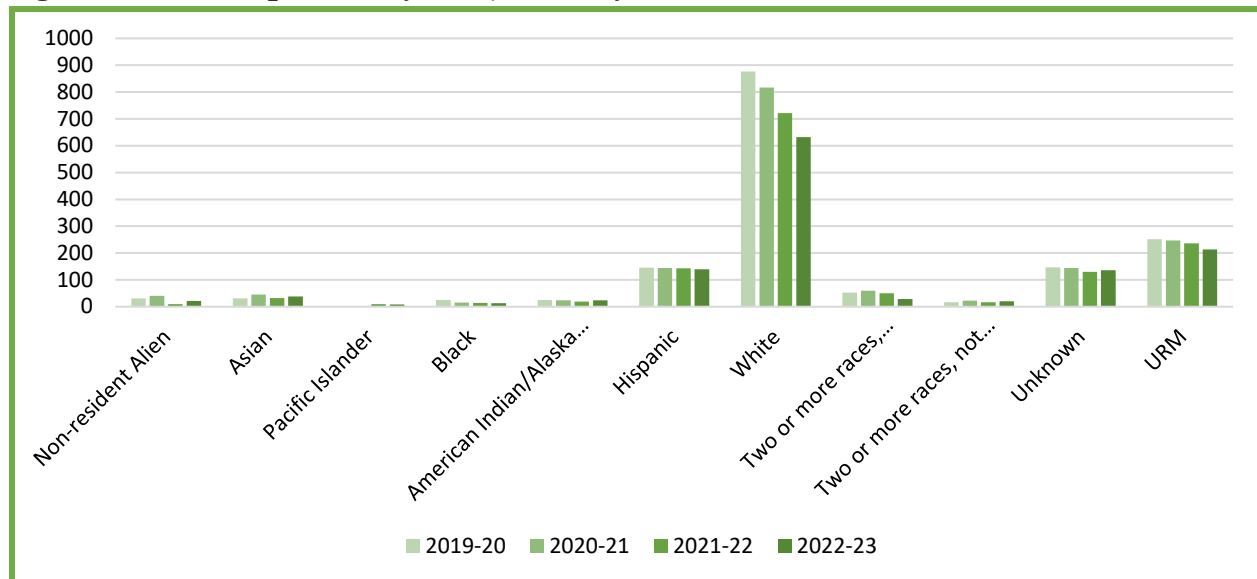
Source: HECC (2023)

Table 4: SOU Completions by Race/Ethnicity

| | 2019-20 | 2020-21 | 2021-22 | 2022-23 |
|---|---------|---------|---------|---------|
| Non-resident Alien | 31 | 41 | 10 | 22 |
| Asian | 31 | 45 | 32 | 38 |
| Pacific Islander | 3 | 3 | 10 | 8 |
| Black | 25 | 16 | 14 | 13 |
| American Indian/Alaska Native | 25 | 24 | 19 | 24 |
| Hispanic | 146 | 144 | 143 | 140 |
| White | 877 | 817 | 722 | 632 |
| Two or more races, Underrepresented Minorities | 53 | 60 | 50 | 29 |
| Two or more races, not Underrepresented Minorities | 17 | 23 | 17 | 20 |
| Unknown | 147 | 144 | 130 | 136 |
| URM | 252 | 247 | 236 | 214 |

Source: HECC (2023)

Figure 5: SOU Completions by Race/Ethnicity



Source: HECC (2023)

AFFORDABILITY

Among the factors that the HECC is required (under ORS 352.065 and 352.025(1d)) to evaluate is whether universities remain affordable for Oregon residents. The following constitutes our evaluation of Southern Oregon University's affordability.

Many students and prospective students at Southern Oregon University (SOU), like their counterparts at other universities around the state and nationwide, continue to face significant challenges related to access and affordability. While state funding for public universities has increased substantially in Oregon over the last decade (more than all but a couple of other states in the country), increasing institutional expenses and decreasing enrollment at most institutions have put substantial pressure on tuition in spite of sizable increases in state investment.

That shift has been particularly acute in Oregon in recent years. Net tuition and fee revenue represents two-thirds of total educational and general (E&G) revenue for the state's universities. This means students are paying the majority of the cost of their education while the state and institution funds the remaining one third. This is almost the reverse of the student experience a generation ago. Resident undergraduate tuition and fees at Southern Oregon University increased 60.8 percent in the last 10 years, including increases of 4.7 percent and 3.4 percent in 2022-23 and 2023-24 respectively.⁶ Specifically in 2023-24 tuition increased 2.9 percent and fees increased 5.6 percent.⁷ Resident graduate students have faced similar increases.

Students, however, do have access to financial aid at Southern Oregon University. In addition to need-based federal and state financial aid programs (Pell and the Oregon Opportunity Grant), Southern Oregon University students benefit from SOU's significant commitment of institutional resources to scholarships, remissions, and tuition discounts. In the 2022-23 academic year, SOU recorded \$2,966,690 in resident tuition remissions (14.1 percent of resident gross tuition charges), which is a 3.6 percent decrease over the prior year. The year prior, the 2021-22 academic year, SOU recorded \$3,078,745 in resident tuition remissions (13.8 percent of resident gross tuition charges).

Southern Oregon University also engages in a number of targeted programs designed to increase access and completion among targeted populations.⁸ For example, SOU's "Raider Scholarship" provides up to \$5,000 in annual scholarship to eligible students with a high school GPA of 3.75 or above (and certain SAT or ACT scores) based on financial need.

Tuition, however, tells only a small part of the affordability story. The total cost of attendance for students includes significant expenses associated with housing, food, transportation, and textbooks. Southern Oregon University estimates the average student budget for living expenses annually – \$19,759 for the 2023-24 academic year⁹ – exceeds resident tuition and fees.

While it is natural to view affordability primarily in terms of the student's direct cost associated with their enrollment, a larger perspective takes into account whether the student completes his or her degree, does so in a reasonable period of time, and has earning potential commensurate with the debts that might have

⁶ Source: <https://inside.sou.edu/enrollment/tuitionandfees.html> as well as historical OUS tuition data. Defined to include full-time resident base tuition and all mandatory fees (including incidental fees).

⁷ A full-time resident undergraduate student (taking 45 credits per year or 15 credits for each of three terms) at Southern Oregon will pay \$9,675 in tuition and \$2,418 in fees for a total annual cost of \$12,093.

⁸ <https://inside.sou.edu/enrollment/financial-aid/scholarships/index.html>

⁹ Source: <https://inside.sou.edu/enrollment/financial-aid/budgets/index.html>

been incurred. According to the HECC's SOU scorecard for the 2021-22 academic year,¹⁰ 54 percent of SOU's students were unable to meet expenses with expected resources, family contributions, student earnings and grant aid, compared to a statewide average of 47 percent.¹¹ Average earnings among bachelor's degree recipients five years after graduation were \$52,586, compared to a statewide average of \$57,087. The average debt among graduates was \$20,322, compared to a statewide average of \$20,728 and 33 percent of SOU students had federally supported loans, as compared to the statewide average of 32 percent. According to the College Scorecard, during the 2021-22 academic year, 36 percent of students received Pell Grants.¹²

¹⁰ Source: <https://www.oregon.gov/highered/research/Documents/Snapshots/SOU-Snapshot.pdf>

¹¹ Statewide averages from: <https://www.oregon.gov/highered/research/Documents/Snapshots/Statewide-Snapshot.pdf>

¹² [https://collegescorecard.ed.gov/school/?210146-Southern Oregon University](https://collegescorecard.ed.gov/school/?210146-Southern%20Oregon%20University)

ACADEMIC QUALITY AND RESEARCH

The introduction of a new state budget model that provides incentives for growth in enrollment and graduation outcomes has triggered concerns across various sectors that the pursuit of economic sustainability may adversely affect academic quality and research. A concern is that institutions might be tempted to lower standards in order to recruit and graduate more students. In light of this concern, there is interest in sustaining rigorous academic quality across all institutions. In partnership with all public universities, the HECC relies on regular external accreditation reviews, and collaborative partnerships with organizations such as the State Higher Education Executive Officers Association (SHEEO) and the Association of American Colleges and Universities (AACU) to pursue promising initiatives to develop nationally-normed outcomes to assess and track student learning and post-graduation success.

SOU has clearly established processes, guidelines and oversight committees for curricular planning; program development and review and faculty evaluation.

Proposed degrees, programs, and certificates originate with faculty at the program level, and are then routed through several levels of approval: first, from program chair to division director, then to the university Curriculum Committee or Graduate Council (for graduate programs); then to the Faculty Senate. Following approval by the Faculty Senate, proposals are presented to the SOU Board of Trustees, the Oregon Public University Provosts Council for evaluation and recommendation, and then to the Higher Education Coordinating Commission for final approval. Procedures and guidelines are available at: <https://inside.sou.edu/provost/curriculum.html>

The Faculty Senate Curriculum Committee's charge is to "study existing curricula and consider all changes in curricula including degrees offered, degree requirements, and specific courses." The Curriculum Committee is comprised mainly of teaching faculty (6), and three ex officio administrative members, including the Registrar and the Associate Provost. Its charge is to review and approve all additions or deletions of undergraduate courses or programs, as well as changes to curricular structure (such as pre-requisites, electives, or credit hour requirements) and then submit its recommendations to the Faculty Senate for approval. The University Studies Committee (USC) reviews courses that are proposed for inclusion in general education.

