

Chair:		
Richard Bailey	Professor of Business Management, ETM	Klamath Falls
Membership:		
Abdy Afjeh	Associate Provost for Research	Portland-Metro
Connie Atchley	Associate Vice President and Chief Information Officer	Klamath Falls
Todd Breedlove	Professor of Computer Systems Engineering Technology, ETM	Klamath Falls
Erin Foley	Vice President for Student Affairs and Dean of Students	Klamath Falls
Brian Fox	Vice President for Finance and Administration	Klamath Falls
David Hammond	Associate Professor of Mathematics, HAS	Portland-Metro
Zach Jones	Academic Specialist	Klamath Falls
Dawn Lowe Wincentsen	Librarian	Portland-Metro
Joanna Mott	Provost and Vice President for Academic Affairs	Klamath Falls
Stephanie Pope	Assistant Vice President for Financial Operations	Klamath Falls
Ken Sartain	Budget Director of Academic Affairs	Klamath Falls
Matthew Sleep	Faculty Department of Civil Engineering, ETM	Klamath Falls
Christopher Syrnyk	Associate Professor for Mathematics, HAS	Klamath Falls
Mason Terry	Director of OREC, ETM	Klamath Falls
Peter Wantuck	ASOIT President	Portland-Metro
Mason Wichmann	ASOIT President	Klamath Falls
Additional Attendees:		
Nellie Stewart	Executive Assistant to Vice President for Finance & Administration	Klamath Falls
Harmony Stobaugh	Administrative Council Representative	Klamath Falls

MINUTES

Meeting called to order – Chair Richard Bailey

- a. Chair Bailey called the meeting to order at 8:01 am.
- b. Chair Bailey read aloud the new charge for FOAC beginning this year. Provost Mott noted that the changes were made at the request of and in consultation with Faculty Senate. Chair Bailey has reached out to Faculty Senate for an update to membership. Christopher Syrnyk will be the faculty senate academic representative.
- c. **FOAC Charge:** The Fiscal Operations Advisory Council (FOAC) is a joint council of faculty, administrative staff, and students for the purpose of advising the President on budget and financial matters. The Council will participate in the General Operating Fund budget planning process, review the call for budget development from the President, and recommend fiscal management priorities to align with the strategic goals of Oregon Tech considering both the long-range fiscal priorities and budget planning as well as immediate fiscal and budgetary issues. It will review the institution’s annual budget and advise the President on the development of new budget initiatives. As needed, it will review and advise on the format for reporting the annual budget to the campus community. The Council will function as an integral group in strategic planning activities, with a university-wide perspective. Members of the Council include the Provost, the Vice Presidents for Finance and Administration and Student Affairs, the Vice Provost for Research and Academic Affairs, three committee members selected from the University staff

and administration appointed by the President, a member of SenEx appointed by the Faculty Senate President, a representative of Administrative Council appointed by the president of Administrative Council, a representative of the Budget and Resource Planning office appointed by the Vice President for Finance and Administration, the ASOIT Presidents (or designee), and four senior faculty members appointed jointly by the President and the Faculty Senate President. The Faculty Senate President will advance at least 6 names annually to the President for consideration. The chair is appointed by the President.

1. Enrollment Update – Provost Mott

- a. *Dr. Mott* provided the enrollment update and shared a presentation. Current headcount is up 1%, not including dual credit, including dual credit we are flat. Credit hours are down 0.6%, not including dual credit. Freshman enrollment is up 11%, but transfer numbers decreased. Undergrad transfers dropped mostly outside of Oregon. Significant changes in international students (dropped) and drops in non-residents, which have a large impact on tuition revenue. *Vice President Fox* asked how the enrollment funnel is looking for next year. *Provost Mott* replied that she is waiting for that information from Admissions Director Erik Johnson. *Chair Bailey* asked if there were changes between week 1 and week 4. *Provost Mott* confirmed that there was not a significant drop. *Chair Bailey* stated that we were hoping to increase enrollment in freshman and was glad to see that we met that goal. *Vice President Fox* provided comparator numbers from what the new freshman enrollment was at the other Oregon Universities including drops at SOU, UofO and roughly flat at EOU. He also stated that it was remarkable for our University to have the numbers we do. Question as to why our campuses were different and why PM did not have the same increase. *Vice President Fox* shared that while Portland-Metro campus numbers are down, PSU is also experiencing issues in enrollment and reliance on transfer students. *Dawn Lowe Wincentzen* asked what is being done to decrease the number of students flowing out of Portland-Metro campus. *Provost Mott* stated that there is planning in process to increase retention.

