

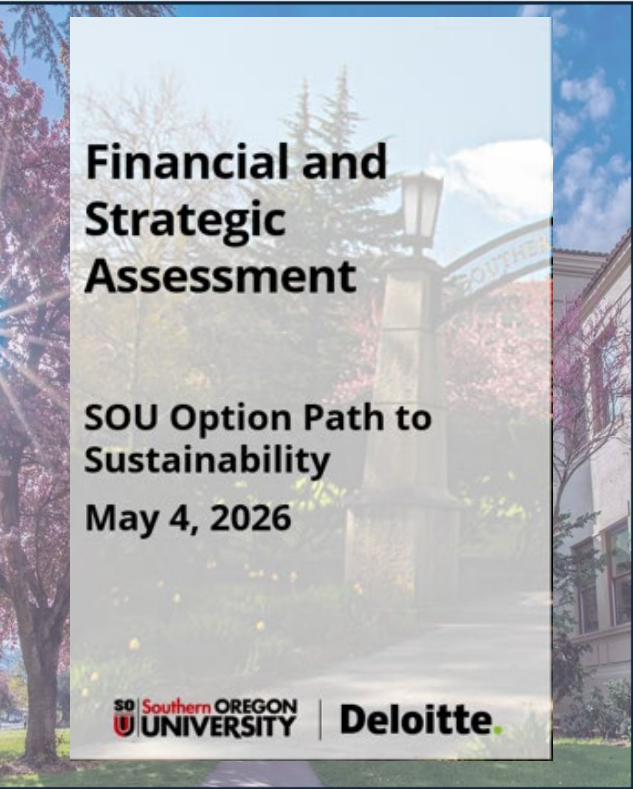
Financial and Strategic Assessment

SOU Implementation Plan

May 8, 2026



Financial Sustainability in Action



SO Southern OREGON UNIVERSITY

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May 4, 2026

- Deloitte delivered the Option Path to Sustainability Report to the HECC, SOU Executive Leadership Team and the Board of Trustees
- Deloitte also conducted a webinar to explain the case for change behind actions contained within the report and the options SOU may choose to take to achieve financial sustainability

May 8, 2026

- This document provides the timing of when savings may accrue, based on the set of assumptions

Purpose of this Document

These materials were prepared to share the cash flow projections with the HECC, SOU Board, and SOU Leadership that enable SOU to remain fiscally solvent and stabilize cash on hand between 30 and 60 days.

The projections included herein are based on a set of assumptions of the choices that SOU may make regarding the timing of plan elements, based on the cash flow projections.

In addition to these materials, the team has shared with the SOU Leadership team implementation plans and a sequence of activities for initiatives SOU may choose to implement. Each implementation plan is independent of the others; we expect that SOU may deploy an initial set of strategies (as illustrated in this document) and may also implement additional or replacement strategies to meet the evolving needs of SOU and achieve stability by the end of FY 2027.

Yearly Savings Impacts

Options for Consideration	Description	Savings Amount
Academic		\$6.8M – \$8.5M
Academic Delivery Efficiency and Academic Unit Closures <i>(incl. Resiliency Plan figures)</i>	Depending on the action taken in academics, the potential annual operational savings based on setting the average course size at 22 students, sunsetting specific academic units, and raising full-time faculty instructional loads to relevant minimum teaching ELU targets (figures to the right are inclusive of the impacts already identified in the SOU Resiliency Plan)	\$6.8M – \$8.5M*
Administrative		\$4.6M – \$7.3M
Administrative Shared Services	Transaction-heavy, rules-based functions represent the clearest opportunity for scale efficiencies and technology rationalization including IT, HR, Procurement, and Legal.	\$2.8M – \$4.2M
Campus Shared Services	Select services may benefit from shared delivery where scale can be achieved without compromising responsiveness or campus experience, including Campus Public Safety and Facilities Management.	\$250K – \$700K
Student Life Shared Services	Student facing services and enrollment and student success enabling services present an opportunity to increase impact and achieve scale through partnership with the local community college.	\$1.6M – \$2.4M
Auxiliary		\$2.5M – \$3.2M
Dining Cost Cutting Initiatives	Continuing cost savings initiatives that began in Spring 2026 such as adjusting the number of staff, dining location hours, and inventory levels can help lessen the gap between pricing and cost-to-serve.	\$870K – \$1.1M
GPA Housing Remission Discontinuation	Discontinuing GPA incentive housing remissions results in marginal cost savings.	\$72K – \$90K
Athletics Pathways	Securing additional support through fundraising or targeted program changes can reduce the need for E&G subsidy.	\$1.2M – \$1.5M
SRC Staffing Adjustment	Increasing reliance on student staff versus full-time staff within the Student Rec Center can reduce operating costs.	\$120K – \$150K
Jefferson Public Radio Relocation	Finding a non-profit who might assume the staffing, income, and cost of JPR could cover its operating gap.	\$240K – \$300K
Parking Optimization	Optimizing parking operations or considering other delivery models to reduce parking's operating deficit.	\$24K – \$30K
Other Operational Savings		\$1.7M – \$3.0M
Healthcare Benefits	Working with the state to find flexibility to enable SOU to use a different healthcare model (such as the model utilized by community colleges), SOU could realize annual savings of 10-20%.	\$1.1M – \$2.1M
Salary Freezes	Introduce a hiring, merit, and COLA freeze to reduce projected increases to salaries, wages, and benefits in FY27.	\$600K – \$850K
Total		\$15.6M – \$22.0M

Estimated growth opportunities from space monetization, net tuition optimization, and flexible giving expansion are estimated between \$2.0M – \$3.4M.

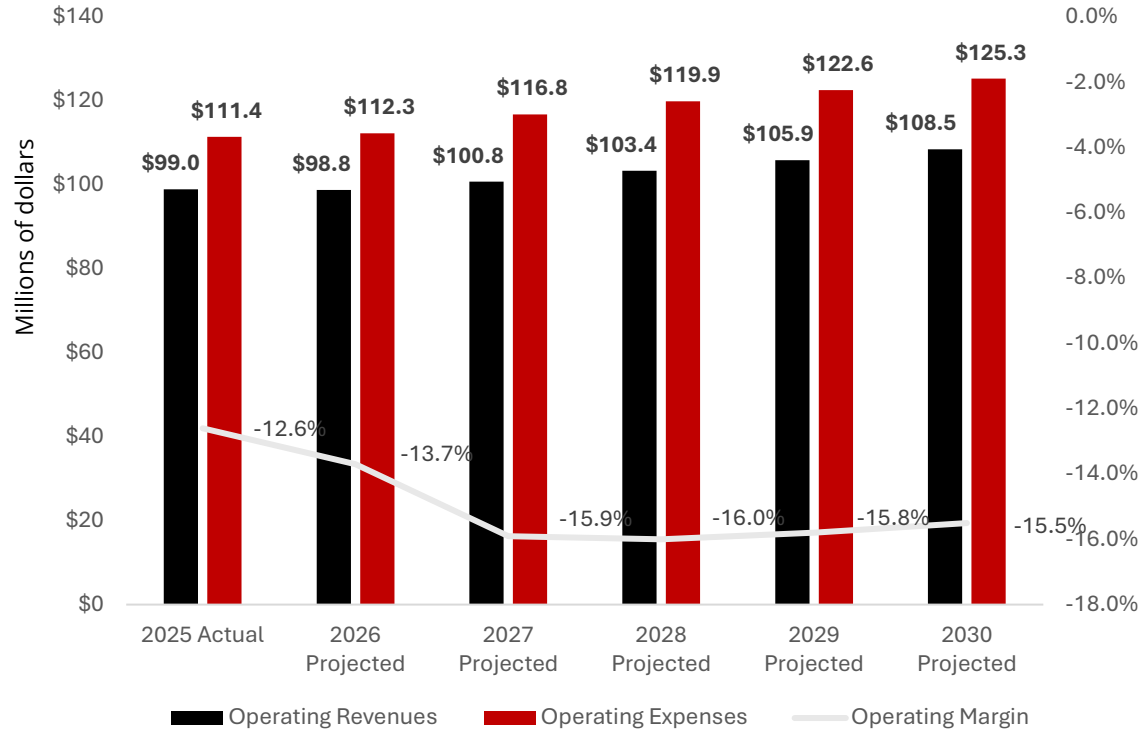
*Figures identified for academic savings are *inclusive* of the \$2.7M in cost savings already identified in the SOU Resiliency Plan

SOU's Financial Position Is Distressed and Will Persist without Action

The university has a structural deficit due to rising expenses and enrollment declines that have put pressure on tuition and fee revenue.