Description, charge and composition of Faculty Senate Committees are found in the [Bylaws](#) of the SOU Faculty Constitution (specifically, section 1.32). Materials delineating procedures for curricular change are found on the [Provost's Office website](#).

Strategic Enrollment Management

[Strategic Enrollment Management](#) (SEM) at Southern Oregon University is a shared governance, institutional approach to managing and growing student enrollments to achieve the vision and mission established for the university. Initially co-chaired by the Provost and Vice President for Academic Affairs and the Vice President of Enrollment Management and Student Affairs SOU established the Strategic Enrollment Council in 2019 to provide oversight, accountability, and a framework for enrollment related strategies to be debated and implemented. The Enrollment Council considers enrollment related strategies in the following four areas: Recruitment and Marketing, Student Success and Retention, Financial Aid and Pricing, and Academic Program Planning.

In the Fall of 2023, SOU purchased market research software and now all new program proposals include both market and comparative analysis. This tool helps us better understand demand characteristics for

new and existing programs. In addition, SOU envisions that the Academic Planning subgroup of enrollment council can utilize this data to help with forecasting emerging degree markets.

Academic Program Review:

In AY 2018-19, the Provost's office convened a working group consisting of academic faculty, several division directors and the Director of University Assessment to review approaches and practices to academic program review (APR). The recommendations of that group were presented to faculty governance and Division Directors and implemented in a pilot phase in Spring 2019. The APR process was fully implemented in AY 19-20, with a rotating three-year cycle that requires one-third of the academic programs to submit reviews each year. In AY 21-22 SOU completed one full cycle of APR reviews. Currently SOU is making revisions to the template and plans to roll out those changes for the new round of reviews in AY 24-25. One of the significant changes for the revised template is to include the same metrics that programs address in the development of new programs. This will allow SOU to consistently track longitudinal program metrics.

Academic Assessment

Southern Oregon University's system of academic assessment to evaluate the quality of learning in its programs includes faculty-led program assessment at the undergraduate and graduate levels, as well as assessment of institutional learning outcomes through the University Seminar program and senior writing, critical thinking, quantitative reasoning, information literacy, and oral communication, a model that was in effect through the 2022-23 academic year. With the implementation of the new General Education model, the University Studies Committee and University Assessment Committee are developing a new assessment plan and methods.

Assessment findings are used to inform and improve programs, student learning outcomes, and learning support practices in the following ways:

1. Within programs, faculty review and discuss findings and decide on changes in curriculum, instruction, assignments, assessment methods, and referrals to and collaborations with student support programs and practices.
2. Program faculty work with the Center for the Advancement of Teaching and Learning (CATL) to implement best practices and innovate new practices in teaching and learning.
3. The Center for the Advancement of Teaching and Learning plays a crucial role in curricular revision such as the transformation of General Education.
4. The University Assessment Committee uses the results of its reviews of program assessment reports, senior writing, and oral presentations to provide feedback to program faculty for their use in improving student learning and achievement; and collaborates with CATL to offer quarterly workshops to faculty.
5. The Provost, Faculty Senate, and Office of the Dean of Students respond to results by re-designing academic and student support programs and institutional efforts, such as the redesign of General Education.

Faculty Evaluations

According to Section 5 of the Bylaws of the SOU Faculty Constitution, faculty members are evaluated through several means: (a) student evaluations; (b) annual evaluations completed by program chairs for

faculty members on one-year fixed term appointments and term-by-term faculty upon completion of 3 years or 45 ELUS; (c) colleague evaluations for faculty holding tenure or extendable appointments.

Terms and procedures for faculty evaluations are outlined in sections 5.350-5.373 of the Faculty Senate Bylaws. A Program Chairs Manual with guidelines is published and provided on the Provost's web site and in the Collective Bargaining Agreement between the Association of Professors, Southern Oregon University (AP:SOU) and SOU.

Annually, each faculty member also completes a Faculty Professional Activities Report (FPAR), which includes review and self-evaluation of teaching effectiveness, scholarly activity, service activity, and goals for professional development in these and other areas (including administration for faculty with administrative responsibilities). SOU uses the Activity Insight software program for faculty reporting and evaluation procedures and, relatedly, for the promotion/tenure application review process.

Professional Development Grants

In addition to Professional Development Accounts, the 2022-2025 Collective Bargaining Agreement allocated \$50,000 for annual Professional Development Grants for which faculty may apply via proposal submitted to the Faculty Development Committee. According to the CBA, "Priority shall be given to proposals for substantive activities related to: course revision, assessment, improvement of teaching methodology and skills, updating faculty in their disciplinary fields, retraining faculty for new assignments, providing instructional resources, and developing interdisciplinary courses, scholarship, and academic conference travel." Proposals should be consistent with the faculty member's professional appointment, and may be evaluated by the Provost, in consultation with the Faculty Development Committee, for alignment with institutional priorities.

Ongoing professional development:

SOU's Center for the Advancement of Teaching and Learning (CATL) provides leadership in instructional efforts, works with faculty and others to ensure excellence in teaching practices in all learning environments, and supports the development, implementation, and maintenance of policies and standards for teaching and learning. In addition to a Director, Instructional Designer, and a revised Teaching Specialist position, CATL added an Associate Director, Faculty Scholarship Development and Research Compliance. These changes expand CATL's breadth to include faculty scholarship and community engagement.

Resources and Events

CATL Resources offer a browsable collection of guides and tools to help faculty design and deliver effective instruction in face to face and distance environments. Dozens of resources support the learning technology ecosystem including Moodle, Zoom, Google Suite, Hypothes.is and Brickfield Accessibility Toolkit.

The CATL Commons consists of curated resources and opportunities for professional development. Examples include, Learning Circles, which are faculty attended book clubs, the September Symposium, where faculty share new initiatives, and workshops around topics such as Generative AI and Transparent Assignment Design.

Programs and Services

Innovation Communities are intended for small groups of faculty who wish to create a community of practice on a short term basis to solve a student learning challenge through innovative curriculum or pedagogy. To date there have been 14 Innovation Communities supported since program inception, including 127 faculty serving as leaders or members. In addition, Innovation Communities have sponsored

university-wide events, attracting more than 200 additional faculty/community members for an overall reach of more than 300 faculty. To further socialize the work of each Innovation Community, the CATL and Hannon Library have established the [Innovation Communities Repository](#).

The [Course Design Academy \(CDA\)](#) serves as a student success initiative, a faculty development opportunity, and an investment in intentional design for key courses with the potential to substantially enhance student success. In support of the Transforming General Education initiative, for the second and final year, the CDA was reconceived to support the redesign of more than 100 courses. Faculty members are supported by CATL staff and faculty mentors in a course design process based on the research-based framework of L. Dee Fink's Significant Learning Experiences. Every course application included a Course Design Map, Signature Assignment, and human-centered Course Syllabus.

Institute for Applied Sustainability

The Institute for Applied Sustainability brings together scholars and practitioners to advance knowledge and create solutions for a beautiful livable future. Over the past 12 months, IAS supported student, faculty, staff, and community projects promoting sustainability. Faculty support included the following:

Faculty Fellows received course releases and up to \$20,000 to advance scholarship. Seven distinct research projects were funded over the past 12 months in a range of fields including: disaster recovery, small business development, food system collaboration, climate justice, and environmental storytelling. This research additionally included five undergraduate research assistants, one graduate assistant, and one community intern.

Faculty Affiliates received project funding to support innovation in scholarship and teaching. Funds were used to support conference participation, undergraduate researchers, research travel, instrumentation, and international collaboration. This year, IAS supported the work of nine affiliate faculty members on projects that included collaborative carbon sequestration research, US-Mexican social business development, student leadership development, and an artist in residency program with our regional waste transfer stations.

Sustainability Across the Curriculum Participants receive stipends and technical support to integrate sustainability into course content, assignments, examples, and learning outcomes. Each year up to 12 faculty members are selected for participation.

In addition, all faculty fellows and affiliates were provided access to technical support in the form of grant writing, project management, contracting services, hiring and onboarding, leadership training, and a robust marketing council. In total, IAS provided nearly \$150,000 in financial support for faculty scholarship, service, and teaching over the past year.

RESEARCH ACTIVITY

In 201-21, SOU reported total research expenditures of approximately \$475,000. For the 2022-23 academic year, SOU reported total research expenditures of approximately \$792,000.

