



Final Retrenchment Plan

Southern Oregon University

March 2014

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Introduction

After years of state disinvestment, Southern Oregon University (SOU) relies on student tuition for the largest percentage of its revenue. Thus, an unexpected drop in fall enrollment, coupled with two of the largest graduation classes in university history and a significant change in an Oregon University System (OUS) accounting policy, led to university reserves dropping below the 5% minimum required by the State Board of Higher Education.

Serious cost decreases, including furlough days, staffing reductions, and structural changes, as well as fund transfers, were included in a budgeting plan that would assist the university in achieving a 5% fund balance (reserve) by the end of the 2013-15 biennium and a 10% fund balance by the end of the 2015-17 biennium. Nonetheless, it became clear that, in order to achieve financial goals, reductions in faculty were also needed.

The need to reduce faculty led to the official declaration of retrenchment: *Retrenchment* is a technical term in Article 11 of the Collective Bargaining Agreement between SOU and the Associated Professors of SOU (APSOU). The term refers to the “declaration of a need requiring reduction and/or elimination of a program or faculty positions after fulfilling the requirements of OAR 580-021-0315 ‘Termination Not for Cause’ and this article.”

This document is the finalized University Retrenchment Plan. Resulting from the work of many individuals, the plan reflects priorities established in 2008 through SOU’s strategic plan. It also reflects the strategic thinking that informed SOU’s prioritization process in 2012-2013. In recent weeks, the plan has been considered and molded by thoughtful ideas and suggestions from students, staff, faculty, University Planning Board (UPB), Chancellor’s office staff, and State Board of Higher Education members as well as members of our external communities.

The plan particularly reflects input received during the comment periods that preceded and followed publication of the provisional plan in February 2014. We received feedback from APSOU and the Faculty Senate. SOU faculty, staff, students, external community members, State Board of Higher Education members, and the Chancellor’s Office staff provided recommendations and suggestions. We held open forums, met with groups of faculty, held Q & A sessions with the Student Senate and other student groups, and spoke with community members such as the SOU Foundation Board and the President’s Advisory Board.

Substantive input was received also from UPB after board members met with individual academic program representatives. In these meetings, program heads and department chairs presented analyses of staffing needs and possible curricular changes, reviewed known and possible retirements and sabbaticals, and explored areas in which their respective programs were critical to the curriculum of other programs. Program heads also examined areas in which faculty can and do teach in more than one discipline or program.

A major change to the plan occurred during the visit of the Interim Chancellor and Chancellor’s Office staff on March 5 and 6. The APSOU Board agreed to a proposal that would remove a “very worst case” scenario that had been required by the Chancellor’s Office in the provisional retrenchment plan. That scenario would have required reducing costs by an additional \$2 million

in academic areas. In the agreement between APSOU and the university, the “very worst case” is removed from this final plan, but a fast-track process would be put in place in fall 2014 or fall 2015 if financial benchmarks are not achieved. (For the entire Memorandum of Agreement, please see the additional documents listed on the stateoftheuniversity website.)

Particular thanks are due to the Institutional Research Office and budget staff in several offices who have worked hard to gather data, run complex financial projections, and ensure the accuracy of financial analyses in this final plan.

Overall Retrenchment Outcomes

This final retrenchment plan lays out a process to achieve our overall goal of financial sustainability: a 5% fund balance by the end of the 2013-15 biennium and a 10% fund balance by the end of the 2015-17 biennium. The plan calls for \$6.1 million in permanent savings and \$7.8 million in one-time savings. Implementation of the plan eventually reduces permanent faculty lines by 12.58 FTE (not counting retirements) with the goal of increasing the overall student/faculty ratio from 17:1 to 21:1.

Responses to Comments

Comments from all sources were considered in the creation of this final plan. The most significant change from the Provisional Plan is the elimination of the “very worst case” scenario. The implications of that scenario were disturbing to many constituents; thus, the agreement with APSOU described in the Introduction to this plan is very welcome. Eliminating the very worst case addresses many of the concerns that came forward in the comment periods.

A number of comments from APSOU members and also from the Chancellor’s Office stressed the importance of including the reductions and re-structuring work that has taken place outside of Academic Affairs. Sections on strategic planning and enrollment planning were also included as a result of comments received.

It was not possible to meet financial goals and retain all the programs that received supportive comments. However, this final plan retains the International Studies major and minor, and the Art BFA in light of input that stressed the very minimal cost of the program. Although the Physics major and options will be eliminated, as indicated in the Provisional Plan, comments from current and emeritus faculty as well as business leaders will form the foundation for a serious review and re-thinking of that program for the future in light of students’ and employers’ needs.

A number of very useful comments were received from UPB and from program faculty, particularly regarding programs that will not be eliminated but will be streamlined or restructured. Many of those comments and ideas will be incorporated into division plans as they are prepared this spring.

Below is a summary of the 239 unduplicated comments SOU received in writing during the 20-university day comment period following distribution of the February 6th Provisional Plan. Other comments were received in meetings and individual conversations.

Comments in Response to the Provisional Retrenchment Plan (Summarized on March 8th, 2014)

Contributors sent comments to a variety of email addresses and sites. The State of the University “declarecomments” email address received 156 comments during the period. The President and Provost received 83 unduplicated emails and letters. (Many comments were sent to both the President and the Provost via email and letter.)

Physics Major

The largest number of total comments (70) pertained to the proposed elimination of the Physics major. We heard from scientists, doctoral candidates, and instructors from as close as Rogue Community College and the University of Oregon and as far away as New Zealand. (Many of the messages used the same form letter.) Local business owners and professionals wrote to us about the importance of STEM programs to the University community and to employers in the Rogue Valley and beyond. Several SOU alumni (all gainfully employed) expressed their support for the Physics program.

“I consider the physics department at SOU to be the jewel of the Siskiyou. SOU has become the hard science oasis in the technological desert between San Francisco and the Willamette Valley.”

“With the SOU physics program, I was able to study both theoretical and experimental physics at a school uniquely situated in a crossroads of literary, artistic, and scientific creativity – as well as being located in one of the most beautiful places on earth. The small class sizes and personal teaching I found in the SOU physics program were essential to my academic growth, and the unique opportunities to do research in a stimulating environment - with professors that both helped guide my work and that encouraged me to pursue independent, novel projects – were vital to me.”

“While I understand that without sufficient financial support the University cannot function, reducing the physics department to such an extent harms the quality of all STEM education at SOU. An education in any scientific field cannot be reduced to a single discipline; Chemistry and Biology rely on the Physics department to make their graduates strong applicants for both medical and academic doctoral programs.”

Art/Fine Arts

We received 23 comments related to the proposed reduction or elimination of the Art History BA and the Art BFA. A few alumni provided comments, but most of the comments were from community members who were upset to hear that SOU was proposing to eliminate arts programs in general (an inaccurate assumption). A faculty member commented:

There is no money saved by eliminating the BFA degree. Its loss will cost SOU in recruitment, retention and image. The BFA is highly regarded, as an "honors" program.

French

Forty-five comments were received regarding the potential elimination of the French major. Comments came from prospective, current and former students, community members and scholars. Several comments encouraged the continuation of both French and German majors.

From an alumna:

"Learning French was a direct connecting piece for me in understanding how closely intertwined local and global concerns are.....studying a language creates an opportunity to study abroad, an experience which opens up immeasurable growth opportunities."

From a parent of a prospective student:

"As a parent who is on the college circuit tour with my child, one of the key features I look for in a college or university is a rich offering of and engagement with languages and cultures representing the kind of global perspective I desire for my child."

Biology

One comment was received regarding the Botany Certificate in Biology, which appeared in the 5th quintile during prioritization and was recommended for elimination by program faculty. Eight additional comments were received supporting the biology program and faculty in general.

Various

We received 62 comments regarding a wide variety of programs, most of which were not being considered for elimination. Many of these comments were prompted by nervous faculty who had sent anxious communiqués to patrons regarding potential reductions in their areas even though the programs were not mentioned in the Provisional Retrenchment Plan for reductions.