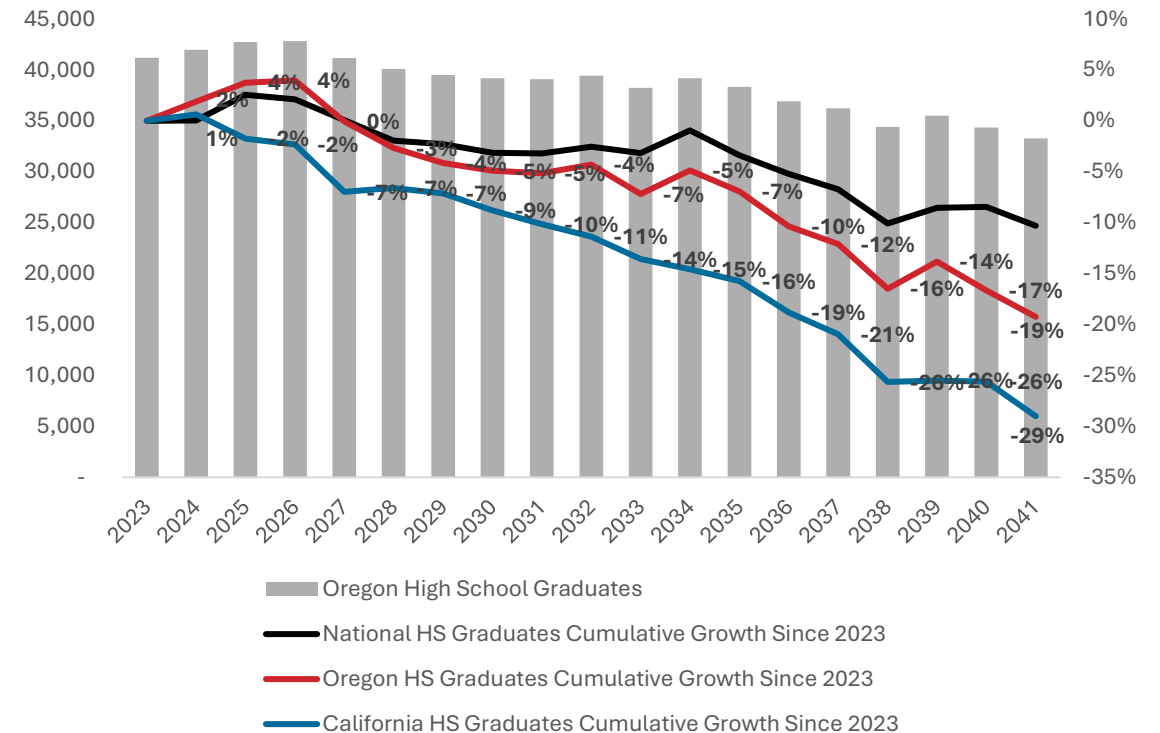
SOU Operating Revenue and Expense Forecast (All Funds)

SOU currently operates at a deficit of \$12.5M. The deficit is expected to grow to \$16.9M in FY30.*



Cumulative % Change in High School Graduates through 2041

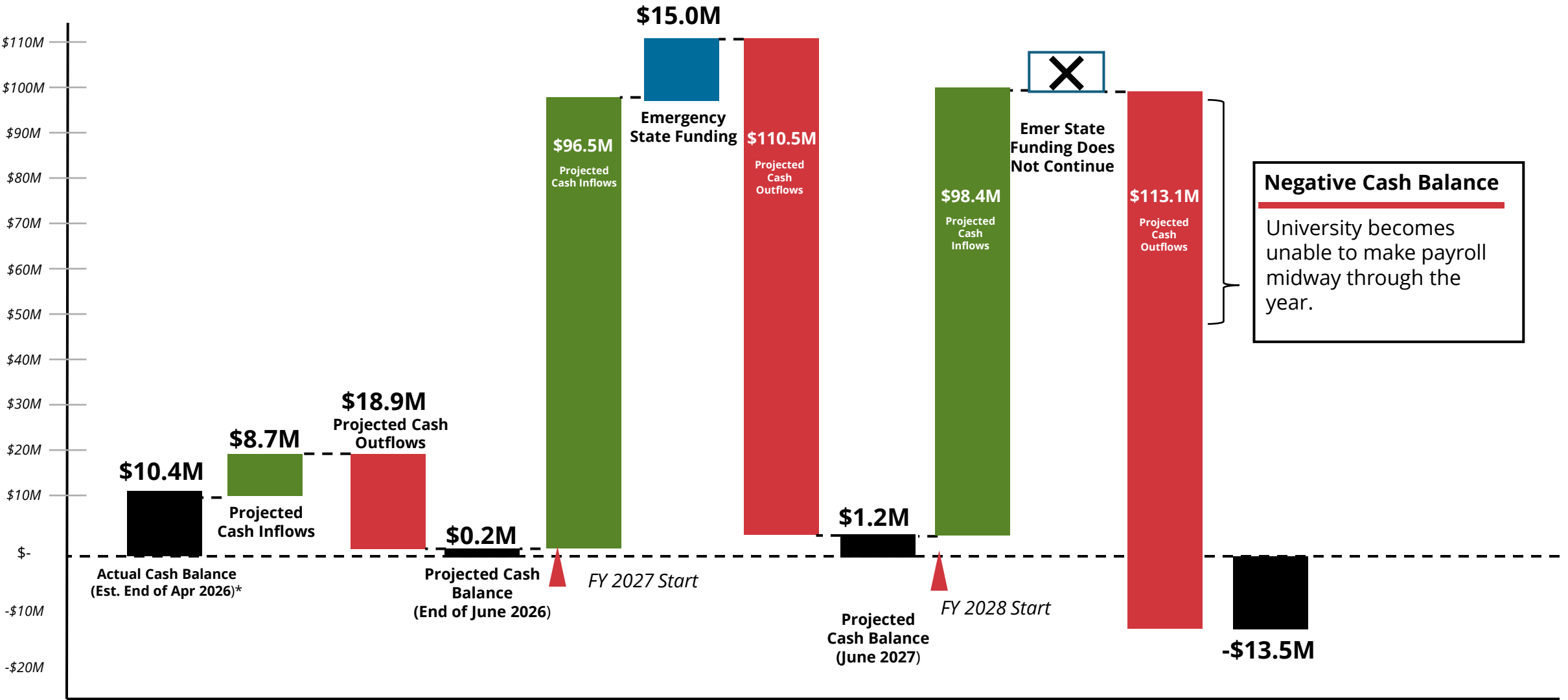
Financial challenges will not resolve themselves. The pipeline of traditional high school graduates in Oregon and California will shrink precipitously over the next 15 years.