Office of Sponsored Programs

Starting in the academic year 2022-2023, SOU set out to redesign the Office of Sponsored Programs (OSP). With our most recent addition of a post-award manager, our OSP now has three staff positions and has established a comprehensive and robust program to support grant seekers and researchers to ensure that processes are streamlined and improved from the beginning of the grant cycle to its conclusion. In addition to investing in new positions and developing support resources for grants, contracts and research compliance, SOU is also developing a direct incentive to Principal Investigators when they secure qualifying grant funding to support faculty in their disciplinary fields, scholarship, and academic conference travel.

COLLABORATION

There are a number of joint administrative, academic and governance efforts to maintain collaboration across institutions. Faculty at all public universities are represented at the Inter-Institutional Faculty Senate (IFS), which is made up of elected senate representatives from each institution. The IFS serves as a voice for all faculties of these institutions in matters of system-wide university concern. In November 2018, the presidents of Southern Oregon University (SOU), Oregon Institute of Technology (Oregon Tech), Rogue Community College (RCC) and Klamath Community College (KCC) formed the Southern Oregon Higher Education Consortium (SOHEC), Oregon's first regional coalition of colleges and universities. Partners established the consortium to prompt discussion about what kinds of economic growth are needed in southern Oregon, what industries the institutions should help support or attract, and how higher education can best align to meet those needs. Since its inception, SOHEC has created a website, shared housing, explored collaborative academic programming, worked on developing dual admission, improved transfer and developed or implemented additional programs.

SOU continues to maintain strong partnerships and collaborations across institutions. In AY 2020, SOU hosted a Title IX training at the Ashland campus for the SOHEC faculty and staff. In July 2020, leaders from SOU and RCC partnered with Representative Pam Marsh, K-12 superintendents, and leaders in the business community and the Rogue Workforce Partnership to form the Southern Oregon Education Leadership Council (SOELC) with the goal of establishing an integrated, student-centered system of education that supports each student from kindergarten through adulthood, including the appropriate higher education and career pathways. The primary focus of the group's work is developing flexible dual enrollment and equitable transfer policies, and accessibility to education and career pathways.

SOU has joined with RCC and KCC to develop transfer agreements that are unique to Southern Oregon, including but not limited to 2+2 degrees and synchronous remote instruction. In addition, RCC and SOU jointly provide ongoing development of internship/apprenticeship and other forms of workplace learning and opportunities for paid work and continue to create career pathways through stackable certificates and micro-credentials, and degree programs. Below are just a few examples of recent collaborations between SOU and RCC.

SOU also plays a role in numerous local organizations including;

- Behavioral Health Workforce Group
- Southern Oregon Regional Economic Development Inc. (SORED)
- Osher Lifelong Learning Institute (OLLI)
- Mount Ashland Sustainability and Environment Committee
- Climate and Environment Policy Action Committee, City of Ashland
- Rogue Valley Audubon Society
- Southern Oregon Climate Smart
- Rogue Basin Partnership
- Travel Southern Oregon

Student Success and Completion

Benefits Navigators, Academic Advisors, Student Success Coordinators, and mental health professionals share expertise and resources to provide intensive, individualized support, guidance and counseling. Providing skills-building workshops to develop money management, job-seeking and other life skills.

Facilitating seamless transfer:

Academics:

- 570 RCC courses transfer directly to SOU (excludes vocational/technical courses)
- Annual “Articulation Retreats” where faculty and staff from both institutions spend several hours sharing information about curriculum updates, new academic services and programs, and potential areas for further collaboration
- Shared efforts to provide education/training (EX: Currently exploring the possibility of a shared effort to create micro-credentials, certificates, and 2 & 4 year degrees for the region’s farmers and ranchers.)
- Ground-breaking data sharing partnerships on prospective students with local school district partners.

Osprey to Raiders Transfer Program:

- RCC students interested in transferring to SOU fill out a form indicating their name contact info, what academic interests they have, etc.
- That info from the form goes directly into SOU’s system which allows SOU advisors to contact the students directly to discuss obtaining a bachelor's degree, how to transfer, scholarships, etc.
- RCC sends SOU the RCC student transcript free of charge to the student
- RCC have access to SOU advising info, SOU athletics, SOU library
- Establishes the reverse transfer process in which RCC students can take SOU classes to meet RCC’s graduation requirements at no cost to the student

Essential Services

RCC students who are jointly registered at SOU can stay in SOU’s Residence Halls providing trauma-focused cognitive behavioral therapy for those who have experienced abuse; partnering on Adverse Childhood Experiences (ACES) “Train the Trainer” collaboration through support from grant funding.

RCC and SOU also partnered with the Higher Education Coordinating Commission (HECC) in support of the Adult Promise Program, led through the State Higher Education Executive Officers Association (SHEEO) and Lumina Foundation, to receive a \$50K grant to do targeted joint marketing and outreach to “some college-no-credential” adults -- particularly those from communities of color -- using dual-branded postcards, television, social media, and digital advertising to direct them to low-cost educational opportunities.

In addition, SOU engages in a number of collaborative initiatives with other universities and partners, as indicated below (*P* indicates Participation, *N/P* indicates Non-Participation):

Table 6: Southern Oregon University Collaborative Initiatives Participation

| Other University Collaborations | University Response |
|--|----------------------------|
| Public University Councils: | |
| Presidents Council | P |
| Provosts Council | P |
| Vice Presidents for Finance and Administration (VPFAs) | P |
| General Counsels (GCs) | P |
| Public Information Officers (PIOs) | P |
| Legislative Advisory Council (LAC) | P |

| | |
|---|--|
| Cooperative Contracting (<i>note: taking part in State contracts</i>) | P E&I, NASPO, NIPPA, Sourcewell (formally NJPA), ORPIN |
| Capital Construction Services | P |
| OWAN | NA If “OWEN” network then this has been subsumed within NERO, if “OWAG” then NP since OWAG is a financial data warehouse used by USSE. |
| NERO Network | P |
| RAIN | NA SOU understands this to be available only for UofO and OSU but they collaborate with the Rogue Workforce Partnership (similar to RAIN). |
| Orbis Cascade Alliance | P |
| ONAMI | N/A SOU understands this to be available only for UO, OSU, PSU, and OHSU. |
| Other | <p>Other Collaborations/Partnerships:</p> <p>In 2023 SOU put forth a proposal to fund a Behavioral Health Institute at SOU. The proposal was ultimately advanced as House bill 3274 and, though the bill was not funded. We continue to move forward with initiatives to help alleviate the shortage of behavioral and mental health professionals in the Rogue Valley. To this end, our Mental Health Counseling received a 1.8 million dollar grant for the Oregon Health Authority. This money is specifically earmarked to provide tuition assistance. In addition, we are working on a plan to increase the number of students enrolled in the CMHC program by over 25 percent. Lastly, we are in preliminary discussions with Portland State University to develop a joint Masters in Social Work program.</p> <p>SOU continues its collaboration with RCC, KCC, and OIT in the Southern Oregon region with respect to the creation of guided pathways and meta-majors, transfer</p> |

| | |
|--|---|
| | <p>articulation agreements, and curricular innovations.</p> <p>SOU continues its memberships in the Medford Chamber of Commerce and the Medford Chamber Forum, Ashland Chamber of Commerce, Grants Pass Chamber of Commerce, Medford and Ashland Rotary Clubs, SOREDI, the Rogue Workforce Partnership (similar to RAIN).</p> |
|--|---|

| Activity | Description |
|----------------------------------|--|
| Shared Facilities | <p>1) Southern Oregon University continues to share the facility in Medford with Rogue Community College.</p> <p>2) The Southern Oregon University campus includes the Oregon Health & Science University’s School of Nursing in Ashland. Three pathways are offered to OHSU students to complete their Bachelor of Science with a major in nursing exist and include: i) the Oregon Consortium for Nursing Education or OCNE, ii) a three-year undergraduate nursing program, iii) and an accelerated Bachelor for those with an undergraduate degree in another field and an associate degree in nursing from an OCNE community college.</p> |
| Staff Reduced Tuition Programs | <p>Employees and their dependents at Southern Oregon University, Rogue Community College (Grants Pass/Medford area), and Klamath Community College (Klamath Falls) can all participate in a reduced tuition agreement between the three institutions, a program that was modeled after the original public university’s staff tuition benefit.</p> |
| Transfer Articulation Agreements | <p>Southern Oregon University has very detailed transfer articulation agreements with 12 community colleges in Oregon and which include 39 different programs. Cooperating institutions include: Rogue Community College, Klamath Community College, Central Oregon Community College, Chemeketa Community College, Clackamas Community College, Clatsop Community College, Lane Community College, Linn-Benton Community College, Mount Hood Community College, Portland Community College, Southwestern Community College, and Umpqua Community College.</p> |

Pathways

Transfer student success is a key area of focus both in Oregon and nationally. The statutes outlining goals for transfer student success and cooperation between Oregon’s higher education sectors (ORS 350.395, 350.400, 350.404, 350.412, and 348.470) are the framework for HECC’s continued partnership with the seven public universities and seventeen community colleges. Recent policy discussions between institutions and HECC give this sustained work a renewed focus: more and better statewide data on transfer student outcomes and potential statewide solutions where persistent barriers exist.

