



Southern Oregon University
Financial and Strategic Assessment
Project Launch Pack
March 2026

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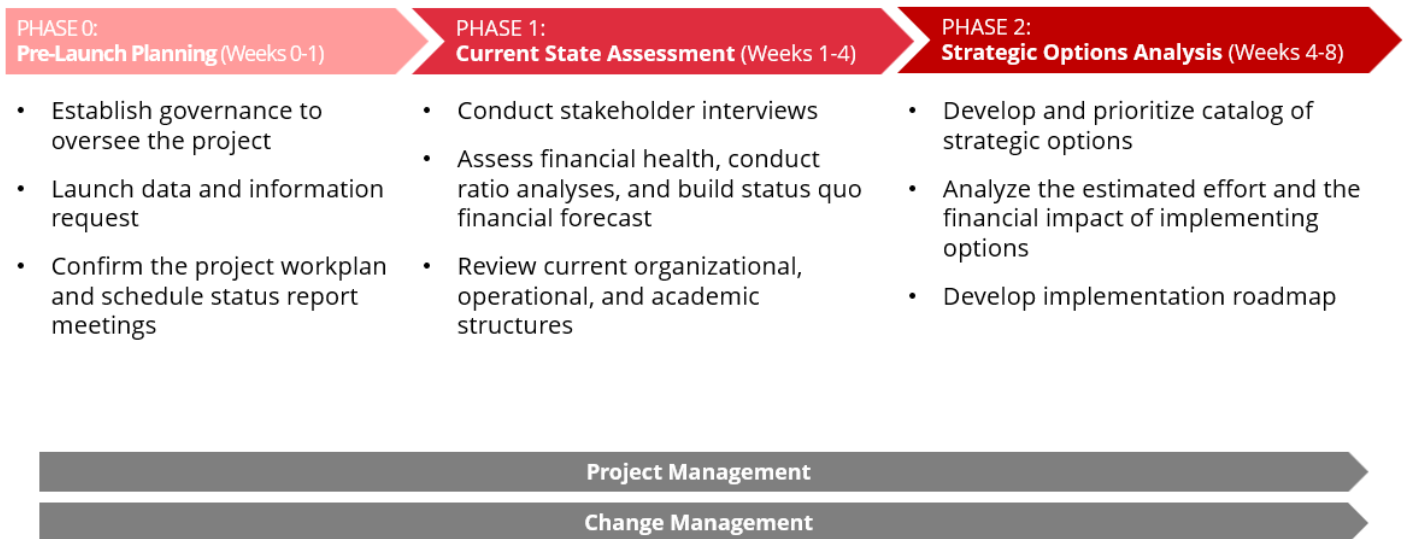
1. Timeline and Approach

Deloitte will conduct a strategic and financial assessment to help the Higher Education Coordinating Commission (“HECC”) and Southern Oregon University (“SOU”) establish a fact-based, decision-ready path forward given SOU’s forecasted negative cash balance by spring 2027.

Deloitte will work with HECC and SOU to develop a long-term structural financial model, including scenarios, key assumptions, and sensitivity analyses, to define a practical path to a balanced budget consistent with legislative direction. In parallel, we will assess SOU programs and functions that are “specifically meaningful to southern Oregon or the state,” evaluating sustainability and mission alignment and assisting HECC and SOU in their efforts to identify activities that may be preserved, consolidated, restructured, or discontinued to support long-term delivery capacity.

Deloitte will conduct an initial evaluation of how SOU can sustainably support higher education needs in Oregon, and specifically in the Southern Oregon region. Deloitte will consider whether SOU can accomplish this goal as an independent, stand-alone institution, and will also consider alternative structures and partnership pathways. This analysis will be completed in collaboration with the SOU board and staff, HECC staff and, as appropriate, other Oregon higher education institutions. We will compare operational models and provide an initial view of feasibility informed by the financial model and program sustainability results, as determined by HECC and SOU.

Throughout the engagement, we will execute an interested party engagement approach and provide communications and briefing materials for HECC and SOU leadership at key milestones. Deloitte will provide dedicated project management, including weekly coordination meetings, written status updates with risk flags every two weeks, and will manage the project schedule, deliverables, and production of the final report.