*Totals may not foot due to rounding

Source: FY25 Income Statement Transactions 2026-02-28.xlsx / Budget Master Model (as of 02.19.2026).xlsx / <https://www.wiche.edu/knocking/data-visualizations/graduates/>

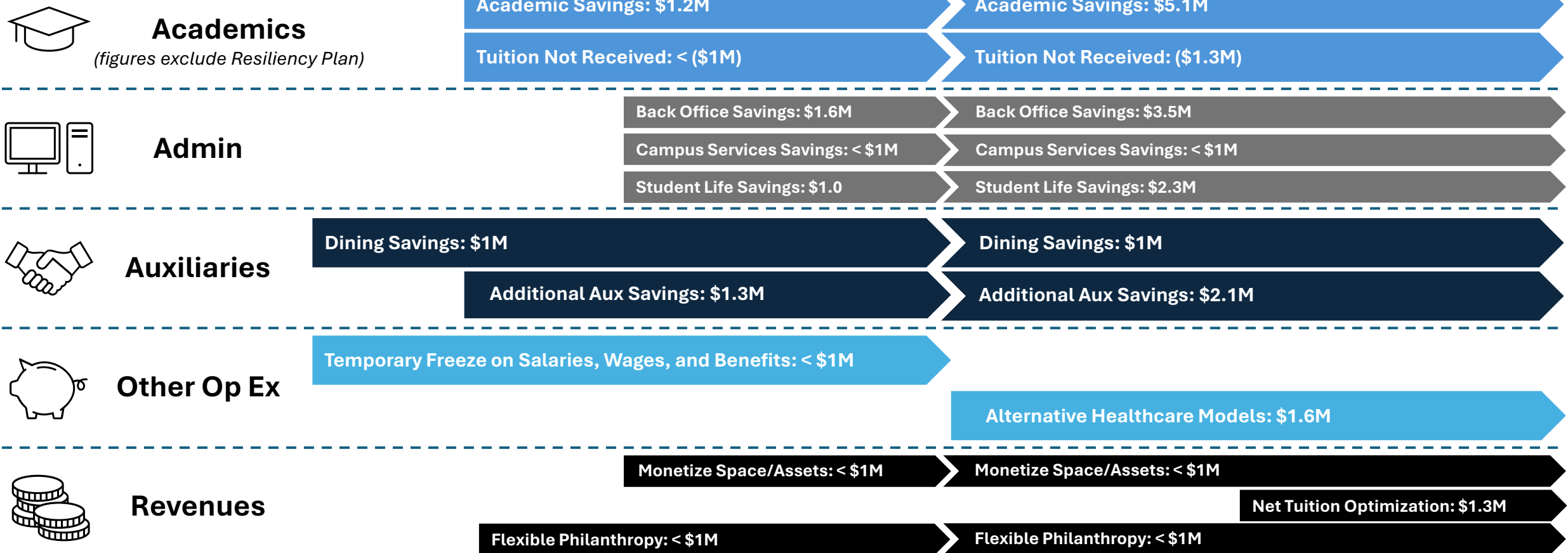
Where SOU Is Today: Expected Cash Flows in Status Quo Scenario



*Note - Cash balance excludes \$8.7M of fiduciary funds

Layering Financial Improvements over Time

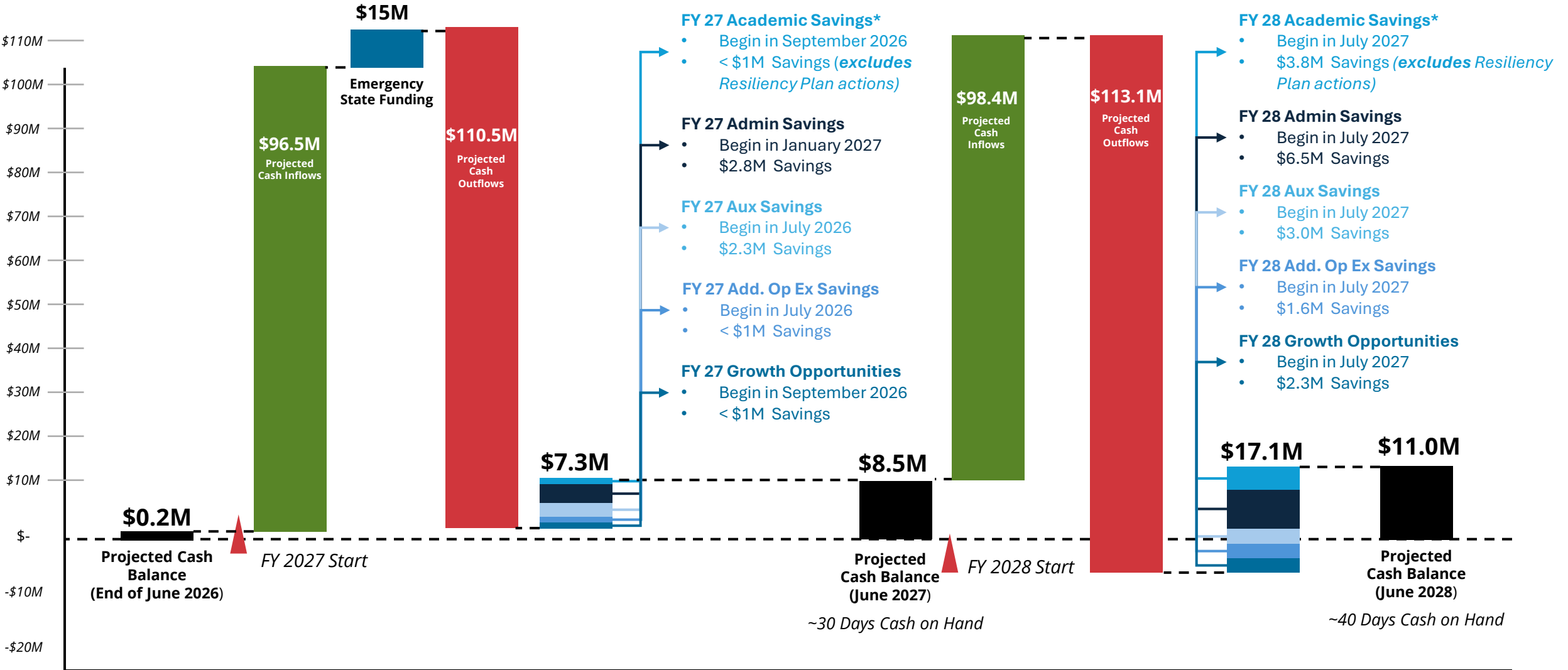
Category	2026		2027				2028	
	July – Aug	Sept – Dec	Jan – Mar	Apr – June	July – Aug	Sept – Dec	Jan – Mar	Apr – June
	Q1 FY2027	Q2 FY2027	Q3 FY2027	Q4 FY2027	Q1 FY2028	Q2 FY2028	Q3 FY2028	Q4 FY2028



As SOU self-funds unemployment, an added expense would be a weekly benefit amount of 1.25% of any impacted employee's total base year gross earnings with the benefit amount ranging from a minimum of \$204 to a max of \$872.

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The Future: Expected Cash Flows from Financial Stability Plan



- FY 27 Academic Savings***
- Begin in September 2026
 - <\$1M Savings (*excludes Resiliency Plan actions*)
- FY 27 Admin Savings**
- Begin in January 2027
 - \$2.8M Savings
- FY 27 Aux Savings**
- Begin in July 2026
 - \$2.3M Savings
- FY 27 Add. Op Ex Savings**
- Begin in July 2026
 - <\$1M Savings
- FY 27 Growth Opportunities**
- Begin in September 2026
 - <\$1M Savings

- FY 28 Academic Savings***
- Begin in July 2027
 - \$3.8M Savings (*excludes Resiliency Plan actions*)
- FY 28 Admin Savings**
- Begin in July 2027
 - \$6.5M Savings
- FY 28 Aux Savings**
- Begin in July 2027
 - \$3.0M Savings
- FY 28 Add. Op Ex Savings**
- Begin in July 2027
 - \$1.6M Savings
- FY 28 Growth Opportunities**
- Begin in July 2027
 - \$2.3M Savings

*The Resiliency Plan savings are accounted for in the projected cash outflows
 Source: FY2026-2029 Cash Flow Projections (4.1.26) – FLAT VERSION 05.07.2026.xlsx