Although Oregon has state-level policies and processes to ensure that students may apply credits earned upon transfer from community college to university (e.g., the Associate of Science Oregon Transfer–Business, or ASOT Business) research that resulted from House Bill 2525 (2015) and the subsequent HB 2998 (2017) report revealed that community college transfer students on the whole often face challenges in completing an intended major, which result in excess accumulated credits, increased tuition costs, and debt. Statewide, community college transfer students graduate with more “excess” credits than their direct entry counterparts (aka “native students”). Public universities are working with community colleges to improve advising and information on career pathways to reduce the excess number of community college credits taken. Moreover, despite the best efforts of advisors, faculty, and administrators, some students who complete statewide degrees—such as the ASOT–Business are ill-served if they transfer into certain majors. Excess credits may transfer as electives, but they sometimes fail to apply to a student’s major. Because major requirements at the university level can change, community college students’ and advisors’ efforts at effective degree planning are negated by these excess credits.

The passage of HB 2998 in 2017 required the HECC to work closely with both public universities and community colleges to create a new framework for statewide transfer, a Core Transfer Map (CTM) of at least 30 credit hours of general education, and a process for the creation of Major Transfer Maps (MTMs) in major fields of study to aid transfer students in moving smoothly into university study, with fewer lost or excess credits. Public university and community college faculty, registrars, institutional researchers, and administrators have been advisors and participants to the HB 2998 implementation process, adding insight and value to the Major Transfer Maps. These partners continue to work closely with HECC staff and the institutions to move this work forward. One area that the public universities have participated in has been by nominating faculty to serve on MTM subcommittees (e.g., in Computer Science, Business, English Literature, Biology, and Elementary Education).

Related to transfer student success, programming to provide college credit in high school, or accelerated learning, has also benefited from enhanced statewide collaboration amongst Oregon’s public universities and 17 community colleges in 2020-21 and 2021-22. The HECC convened an Oversight Committee for High School Based College Credit Partnerships and the Advanced Placement and International Baccalaureate Policy Workgroup both have support and representation from all seven public universities. Implementing 340.310, 350.075, and OAR 715-017-0005, the groups ensure that college credit earned in high school is transferrable and supports student pathways to postsecondary degrees and certificates. State approval of high school-based college credit partnership programs promotes transparency, educational equity, and comprehensive advising so that students may access, earn, and transfer these credits smoothly. State approval of programs, through peer review, confirms that a college course taught on campus and the college course taught in a high school are essentially the same, and treated the same when transferred. HECC staff continues to work with all institutions whenever concerns about high school-based college credit transfer come to light.

College credit articulations at Oregon’s public universities are also on record for Advanced Placement (AP)

and International Baccalaureate (IB) exams. Articulation tables are published by HECC with advice from the AP/IB Policy Workgroup. This process has led to more transparent and better aligned articulations list, with the expectation that over time articulations will become increasingly similar among community colleges, comprehensive regional universities, and larger research universities. In the online table, a student can find out how a particular AP exam subject and score articulates to all 24 public postsecondary institutions in Oregon as well as to which core transfer map content area that articulation applies.

In the 2021 legislative session, Oregon passed Senate Bill 233 that further supports the work of statewide transfer through the establishment of a Transfer Council to implement Common Course Numbering (CCN). The Commission submitted its first progress report to the legislature on SB 233 in March 2022. One notable change to the legislative requirements was a decrease in the number of MTMs to be approved from three per calendar year to one until calendar year 2026. The intent behind this temporary change is to allow faculty to spend time aligning learning outcomes, credits, and course numbers at the course level.

Starting in spring 2022, four faculty subcommittees (Communication, Math, Statistics, and Writing) and one systems and operations subcommittee began meeting regularly to work on aligning 10 of the most transferred courses between public colleges and universities in Oregon. For seven months, these subcommittees—composed of 96 faculty and staff—logged over 100 hours in meetings to discuss, collaborate, and vote on aligning these courses. The result of these meetings is a guiding framework for common course numbering and the first round of statewide aligned courses in the history of higher education in Oregon. This framework will also be useful for programs that offer college credit in the high school.

All seven public universities and 17 community colleges are in the process of adopting these courses for the 2023-24 catalog, as per the requirements of SB 233 (2021).

Southern Oregon University, like most public colleges and universities in Oregon, offer dual credit opportunities to high school students. Below is a table displaying dual-credit students as a percentage of all Oregon resident undergraduates, by institution, during the 2022-23 academic year:

Table 8: Dual Credit Students as a Percentage of All Oregon Resident Undergraduates, 2022-23

| EOU | OIT | OSU | PSU | SOU | UO | WOU | Total |
|-------|-------|------|-------|-------|------|-------|-------|
| 32.2% | 59.8% | 0.0% | 12.8% | 45.5% | 0.0% | 38.9% | 16.8% |

SHARED ADMINISTRATIVE SERVICES

Southern Oregon University also engages collaboratively in a number of administrative services with other universities and partners, as indicated in the table below. (P indicates participation; NP indicates Non-Participation)

Table 7: Shared Administrative Services

| Provider | University Response |
|---|----------------------------|
| University Shared Services Enterprise (USSE, hosted by OSU) | |
| Financial Reporting | P |
| Capital Asset Accounting (currently only OIT) | N/P |
| Payroll & Tax Processing (includes relationship w PEBB, PERS/Federal retirement*) | P |
| Collective Bargaining * | P |
| Information Technology/5 th Site | N/P |
| Treasury Management Services: | |
| Legacy Debt Services-Post Issuance Tax Compliance | P |
| Legacy Debt Services-Debt Accounting | P |
| Non-Legacy Debt Services | P |
| Bank Reconciliations (and other ancillary banking services) ² | P |
| Endowment Services | P |
| Other Miscellaneous Statements of Work: | |
| Provosts Council Administrative Support | |
| Legislative Fiscal Impact Statement Support | |
| Risk Management Analyst (TRUs only) | |
| Public University Fund Administration ³ | P |
| Southern Oregon University | |
| Retirement Plans * | |
| Legacy 401(a) Plan | P |
| Legacy 403(b) Plan | P |
| Optional Retirement Plan (ORP) | P |
| Tax-Deferred Investment (TDI) Plan | P |
| SRP Plan | P |
| Public University Risk Management and Insurance Trust (Risk Management) | P |

Stemming from the passage of SB 270 and the University Shared Services Workgroup of 2013, as well as subsequent legislation found in ORS 352.129, the seven public universities created the University Shared Services Enterprise (USSE), a service center hosted by Oregon State University. USSE offers a fee for

service model for many back-office functions previously offered by the OUS Chancellor's Office. ORS 352.129 mandates participation by the independent universities in certain services offered by USSE until July 1, 2019. These mandated services include group health insurance, a select set of group retirement plans, and collective bargaining. All universities, including SOU, continue to participate in these mandated services.

Southern Oregon University has committed itself to a strategy that leverages partnerships and collaborations in the service of its students, its community, the state, and beyond. Many of the most notable partnerships were with Oregon public K-12 school districts and with other higher education institutions. Starting in early 2022, the university president traveled (along with key members of the SOU Student Affairs, Admissions and Recruiting team) to visit with ten different school district superintendents throughout the state. These visits culminated with ground-breaking data sharing partnerships on prospective students. In addition to allowing for a more robust outreach to high school students and their families, it also created a foundation for feedback on aggregate student performance feedback. These partnerships were partly responsible for a remarkable increase in first-year enrollment trends. In fall 2023, SOU experienced a 15.9 percent increase in first-year enrollment compared to just a year earlier. We expect those numbers to continue to shine, particularly as the outreach is being done not just to students in 12th grade, but to students across the high school spectrum. In 2023, the president and key members of the leadership team started a second round of visits to school superintendents and their staffs to update them on the data sharing partnerships, garner feedback, and celebrate accomplishments.

The institution is also highly active in the Oregon Council of Presidents (OCOP), the Provosts' Council, the VPFA Council, and many other organizations designed to foster collaboration and adoption of best practices among institutions. The SOU president is scheduled to assume the role of Vice Chair of the OCOP in March 2024.

In 2022, the institution also made community college collaborations a strategic priority. Like the K-12 outreach, the university president and key members of the SOU Student Affairs and Academic Affairs teams traveled personally to visit with nine different community college presidents and their staffs. The goals of these visits were to streamline transfer processes, engage in collaborative recruitment efforts, explore shared services, and discuss student success strategies. These efforts also bore fruit, as the transfer student enrollment trends have begun to show a dramatic improvement. In the fall of 2023, the student transfer enrollment increased by a remarkable 10 percent over fall 2022 numbers. We expect that trend to continue.