2. Project Activities

Deloitte will provide comprehensive analytical, strategic, financial, and facilitation services required to assist HECC and SOU in its development of a plan for financial sustainability that supports the higher education needs of the region and the State of Oregon. Deloitte’s work will include the following:

ACTIVITY	KEY ACTIONS
<p>Long-term Structural Financial Modeling (2027–2029 Biennium)</p>	<ul style="list-style-type: none"> • Develop potential financial models with scenarios, assumptions, and sensitivity analysis. • Produce a potential path to a balanced budget for the 2027–29 biennium, which runs through FY2029, consistent with legislative direction.
<p>Program and Function Assessment</p>	<ul style="list-style-type: none"> • In collaboration with HECC and SOU, identify programs and functions “specifically meaningful to southern Oregon or the state.” • In collaboration with HECC and SOU, evaluate the sustainability and mission alignment of those programs/functions. • Identify elements that may be preserved, consolidated, restructured, or discontinued based on capacity for long-term delivery in alignment with HECC and SOU’s financial model and program sustainability results.
<p>Initial Evaluation of Structures and Partnerships</p>	<ul style="list-style-type: none"> • In collaboration with HECC staff and staff from other Oregon higher education institutions as appropriate, assess opportunities for partnerships, affiliations, service sharing, and/or mergers which necessitate collaboration. • Compare operational models including: <ul style="list-style-type: none"> • Sustainability pathways that do not involve other institutions • Partnerships with Oregon institutions • Shared services frameworks • Potential alternative higher education structures and governance models • Provide an initial evaluation of financial models, program sustainability findings, and structural/governance options, including an initial assessment of feasibility.
<p>Interested Party Engagement and Communications Support</p>	<ul style="list-style-type: none"> • Develop a rapid interested party input plan for students, faculty, staff, community members, and governance bodies. • Conduct targeted 6-8 listening sessions and consultations. • Over the course of the project, provide relevant first draft communications materials and briefing content for HECC and SOU leadership at milestone points.
<p>Project Management and Coordination</p>	<ul style="list-style-type: none"> • Assign a dedicated project lead and qualified team. • Coordinate closely with HECC and SOU leadership; hold weekly meetings. • Submit biweekly (i.e., every other week) written progress reports and risk flags. • Manage schedule, deliverables, and production of the final report.

3. Deliverables

Deloitte will provide the following six (6) deliverables on the below schedule.

#	DELIVERABLE	CONTENTS	DATE
1	Project Kickoff Memorandum	<ul style="list-style-type: none"> Confirmed scope, data request, project timeline, partner engagement plan. 	March 7–10, 2026
2	Draft Proposed Long-term Financial Model	<ul style="list-style-type: none"> Multi-scenario modeling for the 2027–29 biennium (i.e., through FY2029), based in excel, providing the basis for scenario planning. Documentation of assumptions and sensitivities 	Early April 2026
3	Program and Function Sustainability Assessment	<ul style="list-style-type: none"> Categorization of programs/functions by mission relevance and sustainability Recommendations for long-term sustainability, aligned to the goal of meeting the higher education needs of the region and the State. 	Mid-April 2026
4	Initial Structural/Partnership Options Report	<ul style="list-style-type: none"> Initial feasibility analysis of options for affiliations, shared services, or partnerships that could help to sustain SOU as an independent university, as well as an analysis of alternative governance structures. Comparative pros/cons and risk assessment, including assessment of risk, barriers, and magnitude of cost and time to realize results Prioritization metrics of opportunities for leadership discussion and decision-making (note, decisions are required by April 24 in order to meet the April 30 deadline for the Sustainability Report). 	Mid-April 2026
5	Proposed Final Financial Sustainability Plan	<ul style="list-style-type: none"> Fully integrates all required components, based on the decision made by the executive committee Prepared for HECC to submit to the legislature Includes executive summary and supporting technical appendices 	April 30, 2026
6	Final Presentation	<ul style="list-style-type: none"> Briefings to HECC leadership and SOU Board specifically but also potentially with the HECC Commission and a 	Late April 2026

		<p>limited number of legislative members and/or state leaders. This will not require providing testimony to the Oregon State Legislature.</p> <ul style="list-style-type: none"> • Public facing slide deck summarizing findings. 	
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4. Project Management Cadence

To enable the successful completion of this project within the outlined timeframe, we recommend establishing clear project decision channels and scheduling core meetings at the outset for the duration of the project. Key roles include:

ROLES	RESPONSIBILITIES
<p>Project Manager(s) (1-2 total)</p> <ul style="list-style-type: none"> • Rick Bailey, SOU President • Sheila Clough, Board Chair • Mary Katie Brown, SOU Project Manager • Jim Pinkard, HECC Project Manager • Ben Cannon, HECC Executive Director (Optional) 	<ul style="list-style-type: none"> • Partner with the Deloitte team on a day-to-day and week-to-week basis to enable the success of the engagement • Collaborate with Deloitte team to provide input on work product and deliverable development • Support project management activities and logistics (e.g., data request, status report, work plan) • Assist in scheduling interviews, focus groups, and other meetings along with development and delivery of project communications • Review project status on a weekly basis, escalating issues as appropriate, and removing roadblocks to project success • Meeting Cadence: Bi-Weekly • Expected Time Commitment: 10-15 hours per week
<p>Executive Committee (5-10 total)</p> <ul style="list-style-type: none"> • Rick Bailey, SOU President • Sheila Clough, Board Chair • Liz Shelby, Trustee • Sarah Means, Governor’s Office Higher Education and Workforce Policy Advisor • Rob Patridge, SOU General Counsel and Project Executive • Mary Katie Brown, SOU Project Manager • Ben Cannon, HECC Executive Director • Jim Pinkard, HECC Project Manager 	<ul style="list-style-type: none"> • Provide strategic direction through the engagement and prioritize gaps and opportunities • Make final decisions on major decisions/ issues/ risks that impact project scope, timeline, budget • Serve as advocates and executive champions for the initiative, liaising with campus units who have issues or concerns • Convene at critical project milestones to review findings and recommendations • Meeting Cadence: Bi-Weekly and/or in accordance with major project milestones: <ul style="list-style-type: none"> • Mid-March – Executive Committee Focus Group • Early April – Draft Long-term Financial Model • Mid-April – Program/Function Assessment and Structural Options Report • April 24 – Executive Committee Decision on Prioritized Opportunities Provided • April 24–28 – Final plan review and refinement • April 30 – Delivery of Final Sustainability Plan • Expected Time Commitment: 6-8 meeting times over the course of the project (excluding potential participation in an interview during current state phase).

5. Data Request

To the extent that these exist, the below information and data would be very helpful for our assessment. Unless otherwise noted, please provide data going back to 2020. All employee or individual student level data should be anonymized with unique identifiers (e.g., employee ID # instead of name) to facilitate analysis while protecting PII.

STRATEGIC	
1	Recent strategic plans, board reports, or other documents that speak to the mission and focus of SOU.
2	Copies of any recently completed operational / organizational diagnostics or assessment reports that were performed internally or by external consultants (e.g., accreditation assessments, administrative spend analysis, benchmarking, etc.)
FINANCIAL DATA	
1	Audited financial statements covering the last five years.
2	Key financial management reports or dashboards related to financial health (e.g., finance dashboards, balances reports, monthly / quarterly P&L, budget vs. actuals, etc.), student success, or operations that are regularly used by staff and business leaders to measure performance
3	Most recent chart of accounts and organizational hierarchy trees.
4	General Ledger or trial balance downloads (full University) for the current fiscal year and prior five years down to the account level (income statement and balance sheet accounts), fund, division/department, and with revenue and expense (functional and natural classifications if available) categories
5	FY 2026 operating budget publication/presentation and Operating budget data (full University) for the current fiscal year down to the account, fund, and department level if available
6	Current Capital Plan Report/workbook
7	Crosswalk between fund accounting internal views vs external audited views (if applicable)
OPERATING DATA	
1	Enrollment funnel report/dashboard detailing inquires, applications, acceptances, and matriculations (split by in-state / out-of-state / international if available) for last five years.
2	Financial forecast and enrollment projection model (resident/non-resident/international; undergrad vs. grad) over a 5-year time horizon (any additional program level projections are helpful)
EMPLOYEE DATA	
1	University employee headcount and FTE file for current and prior 5 years that lists employee ID, title, department, division, FTE (e.g., 0.5, 1.0 FTE), employee classification (faculty [tenure track vs non-tenure] vs. staff), funding string, and any other relevant information. Please limit PII where possible.
2	Employee compensation file (if not able to be included above) listing each employee's ID, department, unit, compensation (base pay, fringe, bonuses, stipends, overtime, etc.) with funding string for prior 5 fiscal years.
ACADEMIC DATA	
1	Course registration data for the past five years detailing the number of Credit Hours Produced by course section with course title, course prefix, course number, term, division, number of credit hours (e.g., 3 credit hour course), enrollment cap, students enrolled, primary instructor, any cross-listed course identifier, and student credit hours generated for the past five years.
2	Degrees conferred by division or department or program for the past five years.
3	Accounting of partnerships with academic institutions (other universities, community colleges, etc.) or educational programs in the region/state.

6. Interview and Focus Groups

PROPOSED INTERVIEWEE(S) / FOCUS GROUPS		NAME & EMAIL	ADMIN ASSISTANT NAME & EMAIL	NOTES + PROPOSED TIME
1	President			
2	Board Chair			
3	Vice President of University Advancement and Executive Director, SOU Foundation			
4	VP for Finance and Administration			
5	University General Counsel			
6	Executive Vice President and Provost			
7	Chief Human Resources Officer			
8	Associate Provost (Academic)			
9	Budget Director			
10	FOCUS GROUP: Associated Students of Southern Oregon University ASSOU - Students			
11	FOCUS GROUP: Faculty Senate			
12	FOCUS GROUP: Cabinet+ and Deans			
13	FOCUS GROUP: Staff Assembly			
14	FOCUS GROUP: Chairs			
15	FOCUS GROUP: Community, business leaders and gov leaders			

7. Decision Framework Structure