Core Assumptions

1. The State will provide \$15M in emergency funding to maintain SOU solvency through FY2027.
2. The State will partner in finding operational flexibility so that SOU can align benefits cost closer to industry peers.
3. State appropriations will continue at current funding levels, and SOU will realize more revenue from the state by increasing retention and student outcomes.
4. While student demand may experience an immediate decline, SOU will retain sufficient enrollment to stabilize programs. As SOU makes investments in its programming in alignment with student and workforce needs, the University will be able to increase enrollment gradually over time.
5. Thoughtful design of student success in partnership with RCC will increase regional enrollment over time and improve student graduation rates.
6. SOU will be able to reduce its discount rate over time through a centralized aid strategy that will increase net tuition through the same pool of students.
7. In the medium-term SOU will diversify revenue sources by changing its program mix and delivery modalities in response to local needs. In the coming years, Oregonians will continue to see the value in higher education and support the mission of SOU through enrollment.
8. The community will rally around SOU and provide an uptick in fundraising and philanthropy revenues.
9. SOU has a tremendous wealth of talented staff and faculty. These staff and leaders will come to the table with ideas and solutions to implement the future state administrative models.
10. The estimated savings ranges will be sufficient to allow for SOU to cover obligations to employees and the State. In addition, SOU will provide staff and faculty as much lead time as is possible as changes are put in place.
11. SOU Leadership will implement strong cost controls and department leaders will be held accountable to strict budgets and savings targets.
12. SOU will be able to align auxiliary costs, either within the SOU structure or by relocation to relevant partners.
13. SOU will be able to identify partners and invest in developing administrative partner models. Shifting to outsourced models will be considered as a last resort.
14. Board and SOU Leadership will be aligned on a path forward; the Board will support Leadership's thoughtful and expeditious execution of the plan.
15. Going forward, SOU Leadership will regularly monitor and track cash flows and will make plan changes in response to environmental impacts on a monthly basis.

The Path Forward

- Through this engagement, Deloitte analyzed the financial position of SOU in the current state and a forecasted future state (“status quo” scenario)
- A set of options sequenced over a timeline have been provided for the consideration of SOU’s Leadership and Board
- As the Leadership team and Board move forward with a plan, tracking the following KPIs and others will provide consistent and timely insight into the effectiveness of the actions taken, and where further action may be necessary:
 - Monthly cash flow
 - Daily tuition deposits (through deadline)
 - Enrollment projection and net tuition revenue
 - Student accounts receivables/Allowance for doubtful accounts/bad debt expense
- If KPIs fall off course, SOU Leadership and Board should revisit plans to either take further action, or accelerate the timing of implementation plans

Academic Roadmap

Topic	CY26			CY27			
	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Optimize Academic Delivery							
Streamline Degree Pathways							
Sunset Academic Units							
Reconfigure Academic Units							
Support Student Transition							
Align Faculty							
Realign Hannon Library Services and Staffing							
Academic Support Entities							
Systems, Catalog, & Data Revisions							
Compliance & Approvals							

Dependencies & Sequencing Considerations

- Effective governance is central to this effort; without timely decisions on portfolio changes, section size policy, and unit reconfiguration, implementation will stall across advising, scheduling, and systems.
- Student transition planning must move in parallel with academic decisions; teach-out pathways, transfer options, and retention support will need to be in place before stop-admits and program closures can be executed.
- Systems and communications readiness will shape execution quality; catalog, website, SIS, and degree-audit updates must be sequenced carefully to avoid confusion for students, faculty, and external stakeholders.

Immediate Next Steps

- Finalize the academic decisions required to define the future-state portfolio, including stop-admits, unit reconfiguration, pathway redesign, and section size expectations.
- Identify impacted student populations and develop teach-out, transfer, and retention plans for each affected program and unit.
- Begin implementation-enabling work across approvals, systems, catalog, and communications so operational changes are ready when academic decisions are finalized.

Academic Transformation Key Actions (1/3)

Topic	Action	CY26				CY27			
		Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Optimize Academic Delivery	Approve Section Size Policy: Move average section size to 22 students and enforce a minimum of 18 students in a course unless otherwise approved								
	Optimize Fall 2026 Schedule: Consolidate low-enrolled sections, reduce duplicative offerings, and better align time blocks and room use								
	Run Quarterly Section Review: Review fill rates each term, approve exceptions, and trigger cancellations or consolidations based on the outcome of the quarterly review								
Streamline Degree Pathways	Narrow General Education Requirements: Redefine General Education to support a leaner, more sustainable instructional model								
	Streamline Degree Pathways: Refine degree requirements to account for newly defined academic portfolio and provide students a clearer path to graduation								
Sunset Academic Units	Stop Admits to Four Units: Halt new enrollment into Gender, Sexuality & Women's Studies, Creative Writing, International Studies, and Music								
	Develop Teach-Out Plans: Define remaining course schedules, completion paths, and student support requirements for each sunset unit, with teach-out plans reviewed and approved by the HECC and NWCCU								
	Execute Teach-Out and Transition Support: Deliver advising, course access, transfer support, and completion monitoring for impacted students								
Reconfigure Academic Units	Design Reconfiguration Plans: Determine what coursework will be retained, eliminated, consolidated, or shifted								
	Shift Outdoor Adventure Leadership to Business Administration: Close the Outdoor Adventure Leadership academic unit. Retain selected coursework and reposition it as a minor or certificate option								
	Shift Economics to Business Administration: Close the Economics academic unit. Move Economics offerings into Business Administration as a minor, concentration, or certificate								
	Reduce Administrative Support for Sponsored Research Activities: Assess if support is needed in conjunction with the shift to a new administrative model to maintain compliance with post award reporting								
	Realign Dean Structure: Align academic leadership to the adjusted portfolio								

Academic Transformation Key Actions (2/3)

Topic	Action	CY26				CY27			
		Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Reconfigure Academic Units (cont.)	Refocus Seven Units: Narrow Chemistry & Physics, Mathematics, Native American Studies, Philosophy, Sociology & Anthropology, Spanish & ASL, and Undergraduate Studies/FYE into more focused course arrays								
Support Student Transition	Build Internal Pathway Crosswalks: Define substitutions (for students in impacted academic units / degree programs), major maps, and alternative degree pathways, with teach-out and transition plans to be reviewed and approved by HECC and NWCCU								
	Build External Transfer Pathways: Establish transfer options where students cannot reasonably complete internally								
	Launch Retention and Completion Support: Provide outreach, escalation support, and targeted interventions to reduce attrition among impacted students								
Align Faculty	Update Faculty Workload Model: Realign faculty teaching and service expectations to support the future instructional model and student retention needs								
	Reassign Faculty to Future-State Delivery: Reallocate faculty effort across retained and reconfigured offerings to match the new portfolio								
Realign Hannon Library Services and Staffing	Implement Phase 1 Library Changes: Adjust hours, services, and initial staffing deployment to better match current demand								
	Implement Phase 2 Library Staffing Changes: Complete longer-term staffing and service model changes aligned to future demand								
Academic Support Entities	Develop Cost-Recovery Models: Define how auxiliary type units such as the Schneider Museum, SOU Farm, and Digital Media Lab will cover direct and indirect costs through outside revenue								
	Implement Cost-Recovery Operations: Put pricing, agreements, and controls in place so these auxiliary type units reduce reliance on E&G funds								
Systems, Catalog, & Data Revisions	Update Website, Catalog, and Marketing: Revise public-facing materials so they reflect the approved future-state academic portfolio								
	Update SIS and Degree Audit Rules: Configure stop-admit codes, teach-out rules, substitutions, and new credentials in core student systems								

Academic Transformation Key Actions (3/3)

		CY26				CY27			
Topic	Action	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Compliance & Approvals	Submit A Written Teach-Out Plan for Each Closing Program: Cover equitable student treatment, completion paths, an affected-student roster, a communication plan, refund/tuition recovery terms and notifications to inactive students to the accreditor								
	Obtain Accreditor Approval: Receive approval for any teach-out agreements with receiving institutions that are accredited, offer comparable programs, have sufficient faculty/support/resources, and are reasonably accessible prior to implementation								
	File Required State Program-Closure and Teach-Out Notifications/Approvals: Coordinate the approvals with accreditor policy while accounting for federal risk-trigger scenarios that require teach-out plans								

Administrative Roadmap

Topic	CY26				CY27			
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Back Office								
Anchor University Delivery Model								
Regional Network Model								
Outsourced Delivery Model								
Campus Services								
Local Partnership Delivery Model								
Outsourced Delivery Model								
Student Life								
Regional Network Model								
Outsourced Delivery Model								

Dependencies & Sequencing Considerations

- It will be critical to have an SOU leader who is responsible for maintaining each partnership and ensuring that SOU's needs are met on a continual basis.
- Defining mutual benefit will be a necessary foundation of any partnership.
- While technology standardization may ultimately reduce costs, it is not a necessary element of the early elements of the Anchor University or Regional Network models.
- Aligning and codifying service level expectations, transition plans, success metrics – and having a clear exit strategy – are foundational elements to the success of these models.
- Planning for stabilization and continuous improvement will be necessary to attain and increase savings.