In addition to K-12 and Community College partnerships, SOU remains highly active in the Rogue Workforce Partnership, the Southern Oregon Regional Economic Development Inc. (the SOU president serves on the board), the Ashland Coalition, the Chambers of Commerce for Ashland and Medford, and several Rotary clubs throughout the Rogue Valley. The president has served as a keynote speaker for six Rotary Clubs, the Medford Chamber Forum, the University Club, the Klamath Tribes Graduation Celebration, and many others.

SOU is also highly active in partnerships with the nine federally recognized tribes in Oregon. In 2022, the university president started to travel personally to visit with tribal leaders in their communities. As of fall 2023, the president has visited personally with eight of the nine tribes and hopes to visit the last in 2024. The visits were highly successful, strengthening partnerships and calls to service. These visits also culminated in two major achievements in 2023. First, the institution now has a statewide draft of a tribal Memorandum of Understanding which is under consideration by the Government-to-Government Education cluster of the nine tribes. If passed, it will be the first of its kind in SOU's 152-year history,

fostering collaboration in student pathways and educational success. The second was also the first of its kind, a tribal flag raising ceremony in SOU's student union on Indigenous Peoples Day 2023, in which representatives from all nine tribes raised their tribal flags in the student union.

SOU entered into a MOU with the City of Ashland, Ashland School District, Ashland Fire, Ashland Police, and Jackson County to host and convene a monthly Emergency Operations Council to prepare, train, and respond to a regional disaster. SOU campus is the host site for the EOC operations and provides technology and support to maintaining public order should another natural or manmade disaster befall our region. In addition to education and government leaders, the institution has also made great strides in philanthropic partnerships. The single two greatest single philanthropic gifts in SOU's 150-year history happened in calendar year 2022. The first, from the estate of a former SOU Wrestling coach, established endowments for student athletes and coaching staff in perpetuity, and the second, a ten-year gift partnership with Lithia and Driveway (a global auto retailer based in Medford) not only provides scholarships and entrepreneurial investments, but also established the Institute for Applied Sustainability, which helps fund faculty and staff members and community-based projects. Collaboration and partnerships will continue to drive SOU's strategic initiatives moving forward, as the institution both celebrates recent accomplishments and challenges itself for future successes.

FINANCIAL HEALTH ASSESSMENT

This section of Southern Oregon University’s evaluation includes an overview of key financial ratios and other data commonly used to understand the strength of a public institution’s financial position and its operating performance. Financial monitoring is conducted by HECC staff on an annual basis, and this section reflects high-level summaries of that report. A final version of the Financial Conditions Report will be submitted to the HECC Commission and to the Oregon Legislature in April of 2024.

Within the Financial Conditions Report, to provide warning of potential financial instability for policy makers, the financial sustainability of each institution is assessed using currently available data. The analysis includes both quantitative and qualitative factors for appropriate context. The metrics are measured over time to understand emerging trends.

Several factors can lead to an increased risk of predictable financial instability and are therefore used in this analysis. These factors include a sharp decline in enrollment, a decline in select financial ratios over time, and an increased reliance on a single revenue source.¹³ The select financial ratios include the operating margin, primary reserve, and viability ratio. All of the ratios are explained in more detail within the Financial Conditions Report. An assessment of the trend for each is included in Table 1.

The assessment of the metrics is based on work conducted by the National Association of College and University Business Officers (NACUBO) in conjunction with public accounting firm Baker Tilly. Their work establishes the financial condition of the institution relative to the measurement of each metric. The financial condition is noted as stable, struggling 1, struggling 2, or in crisis. The condition noted for the financial ratios in Table 1 is an assessment based on the condition of the individual ratios.

Table 8: Trend in Metrics

| | Enrollment | Financial Ratios | Reliance on State Funding |
|------------|-------------------|-------------------------|----------------------------------|
| EOU | Struggling 2 | Stable | Stable |
| OIT | Struggling 2 | Stable | Stable |
| OSU | Stable | Stable | Stable |
| PSU | Struggling 2 | Stable | Stable |
| SOU | Struggling 2 | Struggling 1 | Stable |
| UO | Stable | Struggling 1 | Stable |
| WOU | In Crisis | Struggling 1 | Stable |

Source: Enrollment is from the HECC Office of Research and Data. The financial ratios are based on data from IPEDS while the reliance on state funding and other factors are based on data from annual financial statement audits and surveys reported to the HECC.

¹³ Kelchen, Robert. “Examining the feasibility of empirically predicting college closures.” Economic Studies at Brookings, 2020, <https://www.brookings.edu>.

An explanation of the trend for each metric is included below.

- **Enrollment** – when looking at enrollment through the lens of fall, fourth week FTE for all students including undergraduate and graduate, resident and non-resident, all but OSU and UO have experienced recent declines.
- **Financial Ratios** – Considering the operating margin, most are struggling to balance expenses within available revenue from year to year. Meanwhile, long-term capacity seems to be an issue for several of the regional universities.
- **Reliance on State Funding** – The reliance on state funding, as measured by the percentage of E&G fund (general fund) revenue provided by the state, has increased for all but OSU.
- **Other Factors** – There are no known ongoing investigations or sanctions for any of the universities. Some of the universities have had recent challenges publishing an annual financial report in a timely manner. Also, there has been recent leadership turnover at some of the universities affecting key leadership positions including president, provost, and chief financial officer.

Enrollment

Stable, if not growing, enrollments over time are integral to an institution’s financial health. Net tuition revenue is typically the largest source of operating (or general fund) revenue. Also, the distribution of state funding is influenced by the enrollment and completion of resident students.

Large fluctuations in enrollment from year to year can cause revenue volatility. Credit rating agencies rely on enrollment trends to determine student demand and market position, both of which are factors in ratings analysis. The recent trend in fall, fourth week FTE enrollment for all students is included in Table 2.

| | 2019-20 | 2020-21 | 2021-22 | 2022-23 | Two-year Trend | Condition |
|------------|----------------|----------------|----------------|----------------|-----------------------|------------------|
| EOU | 2,133 | 2,124 | 2,050 | 1,973 | (7%) | Struggling 2 |
| OIT | 3,247 | 3,214 | 2,990 | 2,907 | (10%) | Struggling 2 |
| OSU | 27,120 | 27,013 | 27,575 | 28,585 | 6% | Stable |
| PSU | 18,816 | 17,428 | 16,522 | 15,668 | (10%) | Struggling 2 |
| SOU | 4,029 | 3,512 | 3,321 | 3,264 | (7%) | Struggling 2 |
| UO | 22,105 | 21,263 | 21,781 | 22,706 | 7% | Stable |
| WOU | 4,068 | 3,769 | 3,300 | 3,069 | (19%) | In Crisis |

Source: Fall, fourth week FTE for all students from the HECC Office of Research and Data.

| Condition Associated with Fall FTE Enrollment Trend (Two-Year Trend) | |
|---|--|
| Stable | Increasing or relatively stable (i.e., <2% decrease) |
| Struggling 1 | Decreased by 2 to 5% |
| Struggling 2 | Decreased by 5 to 10% |
| In Crisis | Decreased by >10% |
| Source: NACUBO/Baker Tilly, Path to Sustainability Project, 2023. | |

The trends outlined within the Financial Conditions Report focus on four areas: demographics and market demand, inflation, revenues and expenses, and state funding. The key takeaways include:

- Enrollment headwinds and uncertainty regarding long-term student demand might continue to suppress the growth of operating revenue.
- Higher inflation compared to the historical long-term average might lead to an acceleration in the growth of expenses over the short-term.
- Financial sustainability is based on balanced budgets and capacity building. Both will be challenging if the growth in revenue does not keep pace.
- Recent increases in state funding are having a positive impact on affordability but have not altered the long-term transfer of cost burden from state to student.

Demographics and Market Demand

Enrollment is a key revenue driver. The forecasted demographics of Oregon suggest several headwinds exist for enrollment in the future. The implication is that the financial sustainability of the institutions will not be served well by expectations of substantially higher enrollments of resident students under age 25. The outlook does not appear promising.

The number of students in K-12 in Oregon has declined 5.1 percent between 2018-19 and 2022-23¹⁴ while the number of annual high school graduates in Oregon is projected to decline five percent through 2037¹⁵. Also, the number of Oregon residents aged 18 through 24, typically those college aged, is projected to increase by just under 12,000 (about 2.0 – 2.5 percent) total through 2033 while decreasing as a percentage of the overall population to 9.6 percent as show in table 9.¹⁶ Recent national projections from the US Census Bureau show the population of those aged 18 to 24 potentially remaining below the historical proportion through the end of the century.¹⁷

¹⁴ Oregon Statewide Report Card for 2022-23, Oregon Department of Education, November 2023.

¹⁵ WICHE, Knocking at the College Door: Projections of High School Graduates, 2020.

¹⁶ Oregon Department of Administrative Services, Office of Economic Analysis, Oregon Economic and Revenue Forecast, Table C.2, Population Forecast by Age and Sex, March 2024.

¹⁷ US Census Bureau, 2023 National Population Projections, <https://www.census.gov/programs-surveys/popproj.html>, February 2024.