Other

We received 13 comments asking that we retain specific faculty.

We received 17 comments that were generally about retrenchment. A few expressed concern about SOU needing to enact the Retrenchment article in the faculty contract. One expressed confusion about the data used. Several were supportive of the need to review our program offerings in light of the need for budget reductions but cautioned that we cannot retrench our way to sustainability. Two suggested that we sell facilities or cut athletics.

University Planning Board

As UPB includes representation from all sectors of the university, the board was asked to provide feedback on the provisional retrenchment plan as was done in 2007. UPB members met with representatives of affected programs to review and consider responses to the provisional plan. On March 7, 2014, UPB submitted a document entitled *Overview of Provisional Plan*. Recommendations from UPB have been woven into the Final Retrenchment Plan.

Summary of Programs to Be Eliminated

Program	5-yr avg. grad rate
Art History BA	2.4
Business-Chemistry co-major	0
Business-Physics co-major	0
Music-Business co-major	2.8
Language and Culture, French Language and Culture Option, BA	3.2
Physics, Applied Option BA/BS	1.4
Physics, Standard Option BA/BS	1.6
Physics, Material Science Option BA/BS	1.4
Physics, Physics-Engineering Dual Degree Option BS	0.2
Physics, Engineering Physics Option BA/BS	0
Digital Art and Design minor	2.3
Film Techniques minor	0.8
French minor	2.8
Geography minor	3.2
Geology minor	0.4
German minor	2.4
Land Use Planning minor	4
Musical Theatre minor	0.0
Photography minor	2.6
Physics minor	0.6
Professional Writing minor	0.0
Biology, Botany certificate	1.0
Business, International Business certificate	3.8
Criminology & Criminal Justice, Forensics concentration	11.4
English & Writing, Special Studies concentration	2.6
Environmental Studies, Cultural Resource Management concentration	0.2
Environmental Studies, Ecology and Conservation concentration	6.0
Environmental Studies, Land Use Planning concentration	2.8
Environmental Studies, Sustainability and Policy concentration	4.0
Environmental Studies, Watershed Science concentration	0.0
Music, Music Composition concentration	0.0
Physics, Pre-Engineering Program	*

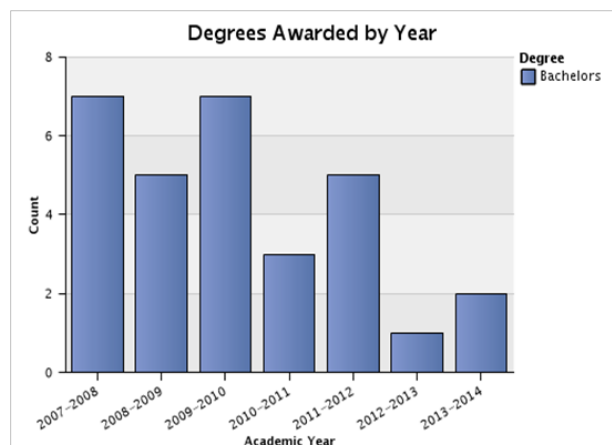
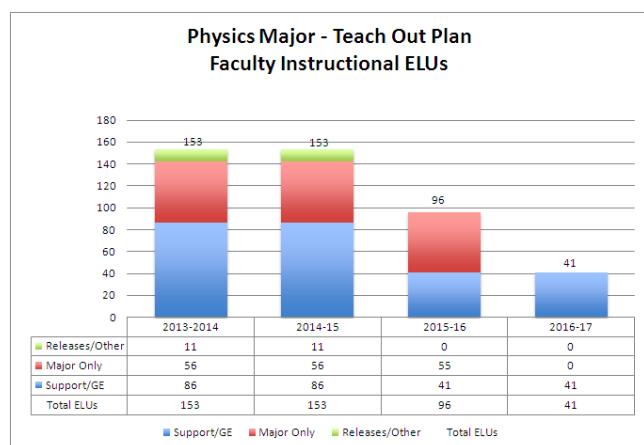
* This is a 2-year transfer program; therefore graduation rates are not applicable.

Teach-Out

Normally, affected programs will be taught out in two years or less. In some cases, individual exceptions will be made. Program representatives will contact affected students and work with them to create a plan. Students with questions about affected programs should contact the Provost's Office at provostoffice@sou.edu or at 541-552- 6114. Students must declare a program by April 1, 2014, to be included in the teach-out process.

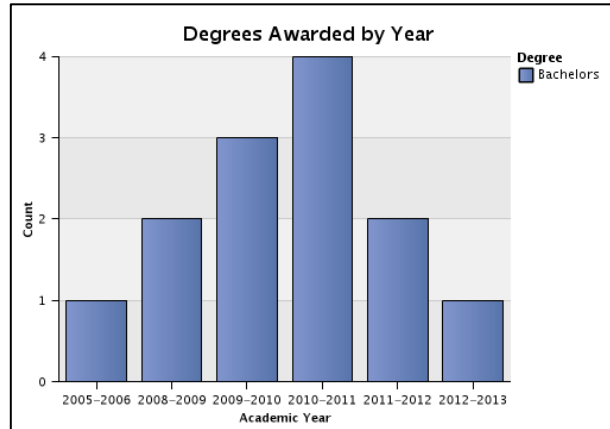
Major Programs to Be Eliminated

Physics has a small number of majors and low graduation rates (4.6 graduates on average across all options combined for the last 5 years). The major and minor will be suspended and the various options taught out. Additionally the Pre-Engineering program will be eliminated. Continuing general physics support courses for Biology and Chemistry and the Astronomy general education course requires 63.5 ELU of the 153 ELU available. Following the teach-out and reducing general education courses, we will save approximately 3 FTE in permanent Physics faculty lines.



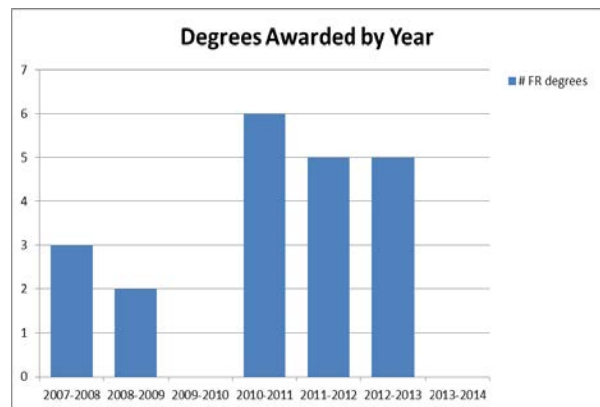
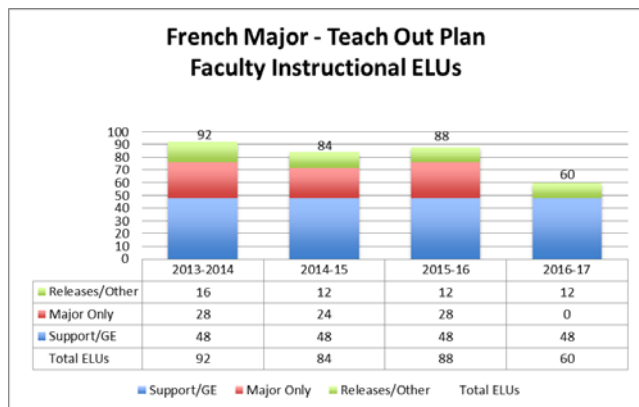
Although ranked in the fourth quintile in the Prioritization process, the Physics program received a large number of comments urging its continuation. Creating a streamlined, updated single option Physics major could be valuable to meeting SOU's mission as a regional university that provides access for place-bound students. The Director for the Division of Science, Technology, Engineering and Math (STEM) will work with emeritus and current Physics faculty and others (including community employers) to explore that option. Depending on the outcome of this process, we will consider whether a single option major will provide sufficient coursework for a Physics minor as well as articulation options for student transfers to engineering programs at Oregon Tech, Oregon State University, and other universities.