Immediate Next Steps

- Confirm SOU decision criteria for selecting the model (e.g., speed, savings, transition costs, staff impact, feasibility, control, risk).
- Identify no-regret actions (that is actions that will be necessary regardless of the model selected) that can begin now regardless of model (e.g., scope rationalization, service catalog reduction, vacancy management, reduction of nonessential offerings).
- Prepare a decision package for the leadership/the Board with recommendation, required decisions, costs, expected savings and key risks.

Administrative Roadmap (cont'd)

Implementation Costs

- For the **Anchor University Delivery Model**, implementation costs will be incurred to make the transition.
 - The cost to implement will include dedicated consulting or staff support to design the new operating model for SOU, including design of new roles and responsibilities, and development of the model for providing staff and faculty support to initiate transaction and support decisions, as well as governance documents, SLAs and KPIs.
 - The Anchor University partner will require 1-3 dedicated staff to co-design the new operating model, identify and train staff, and stabilize the model.
 - **Anticipated costs to move to the initial stage of this model are \$1.0-3.0M to define the new operating model.**
 - As the new operating model stabilizes, an assessment of the path to reconcile technology should be undertaken to reduce costs. This technology cutover will have additional costs associated, based on the technologies in question.
- For the **Regional Network Model**, implementation costs will be incurred to make the transition.
 - The cost to implement will include dedicated consulting or staff support to design the new operating model across the universities, including design of new roles and responsibilities, and design of the model for providing staff and faculty support to initiate transaction and support decisions, as well as governance documents, SLAs and KPIs.
 - The entity that will be formed to host the Regional Network will need to hire / identify 3-4 dedicated staff to co-design the new operating model, identify and train staff, and drive continuous improvement in the model.
 - **Anticipated costs to move to the initial stage of this model are \$4.0-6.0M to define and launch the new operating model across 3-4 universities of similar size and complexity of SOU.**
 - As the new operating model stabilizes, an assessment of the path to reconcile technology should be undertaken to reduce costs. This technology cutover will have additional costs associated, based on the technologies in question.
- For the **Local Partnership Model**, implementation costs will be incurred to make the transition.
 - The cost to implement may include dedicated consulting or staff support to design the new operating model for SOU and RCC, including design of new roles and responsibilities, governance, SLA, KPI and templates around ways of working.
 - RCC and SOU will need to identify a dedicated staff to co-design the new operating model, identify and train staff, and stabilize the model.
 - **Anticipated costs to move to the initial stage of this model are \$500K-1.5M to define the new operating model.**
 - As the new operating model stabilizes, an assessment of the path to reconcile technology should be undertaken to reduce costs. This technology cutover will have additional costs associated, based on the technologies in question.

Administrative Transformation Key Actions: *Back Office – Anchor University (AU) (1/2)*

Topic	Action	CY26			CY27			
		Q2	Q3	Q4	Q1	Q2	Q3	Q4
Anchor University Delivery Model	Confirm in-scope functions, baseline costs, staffing, systems, and target savings							
	Assess Anchor University's (AU) fit, capacity, systems compatibility, and willingness							
	Negotiate the cost point for services received, balancing service expectations with necessary cost reductions							
	Define target operating model: what activities are delivered remotely, what activities remain local (geography), establish governance, Service Level Agreements (SLAs), chargebacks, escalation paths							
	Negotiate Memorandum of Understanding (MOU), data-sharing, security, compliance, staffing approach, and transition terms							
	Assess appropriate timeline for shift to new operating model and new process, with both a short-term operational path (focused on using current SOU technology, and providing access to the relevant AU employees) and long-term plan that rationalizes that technology, to further reduce costs in licensing							
	Work with the AU to determine capacity that needs to be added to the AU's team to support SOU's needs, and select individuals to migrate to new operating environment, moving the employees who will provide this work to the AU's operating model							
	Develop a new combined org chart with new reporting lines and teams							
	Provision access for AU employees who require access to SOU systems, and conduct onboarding for SOU employees who are moving to the AU, as well as for all AU staff who will be supporting SOU; train staff and faculty on how to access new processes							
	Go-live with operating model, team structures, access provisioning, SLAs, and MOUs to begin AU's processing for SOU							
	Develop and deploy long term technology cutover plan to align SOU's tech stack with AU's to reduce licensing costs, taking into account costs and timeline; assess SOU's existing processes and implement opportunities to streamline for economies of scale; assess structures to further reduce complexity							
Stabilize, tune service levels, and focus on continuous improvement (i.e., track SLA performance)								

Administrative Transformation Key Actions: *Back Office – Anchor University (AU) (2/2)*

Dependencies & Sequencing Considerations

- Given the need to move quickly, SOU will likely need to shift into this model with its current technology, realizing labor savings in the short run, with additional technology savings realized over time.
- While higher education often pursues this type of transition in a wave approach (e.g., shifting HR and business services first, perhaps), the need to move quickly to realize savings, and relatively small scale of SOU's operations, suggests that shifting all functions at once may be the optimal path.
- Savings will not be realized unless the University actively removes duplicate roles and excess licenses.
- Stabilization can be more significant than expected as teams work through legacy issues.

Immediate Next Steps

- Name an executive sponsor and a transition PMO lead.
- Initiate outreach to likely Anchor partners.
- Assess if grant funding or other one-time money may be available to support the implementation and transition costs.
- Refine the scope of the functions to shift to the new model, noting that an expansive scope will be necessary to achieve the desired results.

Administrative Transformation Key Actions: *Back Office – Regional Network (1/3)*

Topic	Action	CY26				CY27			
		Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Regional Network Delivery Model	Identify 2-3 potential partner institutions within Oregon, align participating institutions on intent, scope, and decision principles; create a shared definition of success								
	Define the future state legal model (separate legal entity, business unit hosted by one university, business unit hosted by HECC)								
	Establish network governance, host entity, voting rights, cost-sharing, and dispute resolution								
	Define target operating model: what activities are delivered remotely, what activities remain local (geography), establish governance, Service Level Agreements (SLAs), chargebacks, escalation paths								
	Assess appropriate timeline for shift to new operating model and new process by function, with both a short-term operational path (focused on using current individual university technology, with access provided for all employees serving all universities) as well as a long-term plan that rationalizes that technology and standardized technology and to reduce licensing costs and further reduce costs								
	Develop a shared operating model and organizational chart, identifying the roles that are required to support the full breadth of work across the regional network. Assess the appropriate timeline to migrate the required SOU staff into the model, as well as the appropriate timeline for the partner universities.								
	Negotiate Memorandum of Understanding (MOU), data-sharing, security, compliance, staffing approach, and transition terms among all parties								
	Migrate SOU to new operating environment, moving the employees who will provide this work to the Network's Legal Entity								
	Provision access for Network employees, and conduct onboarding for employees who are moving to the Network; train SOU staff and faculty on how to access new processes								

Administrative Transformation Key Actions: *Back Office – Regional Network (2/3)*

		CY26				CY27			
Topic	Action	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Regional Network Delivery Model	Develop a plan, including costs and timeline, to optimize the technology cut-over plan, taking into account the costs and timeline; determine the common technology system and configuration that will be standard across the Network model								
	Deploy long term technology cut-over plan and build integrations / access / controls (i.e., ERP, ticketing, payroll, identity, reporting)								
	Stabilize, tune service levels, and focus on continuous improvement (i.e., track SLA performance)								

Administrative Transformation Key Actions: *Back Office – Regional Network (3/3)*

Dependencies & Sequencing Considerations

- Effective governance is central to the success of this model; if governance is vague, implementation will stall; it will be critical for the Presidents of the universities joining this model to have a shared vision of success.
- This is the least likely to deliver large FY27 savings; it will require partnership with peer institutions who may not have the same level of cost cutting imperative, and may desire a more measured timeline, aligned to higher education norms and expectations.
- Given the need to move quickly, SOU will likely need to shift into this model with its current technology, realizing labor savings in the short run, with additional technology savings realized over time.
- Savings will not be realized unless the University actively removes duplicate roles and excess licenses; getting to the point where this is possible will require partner universities to be willing to move quickly and consider shifting all functions at once.
- Stabilization can be more significant than expected as teams work through legacy issues.