Table 10: Projection of Oregonians Aged 18-24

| | Age 18-24 | Total Population | Proportion |
|-----------------------------------|------------------|-------------------------|-------------------|
| 1980 | 329,407 | 2,641,218 | 12.5% |
| 1990 | 305,400 | 2,860,375 | 10.7% |
| 2000 | 380,040 | 3,431,100 | 11.1% |
| 2010 | 410,686 | 3,837,300 | 10.7% |
| 2020 | 422,713 | 4,243,959 | 10.0% |
| 2025 | 426,206 | 4,333,600 | 9.8% |
| 2030 | 437,361 | 4,461,400 | 9.8% |
| 2033 | 434,624 | 4,546,600 | 9.6% |
| Variance, 2020 to 2033 | 11,911 | 302,641 | |
| | 2.8% | 7.1% | |

Source: Oregon Department of Administrative Services, Office of Economic Analysis, Oregon Economic and Revenue Forecast, Table C.2, Population Forecast by Age and Sex, March 2024.

At the same time, Oregon’s population is getting increasingly diverse in terms of race and ethnicity. The Hispanic population in Oregon is the largest historically underrepresented group and growing rapidly. Since the year 2000, the Hispanic population has doubled, with the Asian, Hawaiian and Pacific Islander (AHPI) population not far behind. An overwhelming proportion of them are children and young adults¹⁸ with many being the first generation in college.

Meanwhile, uncertainty remains regarding long-term student demand. The college-going rate of Oregon high school graduates has declined from 65 percent to 56 percent during the past decade¹⁹. The Oregon Employment Department projects the share of all jobs in Oregon that require a bachelor’s degree or higher in the next decade will be largely unchanged²⁰. And the adult-learner population nationally has migrated toward “cheaper, more flexible, and quicker-to-advance-through online courses provided by a narrow cadre of [for-profit] institutions capable of investing in expensive marketing campaigns”.²¹

Inflation

Inflation is a key cost driver. Although there are varying perspectives on inflation, the focus here is on the consumer price index for urban consumers (CPI-U). The growth in the CPI-U over time often correlates to the expected increase in wage and benefit expense which represents the majority of institution spending. Table 10 includes a summary of the growth in CPI-U over time for both the western region and the national average.

¹⁸ Oregon’s Demographic Trends, DAS Office of Economic Analysis, July 2019.

¹⁹ HECC Annual Report of Key Performance Measures, November 2023.

²⁰ Damon Rundberg, Oregon Employment Department, Enrollment at Oregon’s Public Universities, December 2021.

²¹ Dan Bauman, Colleges Were Already Bracing for an Enrollment Cliff. Now There Might be a Second One. The Chronicle of Higher Education, February 7, 2024.

| Table 11: Growth in Inflation Over Time | | | | | |
|--|-------------------------|------------------------|-----------------------|------------------------|----------------------------|
| | National Average | Annual Variance | Western Region | Annual Variance | Gap, Western and US |
| 2014 | 236.7 | 1.6% | 240.2 | 1.9% | 1.5% |
| 2015 | 237.0 | 0.1% | 243.0 | 1.2% | 2.5% |
| 2016 | 240.0 | 1.3% | 247.7 | 1.9% | 3.2% |
| 2017 | 245.1 | 2.1% | 254.7 | 2.8% | 3.9% |
| 2018 | 251.1 | 2.4% | 263.3 | 3.3% | 4.8% |
| 2019 | 255.7 | 1.8% | 270.4 | 2.7% | 5.7% |
| 2020 | 258.8 | 1.2% | 275.1 | 1.7% | 6.3% |
| 2021 | 271.0 | 4.7% | 287.5 | 4.5% | 6.1% |
| 2022 | 292.7 | 8.0% | 310.5 | 8.0% | 6.1% |
| 2023 | 304.7 | 4.1% | 323.8 | 4.3% | 6.3% |
| Annual Growth Rate | 2.6% | | 3.0% | | |

Source: US Bureau of Labor Statistics, Consumer Price Index for all Urban Consumers (CPI-U), Western Region and US City Average, not seasonally adjusted, annual for 2013-2023, base period is 1982-84=100.

Although the year-to-year increases are similar, inflation in the western region of the country has grown faster than the national average leading to a larger gap in price levels between the two. Also, although inflation spiked recently to 8.0 percent during the start of the pandemic it has now fallen to 3.3 percent year over year as of January 2024 for the western region²². Higher inflation compared to the historical average could lead to an acceleration of spending in the short-term.

Revenues and Expenses

Balancing expenses with available revenues is important to achieving the mission in the short-term and developing the capacity for mission relevance over the long-term. Table 11 includes the trend in total revenues and expenses over time for institutions across the nation and in Oregon specifically. This includes public, four-year, degree-granting institutions including health-related institutions like OHSU. In both cases, the annual growth in total expenses is outpacing inflation by roughly 2.0 percent. Meanwhile, the annual growth in total expenses has also been outpacing the annual growth in revenues both nationally and in Oregon.

²² US Bureau of Labor Statistics, Western Information Office, News Release, February 13, 2024.

**Table 12: Revenues and Expenses of Public Institutions
(In thousands, four-year, degree-granting)**

| | United States | | Oregon | |
|---------------------------|---------------|-------------|-------------|-------------|
| | Revenues | Expenses | Revenues | Expenses |
| 2013 | 260,804,459 | 247,487,802 | 4,764,046 | 4,529,658 |
| 2014 | 284,827,420 | 259,448,393 | 5,114,910 | 4,812,288 |
| 2015 | 278,731,047 | 270,180,051 | 5,489,487 | 4,822,125 |
| 2016 | 296,983,424 | 289,582,547 | 6,050,138 | 5,711,518 |
| 2017 | 321,444,429 | 305,363,799 | 6,048,885 | 5,723,589 |
| 2018 | 338,605,331 | 319,772,061 | 6,301,501 | 6,036,895 |
| 2019 | 345,618,668 | 334,251,664 | 6,762,762 | 6,282,519 |
| 2020 | 357,858,493 | 351,185,532 | 7,168,842 | 6,788,077 |
| 2021 | 425,234,001 | 351,740,563 | 7,462,396 | 6,933,318 |
| 2022 | 396,768,584 | 382,971,620 | 7,565,360 | 7,392,230 |
| Annual Growth Rate | 4.3% | 4.5% | 4.7% | 5.0% |

Source: US Department of Education, NCES, IPEDS (trend generator), finance component data, fiscal years 2013 through 2022, four-year, degree granting institutions. Unadjusted for inflation.

Removing OHSU and focusing solely on Oregon public universities, the trending is different as shown in Table 12. Total expenses are growing slightly faster than inflation (3.1 percent compared to 3.0 percent), with total revenues growing faster than expenses. However, the type of revenue is important.

Operating revenue is generated from the direct provision of services and includes net tuition and fees, grants and contracts, and auxiliary enterprises. Non-operating revenue includes government appropriations, financial aid grants, investment earnings, and gifts. The growth in non-operating revenue has allowed operating revenue to grow slower than expenses.

Table 12 shows that over the past decade, enrollment declines have suppressed the growth in operating revenue. The growth in non-operating revenue, particularly state funding, has made up the difference. With financial sustainability based on balanced budgets and capacity building, accomplishing both will be challenging if the growth in revenue cannot keep pace with the growth in expenses.

Table 13: Oregon Public Universities (In millions)

| | Operating Revenue | Non-Operating Revenue | Total Revenues | Expenses |
|-------------|-------------------|-----------------------|----------------|----------|
| 2014 | 1,780.5 | 565.3 | 2,345.8 | 2,458.6 |
| 2015 | 1,882.9 | 623.1 | 2,506.0 | 2,437.2 |
| 2016 | 1,930.8 | 702.3 | 2,633.1 | 2,865.9 |

| | | | | |
|---------------------------|-------------|-------------|-------------|-------------|
| 2017 | 2,017.5 | 731.4 | 2,748.9 | 2,858.2 |
| 2018 | 2,094.0 | 724.9 | 2,818.9 | 2,988.7 |
| 2019 | 2,135.6 | 840.6 | 2,976.2 | 3,064.5 |
| 2020 | 2,096.3 | 930.4 | 3,026.7 | 3,196.1 |
| 2021 | 1,979.2 | 976.9 | 2,956.2 | 3,134.0 |
| 2022 | 2,263.4 | 1,030.8 | 3,294.2 | 3,231.6 |
| Annual Growth Rate | 2.7% | 6.9% | 3.8% | 3.1% |

Source: From audited annual financial reports as collected by HECC staff. Unadjusted for inflation.

State Funding

State funding for the public universities has grown during the past decade. This is mainly due to the growth in funding for the public university support fund (PUSF) which has increased from \$522.8 million during the 2013-15 biennium to \$1 billion during the 2023-25 biennium. Along with additional investments in state financial aid programs, this has allowed for recent improvements in student affordability as noted in the HECC's annual Key Performance Measures (KPM) Report.²³

However, state funding for higher education in Oregon has trailed the national average over time as shown in Table 13 which includes data for both the two-year and four-year sectors. This has led to a greater reliance on tuition and fee revenue in Oregon compared to the national average. Students today are bearing a larger share of the cost burden than previous generations.