2. Track/Stadium Project – Vice President Foley

- a. *Vice President Foley* provided the update on track/stadium project and shared a presentation. We have a \$5 million bond, \$3.5 million was used for the rec center, approximately \$0.5 million was used updates to the athletic building. \$1.0 million of this bond remains, which cannot be used for anything outside of athletics and recreation projects. There was also an unanticipated \$610,000 in lottery funds for athletics. Replacing the track only is projected to cost between \$1.4 and \$1.5 million. Updates were made last year to the bleachers; however the rest of the stadium needs to be rehabilitated, including bringing the restrooms back into operations. Total cost of the track project is projected to be \$2.4 million. Remaining funds are being negotiated with the Foundation. Student fees will not increase and no general funds will be used for this project. This information will be presented to the Board of Trustee for approval next week. *Chair Bailey* inquired as to the bonds and if there is any interest paid from the institution. *Vice President Fox* responded that there is approximately \$60,000 per year in debt services that the University will be required to service the debt and this will come from auxiliary funds. *Chair Bailey* inquired as to whether there is any revenue coming from the Rec Center. *Vice President Foley* stated that there are some faculty and staff that have purchased term rates to use the facility, however she is unsure of numbers. *Vice President Fox* stated that the rec center is not counting on outside membership to sustain its operation, anything over the student fees is unexpected and positive. *Vice President Foley* discussed how having

updates to the field will enable us to have track events for campus and off campus entities, which we currently are unable to with the current conditions. *Vice President Fox* stated that we will also be able to increase athletics related enrollment on the track team if we redo the field. *Vice President Foley* stated that the maintenance needed to be done years ago. *Chair Bailey* asked if there are any updates as to where the additional money is coming from. *Vice President Fox* stated that the university and the Foundation are working on an agreement.

3. Q4 2020 Management Report UNAUDITED / Q1 2021 Management Report – Vice President Fox

- a. *Vice President Fox* provided the fourth quarter management report. Looked at revenue side comparing actuals versus board-adopted budget. We were up and didn't have large cuts. Tuition and fees were below what was anticipated. Many additional remissions were approved to help retain students. The Board of Trustees authorized funds to be used for these areas. Net Revenue was up \$1.5 million. The university recognized significant salary savings throughout the year, including being conservative in how we managed personnel budgets throughout the year and particularly in the second half as COVID-19 began to impact. In spring, the hiring freeze and furloughs resulted in even greater savings on salaries and departments held back on S&S budgets. There were very little expenditures that occurred during the fourth quarter due to COVID-19 responses. There was utility savings in energy and sewage costs due to upgraded products leading to better numbers. Internal sales went down as auxiliary areas lost income due to closing down housing and food services.
- b. *Vice President Fox* stated there are choppy waters ahead and need to squirrel away now to prepare. Many of our sister institutions are struggling and have been bleeding out resources over the last year. *Chair Bailey* asked where the CARES Act revenue is listed. *Vice President Fox* responded that most of the CARES Act money did not go out until the current fiscal year. Two buckets of approximately \$900K were available. The first was specifically set aside for financial aid for students. The second bucket was used for COVID-19 response such as buying PPE, Plexiglas, IT improvements etc. So far, we have just over \$1.0 million in expenses associated with this. This second bucket could only be used as a match for what was given to students in financial aid. These resources are available for one year, until May of 2021. *Chair Bailey* asked if we would have less fee remissions next year to offset from the CARES Act funds. *Vice President Fox* responded that CARES Act funds couldn't replace these funds and would be on top of fee remissions and would anticipate higher numbers. There were additional scholarships that were provided. *Todd Breedlove* inquired about changes in the state's funding model and movement across the state to bail out the other institutions using our funds.
- c. *Vice President Fox* presented student credit hours over the last three years and showed that credit hours increased overall. We also did not see the same drops between fall and winter this last year as we did the year before.
- d. *Vice President Fox* presented Q1 2020 and shared that we have not issued a budget forecast due to COVID-19 related uncertainty and lack of staffing in the budget office. The University had stated that we anticipated a 10% cut, but this did not end up happening, and there was a decision to sustain for the current fiscal year. The budget was built anticipating a 1% increase across the board. Student credit hours came in below previous year and furloughs have created positive changes in unclassified and classified salaries. Student employment has also decreased. Last year the University spoke with the State Treasury to look at outstanding debt on a few locations. The debt was renegotiated, and bonds were reissued at a lower interest rate, which has led to better debt payments and a savings of \$600,000 – \$700,000 per year over the next two years. A few risks that we need to be aware of, if there are any