Art History is also a program with a small number of majors and very few graduates (2.4 graduates per year over the last 5 years) and was ranked in the fourth quintile in the Prioritization process. However, many students take courses in this area, and the Art History minor is well enrolled. There will be efficiency in rotation of courses and fewer course topics offered each year with the elimination of this major.



French has historically had a small number of majors and a low graduation rate (3.2 graduates per year over the last 5 years). However, we are committed to offering students a variety of language options to support international studies, study abroad, and students wishing to work overseas. We will retain a major and minor in Spanish as well as language studies in French, German, International Sign Language, Japanese, and Spanish. These language studies will change as student interest and needs change. We are keeping the Japanese minor because of our geographical position on the Pacific Rim.

This will allow a 1.0 FTE reduction in a permanent French faculty lines along with elimination of some contingent faculty that currently support the program.



The **Geography, Geology, and German** majors were eliminated in the 2007 Retrenchment Plan. The associated minors are eliminated in this plan. German language will continue to be offered as discussed above. Some geology and geography content will be offered through the Environmental Studies major. This will allow for a reduction of 1.0 FTE in a permanent Geography faculty line.

Reductions in Continuing Programs

Environmental Studies faculty have been actively working to focus and strengthen their major through elimination of the Land Use Planning minor along with the following concentrations: Cultural Resource Management, Ecology and Conservation, Land Use Planning, Sustainability and Policy, and Watershed Science. This streamlining will result in the savings of 0.78 FTE of permanent faculty. The current concentrations are being transitioned into the new program.

Curricular growth in several programs over time has resulted in loss of cohesion and clarity of purpose. Reductions are being made in anticipation of those programs consolidating and focusing to meet current student interests and career trends. Reductions in permanent faculty lines include: 1.47 FTE in Biology, 1.0 FTE in History, and 0.33 FTE in Economics.

With the introduction of alternatives in general education and new freshmen students bringing Advanced Placement and transfer credit, fewer traditional first-year courses are needed. Additionally, the newly formed Division of Undergraduate Studies will streamline offerings and enable scheduling efficiencies. Therefore, it is anticipated that fewer sections of University Seminar will be needed for first-year students. This will allow savings of 4 FTE in permanent faculty lines in this area.

Three co-majors in business (Business Chemistry, Business Physics, and Music Business) are being eliminated since they are not recognized by the Accrediting Council for Business Schools and Programs, the accrediting body for the SOU business program. These co-majors, also, have not been attracting sufficient student numbers for continuation.

The following programs have been offered for elimination as a result of the Prioritization process, declining student interest, and the availability of other curricular alternatives:

- ❖ **Digital Art and Design** is being discontinued in favor of the new Emerging Media and Digital Arts major.
- ❖ **Film Technologies**
- ❖ The **Photography** minor has been used to support the former Journalism major. With the advent of the Film, Television, and Convergent Media minor and concentration, and declining interest in the Photography minor, the program is being discontinued.
- ❖ **Professional Writing** minor no longer has the staffing or student interest to sustain it and is being eliminated.
- ❖ **Botany Certificate**
- ❖ **International Business Certificate**
- ❖ **Forensics Concentration** in Criminology and Criminal Justice (the concentration will remain in Chemistry)
- ❖ **Special Studies Concentration** in English and Writing

Other Reductions

Other programs are adjusting their staffing to better meet current student interests and achieve budget reductions. Although permanent faculty lines are not affected, these adjustments result in reductions of contingent faculty (yearlong and term-by-term) totaling 15.83 FTE spread across the university.

Music and Theatre are central to serving the southern Oregon region. However, in responding to cost projections in the recent OUS Cost Study, both programs are looking closely at cost drivers and ways to reduce expenses while maintaining program quality. Music has already engaged their faculty in an aggressive student recruitment program. Also, in spring 2014, the Music program eliminated contingent faculty for core courses, returning permanent faculty to those courses.

Theatre Arts, an impacted program, is expanding its new student cohort by sixteen students without adding additional teaching resources. Theatre Arts is also eliminating a significant portion of release time and making curricular changes to meet budget goals that will save 0.95 FTE in contingent faculty. Moreover, low-enrolled programs such as Music Composition are being eliminated. With the merging of the Music and Theatre Departments into a Performing Arts Department, Musical Theatre minor was added to the program portfolio. The faculty have chosen to continue musical theatre productions but not continue the minor.

Computer Science has significantly revised the major program based on employer feedback and advice from a consultant. This revision resulted in consolidation of several tracks into a single degree program that better meets the needs of the regional workforce and saves 0.92 FTE in contingent faculty.

Education needs to be more efficient in offering a program that relies on a significant component of individualized instruction across different endorsement and licensure areas. Eliminating course sections through program realignment, decreasing low enrolled courses, re-examining cohort curriculum development, providing more efficient supervision of interns, and reducing permanent faculty release time will increase faculty productivity and result in a 5.33 FTE reduction in contingent faculty to meet budget needs.

In general, programs are looking at ways to streamline their curricula to reduce release time and numbers of sections and reduce contingent faculty by 2.0 FTE in Art, 0.5 FTE in Outdoor Adventure Leadership, 0.5 FTE in Economics, 1.5 FTE in Psychology, and 0.82 FTE in Foreign Languages.

Academic Reorganization Process

The resignations of two academic deans and a third dean returning to the faculty gave SOU an opportunity to re-think academic organization. With a university focused on preparing students for a fast-changing economy and changing workforce, it had become increasingly evident that SOU should not rely on the historical approach to academic departments that has characterized American universities for over a hundred years: 21st century academic programs need to be more

interdependent and collaborative, more flexible and responsive to changing needs. Moreover, in a world of greatly reduced resources, SOU's academic areas needed to be more cost-effective and efficient.

A significant concern for SOU has been freshman-to-sophomore retention as well as graduation rates. In overall academic planning, increased emphasis has been placed on first-year programming and national best practices that strengthen student connection and retention. The SOU House Experience, Honors College, and other general education programming need to be organized and administered together in order to ensure a unified, intentional set of academic experiences for incoming students.

As a result of these concerns, academic restructuring involved consideration of a more efficient and effectively managed approach to general education and an organization that promoted both administrative oversight and program collaboration. At the same time, the restructuring needed to reduce faculty release time for administrative duties and promote resource allocation processes to support programming and scheduling that most effectively meet students' needs.

Initial discussions regarding alternative administrative structures began among academic administrators and department chairs in July and August 2013. At the President's retreat in September 2013, participants discussed approaches to reorganization models consisting of 5-8 larger academic units that would replace the current school/college and department structure. In October, as an outgrowth of discussions of these models, five models for academic organization, together with their potential financial savings, were presented in an open forum followed by an online comment period. Based on campus feedback, components of the various models were combined into a new organizational model which was presented to various campus constituencies, including department chairs and the Faculty Senate. Once agreement began to solidify around this model, discussions with department chairs and the Faculty Senate moved to job descriptions for the new academic leadership and how programs would be distributed within the academic divisions.

A model for reorganization was formally presented to and approved by the Faculty Senate in January 2014 and was taken to UPB. The approved model includes six divisions, each representing 25-40 faculty FTE and 6,000-12,000 SCH per academic term. A seventh division provides leadership and coordination for general education areas, including University Studies, the House Experience, and the Honors College.

This extensive academic reorganization, in concert with a new service center and the recent integration of Academic and Student Affairs, contributes significantly to cost savings for SOU but also ensures both stronger administrative oversight and greatly needed collaboration among all areas in support of the mission and goals of the university.

Academic Reorganization: Strengthening Focus and Increasing Efficiency

It is important to note that the retrenchment process is only one part of the work in Academic Affairs to reduce costs, strengthen focus, and respond to students' needs and interests. A key distinctive element for SOU is balancing foundational knowledge with applied, hands-on learning

that connects students with the people and the issues affecting our communities, our state, and beyond. Each year, over 2,000 SOU students work on internships, capstones, and undergraduate research in our region. Every Honors College student is connected with a mentor in the community and works on an applied project. Our House Experiences provide an integrated outcomes-based approach to general education that involves students with agencies, non-profits, and businesses in southern Oregon. The proposed Innovation and Leadership program offered at the Higher Education Center in Medford enables working students to attain a university degree in a cohort model that recognizes credit for prior experience.

