A RESPONSE TO DELOITTE'S PATH TO SUSTAINABILITY, MAY 4 2026

The Bioregional University of *Applied Practice*.

A specific path to SOU sustainability, designed backwards from the future, building on Deloitte's May 4 report. Five anchors, one unifying lens, and the institutional answer to the force Deloitte's plan does not name: AI is already transforming every career the plan retains. Same retained programs. Strategic frame Deloitte's analysis cannot generate.

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DATE
May 2026 · Ashland, Oregon

Both plans agree on concentration. *They differ on what we concentrate toward, and on whether AI is treated as a force re-shaping work.*

THE THESIS

§1

Deloitte's *Path to Sustainability* report has moved substantially toward strategic concentration. Their vision (p 22) calls for programs "concentrated across business, education, creative industries, and health and human services." The issue is no longer whether to concentrate, but what SOU is concentrating toward, and how that choice is made.

Deloitte's plan is designed *forwards from the past*: starting from where enrollment sits today, which programs have been profitable historically, where regional employers need workers right now. This is the wrong methodology for designing what SOU becomes, and it does not address the single largest force reshaping every one of those careers.

AI is the missing variable. Teaching, counseling, healthcare, business, the creative trades: the careers Deloitte's plan retains are being rewritten by tools that did not exist five years ago. Applied Technology is woven through every other anchor here, because the question is not whether SOU students will use these tools, but who will wield them for this watershed.

This plan is designed backwards from the future. It starts with what the next fifty years will require of a place, identifies the academic capacities a regional university would need to serve those requirements, and concentrates around those capacities. The proposal is not a counter-plan. It is the strategic identity layer Deloitte's analysis cannot generate, by design.

THE HEADLINE FINDING

The Deloitte $20M savings target can be hit while organizing the retained academic core to give SOU a unique position amongst regional universities.

Strong overlap with programs Deloitte's plan already keeps, organized around a strategic frame Deloitte's plan does not name.

+$6.0M
YEAR 1 STRATEGIC CORE DIRECT MARGIN

$18–22M
YEAR 1 TOTAL INSIDE DELOITTE TARGET

~2,798
MAJORS RETAINED IN STRATEGIC CORE

5
ANCHORS. ONE THESIS.

A bioregional applied lens. *The disciplines stay the same. The work is fundamentally different.*

METHOD
§2

Every anchor in this proposal starts with the word *Applied.* That is not packaging. It is the precise signal of a methodological commitment that defines what SOU becomes.

Most universities teach disciplines. Biology is biology. Education is education. The same textbook in Salem, in Eugene, in Ashland.

A bioregional applied lens does something different. It teaches every discipline through the specific concerns of a specific place. Biology becomes the biology of this watershed: fire ecology specific to these slopes, hydrology specific to this drought regime, restoration specific to species that live here. Education becomes preparation for the schools that exist within driving distance of campus, with the demographics and economic conditions those schools actually face. Enterprise becomes value creation inside the actual economy of southern Oregon, not a generic case study from elsewhere.

This is the move few universities are doing at scale in the context of the AI Century. A generic biology program competes on price with every other state school. A biology program built around the kind of research partnerships SOU is positioned to develop with Tribes and the watershed councils, training students to do ecological monitoring and fire science that requires people who actually live in this place, is a specific and bankable thing. The same applies across every anchor.

Why this is *nationally significant.*

TRADITION
§2

The depth is local. The methodology is portable. Students who learn bioregional applied practice in the Klamath-Siskiyou become the people who know how to do this work in any bioregion: the Driftless, the Ozarks, the Sierra foothills, the Mississippi Delta, the Cumberland Plateau. Every region in America is being asked, right now, to do exactly the kind of place-rooted work this methodology produces. Almost no university teaches it. SOU becomes the first.