Immediate Next Steps

- Name an executive sponsor and a transition PMO lead.
- Assess if grant funding or other one-time money may be available to support the implementation and transition costs.
- Identify 2–3 peer institutions to participate and align on the mutually expected benefits.
- Decide whether the goal is full network model or pilot-first.
- Draft governance principles.
- Determine the timing and sequencing, assessing if SOU savings goals are compatible with peer expectations.

Administrative Transformation Key Actions: *Back Office – Outsourced (1/2)*

Topic	Action	CY26				CY27			
		Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Outsourced Delivery Model	Prepare and run rapid RFI/RFP or direct-to-market diligence to identify a short list of providers for outsourced services								
	Evaluate providers on savings, higher-ed experience, Service Level Agreements (SLAs), tech compatibility, and transition risk								
	Negotiate contract, Service Level Agreements (SLAs), pricing, data/security, and exit rights								
	Train SOU campus community (e.g., faculty) on new service delivery model								
	Third-party provider will manage tech integration, access provisioning, controls, and data migration								
	Cut over Wave 1 functions								
	Pilot Wave 1 shared services								
	Cut over Wave 2 functions								
	Stabilize service, enforce SLAs								

Administrative Transformation Key Actions: *Back Office – Outsourced (2/2)*

Dependencies & Sequencing Considerations

- **Potential transition waves:**
 - **Wave 1:** All Finance and Administrative Operations (including Financial planning and analysis, budget modeling, and Cash forecasting and management), IT, Cybersecurity, Technology and Digital Operations
 - **Wave 2:** All Human Resources Operations, All research administration operations
- A SOU relationship manager to oversee the contract and manage performance will be critical to the success of any outsourcing contract.
- This model is best for speed, however the impact on the SOU population must be taken into consideration before moving down this path; and SOU will need to take into account associated costs due to SOU's self funding of unemployment benefits.
- Security, privacy, and regulatory review must happen early, especially for payroll, HR, and student-related data.
- This model is best for speed, however the impact on the SOU population must be taken into consideration before moving down this path.
- Service quality depends on tight SLA governance and a clear escalation model.
- ****Note:** Outsourcing the General Counsel functions may require a separate, specialized firm**

Immediate Next Steps

- Name an executive sponsor and a transition PMO lead.
- Launch a 30-day sourcing sprint for in-scope functions.
- Decide the minimum viable scope that can cut over by early FY27.
- Identify the SOU vendor-management owner (potentially the same individual as the executive sponsor)
- Negotiate the implementation timing and savings ramp with the Vendor.

Administrative Transformation Key Actions: *Campus Services – Local Partnership (1/1)*

Topic	Action	CY26			CY27			
		Q2	Q3	Q4	Q1	Q2	Q3	Q4
Local Partnership Delivery Model	Engage local Ashland/county entities in conversations around forming a consortia or taking over SOU operations to reduce cost							
	Determine scope, timing and align on expectations							
	Negotiate contract, Service Level Agreements (SLAs), pricing and exit rights							
	Select host service unit, systems/tooling approach, and staffing model							
	Complete legal, labor, privacy, and local partnership agreements							
	Pilot Wave 1 shared services							
	Expand to Wave 2 functions							
	Stabilize and monitor service levels							

Dependencies & Sequencing Considerations

- **Potential transition waves:**
 - **Wave 1:** Security officers, communications center support, Clery Act security services, emergency communications platforms and operations, security technology managed services, training and preparedness support; Facilities planning, central heat plant operations and maintenance, HVAC preventive maintenance and controls support, housing maintenance overflow, academic-area custodial, campus mail/service center operations, maintenance planning
 - **Wave 2:** Sustainability strategy, compliance, operations coordination, and engagement
- In migrating services, assess what services and offerings should be included that are best aligned to the priority needs of campus; where appropriate, consider sunsetting activities.
- In identifying partners or providers, assess the ability of the service provider to meet the needs of campus in peak demand periods.

Immediate Next Steps

- Identify project manager / key relationship manager on campus.
- Identify local partners.

Administrative Transformation Key Actions: *Campus Services – Outsourced (1/1)*

Topic	Action	CY26			CY27			
		Q2	Q3	Q4	Q1	Q2	Q3	Q4
Outsourced Delivery Model	Engage local Ashland/county entities in conversations around outsourcing; either with a true outsource provider to take over services at a lower cost, or a community partner to form a consortia to reduce cost							
	Prepare and run rapid RFI/RFP or direct-to-market diligence to identify a short list of providers for outsourced services							
	Negotiate contract, Service Level Agreements (SLAs), pricing, data/security, and exit rights							
	Select host service unit, systems/tooling approach, and staffing model							
	Complete legal, labor, privacy, and local partnership agreements							
	Pilot Wave 1 shared services							
	Expand to Wave 2 functions							
	Stabilize and monitor service levels							
	Stabilize and capture savings							

Dependencies & Sequencing Considerations

- **Potential transition waves:**
 - **Wave 1:** Security officers, communications center support, Clery Act security services, emergency communications platforms and operations, security technology managed services, training and preparedness support; Facilities planning, central heat plant operations and maintenance, HVAC preventive maintenance and controls support, housing maintenance overflow, academic-area custodial, campus mail/service center operations, maintenance planning.
 - **Wave 2:** Sustainability strategy, compliance, operations coordination, and engagement.
- In migrating services, assess what services and offerings to retain based on campus priorities; where appropriate, consider sunsetting activities.
- This model is best for speed, however the impact on the SOU population must be taken into consideration before moving down this path.

Immediate Next Steps

- Identify project manager / key relationship manager on campus.
- Identify outsourcing partner(s).

Administrative Transformation Key Actions: *Student Life – Regional Network (1/2)*

Topic	Action	CY26			CY27			
		Q2	Q3	Q4	Q1	Q2	Q3	Q4
Regional Network Model	Confirm in-scope functions, baseline costs, staffing, systems, and target savings							
	Meet with Rogue Community College (RCC) leadership and assess mutual benefit, RCC capacity, and willingness							
	Develop a shared understanding of the future state model, identifying roles where a common approach enables SOU and RCC to reach more potential students and serve more regional employer needs together than they can individually serve currently							
	Assess if RCC has the capacity, interest and ability to provide transactional back-office support across transactional enrollment management activities, such as financial aid processing support							
	Negotiate the cost point for services received, balancing service expectations with necessary cost reductions							
	Define target operating model: what activities are delivered by a shared team, and what if any transactional activities are delivered remotely by RCC; what data and systems support the success of this shared team; define training, upskilling and onboarding for the teams; define a shared culture and success criteria for the team; establish governance, Service Level Agreements (SLAs), chargebacks, escalation paths							
	Negotiate Memorandum of Understanding (MOU), data-sharing, security, compliance, staffing approach, and transition terms, including Shared Core Team for High School Recruitment Team and Workforce Alignment							
	Assess appropriate timeline for shift to transactional services, considering if a shared technology platform is beneficial and the timeline necessary to align on a single technology platform							
	Work with RCC to determine capacity that needs to be added to the RCC's team to support SOU transactional service needs, and select individuals to migrate to new operating environment, moving the employees who will provide this work to RCC's operating model							
	Develop a new combined org chart with new reporting lines and teams; reflect transactional staff employed by RCC as well as the joint SOU-RCC team in support of students and workforce							