SOU's new academic reorganization, which replaces a traditional College and School organization with seven divisional areas, emerged as the answer to the following questions: What organizational structure will reduce administrative costs while increasing accountability and oversight of academic programs? What structure will increase and support program collaboration, promote curricular planning that is responsive to changing needs and interests, and strengthen focus on what students need to be successful? What structure will best enable resources to be used efficiently and in alignment with SOU's mission and vision?

The newly formed divisions strengthen SOU's focus on educational models that reflect the specific needs of the professional workforce of southern Oregon and the needs and interests of SOU students.

Undergraduate Studies. This division brings together programs that students experience outside of their major, the programs traditionally labeled "general education." These courses have been historically dispersed throughout the university with little supervision over course rotation, class size, or disciplinary emphasis. In the current financial environment, greater efficiency in managing these elements, along with a strong need to ensure strong learning outcomes, requires rethinking of how these programs are managed.

Now organized under one director, all general education programs (University Studies, University Seminar, House Experience, Accelerated Baccalaureate, and Honors College) will be streamlined and strategic in their offerings and also strongly aligned with the university focus on retention, student engagement, and skills needed to be successful in college and in the workforce. With these course scheduling efficiencies, there will be less need for faculty who teach only in University Seminar as more faculty from other disciplines will be teaching in the first-year program.

Business, Communication and the Environment. This division brings together one of SOU's largest majors (Business Administration) with programs that promote expanded skill sets for students and establish distinctive programming reflecting our location in one of the most diverse bioregions in the world.

This division will strengthen curricular synergies; expertise in the Communications program in conflict resolution, for example, will be aligned with needs for managing environmental conflict and business communication, areas grounded in theory-based practices. Similarly, opportunities for collaboration in international communication and cultural understanding will assist students

who will be working in the not-for-profit and profit sectors of the regional economy. This division will promote scheduling efficiencies by managing class size and course rotations.

Another area of opportunity in this division is expanding on-line and hybrid instructional programs to non-traditional adult populations in the workforce. The proposed Innovation and Leadership program is an example of an accelerated bachelor degree program that combines the disciplines of business and communication to develop leadership skills for future managers.

Education and Health. Combining programs that contribute to regional needs, this division enables our education programs to collaborate more closely with health, physical education, and one of our newest and fastest growing programs, Outdoor Adventure Leadership. The challenge for this division is to increase student credit hour production with fewer faculty and staff resources. While no programs are being eliminated, class size and supervision of interns will need to be addressed to increase efficiencies and meet budget expectations.

Science, Technology, Engineering, and Math. This division brings together the STEM programs crucial to student quantitative reasoning skills and understanding of the natural world. These programs prepare students for a wide range of careers, but there remains a need to rethink the program portfolio. A major renovation of the science building will help drive better collaboration with the division's programs to promote interdisciplinary undergraduate research opportunities, best practices in teaching and learning, and greater productivity with grant applications.

The science programs have very few contingent faculty and do not have staffing flexibility to adjust to enrollment fluctuations. Other efficiencies in course scheduling and rotation will reduce the need for one or more permanent faculty in biology and chemistry. The current physics major and its options will be eliminated; however, study in physics will be offered in lower division courses that serve general education and other science programs, and a general review of an optimal and viable physics program for SOU students will be undertaken.

Based on feedback from local employers, computer science has recently undergone a curricular revision that supports efficiency in course scheduling and rotation.

Math provides many service courses for all university majors, and its size will expand or contract with enrollment.

Center for the Arts. Jackson County is the second largest arts cluster in the state after the Portland metro area. Major arts organizations such as the Oregon Shakespeare Festival, the Britt Festival, Oregon Cabaret Theatre, Craterian Theatre, and Camelot Theatre all depend on talent developed at SOU for internships, understudies, actors, technical personnel, and musicians for these various venues. Additionally, SOU has been named a Center of Excellence for the Fine and Performing Arts in the Oregon University System and has a reputation for excellent academic programs that goes well beyond the region.

This Center emphasizes SOU's role as a key generator of and foundation for the powerful arts sector in our region. Supporting and fostering this cluster, this innovative program grouping

includes not only the traditional performing and visual arts but also creative writing and emerging media and digital arts.

Although this group of academic programs is central to serving the region, scheduling and staffing efficiencies are necessary. Low-enrolled programs are being eliminated and reductions in staffing and faculty release time will drive budget savings.

Language and Culture. This division brings together the areas of English Literature, Linguistics, Foreign Languages, Anthropology, International Studies, Native American Studies, Gender Sexuality, Women's Studies, and Philosophy. This division will be challenged to be more efficient with class size and course rotation to meet financial benchmarks. However, new synergies will bolster and enrich interdisciplinary approaches to each discipline. This retrenchment plan eliminates the French major; however, the International Studies major is maintained to develop new approaches and practices that will strengthen SOU's focus on responsible global citizenship.

Social Science and Public Affairs. This division brings together two of SOU's largest majors, Psychology and Criminology/Criminal Justice, with social science programs such as Economics, History, Political Science, and Sociology, that provide foundations for students' understanding of society and social systems.

All programs in this division are highly cost effective; they effectively manage course size and rotation. However, a reduction in release time for administration will place more faculty time into teaching activities and will help offset the current and anticipated retirements that will occur in this division. In planning for the future, the division will need to utilize more contingent faculty, examine new curricular initiatives, and update curricula as new faculty are hired into the division over the next several years.

Division Plans

Each division is required to develop a plan to reduce expenses, increase efficiencies, and further meet programmatic targets and goals as established by the institution and OUS.

A template will be developed by the Provost's Office, in consultation with the Chancellor's Office, that defines each division's budget allocation and enrollment targets as well as benchmarks and a timeline for attaining those targets. These plans, the first of which are due June 1, 2014, will be monitored quarterly to assure that divisions are meeting their respective targets through revenue enhancement (e.g., enrollment growth) and/or cost reductions (e.g., fewer numbers of contingent faculty).

Reporting metrics will be developed and monitored to measure and track student to faculty ratio, faculty release time, enrollment management (i.e., balancing student demand with frequency of course offerings), faculty loading, and financial targets. Progress of programs and opportunities for reinvestment within each division will be evaluated using the following indicators: student to faculty ratio, accountability for faculty release time, enrollment management (i.e., balancing

student demand with frequency of course offerings), equity in faculty loading, financial targets for savings and efficiencies, and curricular realignment.

Progress of programs within each division will use the following criteria:

- ❖ Class size information will be collected since it is an indicator of student demand, excess course offerings, and/or under-enrollment. The campus will calculate average class size and percent of maximum capacity in all courses, excluding labs, capstone courses, individual study, and similar type courses. The total number of low enrollment courses and their distribution will be collected and reported. Targets for minimum and average class sizes will be developed over spring term for general education courses, major courses, and graduate courses.
- ❖ Course release and non-teaching activities conducted by permanent faculty are necessary for effective teaching, scholarship, and research; however, excess release time necessitates the use and cost of overload and adjunct instruction. The AVP for Curricular Management will calculate and monitor the number of course release and non-teaching load units granted to permanent faculty relative to contractual expectations per the faculty collective bargaining agreement.
- ❖ Enrollment mix is directly related to tuition revenue. Overall measurements of enrollment will be shared with each division at the end of the 4th week of each term. Enrollment metrics will be monitored closely during the enrollment cycle (typically spanning spring through fall term).
- ❖ Programmatic savings outlined in the final retrenchment plan will be tracked to ensure execution of the plan as outlined. Expected and realized savings associated with academic personnel, services and supplies, and so on will be reported.

The performance metrics outlined above serve as progress indicators in meeting SOU's retrenchment goals. These metrics represent both operational and financial targets that, when met, will strongly support SOU's financial sustainability.

Strategic Planning

Overall, this retrenchment plan is designed to accomplish several major objectives. One objective is to eliminate programs that have low enrollments and low student interest. Another objective is to size all programs to their projected enrollments for the next five years; this recalibration provides the flexibility to allow investment in existing programs that have capacity to grow and new programs that meet regional needs and student interests.