This is not a new pattern. It is a 21st-century revival of the most successful public-university model in American history. The land-grant universities founded under the Morrill Acts, under which Cornell, Wisconsin, Iowa State, Texas A&M, and seventy others were designed on exactly this premise: place-rooted institutions producing globally portable methodology. Wisconsin's limnologists studied Wisconsin lakes and went on to define lake science worldwide. Iowa State's agronomists studied the prairie and produced methods now used on every continent. The bioregional applied lens is the AI-and-climate-century revival of that 160-year-old American tradition, updated for the work the next fifty years actually requires.

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Five disciplinary anchors. One unifying lens. The combination is the proposal.

Five capacities. *Co-equal. Re-mixable.*

Not five paths to choose between. They are five primary colors. Programs are organized as combinations of two or more anchors, integrated through capstone work. Every graduate's degree names a specific combination, a unique work path no other university generates.

ANCHOR 01 01

Applied *Technology*

A values-led commitment to wielding emerging tools, especially AI, for this watershed, on terms set here.

The anchor Deloitte's plan does not name. AI is already transforming every career the plan retains: teaching, counseling, healthcare, business, the creative trades. Applied Technology is the institutional posture: evolve with our tools, or get evolved past. Computer Science is the disciplinary home; the practice runs through every anchor via required cross-listings.

76	+$171K
MAJORS (CS HOME)	YEAR 1 MARGIN

ANCHOR 02 02

Applied *Enterprise*

Value creation inside the actual economy of southern Oregon, not a generic case study.

Built from Business Administration, currently SOU's strongest program. Anchored by White Rabbit, Mach49, and the regional venture community as practicum partners. Students work inside regional businesses, farms, nonprofits, agencies, and startups on decisions that affect real livelihoods.

696	+$2.17M
MAJORS	YEAR 1 MARGIN

ANCHOR 03 03

Applied *Bioregional Ecology*

The science and practice of a living watershed.

Biology, environmental science, outdoor leadership, with indigenous knowledge faculty and tribal partners as core intellectual partners, not advisory decor. Fire science specific to these slopes; restoration grounded in real partnerships. Positioned to compete for NSF Engines, EDA Tech Hubs, and Tribal partnership funding.

341	+$283K
MAJORS	YEAR 1 MARGIN

Anchors four and five. *And how they combine.*

ANCHOR 04 — 04

Applied *Creative Economy*

Cultural distinctiveness as economic infrastructure, what Ashland already does better than almost anywhere.

Theatre, film, music, writing, visual art, festivals, design, storytelling, augmented by Applied Technology. Anchored by formal partnership with the Oregon Shakespeare Festival. Music's audio engineering, composition, and production migrate into Emerging Media & Digital Arts as production capacity inside a larger creative engine.

~616	~+$86K
MAJORS	YEAR 1 MARGIN

ANCHOR 05 · LARGEST — 05

Applied *Human Services*

The next generation of teachers, counselors, and health workers, prepared for the region that desperately needs them, and others like it.

Education, Psychology, Health Sciences, and Counseling. The largest anchor by enrollment. Positioned for federal rural health workforce funding, regional school district partnerships, and rural mental health pipeline expansion. AI is reshaping each of these careers; Applied Technology cross-listings make sure graduates lead that change instead of being displaced by it.

1,069	+$3.31M
MAJORS	YEAR 1 MARGIN

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*A climate documentarian is **Bioregional Ecology** + **Creative Economy**. A regenerative business founder is **Enterprise** + **Bioregional Ecology**. A community mental health organizer is **Human Services** + **Enterprise** + **Technology**. The five anchors are not a menu. They are primary colors.*

Where this plan converges with Deloitte's. *And where it does not.*

CONVERGES

Same retained programs. Same savings target.

Concentration as the strategic frame.
Both plans agree SOU cannot remain a small comprehensive university with a little bit of everything.

Build on core existing strengths
Business, Education, Creative Industries, and Health & Human Services as core academic territory.

Sunset of small independent academic units.
Gender Studies, International Studies, Native American Studies, Philosophy, and Music as a standalone unit.