Administrative Transformation Key Actions: *Student Life – Regional Network (2/2)*

Topic	Action	CY26			CY27			
		Q2	Q3	Q4	Q1	Q2	Q3	Q4
Regional Network Model	Work with RCC to determine capacity that needs to be added to the RCC team to support the new, join model and select individuals at SOU who will be a core part of this team, aligning the staffing to the new model and providing onboarding and training to build a cohesive team that works across both institutions							
	Stabilize, tune service levels, and focus on continuous improvement (i.e., track SLA performance)							

Dependencies & Sequencing Considerations

- **Potential transition waves:**
 - **Transactional Elements – for delivery by RCC:** Application processing, Financial aid processing support , recruitment operations, analytics support.
 - **Strategic Elements – for delivery by an SOU – RCC team:** Begin by exploring elements like joint recruiting (one person going to high schools and talking about both institutions), shared advertising (one billboard or social campaign with both brands), and a collaborative effort to understand and address the workforce needs of the region. Consider career advising; academic advising, academic tutoring, student success planning, career guidance, financial literacy; care coordination, career connections; prospective student contacts, marketing and lead generation, CRM support, recruitment operations.
- Partnership will depend on the interest of all parties in engaging in conversations to develop a model that is mutually beneficial.
- Technology and ability to maintain data privacy are key considerations for an effective partnership, as well as potential concerns about competition.

Immediate Next Steps

- Identify project manager / key relationship manager on campus.
- Meet with RCC to assess possible path forward.

Administrative Transformation Key Actions: *Student Life – Outsourced (1/1)*

Topic	Action	CY26			CY27			
		Q2	Q3	Q4	Q1	Q2	Q3	Q4
Outsourced Delivery Model	Confirm in-scope functions, baseline costs, staffing, systems, and target savings							
	Prepare and run rapid RFI/RFP or direct-to-market diligence to identify a short list of providers for outsourced services							
	Negotiate the cost point for services received, balancing service expectations with necessary cost reductions							
	Define target operating model: what activities are delivered remotely, what activities remain local (geography), establish governance, Service Level Agreements (SLAs), chargebacks, escalation paths							
	Negotiate Memorandum of Understanding (MOU), data-sharing, security, compliance, staffing approach, and transition terms							
	Stabilize, tune service levels, and remove duplicate cost (i.e., Track SLA performance and eliminate stranded cost)							

Dependencies & Sequencing Considerations

- **Potential transition waves:**
 - **Wave 1:** Enrollment Management: Admissions operations and application processing, financial aid predictive models and processing support, Admissions and Recruitment: Marketing and lead generation, CRM and campaign (student life cycle) support, application processing, recruitment operations, analytics support; Enrollment and Revenue Operations: Enrollment workflow, yield optimization, End-to-end Marketing operations, Digital acquisition strategy, Search and media management, Conversion analytics, Student engagement orchestration, Communications orchestration, Brand positioning and development and ongoing program demand analysis.
 - **Wave 2:** Student Success and Academic Operations: Retention workflow management, Student success analytics, Advising support systems, Course modernization, Online learning operations, Workforce development infrastructure, Student engagement, Registrar operations, Transcript processing.
- In migrating services, assess what services and offerings to retain based on campus priorities; where appropriate, consider sunseting activities.
- This model is best for speed, however the impact on the SOU population must be taken into consideration before moving down this path; SOU will need to take into account associates costs due to SOU's self funding of unemployment benefits.

Immediate Next Steps

- Identify project manager / key relationship manager on campus.
- Identify outsourcing partner(s).

Auxiliary Roadmap

Topic	CY26			CY27			
	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sustain Dining Cost Savings Initiatives & Align Pricing to Cost to Serve							
Discontinue GPA Incentive Housing Remissions							
Athletics Fundraising or Program Reductions							
Reduce SRC Non-Student FTEs							
Align Jefferson Public Radio Cost / Revenue							
Optimize, Outsource, or Spinoff Parking							
Explore Occupancy Levers							

Dependencies & Sequencing Considerations

- **Dining Cost Actions & Strategic Pricing:** Notify campus community of meal plan adjustments prior to the registration period for Fall 2026 dining plans. Work closely with Elixir/Alladin Dining Services to ensure cost-conscious staffing, service, and inventory levels that do not exceed demand. If possible, request Alladin to detail monthly expenses by dining location to assist with tracking and location-specific operating decisions. Consider additional cost cutting initiatives for 2026 Summer term as well as alternative Dining Services contracts / providers as SOU approaches another 5-year optional renewal in 2027.
- **Housing Remission Adjustments:** Notify campus community of GPA incentive housing remission adjustments prior to the registration period for Fall 2026 housing.
- **Athletics Fundraising or Program Reductions:** Treat Oct. 31, 2026, as the first real pivot point between Plan A (Fundraising) and Plan B (Program cuts). Athletics program and staffing changes should be sequenced around competitive seasons, recruiting cycles, and contract milestones to minimize disruption. Draft a Plan B in Q3 to deploy sequentially if fundraising goals are not met. To the extent funds raised are one-time support (vs. endowment or multi-year commitments), this approach will need to be deployed annually.
- **Rec Center Staffing Adjustments:** If any roles cannot be filled by students, coordinate with Athletics to determine if existing Athletics staff can cover SRC staffing with existing hours. Given there are legal and operational considerations to staffing athletic coaches, do not rely heavily on this lever.
- **Find a Non-profit Home for JPR:** Work with the community to find a non-profit who might assume the staffing, income and cost of JPR. Identifying a partner with a benefits structure that is more-aligned to typical overhead structure will help close the gap in revenue and expense. If a partner cannot be found to take this on, implement interim cost containment immediately to align revenue and expenses.
- **Parking:** Do not delay practical policy and staffing fixes while studying model options.

Auxiliary Roadmap (cont'd)

Immediate Next Steps

- **Dining Cost Actions & Strategic Pricing:** Continue weekly expense tracking in order to maintain ~\$20K weekly savings. Approve new meal plan and catering rates for Fall 2026 and monitor implementation of cost savings initiatives (e.g., check-ins with Elior as needed). Finalize Einstein closure decision.
- **Housing Remission Adjustments:** Inform all students that the GPA incentive housing remission will no longer be in effect beginning Fall 2026.
- **Athletics Fundraising or Program Reductions:** Launch fundraising campaign with clear milestones as soon as possible. Develop a detailed Plan B.
- **Rec Center Staffing Adjustments:** Identify roles that can be filled with students.
- **Find a Non-profit Home for JPR:** Diligence and engagement of potential operators should start early so any obstacles can be addressed quickly and to avoid a long-lead time. Develop a detailed Plan B.
- **Parking:** Implement practical policy and staffing fixes. Build a baseline of current parking operating costs, including labor, admin, technology, ticketing revenue, etc.
- **Explore Occupancy Levers:** Identify and assess pathways for attaining increased occupancy for usable housing.