Although this retrenchment plan is not designed to change the essential character of SOU as an institution, it does support re-focusing SOU's program portfolio to use more effectively the resources available. The plan enables the university to reflect more intentionally on the needs of students preparing for the shifting social and economic environment of the 21st century.

As we received comments and feedback regarding the Final Retrenchment Plan, we also received a letter from Interim Chancellor Rose that provided guidelines or concepts to help guide our process. The following are two key paragraphs from that letter:

“First, there is a desire to ensure that a holistic, deliberative retrenchment process is embraced. As I have said in a variety of settings, a campus facing such difficult circumstances could choose a tactic of solely cutting to a certain target outcome. Alternatively, the campus could employ a strategy of honing the institution’s greatest contributions and strengths, preserving those things that hew most directly to them, and reducing/eliminating other curricular components which are not aligned with the campus’ greatest programming and mission-related assets.”

“The Board’s and the Chancellor’s Office collective recommendation is that you pursue the latter strategy, which will better serve to focus the institution’s mission and direction. This will serve to enhance communications with existing and prospective students, faculty and staff, and external supporters. Statements within the preliminary plan that focus on reaching a certain fund balance suggest the prior approach. Although Board policy certainly has used a healthy fund balance as a kind of proxy for overall fiscal sustainability, they have moved to a more holistic methodology, with a healthy fund balance being merely a pre-condition for success in the retrenchment process and not an end in and of itself.”

These paragraphs indicate a shift in Board policy that must influence our retrenchment process. We began our process by looking primarily at ways of “cutting to a certain target outcome.” Our goal has been to achieve a 5% fund balance by the end of the next biennium and a 10% fund balance in the following biennium.

With a somewhat different approach, we should aim for a healthy 10% fund balance but also think strategically, “honing the institution’s greatest contributions and strengths,” reducing or eliminating components not so strongly aligned with SOU’s strengths and mission, and creating reserves that enable us to invest strategically in programs that reflect our strengths, that enhance our distinctiveness as an institution, and that strategically serve our region and 40-40-20 goals.

In this Final Retrenchment Plan, we continue to propose elimination of programs that enroll very small numbers of students. However, at the same time, through academic reorganization and planning, we are focusing strongly on curricular reform: changes that strengthen our mission, refine our focus, and serve our students more efficiently and effectively. Academic planning processes will contribute substantially to cost savings but, importantly, also to forward-looking curricular approaches that attract and support today’s students and prepare them for employment opportunities. It is vital that we create a springboard for future growth and for the development opportunities that will arise in the future.

The academic planning process includes the following components:

- ❖ Implementing the program elimination and reduction scenarios described in this plan.
- ❖ Establishing the academic reorganization in spring 2014 and implementing program metrics and accountability. Academic division directors, working with the AVP for Curricular Management, will ensure that program costs are reduced and enrollment strategies are in place to enhance revenue. (Although the first of regularly scheduled division plans are not due until June 2014, programs are already making adjustments for spring term, with more efficient course schedules, reductions in release time, reductions in supplies and services, and planning for more focused curricula attuned to today's students and career opportunities.)

SOU's ongoing sustainability and success, however, depend on a strong vision and strategic plan for the entire university. As the university's current strategic plan has an end-date of 2014, it is now time to initiate broad strategic planning, building on the work that has been done over the past five years. Moreover, the changing realities of our enrollment mix, tuition options, and local and national economy require that the university re-focus and plan in an intentional way that is simply not possible through a retrenchment process.

Beginning in spring 2014, we will design and begin a planning process that will engage the campus in updating and re-focusing SOU's strategic plan to ensure flexibility and aggressive, nimble tactics that respond to key benchmarks such as enrollment and state allocation, establish priorities for reinvestment, and ensure achievement and maintenance of a healthy fund balance.

Since the reorganization of Academic Affairs will consume the time and energy of academic areas in spring 2014, much of the planning work this spring and over the summer will focus on and involve other areas of the university. In fall 2014, the work will move forward with the entire university, beginning with a major planning retreat.

The strategic planning process will build on recommendations made in the prioritization process and data from the capacity study and other sources. It will establish long- and short-term goals as well as priorities. Importantly, strategic planning will establish priorities for investment as the university rebuilds its reserves.

Many comments received over past months emphasized the importance of investing in areas central to SOU's success even while reducing costs overall. Over time, with an ongoing fund balance of 10% or higher, we will have sufficient financial flexibility to invest regularly in the university's priorities. In the short run, however, with only limited or one-time funds available, it will be important to invest carefully and strategically in high priority areas while still maintaining sufficient reserves. Strong strategic planning will be a foundation for mission-driven and data-driven decision making.

University Re-Structuring

Southern Oregon University has been responding to state disinvestment for many years. Over the last five years as state allocations have significantly decreased, SOU has undertaken major cost reductions that have affected every administrative office of the university.