Reconfiguration of small or service units.
Chemistry & Physics, Mathematics, Sociology & Anthropology, Spanish & ASL.

Optimization in retained units.
Larger average section sizes, streamlined degree pathways.

Total savings/revenues target.
Both plans within range of $20M Deloitte specifies for FY27 sustainability.

DIFFERS

A strategic frame Deloitte's analysis cannot generate.

The anchor Deloitte does not name: Applied Technology.
AI is transforming every career Deloitte's plan retains. Applied Technology is the institutional answer.

Five re-mixable anchors.
Programs are primary colors, combined through required capstone work.

A bioregional applied lens across all anchors.
Deloitte names disciplines; this plan names a methodology that turns each into work nobody else can do.

Programs as combinations, not silos.
Every graduate's degree names a specific combination across two or more anchors.

Reassignments where the fit is wrong:
Music's audio & composition into Emerging Media (Applied Creative Economy); Outdoor Adventure Leadership into Bioregional Ecology, not Business; Creative Writing retained inside Applied Creative Economy as narrative practice for media.

THE RISK INVERSION

The conservative-looking choice is often the riskier one.

Deloitte frames the plan as urgent and execution-dependent; public reporting indicates the Board has also been asked to consider winding down if SOU cannot stabilize. Bailey has signaled limited room for wholesale revision. Read those statements together: **every path on the table is a gamble.** The question is which risk has the better odds.

In situations like this, the conservative-looking choice is reliably the riskier one. Cardiac arrest, sepsis, late-stage cancer, retreat under fire. The intervention that feels aggressive on paper has better outcomes, because the measured response misreads how fast the situation is degrading. Watchful waiting is a slow yes to the bad outcome.

The mechanism here is enrollment perception. A plan whose public face is thirteen program closures and a winddown contingency tells every prospective student in the 2026 and 2027 cycles that SOU is dying. **That perception is the kill condition.** The plan eats itself: its math depends on enrollment that its own framing destroys.

A specialized institution staking a national claim on bioregional applied practice attracts a different kind of student than a managed decline does. Smaller numbers of intentional students are worth substantially more than larger numbers of reluctant ones. The plan's enrollment math has a real chance of working in the concentration scenario. It has almost no chance in the managed-decline one. Intentional students go where bets are being made, not where institutions are bracing for impact.

Year 1 math. *All five anchors profitable on direct margin.*

All figures derived from the updated program-level analysis on page 31 of the Deloitte May 4, 2026, report. Direct margins reflect Deloitte's revised methodology: course fees, OBF/ABF state funding, and college/school overhead allocation.

Strategic core — Year 1 direct margin (potential)

TABLE 01

STRATEGIC UNIT	MAJORS	SCH	YEAR 1 GROSS
Applied Enterprise	696	15,750	+$2,173K
Applied Bioregional Ecology bundle	341	10,534	+$283K
Applied Technology bundle CS AS HOME; CROSS-CUTS ALL	76	2,556	+$171K
Applied Creative Economy bundle INCL. EMDA + AUDIO	~616	~25,163	~+$86K
Applied Human Services bundle	1,069	29,570	+$3,307K
Strategic core total — Year 1 potential, subject to timing	**~2,798**	**~83,573**	**~+$6,020K**

All five anchors have profit potentialon direct margin in Year 1, before any new grant revenue, repositioning, or enrollment growth. Applied Human Services is the largest at +$3.3M, anchored by Education's strong margin (+$161/SCH). Applied Technology shows only the Computer Science disciplinary home; cross-anchor revenue from required cross-listings is not captured here. The improvement over the preliminary report's numbers is primarily attributable to Environmental Science, Computer Science, and Mathematics flipping from negative to positive direct margin under the revised methodology.