Table 14: National Comparisons

| | Educational Appropriations per FTE (Adjusted for Inflation) | | | Net Tuition as % of Total Education Revenue | |
|-------------------------------|---|-----------------|----------|---|--------------|
| | US | Oregon | Variance | US | Oregon |
| 1980 | \$9,949 | \$8,098 | (19%) | 20.9% | 24.8% |
| 2001 | \$11,381 | \$8,755 | (17%) | 28.9% | 35.9% |
| 2013 | \$8,072 | \$4,799 | (31%) | 47.5% | 62.3% |
| 2018 | \$9,153 | \$6,045 | (24%) | 47.1% | 60.2% |
| 2022 | \$10,625 | \$8,571 | (16%) | 41.7% | 53.7% |
| 2023 | \$11,565 | \$8,411 | (15%) | 39.7% | 53.6% |
| Variance, 1980 to 2023 | \$1,616/16% | \$313/4% | | 18.8% | 28.8% |

Source: State Higher Education Finance Survey, SHEEO, Tables 3.2 and 4.3, 2023. Funding per FTE is adjusted for inflation to current dollars using the Higher Education Cost Adjustment (HECA). Educational appropriations include support funds (CCSF/PUSF), financial aid (OOG, Promise), and property taxes.

²³ HECC Annual Report of Key Performance Measures, measures 9 and 10, November 2023.

BOARD OF TRUSTEES

The Boards of Trustees at each public university and their respective university constituents are continuing the process of developing effective working relationships. The Commission continues to recommend that the areas that all Boards should be attentive to include timing and access, for example, not scheduling meetings during exams, or when classes are not in session; and encouraging feedback by making an effort to allow non-board members to weigh in early on in the meetings rather than having to sit through the whole meeting.

| Governing Board Focus Area | Evaluation Question | Supporting Narrative (documentation may include links to materials on board website) | Data Source |
|---|---|---|---|
| Transparency (ORS 352.025(1)(a)) | Board meets at least quarterly. ORS 352.076(7). | <p>The governing board no longer is required to meet quarterly. The governing board “shall meet at least four times per year,” per revisions to <u>ORS 352.076(7)</u>.</p> <p>The Board of Trustees of Southern Oregon University convened at least four times per year on the following dates in 2020 through 2023.</p> <p>2020</p> <ol style="list-style-type: none"> 1. January 17, 2020 2. March 3, 2020 3. March 19, 2020 4. April 21, 2020 5. May 22, 2020 6. June 19, 2020 7. September 18, 2020 8. October 16, 2020 <p>2021</p> | Board of Trustees - https://governance.sou.edu/meetings/#tab-id-1 |

| | | | |
|--|--|--|--|
| | | <ol style="list-style-type: none"> 1. January 22, 2021 2. April 16, 2021 3. May 20, 2021 4. June 7, 2021 5. June 18, 2021 6. September 17, 2021 7. October 14, 2021 8. October 18, 2021 9. October 21, 2021 10. October 25, 2021 11. October 27, 2021 12. November 2, 2021 13. November 9, 2021 14. November 19, 2021 <p>2022</p> <ol style="list-style-type: none"> 1. January 21, 2022 2. April 1, 2022 3. April 22, 2022 4. June 17, 2022 5. June 30, 2022 6. September 16-17, 2022 7. October 21, 2022 <p>2023</p> <ol style="list-style-type: none"> 1. January 19, 2023 2. January 20, 2023 | |
|--|--|--|--|

| | | | |
|--|---|--|--|
| | | <ul style="list-style-type: none"> 3. March 10, 2023 4. April 21, 2023 5. June 16, 2023 6. June 30, 2023 7. August 28, 2023 8. September 29-30, 2023 9. October 20, 2023 | |
| | Board provides public notice of agenda and meetings. ORS 352.025(1)(a). | In the interest of transparency, public accountability, notification to university stakeholders, and support for the university, the Office of the Board of Trustees provides public notice of agenda and meetings, including meeting materials, for all meetings of the board and its committees in accordance with Oregon Public Records and Meetings Laws (OPMPRL). These notices are distributed via email to all SOU students, faculty, and staff; the Higher Education Coordinating Commission; members of the public and the media including those who request individual receipt. The board also provides public notice of agenda and meetings, including meeting materials to the general public on the board's website: governance.sou.edu | <p>Board of Trustees –</p> <p>Current meetings: https://governance.sou.edu/</p> <p>Past meetings: Board of Trustees: https://governance.sou.edu/meetings/#tab-id-1</p> |
| | The Board operates in a transparent manner and in compliance with | All meetings of the board and its committees are duly noticed and held in compliance with OPMPRL. All board meetings and actions take place in | Board of Trustees: https://governance.sou.edu/ |

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| | <p>Public Meetings and Public Records laws. ORS 352.025(1)(a).</p> | <p>properly noticed, public meetings. In compliance with Oregon law, meetings are open to the public except for those portions allowed by law to be held in executive session.</p> <p>Materials for meetings are posted on the board’s website (governance.sou.edu) and are available online to the public at the time they are made available to trustees, at least seven days in advance of each regularly scheduled meeting. Copies of the agenda also are available onsite at the meeting for members of the public attending in-person. The meeting materials are available online and are broadcast in the boardroom to view during meetings. The board adopted a policy on the conduct of public meetings outlining these and other transparency requirements, including those required by SB 273 (2023)</p> <p>Additionally, the board’s meetings are accessible by livestream for remote viewers via Zoom webinar, the details for which are included on the public notice. Following requisite approvals, meeting minutes are posted online. Audio recordings of public meetings of the board and its committees are available upon request.</p> <p>Requests for recordings, documents and copies of meeting materials are honored</p> | |
|--|--|--|--|

| | | | |
|------------------------------------|--|--|---|
| | | and made available to requestors in compliance with OPMRL. | |
| | The Board has adopted bylaws. ORS 352.076(7). | The board originally adopted bylaws on January 30, 2015. The board reviews and updates these bylaws every four years as needed. The most recent update was October 20, 2023. Bylaws are available on the “Bylaws & Policies” page of the board’s website: governance.sou.edu . | Board of Trustees - https://governance.sou.edu/bylaws-and-policies/ |
| Accountability (ORS 352.025(1)(a)) | The Board demonstrates its accountability on behalf of the university and awareness of its mission and fiduciary duties. | <p>On January 30, 2015, the board adopted a policy outlining its delegated and retained authorities for budget; tuition and fees; business and administrative affairs; transactions; academic affairs; and gifts of a certain size, scope, length, or obligation, and other authorities. The board reviewed and updated this policy on January 20, 2023.</p> <p>The board maintains a consistent focus on the short-term and long-term health of the institution. The full board and/or appropriate committees of the board periodically review, receive reports and/or make decisions on academic affairs, new academic programs; enrollment; student affairs; student support services; student survey data; cultural competency, equity, diversity, and inclusion; university advancement and fundraising, the university’s general financial condition; collective bargaining; treasury and investment</p> | Board of Trustees - https://governance.sou.edu/bylaws-and-policies/ |

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| | | <p>services, activity and performance; business services; capital projects; facilities; internal audit; risk; external audit; athletics; various state and federal regulations pertaining to the university; legislative affairs; the general higher education landscape; and university priorities as detailed and monitored in SOU's Strategic Plan, consistent with the institutional mission. The board monitors, provides guidance on, and adopts the operating and capital budgets for the university; establishes tuition and fees; and approves expenditures, debt instruments and bonds in accordance with state law and the board's Statement on "Delegation of Authority."</p> <p>In 2023, the board approved the <i>SOU Forward</i> plan to address issues that have caused an ongoing structural deficit. SOU Forward is a four-plank realignment strategy to stabilize campus-wide operations by focusing on financial viability and strategic growth to meet the academic needs of future students, the region and state.</p> <p>The board oversees the work of an internal auditor to provide independent, objective assurance and consulting services to add value, support and accountability, and improve operations through a systematic, disciplined approach to evaluating and improving effectiveness. The auditor(s) holds the</p> | |
|--|--|--|--|

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|--|--|--|--|
| | | <p>following designations: licensed Certified Public Accountant (CPA); Certified Fraud Examiner (CFE); Certified Internal Auditor (CIA); member of the Institute of Internal Auditors (IIA) and the Association of College and University Auditors (ACUA).</p> <p>The board adopts a risk assessment and internal audit plan. Internal audit also performs investigations for the university as necessary. SOU's fraud, waste, and abuse hotline matters are referred to the auditor.</p> <p>The board engages in independent oversight with external auditors for overall fiscal oversight, independent communication, governance communications, and assurances of proper internal controls. The internal and external auditors communicate directly with the Board of Trustees.</p> <p>To ensure mission fulfillment, the board adopted a new mission, vision and values for the university as well as a strategic plan in 2017. The board monitors progress of the institution's strategic plan and related university priorities.</p> <p>Regarding its own operation, the board performs periodic reviews and updates of its own governing documents including bylaws and policies every four years (more frequently when needed,</p> | |
|--|--|--|--|