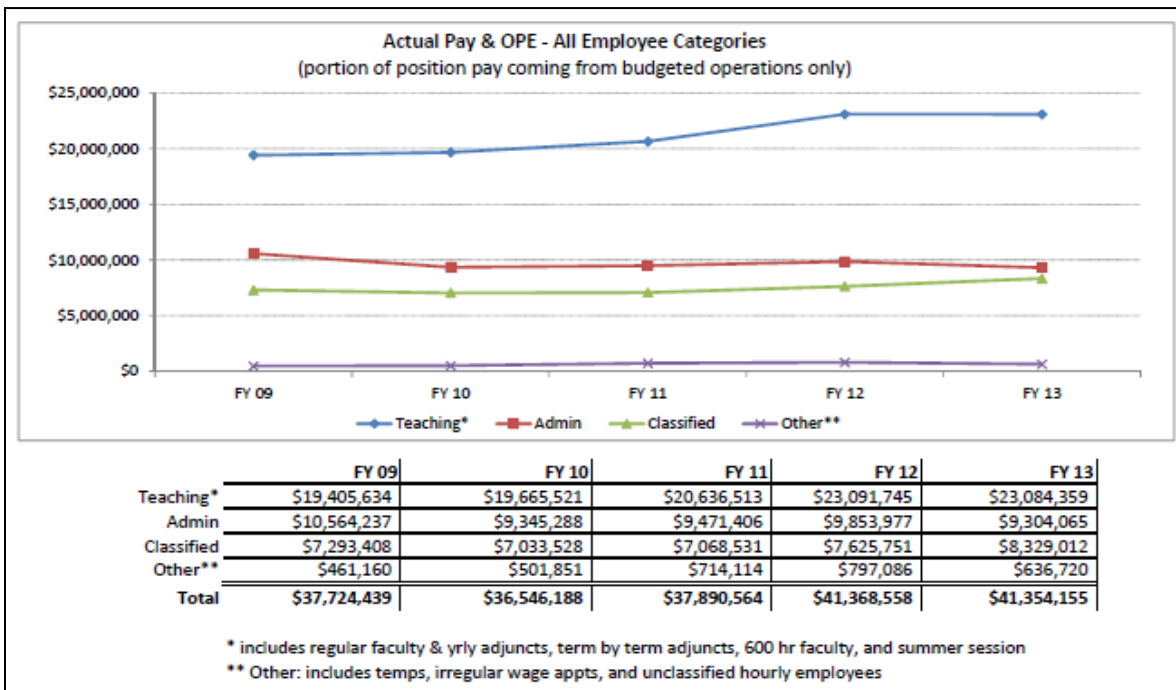
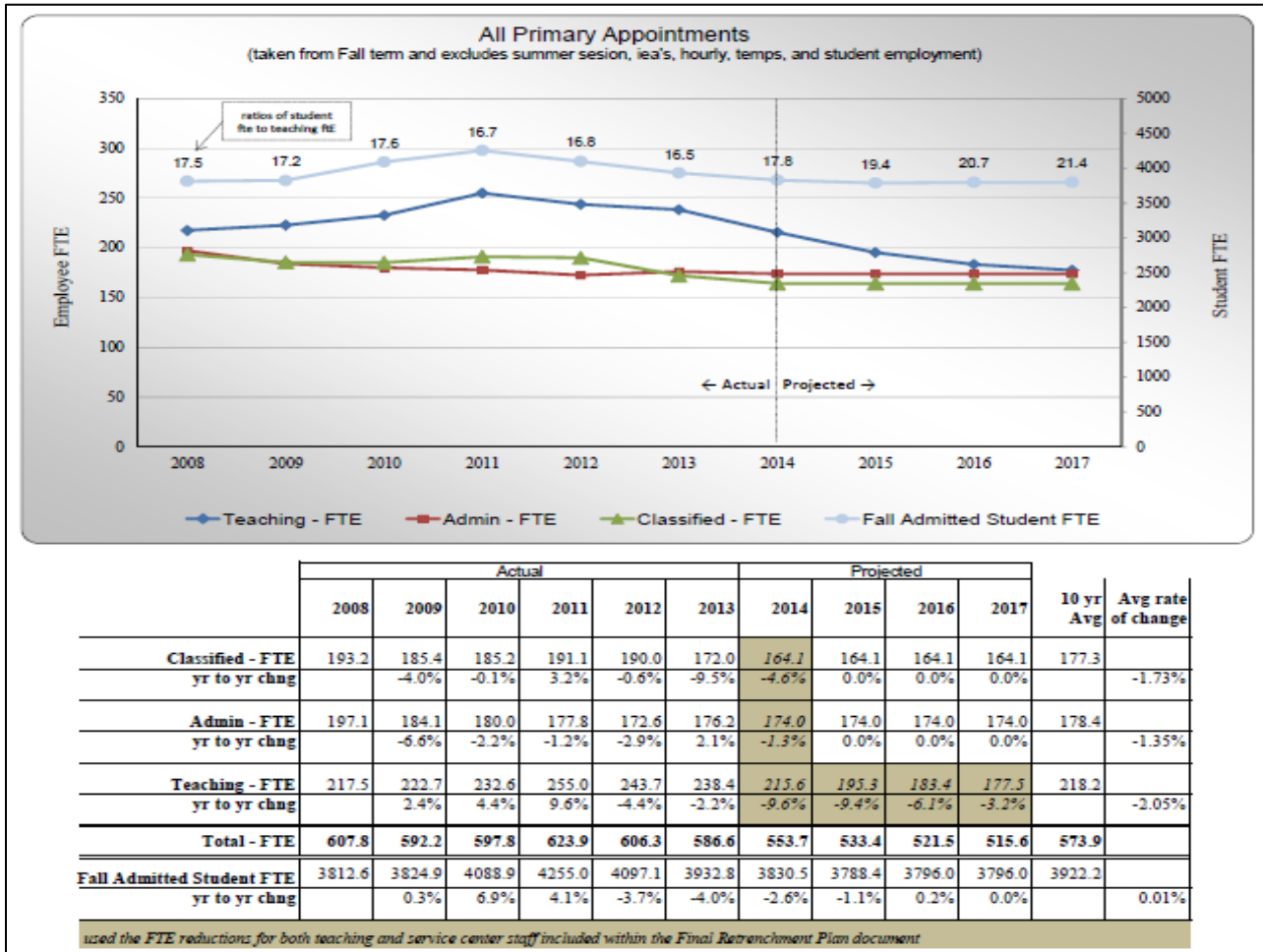
In 2009-10, the global economic downturn led to severe state reductions and reduction of SOU's reserves. Despite the need for deep reductions, the decision was made to preserve academic offerings and services that directly impact students. In that year, staff reductions totaled \$1.485M: 10 admins and 4 classified staff were noticed, and 9 vacant positions were eliminated.

In 2012-13, continuing disinvestment from the state and significant PERS cost increases caused SOU again to significantly reduce expenses. In this period, Student Affairs and Academic Affairs were merged, and the Student Affairs areas were extensively reorganized. Staff reductions that year totaled \$1.238M. These included 7 administrators, including the Vice President for Student Affairs and the Dean of Students, and 10 classified staff.

Across the campus, there have been staff reductions in areas such as the Student Health and Wellness Center, Human Resources, custodial and grounds staff, the bookstore, Marketing and Communications, and IT. We outsourced our food service. Administrative staff members are currently taking furlough days. Assessments of auxiliaries have increased, creating challenges in those areas.

With the creation of the academic divisions and the Service Center, SOU achieves budget savings from eliminating deans, moving to directors, and creating staffing efficiencies. Overall, we achieve a \$304,000 savings from moving from deans to directors, \$93,000 for reductions in faculty release time for administration, and \$685,000 from staff reduction. These savings total \$1.08M. With this reorganization, eleven currently budgeted staff lines are eliminated (2 administrative, 8 classified, 1 unclassified) through retirements, not filling open lines, and layoffs.

Staff reductions over time are illustrated by the following charts:



At this point, SOU cannot risk more staff reductions in most administrative areas. We are, in fact, too thinly staffed in a number of core offices. An internal OUS audit report in January 2013 notes that SOU's "ongoing budget reductions and increased workloads have contributed to a reduction in administrative and finance staff, which is a challenge considering the ongoing growth of accounting and compliance requirements."

Interim Chancellor Rose echoes this point in a recent memo: "The campus has been diligent for many years in holding the core program-related mission harmless, and focusing cuts on the non-academic side of the house. That said, OUS Internal Audits Division is concerned that your administrative support falls significantly below similar comparators, and cautions that potential 'segregation of duties' issues may arise. . . . The final plan needs to clearly communicate to the campus the level of non-academic cuts that have occurred in the past, and that the pathway forward must be now focused on the academic side of the house."

The creation of a service center (opening July 2014) will bolster administrative support by centralizing support services and cross-training staff. The service center, also, will provide needed assistance to the divisions in the newly formed academic organization.

Enrollment Management and Admission Strategies

A key factor in all budget and organizational planning has been consideration of enrollment patterns and recruitment as well as retention strategies. SOU is moving forward aggressively with powerful initiatives that connect us with potential and existing students, their families, and alumni in Oregon and around the country. We have combined a sophisticated array of strategies with a refined ability to retrieve, analyze, and apply data.

An SOU enrollment and marketing team has been working strategically to positively impact enrollment; Preview Day numbers and "funnel data" for fall 2014 are extremely positive.

- ❖ Communication plans and recruitment efforts have been enhanced so that students are aware of first-year experiences, faculty-student engagement, and distinctive programs such as Houses, Accelerated Baccalaureate, Honors College, and PEAK jobs.
- ❖ Recruiters for specific territories receive weekly assessments and goals within primary (southern Oregon), secondary (Portland and the rest of Oregon), and tertiary (out of state) areas.
- ❖ We are employing successful strategies to reach greater number of underrepresented prospective students in targeted regions (such as Latino communities in southern Oregon).
- ❖ With new automated marketing tools, we have consolidated and refined management of contact/prospect information for targeted audiences. This unifies key marketing campaigns across departments.
- ❖ Social media properties, the SOU website, digital media productions, advertising, print materials, and other communications have created an effective shared messaging platform that is driving awareness, interest, and consideration among our target audiences. We are tracking triple-digit increases in reach and engagement.

- ❖ The Raider Freshman Academy, a summer bridge program, has been developed to help prepare freshmen (primarily Oregonians) who have been given provisional admission.
- ❖ College fairs, social media messaging, and specific campaigns are targeting Portland, Colorado, Arizona, Nevada, southern California, Idaho, and Washington.
- ❖ Added Raider receptions, SOU2YOU events, and high school counselor sessions are focusing on northern California and Portland.
- ❖ Staff members at the Higher Education Center in Medford have significantly strengthened connections with Rogue Community College, providing SOU application workshops to our local markets and more quickly capturing and assisting prospective students.

Fall enrollment patterns demonstrate strong potential, particularly with resident freshmen. To date for resident freshman there is an 8.23% increase in applications, a 13.39% increase in admits, and 76.47% increase in paid deposits from this time last year. Overall, including all freshmen and all transfer students, there is a 10.95% increase in applications, a 12.22% increase in admits, and a 43.75% increase in paid deposits.