interruptions, COVID19 or otherwise, that affect the enrollment and retention could be very problematic for us in the short and long-term.

4. Long Term Financial Planning – *Vice President Fox*

- a. *Vice President Fox* presented an analysis of long-term budget drivers and what would happen if the state budget continued a negative trajectory and absent changes in the cost structure or enrollment gains at Oregon Tech. This included the different levers available to the University and how quickly they would need to be pulled. The presentation does not include any recommendations but indicates to the Board of Trustees what options are available. These will need to start being made starting with the next budget cycle and in accordance with the strategic plan. What is clear, is that Oregon Tech needs to keep enrollment up to continue in current trajectory.

5. Questions

- a. *Christopher Syrnyk* shared that some of the faculty have asked about a change in tenure relinquishment and the financial impact to the university. *Vice President Fox* responded that this would impact unclassified labor and that these are multi-year items that increase our retirement liability and costs to the University driving up expenses and requiring additional tuition revenue to finance. *Christopher Syrnyk* asked what percentage this would increase expenses. *Vice President Fox* responded that while any one decision may not have a huge expense on its own when added up this could indicate a large expense.
- b. *Ken Sartain* asked if we have a list of risks and opportunities. *Vice President Fox* responded that we do not in the long-term analysis and looked to *Provost Mott* on the academic side and the strategic plan to identify opportunities.
- c. *Todd Breedlove* shared that he has been told that if we have students getting two degrees and if there is a year between the degrees, we would see financial benefit and wondered if this is still the case. *Vice President Fox* responded that he would need to verify but believes this would be removed as part of the HECC funding formula restructure. He noted that there is a large shortfall in state funding expenditure/revenue amounts in the next two biennia. HECC is adjusting the funding formula. A month ago, the reduction amount for Oregon Tech was proposed at \$4.5 million dollars, currently it has been negotiated to slightly over \$1 million dollar cut. State funding will most likely decline, 4-5% at minimum plus there will be an impact of the SSCM change given current information. There are at least four years of rough state funding ahead. *Vice President Fox* encourages everyone to look at the base case scenarios. Our fund balance is not going to be able to carry us forward without making changes. We need to consider the different options and how much we pull each “lever.” *Chair Bailey* noted that the slides shared by *Vice President Fox* are on the FOAC website.
- d. *Peter Wantuck* asked what is SSCM. *Vice President Fox* replied that it is the Student Success and Completion Model.
- e. *Christopher Syrnyk* asked if there have been considerations factored in for times of recession when students tend to go back to school. *Vice President Fox* responded that typically we would see an increase starting at the community colleges however, we have not seen that with COVID-19. This means we will not have the transfer rates that we would anticipate as part of a recession, but it may create pent up demand that shows up down the road. *Provost Mott* added that this is pushing out several years. We also have the end of growth in high school students in 2028 and population growth will be declining, so enrollment growth will be more difficult.

- f. *Chair Bailey* shared a thank you to everyone for joining today. The Board of Trustees meeting is scheduled for next Thursday and he encouraged participation.

Meeting adjourned – *Chair Richard Bailey*

- a. *Chair Bailey* adjourned the meeting at 9:04 am.