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| | | <p>I.e., SB 273) to ensure the currency of these documents. The board also holds strategic retreats and approves the evaluation tool to assess its own operations and effectiveness, in accordance with governance best practices and fiduciary duties.</p> <p>Regarding best practices, SOU trustees undergo a thorough orientation, remain abreast of best practices in higher education governance through ongoing professional development and training. In 2020, the Association of Governing Boards of Colleges and Universities (AGB) named SOU a national 2020 John W. Nason Award for Board Leadership. “Serving at the pinnacle of excellence, these are boards that go above and beyond what boards <i>should</i> do, and instead take board-driven measures to advance their institutions in ways that truly matter.” The SOU Board continues these award-winning practices.</p> | <p>SOU Forward: https://sou.edu/president/wp-content/uploads/sites/8/2023/03/SOU-Forward-2023-FINAL-v2.pdf</p> |
| | <p>The Board has established a process for determining tuition and mandatory enrollment fees that provides for participation of enrolled students and the recognized student government of the university. ORS 352.102(2)</p> | <p>On April 15, 2016, in its “Resolution: Process for Establishing Tuition and Fees,” the board established such a process. The Board of Trustees reviewed and updated SOU’s Process for Establishing Tuition and Fees on January 20, 2019. This process complies with HB 4141 and other applicable laws and requirements.</p> | <p>Board of Trustees</p> |

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| | Board selects and regularly assess the university president. ORS 352.096. | <p>The board selected SOU president, Dr. Richard Bailey on November 9, 2021. Dr. Rick Bailey’s service to SOU began on January 15, 2022.</p> <p>The board updated its process on the Evaluation of the University President on June 16, 2023, and performs an annual assessment of the university president at the conclusion of each academic year.</p> | Board of Trustees |
| Engagement in the University’s Mission (ORS 352.025(1)(b)) | The Board adopts the mission statement. ORS 352.089(2). | The board adopted a mission statement on November 16, 2017. | Board of Trustees |
| Coordination across the State of Oregon (ORS 352.025(1)(e)) | The Board forwards the university’s mission statement to the HECC. ORS 352.089(1). | The board adopted a mission statement on November 16, 2017. The board forwarded the university’s mission statement to the HECC, which the HECC reviewed on January 11, 2018. | Board of Trustees |
| | The Board forwards any significant change in the university’s academic programs to HECC. ORS 352.089(1). | <p>Following the SOU Board’s approval, the following program changes were forwarded to HECC.</p> <p>2023 New Program Approvals</p> <p>SOU Board Action: Jan 19, 2023</p> <ul style="list-style-type: none"> • Bachelor of Arts/Bachelor of Science, Media Innovation • Bachelor of Fine Arts, Digital Cinema Production Arts | Board of Trustees |

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| | | <ul style="list-style-type: none"> • Bachelor of Arts/Bachelor of Science, Human Service • Bachelor of Arts/Bachelor of Science, Power and Politics <p>2022 New Program Approvals</p> <p>SOU Board Action: Jan 19, 2022</p> <ul style="list-style-type: none"> • Bachelor of Arts/Bachelor of Science Degree in Sustainable Tourism Management <p>SOU Board Action: May 10, 2022</p> <ul style="list-style-type: none"> • Bachelor of Arts/ Bachelor of Science in Music Industry and Production Studies <p>2021 New Program Approvals</p> <p>SOU Board Action: Jan 21, 2021</p> <ul style="list-style-type: none"> • New Bachelor of Science (B.S.) in Sustainability <p>2020 New Program Approvals</p> <p>SOU Board Action: Jan 16, 2020</p> | |
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| | | <ul style="list-style-type: none"> • New Bachelor of Arts/Bachelor of Science in Gender, Sexuality, and Women's Studies, | |
| Real Property Holdings (ORS 352.025 (2)(c)) | Legal title to all real property, whether acquired before or after the creation of a governing board, through state funding, revenue bonds or philanthropy, shall be taken and held in the name of the State of Oregon, acting by and through the governing board. | Southern Oregon University complies with ORS 352.025(2)(c). Additionally, all new contracts and legal transactions are reviewed by the university's legal counsel to ensure compliance. | Board of Trustees or Finance VPs |

CONCLUSION

This report is guided by Oregon Revised Statute (ORS) 352.061 which requires that the HECC report on the university's achievement of outcomes, measures of progress, goals and targets; assess the university's progress toward achieving the mission of all education beyond high school described in the 40-40-20 goal; and assess how well the establishment of its governing board comports with the findings of ORS 352.025. This report relies heavily on regularly conducted academic accreditation reports and the self-assessments prepared for these accreditation reviews, as well as on state and federal data. The contents of this report signal areas of alignment with the HECC Strategic Plan, which in turn supports the objectives of higher education for the State of Oregon.

As of its most recent evaluation, Southern Oregon University (SOU) is substantially compliant with the Standards, Policies, and Eligibility Requirements of the Northwest Commission on Colleges and Universities. SOU submitted its year seven, Evaluation of Institutional Effectiveness (EIE) report in August of 2023. The review team complimented SOU with "Faculty at SOU care deeply for the well-being and academic success of their students, which was echoed by the students themselves." The peer evaluation report included four commendations and seven recommendations for continued improvement. All reports, records of official NWCCU actions and accreditation materials are located on SOU's Institutional Research web page. SOU will receive their final Year Seven Evaluation report and further recommendations in February of 2024.

In fall 2023, SOU enrolled 5,175 students, a 0.4 percent increase from fall 2022 but a 2.4 percent decrease since the university's last evaluation two-years ago (fall 2021). The number of newly admitted undergraduate SOU students increased by 12.6 percent since last year, and 8.0 percent since the last evaluation. This last year's fall enrollment shows changes in both resident and non-resident students, increasing 4.0 and decreasing 10.0 percent respectively. Since the 2021 evaluation, undergraduate resident student enrollment increased 9.7 percent, compared to the 16.3 percent decrease for their non-resident counterparts. During the 2022-2023 academic year, nearly three-fourths of SOU's undergraduate students (74.2 percent) were residents and the majority (51.6 percent) attended part-time. Southern Oregon University's growth in enrollment of underrepresented minority students continues to be noteworthy. Underrepresented minority student enrollment has grown by 3.9 percent since last year and by 14.6 percent since 2013. Underrepresented minority students constitute 18.3 percent of the entire student population.

While state funding for public universities has increased substantially in Oregon over the last decade (more than all but a couple of other states in the country), increasing institutional expenses and decreasing enrollment at most institutions have put substantial pressure on tuition in spite of sizable increases in state investment. Resident undergraduate tuition and fees at Southern Oregon University increased 60.8 percent in the last 10 years, including increases of 4.7 percent and 3.4 percent in 2022-23 and 2023-24 respectively.²⁴ Specifically in 2023-24 tuition increased 2.9 percent and fees increased 5.6 percent.²⁵ Resident graduate students have faced similar increases.

In the 2022-23 academic year, SOU recorded \$2,966,690 in resident tuition remissions (14.1 percent of resident gross tuition charges), which is a 3.6 percent decrease over the prior year. The year prior, the

²⁴ Source: <https://inside.sou.edu/enrollment/tuitionandfees.html> as well as historical OUS tuition data. Defined to include full-time resident base tuition and all mandatory fees (including incidental fees).

²⁵ A full-time resident undergraduate student (taking 45 credits per year or 15 credits for each of three terms) at Southern Oregon will pay \$9,675 in tuition and \$2,418 in fees for a total annual cost of \$12,093.

2021-22 academic year, SOU recorded \$3,078,745 in resident tuition remissions (13.8 percent of resident gross tuition charges).

The total cost of attendance for students includes significant expenses associated with housing, food, transportation, and textbooks. Southern Oregon University estimates the average student budget for living expenses annually – \$19,759 for the 2023-24 academic year²⁶ – exceeds resident tuition and fees.

According to the HECC’s SOU scorecard for the 2021-22 academic year,²⁷ 54 percent of SOU’s students were unable to meet expenses with expected resources, family contributions, student earnings and grant aid, compared to a statewide average of 47 percent.²⁸

As noted at the outset, this report describes performance in several areas that are of particular importance to the HECC and to the State of Oregon. In partnership with institutional leadership, legislators, and other stakeholders, the HECC will continue to consider modifications to this annual process and product in order to improve its usefulness to our universities and to the people of Oregon.

²⁶ Source: <https://inside.sou.edu/enrollment/financial-aid/budgets/index.html>

²⁷ Source: <https://www.oregon.gov/highered/research/Documents/Snapshots/SOU-Snapshot.pdf>

²⁸ Statewide averages from: <https://www.oregon.gov/highered/research/Documents/Snapshots/Statewide-Snapshot.pdf>