Clear goals are in place for recruitment of new incoming freshmen and transfer students. Reasonable, achievable expectations demonstrate a 6.2% increase in new freshmen (40 students) and 3.4% in new transfers (18 students). Moreover, powerful new strategies are in place that could very positively affect retention for fall 2014 and beyond.

Despite these promising signals, we continue to use very conservative enrollment projections in our planning. The most current (but highly preliminary) OUS projections for fall 2014, for example, show a 2.6% decrease from fall 2013 and a 1.1% decrease between fall 2014 and fall 2015. After that, projections indicate flat or slightly increased enrollment for SOU through fall 2018.

As we strengthen the SOU brand, we will continue working on plans regarding WUE and differential tuition. In fall 2013, we implemented differential tuition for three programs: undergraduate programs in theatre arts and music and a graduate program in education. Further planning will begin in summer 2014 as we plan for fall 2015.

Altogether, data-supported initiatives are creating stronger enrollment planning, more coordinated recruiting and retention strategies, and a stronger plan linking enrollment and budget planning for SOU.

Retrenchment Reduction Distribution

	<u>FY 14</u>	<u>FY 15</u>	<u>FY 16</u>	<u>FY 17</u>	<u>FY 18</u>	<u>Total</u>	<u>FTE</u>
<u>One-Time Savings</u>							
Fund Transfers	\$3,000	\$3,200				\$6,200	
Faculty Furlough Days		\$253				\$253	
Annual Assessment Savings (Aux and Des Ops)		\$300	\$300	\$300	\$300	\$1,200	(1)
Administrator Furlough Days	\$94	\$94				\$188	
Total One-Time Savings	\$3,094	\$3,847	\$300	\$300	\$300	\$7,841	
<u>Permanent Savings</u>							
Academic Reorganization	\$227	\$854				\$1,081	19.25 (2)
Assumed Retirements			\$316	\$316	\$316	\$948	10.00 (3)
Term-by-Term Adjuncts		\$100				\$100	3.31 (4)
Undergraduate Studies			\$124	\$152		\$276	4.00 (5)
Business, Communication, & the Environment		\$160	\$145	\$46	\$75	\$426	5.45 (5)
Education & Health		\$244	\$228	\$174	\$111	\$757	9.16 (5)
Science, Technology, Engineering, & Math		\$278	\$430	\$161	\$37	\$906	9.39 (5)
Center for the Arts		\$122	\$160	\$68	\$68	\$418	5.28 (5)
Language & Culture		\$14	\$96	\$198	\$53	\$361	3.66 (5)
Social Sciences & Public Affairs		\$230	\$475	\$151	\$36	\$892	10.68 (5)
Total Permanent Incremental Savings	\$227	\$2,002	\$1,974	\$1,266	\$696	\$6,165	80.18 (6)
Total Cumulative Permanent Savings	\$227	\$2,229	\$4,203	\$5,469	\$6,165		

(in thousands of dollars)

Notes:

- 1) Annual assessment for auxiliary departments and programs in designated operations increased to 10% of revenues. Savings impact is by year.
- 2) Savings result primarily from classified and administrator reductions.
- 3) Assumed retirements equals 10 FTE at estimated \$95,000 annual salary and benefits over 3 years.
- 4) Term-by-term adjuncts equal 3.31 FTE at estimated \$30,200 annual salary and benefits.
- 5) Division reductions include known retirements, permanent faculty, and year-long adjuncts.
- 6) Total permanent incremental savings includes \$5.084M (60.93 FTE) in program elimination or reduction and \$1.081M (19.25 FTE) in academic reorganization.

Faculty Reductions

	FY14 AY2013-4	FY15 AY2014-5	FY16 AY2015-6	FY17 AY2016-7	FY18 AY2017-8	Totals
Center for the Arts (5.28 FTE)						
Known retirements	0	0.83	0.50	0.50	0.50	2.33
Permanent	0	0	0	0	0	0
Adjunct (yearlong)	0.45	0.50	2.00	0	0	2.95
Subtotal for Arts	0.45	1.33	2.50	0.50	0.50	5.28
Division of STEM (9.39 FTE)						
Known retirements	0	2.61	0.39	0.67	0.33	4.00
Permanent	0	0	3.47	1.00	0	4.47
Adjunct (yearlong)	0	0.46	0.46	0	0	0.92
Subtotal for STEM	0	3.07	4.32	1.67	0.33	9.39
Division of Education and Health (9.16 FTE)						
Known retirements	0.83	0.50	0	1.22	0.78	3.33
Permanent	0	0	0	0	0	0
Adjunct (yearlong)	0	2.68	3.15	0	0	5.83
Subtotal for ED/Health	0.83	3.18	3.15	1.22	0.78	9.16
Division of Business, Communication and the Environment (5.45 FTE)						
Known retirements	1.62	1.45	0.61	0.33	0.66	4.67
Permanent	0	0	0.78	0	0	0.78
Adjunct (yearlong)	0	0	0	0	0	0
Subtotal for BCE	1.62	1.45	1.39	0.33	0.66	5.45
Division of Social Science and Public Affairs (10.68 FTE)						
Known retirements	2.17	1.62	1.56	0.72	0.28	6.35
Permanent	0	0.33	2.00	0	0	2.33
Adjunct (yearlong)	0.5	0	0.50	1.00	0	2.00
Subtotal for SS/PA	2.67	1.95	4.06	1.72	0.28	10.68
Division of Language and Culture (3.66 FTE)						
Known retirements	0.40	0.11	0.33	0.61	0.39	1.84
Permanent	0	0	0	1.00	0	1.00
Adjunct (yearlong)	0	0	0.82	0	0	0.82
Subtotal Lang/Culture	0.40	0.11	1.15	1.61	0.39	3.66
Division of Undergraduate Studies (4.00 FTE)						
Known retirements	0	0	0	0	0	0
Permanent	0	0	2.00	2.00	0	4.00
Adjunct (yearlong)	0	0	0	0	0	0
Subtotal UG Studies	0	0	2.00	2.00	0	4.00
TOTALS (60.93 FTE)						
Known retirements	5.02	7.12	3.39	4.05	2.94	22.52
Permanent	0	0.33	8.25	4.00	0	12.58
Adjunct (yearlong)	0.95	3.64	6.93	1.00	0	12.52
Anticipated retirements	0	0	3.33	3.33	3.34	10.00
Adjunct (txt)	0	3.31	0	0	0	3.31
TOTAL	5.97	14.40	21.90	12.38	6.28	60.93

Budget Pro Forma

	2011-13 Biennium		2013-15 Biennium		2015-17 Biennium		2017-18 FORECAST (000's)
	2011-12 Actual (000's)	2012-13 ACTUAL (000's)	2013-14 FORECAST (000's)	2014-15 FORECAST (000's)	2015-16 FORECAST (000's)	2016-17 FORECAST (000's)	
	(in thousands of dollars)						
Budgeted Operations							
State Appropriations	12,642	13,195	13,775	15,200	14,624	15,666	15,287
Special State Allocation for Investment				500			
Tuition, net of Remissions	32,837	33,526	32,708	31,563	32,123	33,078	33,991
Other	1,657	1,851	1,823	2,101	2,135	2,195	2,258
Total Revenues & Transfers In	47,136	48,572	48,306	49,364	48,882	50,939	51,536
Personnel Services	(42,343)	(42,360)	(43,846)	(43,283)	(42,320)	(42,639)	(43,635)
Supplies & Services	(6,534)	(9,200)	(6,751)	(5,587)	(5,619)	(6,021)	(6,570)
Program Investment				(250)	(250)	(250)	(250)
Capital Outlay	(275)	(188)	(188)	(125)	(125)	(125)	(125)
Total Expenditures & Transfers Out	(49,152)	(51,748)	(50,785)	(49,245)	(48,314)	(49,035)	(50,580)
Net from Operations and Transfers	(2,016)	(3,176)	(2,479)	119	568	1,904	956
Transfers In	500	0	2,938	3,200	0	0	0
Transfers Out	(166)	328	(565)	(501)	(501)	(501)	(501)
Change in Fund Balance	(2,182)	(2,848)	(106)	2,818	67	1,403	455
Beginning Fund Balance	5,551	3,869	1,019	913	3,731	3,798	5,201
Ending Fund Balance	3,869	1,019	913	3,731	3,798	5,201	5,656
% Operating Revenues	8.1%	2.1%	1.9%	7.6%	7.8%	10.2%	11.0%

Primary Assumptions:

Goal of 5% ending fund balance by FY15 and 10% or better by FY17

State Allocations FY16 and beyond - 3% per biennium

Enrollment (decrease) - FY15 (2.6%), FY16 (1.1%), FY17 .2%, FY18 0 (1% = approximately 45 student FTE)

Tuition increase - 0% FY15, 3% FY16 & 17, 3% FY18

Salary Increase pool - 3% FY16, 4% FY17, 5% FY18

Assumes worst case

Benchmarks

The following benchmark timeline will indicate specific points at which data will be gathered, either by the campus or by Chancellor's Office staff, and compared against pre-established goals.