Auxiliary Transformation Key Actions (1/2)

Topic	Action	CY26			CY27			
		Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sustain Dining Cost Savings Initiatives & Align Pricing to Cost to Serve	Sustain and expand cost reductions (e.g., reducing staff to work events, reducing cooks, closing Elmo's on Fridays, cutting one half hour from FT hourly employees, lowering food inventory levels, increasing portion control, etc.) <i>[Actions underway by SOU]</i>							
	Approve 7.6% meal plan rate increase (eliminating unlimited weekly meal plans) and increased rates for catering-related expenses for AY2027							
	Communicate new Dining rates for AY2027							
	Close Einstein Bros. Bagels to avoid royalty expenses <i>[Planned by SOU]</i>							
	Monitor realized savings, adjust staffing/service/inventory models based on meal plan usage, and prevent backsliding							
	Consider alternative Dining Services providers ahead of August 2027 optional renewal date (e.g., conduct peer benchmarking, vendor renegotiations, etc.)							
Discontinue GPA Incentive Housing Remissions	Draft and publish revised policy to discontinue GPA incentive housing remissions as well as communications to students							
	Implement effective date aligned to housing cycle							
Athletics Fundraising or Program Reductions	Launch Athletics campaign for unrestricted/flexible support with weekly pipeline reviews							
	If soft commitments are < \$500K by August 31 , intensify contingency planning and prepare cuts (i.e., assess Title IX, NCAA/conference, student-athlete support, and recruiting implications and confirm exact team(s) and assistant coach positions to be eliminated). Assess enrollment impacts, considering net tuition and housing/dining revenue to the institution.							
	If cash + signed pledges collectible in FY27 are < \$900K by October 31 , approve cuts effective for spring/summer implementation (i.e., notify all teams and assistant coaches and/or staff impacted)							
	By March 31 if full \$1.5M is not secured in cash or enforceable pledges with clear collection timing, announce team/program cuts for next academic year							

Auxiliary Transformation Key Actions (2/2)

Topic	Action	CY26			CY27			
		Q2	Q3	Q4	Q1	Q2	Q3	Q4
Reduce SRC Non-Student FTEs	Identify which Student Rec Center roles can be staffed by students vs. which require full-time or professional coverage							
	Assess whether athletics coaching staff can legally/operationally cover limited rec functions							
	Redesign staffing model, hire additional student staff, and provide layoff notices to all impacted staff							
Find a Non-profit Home for JPR	Conduct diligence on legal structure, license implications, transition funding, etc.							
	Identify and engage potential operators and determine a transition plan; if no viable plan present, identify a path to reduce expenses to align with revenues							
	Develop and implement separation plan (assumes transition execution in CY26 Q3)							
Optimize, Outsource or Spin Off Parking	Implement operating changes: end warning period, optimize schedules/routes, expand student staffing, tighten collections							
	Assess parking operations costs (i.e., staff compensation, ticketing policies) and compare 3 options: optimized in-house, outsourced, and spun-off models							
	Adjust operations for self-sustainment or for outsourcing/spin off, develop an RFP/SLA							
Explore Occupancy Levers	Assess pathways for attaining increased occupancy for usable housing (e.g., consider changes to students required to live on campus (e.g., student athletes, sophomores over a certain mileage threshold), reduce automatic exemptions, or tighten off-campus waiver criteria)							

Other Structural Cost Reductions Roadmap

Topic	CY26			CY27			
	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Freeze Salaries, Wages, & Benefits							
Utilize Alternative Healthcare Models							

Dependencies & Sequencing Considerations

- **Temporarily Freeze Salaries, Wages, & Benefits:** Establish and enforce a policy, across all funds, such that exemptions must protect revenue-generating and mission-critical roles; share exemptions granted with the Board on a monthly basis.
- **Utilize Alternative Healthcare Models:** Timing depends heavily on the benefit plan year and bargaining/notice requirements.

Immediate Next Steps

- **Temporarily Freeze Salaries, Wages, & Benefits:** Decide what is exempt (if anything). Communicate the imperative to employees, highlighting how this temporary move will enable SOU to preserve its academic core. Tell employees the duration of the freeze, and what financial conditions need to be true to exit the freeze (e.g., 30-days cash on hand).
- **Utilize Alternative Healthcare Models:** Work with HECC and the State of Oregon to assess timing and possible paths forward.

Other Structural Cost Reductions Key Actions

Topic	Action	CY26			CY27			
		Q2	Q3	Q4	Q1	Q2	Q3	Q4
Temporarily Freeze Salaries, Wages, & Benefits	Define freeze rules, exemptions, approval authority, and duration							
	Model savings and operational impact by unit							
	Leadership approval and communication rollout							
	Stand up exception review with tracking methods and monitor leakage							
	Operationalize freezes							
Utilize Alternative Healthcare Models	Meet with state partners on utilizing alternative healthcare models							
	Review current structure and evaluate alternatives: consortium/public board model, plan redesign, network changes, wellness/vendor changes, etc., assess impact to employees							
	Assess labor relations, legal/compliance, and employee relations implications							
	Select model and negotiate/vendor procure							
	Implement change management and enrollment transition							
	Healthcare plans adjust (earliest possible estimation)							

Near-Term Revenue Opportunities Roadmap

Topic	CY26			CY27			
	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Monetize Space/Assets							
Net Tuition Optimization							
Grow Flexible Philanthropy							

Dependencies & Sequencing Considerations

- **Monetize Space:** Leasing can generally move faster than sale/disposition and should be prioritized where recurring revenue is feasible. Asset sales may require board approval, legal review, appraisal, and assessment of donor, land-use, or debt-related restrictions. If certain assets are unable to generate enough rental or event income to cover operating deficits (e.g., the Farm at SOU operates in a ~\$200K deficit) within 6 months, it may be necessary for SOU to make a plan to sell these assets.
- **Net Tuition Optimization:** Discount rate changes, financial aid optimization, and centralization of award decisions should be sequenced to the admissions and financial aid cycle so revised award policies are set before offers go out and do not disrupt recruitment. Changes should be informed by yield sensitivity and competitor pricing and supported by enough historical data to distinguish between awards that drive yield and awards that simply give away margin. Existing student commitments may limit how quickly reductions can occur.
- **Grow Flexible Philanthropy:** Coordinate with athletics and any other institution-wide fundraising so donors are not over-solicited with conflicting asks.

Immediate Next Steps

- **Monetize Space:** Identify top 10 spaces with highest leasing potential. Launch legal/risk review for standard contract terms. Discuss Rogue Community College’s current emergent space needs to assess if there is an opportunity to lease SOU space to meet this need.
- **Net Tuition Optimization:** Establish a discounting budget for the year that is managed centrally. Over time, compile 3–5 years of discounting, student-level admissions, aid, and enrollment outcome data. Analyze yield and net tuition by award level and student segment and identify segments where aid appears over-awarded or under-targeted.
- **Grow Flexible Philanthropy:** Meet with the Foundation to discuss the priority needs of the University and understand where donors in the pipeline may be willing to shift giving to SOU’s critical priorities. Draft new unrestricted giving narrative/gift language and change default ask language.

Near-Term Revenue Opportunities Key Actions

		CY26				CY27			
Topic	Action	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Monetize Space	Conduct an inventory of leasable space/equipment and document available time windows, setup/cleanup needs, and external demand								
	Segment into “lease now,” “needs prep,” and “consider sale” categories and prioritize quick-win leasable assets first								
	Define allowed uses, resolve legal/insurance requirements, determine pricing, and implement booking systems								
	Prepare spaces and launch go-to-market (e.g., marketing photos, coordinated outreach, etc.)								
	Launch event/rental/camp/conference commercialization for ready assets								
	For assets that are unable to generate enough rental or event income to cover operating deficits, make a plan to sell these assets								
Optimize Net Tuition	Build enrollment economics baseline: discount rate, retention, scholarship exceptions, program mix								
	Centralize award governance/approval rights and redesign packaging strategy and scholarship guidelines								
	Review current packaging and historical enrollment data to identify where aid has the strongest impact on yield and net tuition revenue								
	Review student success org, duplicate roles, handoffs, and intervention model (i.e., map current-state advising/support processes)								
	Streamline teams and focus interventions on retention risk points								
	Measure impact and refine for next cycle								
Grow Flexible Philanthropy	Meet with the Foundation to discuss the priority needs of the University and understand where donors in the pipeline may be willing to shift giving to SOU’s critical priorities								
	Reframe case for support around student success, retention, and greatest need								
	Update annual giving materials, digital channels, scripts, and stewardship								
	Segment donor base and identify upgrade/conversion targets								
	Run targeted outreach to higher-capacity donors								