Three-year trajectory. *Conservative assumptions.*

Conservative growth assumptions, Year 1 → Year 3

TABLE 02

STRATEGIC UNIT	YEAR 1	YEAR 3
Applied Enterprise	+$2,173K	+$2,400K
Applied Bioregional Ecology	+$283K	+$1.5M – $2.5M
Applied Technology	+$171K	+$500K – $1.5M
Applied Creative Economy	~+$86K	+$1.0M – $2.0M
Applied Human Services	+$3,307K	+$3.5M – $4.5M
Strategic core total	**~+$6,020K**	**+$8.9M – $13.0M**

Year 3 assumptions are conservative. Bioregional Ecology grows to roughly 500 majors with $1M+ in NSF Engines, EDA Tech Hubs, and Tribal partnership revenue. Applied Technology grows through CS expansion, federal AI workforce grants, and substantial cross-anchor revenue. Creative Economy grows through formal OSF partnership scaling, NEA / Mellon funding, and the matured audio/composition track from the Music migration. Human Services sees modest enrollment growth plus federal rural health workforce funding and regional school district research partnerships.

The cuts this plan recommends.
Substantially aligned with Deloitte.

Sunsets and reconfigurations

TABLE 03

SUNSET / RECONFIGURE	MAJORS	DISPOSITION
Gender, Sexuality & Women's Studies	8	Sunset (matches Deloitte recommendation).
International Studies	6	Sunset (matches Deloitte recommendation).
Native American Studies, Philosophy	0	Already zero majors. Close formally.
Music	61	Sunset as standalone unit. Audio engineering, sound design, and composition disciplines migrate into Emerging Media & Digital Arts within Applied Creative Economy, with linkage to Applied Technology.
Mathematics	37	Major sunset; courses retained as service unit. Math sequences serve Applied Technology, Bioregional Ecology, and pre-health pathways.
Economics	20	Folded into Applied Enterprise as concentration.
Chemistry & Physics	36	Major sunset; courses retained as service to Applied Bioregional Ecology and pre-health pathways.
Sociology & Anthropology	49	Partial reconfigure. Indigenous knowledge and community ecology faculty fold into Applied Bioregional Ecology bundle.
Spanish & American Sign Language	33	Reconfigure into general education service unit.

Total program closures and reconfigurations align substantially with Deloitte's recommendations. Faculty count reductions are roughly proportional to the SCH eliminated, which keeps academic-side savings on track to hit Deloitte's $7M to $8M academic target.

Hitting Deloitte's $20M target.

Inside the band, with strategic core intact.

Academic transformation RE-BUNDLE, TARGETED SUNSETS, OPTIMIZATION	~+$7.0M
Administrative shared services PER DELOITTE	+$2.8M — $4.2M
Auxiliary stabilization PER DELOITTE	+$3.0M
Benefits & healthcare opportunity PER DELOITTE	+$1.1M — $2.1M
Revenue opportunities SPACE, TUITION, PHILANTHROPY	+$3.5M — $4.5M
Operational savings HIRING, MERIT, COLA FREEZE	+$845K — $1.3M
Year 1 total INSIDE THE DELOITTE TARGET	**~$18M — $22M**

With the strategic core intact and a credible national first-mover position to attract the next two enrollment cycles.

Lines *for the room.*

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Deloitte's plan is designed forwards from the past. This plan is designed backwards from the future.

Both arrive at concentration. They differ only in what SOU is concentrating toward, and which methodology is used to choose. The five "Applied X" anchors are the five legs of a single thesis: SOU becomes the first regional university in America deliberately organized around what places need to thrive in the AI and climate century.

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A closing *line.*

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In a fiscal crisis, the conservative move feels safer because its failure mode is invisible until it is irreversible.

Cuts without a compelling identity tell prospective students that SOU is dying, and that perception is the kill condition. Bold concentration is not the riskier path. It is the only path where the math has a chance of working — because it is the only path that gives students a reason to enroll into the recovery, rather than around it.

COLOPHON

Set in PP Pangram Sans Rounded, with Newsreader for editorial italic. Hand-laid on bone. Printed in Ashland, Oregon. May 2026.

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For circulation to the SOU Board of Trustees and President's Office.