- ❖ **March 2014** Final Retrenchment Plan—finalized timeline, metrics, and benchmarks submitted to Chancellors' Office
- ❖ **April 2014** Initiate strategic planning process (primarily academic support areas)
- ❖ **June 2014** Business plans due from academic divisions
 - Enrollment funnel report for Fall 2014
- ❖ **July 2014** Fund balance status report
- ❖ **August 2014** Enrollment funnel report for Fall 2014
 - State allocation determined
- ❖ **September 2014** Initiate all-campus strategic planning
- ❖ **November 2014** Fall Term enrollment and retention report
 - Recalibration of Retrenchment Plan based on 4th week enrollment data
 - Quarterly benchmarking report to Board
 - Consultation with Chancellor's Office and Board
- ❖ **February 2015** Quarterly benchmarking report to Board
- ❖ **May 2015** Quarterly benchmarking report to Board
- ❖ **July 2015** Fund balance status report
- ❖ **September 2015** Quarterly benchmarking report to Board

Conclusion: Building on the Past, Moving Into the Future

Founded over 140 years ago as a teachers' college, Southern Oregon University is committed to serving our region and the State of Oregon. SOU serves a large percentage of Oregonians. Many are the first in their families to attend college. It is our moral imperative to maintain access and affordability. As a small university experiencing the "new normal" of public higher education, we are forced to cut costs and narrow offerings. Nonetheless, SOU remains committed to regional stewardship and outstanding academic programming as well as to nationally recognized best practices that promote student success and retention.

As a powerful economic engine of our local communities, over 85% of our graduates remain to work in Oregon. The most important contribution SOU makes to the region and to the state is graduating well-prepared students with skill sets that are crucial to civic and economic success. The most important contribution we make to students is enabling them to graduate with strong communication and problem-solving expertise as well as knowledge and experiences that enable them to be successful in current and future careers.

Strategic Planning. In 2008, following extensive planning processes, SOU published a five-year strategic plan entitled *Building the New SOU: Strategic Plan for Distinction and Sustainability 2009-2014*. This plan and the university's mission statement form the foundation for our department and area planning and for our NWCCU accreditation, which was reaffirmed in February 2014.

The strategies and tactics of our strategic plan have been regularly updated in light of annual goals and benchmarks; however, the four strategic goals of the plan remain in place:

- ❖ **Academic Distinctiveness and Quality:** Heighten and sustain a powerful university culture that supports and inspires intellectual creativity, connected learning, and a passion for making a difference.
- ❖ **Commitment to the Arts and the Region:** Ensure that curricula, research, and outreach reflect the environmental, economic, and cultural priorities of our region.
- ❖ **Community Partner and Catalyst:** Strengthen the University's role as economic and cultural partner and catalyst for external communities.
- ❖ **Financial Sustainability:** Increase the University's fiscal stability through enrollment management, budget development and alignment, strategic partnerships, and fundraising.

Data-Gathering. In 2011-2012, SOU issued a *Report on Capacity*, developed by staff and faculty that analyzed data from program areas across campus. The analyses were intended to help us build a "sustainable fiscal environment that reflects the realities of our declining state support and limitations on our ability to replace declining state resources with enrollment revenue." In concluding remarks, the report states that SOU's curriculum "is too diverse for our current and near future student body. Tightening all aspects of the curriculum could lead to better use of scarce resources. Given the reductions in state support and a limited ability to raise tuition, we may not be able to maintain current class size ratios."

A number of the findings in the *Report on Capacity* were underscored and expanded in 2013-14 with the report from OUS entitled *Southern Oregon University Departmental Enrollment, Revenues & Costs 2012-2013*.

Prioritization. In 2012-13, SOU undertook prioritization of academic and academic support programs, a process that involved broad participation across campus. This process was designed to help inform the next iteration of SOU strategic planning since the plan currently extends only through 2014. The Introduction to the *Academic Program Prioritization Report* highlights the centrality of SOU's mission and strategic goals to the prioritization process:

[I]nstitutions, particularly regional, comprehensive institutions like Southern Oregon University, increasingly find themselves in the midst of budget crises that drive critical decisions and planning processes. It is within this context that the process of academic program prioritization was developed. The objective of this process is to find the proper balance in allocating resources among programs deemed essential to achieving the mission and strategic goals of the institution. It is our hope that the work represented by this report will contribute to a strategic planning process that achieves such a balance and results in a more distinctive and sustainable SOU.

Based upon agreed-upon criteria, particularly centrality to mission, the prioritization report listed academic programs in quintiles of 33 each. Although the prioritization process was not specifically directed at cost-cutting, programs in lower quintiles were understood to be candidates for review, restructuring, consolidation, or elimination.

Retrenchment. This final retrenchment plan is a significant stage of an ongoing consultative process. The plan has been informed by strategic planning and data-gathering initiatives as well as by comments received throughout the process. It is important to state that, unlike the prioritization process, retrenchment is not intended primarily as a foundation for strategic planning or a vehicle for re-shaping the university's mission and goals. However, the retrenchment process does provide an opportunity to strengthen the university's focus, to implement recommendations from the *Report on Capacity* and the *Academic Program Prioritization Report*, and to achieve the financial sustainability that is and will continue to be a key goal of the university's strategic planning.

The programs slated for elimination in this plan have not attracted sufficient numbers of students to be viable in this challenging economic environment. However, even while going through the difficult process of eliminating some academic programs, we will continue to support and invest in an array of offerings that prepare students effectively for a variety of opportunities after graduation.

SOU's distinctive curriculum will continue to include a balanced mix of programs appropriate to a small regional university:

- ❖ Programs that prepare students for professional careers in areas such as business, education, criminal justice, and health-related fields;
- ❖ Programs that respond directly to our unique region, which cares deeply about and provides employment opportunities related to the arts and the environment; and
- ❖ Programs that prepare students to understand the human and natural world while also connecting them with career opportunities through undergraduate research, capstone experiences, hands-on learning, and interdisciplinary approaches.

In the new environment of public higher education, SOU must ensure that our programming brings significant and measurable value to our region and our state. The difficult decisions embedded in this retrenchment plan reflect not only what we can no longer afford but also what SOU *is* and will continue to be as we serve the students and citizens of Oregon.

This final retrenchment plan is the culmination of a complex and difficult process. We have used strategies that will create financial sustainability with minimal impacts on students while maintaining and enhancing the core values and strengths of Southern Oregon University.

The strategies outlined in this plan involve hard choices and difficult decisions. We recognize that our faculty and staff care deeply about our university. There will be impacts to them personally, to their families and to our community. We have made every possible effort to mitigate these impacts to the greatest degree possible while ensuring the long-term viability of SOU.

We will continue through a collaborative process to construct a new academic organization and will continue to ensure that SOU meets the needs and interests of a diverse and changing student body.

Despite challenges, Southern Oregon University will emerge from this process a stronger organization, nimble and proactive, as we look forward to a promising future.