

**Board of Trustees
Agenda
February 23, 2017**

	<u>Page</u>
1. Call to Order/Roll/Declaration of a Quorum (3pm) <i>Chair Graham</i>	
2. Reports	
2.1 President's Report and Discussion (45 min) <i>Interim President Kenton</i>	1
2.2 Oregon Tech Foundation Report (15 min) <i>AVP Ricketts</i>	5
2.3 <i>ASOIT Klamath Falls Report</i> (10 min) <i>Administrative Officer Cheyenne Low</i>	
2.4 <i>Administrative Council Report</i> (10 min) <i>Chair Hudspeth</i>	
2.5 <i>Faculty Senate Report</i> (20 min) <i>President David Thaemert</i>	
2.6 Legislative Session Update (10 min) <i>AVP Colligan</i>	13
2.7 Academic Quality and Student Success Committee Report (5 min) <i>Trustee Brown</i>	
2.8 Finance and Facilities Committee Report (5 min) <i>Vice Chair Sliva</i>	
2.9 Executive Committee Report (5 min) <i>Chair Graham</i>	
3. Consent Agenda (4:55pm) (5 min) <i>Chair Graham</i>	
3.1 Approve Minutes of the November 16, 2016 Meeting	17
3.2 Approve the Procurement of Diagnostic Equipment and Authorize the President, or Designee, to Enter into a Contract in Excess of One Million Dollars	
3.3 Adopt a Quasi-Endowment Investment Policy	23
3.4 Recommendation to the HECC to Approve a New Program: BS in Professional Writing	
3.5 Recommendation to the HECC to Approve a New Program: MS in Applied Behavior Analysis and Authorize Staff to Forward the Proposal to the Provost's Council	
4. Adjourn to February 24, 2017 at 8:45am.	

**6pm -8:30pm
SOCIAL HOUR and DINNER with Executive Staff
Rooster's Steak and Chop House
205 Main Street**

REPORT

Agenda Item No. 2.1

President's Report

Background

Interim President Kenton will give a verbal report and ask VP McKinney to review the Oregon Manufacturing Innovation Center (OMIC) project.

Recommendation

No recommendation. Item is a report only.

Attachments

OMIC Report

Oregon Manufacturing Innovation Center (OMIC)
Update for Oregon Tech Board of Trustees Meeting 2-24-2017
Mike Myers, PhD, Associate Professor
Laura McKinney, Vice President for Wilsonville

Progress on the Oregon Manufacturing Innovation Center (OMIC) is advancing towards conducting the first research projects by summer. The Oregon Tech Board decision to move forward with the Scappoose property purchase set into motion numerous undertakings to formalize the OMIC organization, establish the OMIC governance model, engage government representatives, and solidify broader plans for regional development.

Governance

The Northwest Collaboratory for Sustainable Manufacturing (NWCSM) Board voted on 9-29-2016 to rename the 501(c)(6) non-profit corporation to the Oregon Manufacturing Innovation Center Research and Development (OMIC R&D). The Board accomplished this by changing all references in the NWCSM by-laws from NWCSM to OMIC R&D and amending the NWCSM articles of incorporation. The Board voted to add six new seats to the existing four seats: Oregon Tech, Portland State University, Oregon State University, and three industry organizations. The OMIC R&D Board meets monthly.

The OMIC membership agreement is ready to be signed with the three research partners and seven industry partners. Once the agreement is signed, press releases will occur to inform the public about the status of OMIC and to announce the OMIC R&D industry launch partners. The OMIC R&D Business Plan was drafted in January and includes budget projections for three years. The plan is currently in review.

Scappoose Property

The Scappoose property was purchased at the beginning of November. Dr. Myers wrote the Oregon Tech Facility Operations Plan to guide how Oregon Tech manages the property and is drafting the OMIC R&D Operations Plan to guide how OMIC R&D will conduct business at the property. Operationally, we are addressing maintenance and inspection tasks with fire/life safety having the top priority. JJJ Earthmovers is leasing approximately 2,000 sf of space through the end of June, 2017. They are actively searching for industrial space to house their operation when they vacate.

A full-service, baseline lease is being negotiated with OMIC R&D with the intent that the OMIC research member dues cover all facility baseline costs, supplemented by OMIC overhead revenue as research projects drive facility costs above the baseline.

JJJ Earthmovers has completed most of the items stipulated in the purchase contract which includes roof repairs, window replacement, and electrical systems maintenance. Remaining items include paving a new parking area and building a new gravel road from West Lane using land donated by Scott Parker. This new road will remove the need to traverse Scappoose Sand and Gravel land for OMIC R&D ingress and egress. The road and parking area should be complete by March 31st.

The Project Delivery Group offered to donate their services to annex the property into the City of Scappoose as well as draft a master plan for the 80 acres surrounding the property. With the building

being served by well water and septic, annexation is needed to tap into city utilities to accommodate the expected number of researchers, students, and staff operating at the site. We expect annexation to be approved by July.

Oregon Tech and the City of Scappoose are submitting a joint \$3M proposal to the US Economic Development Agency (EDA) and a \$1M proposal to the Oregon Department of Transportation (ODOT) to fund a full complement of utilities in the new road as well as paving, sidewalks, and landscaping. Additionally, the EDA funds will be used to improve the building with elevators, climate control for the shop area, and other improvements needed to conduct research and development. Three corporate sponsors have committed to outfitting three conference rooms with a standardized audio-visual and furniture suite. Furniture donations from member organizations and PCC surplus are helping to establish operations quickly.

Legislative Engagement

Local, state, and national representatives are engaged in the project including Oregon Senator Betsy Johnson, US Representative Susan Bonamici, and Scappoose Mayor Scott Burge. OMIC is at the top of Senator Johnson's legislative agenda for this biennium. Governor Kate Brown visited the Scappoose property in November to receive an overview of OMIC and the opportunities for Oregon. Support for OMIC was included in Governor Brown's inaugural address and in her budget. Funding for NWCSM has been \$800k per year from Business Oregon, and a similar amount is in the proposed budget for the next biennium.

Business Park Development

Numerous discussions continue regarding development of the business park surrounding OMIC R&D and the airpark. Construction of the nearby Cascades Tissue 300,000 sf state-of-the-art factory is well underway. A large manufacturer has expressed significant interest in property adjacent to OMIC R&D where they would build a 30,000 sf facility.

State-of-the-art manufacturing equipment donations to OMIC R&D worth \$12M are nearing final negotiations.

Portland Community College (PCC) is on track to complete its purchase of 20 acres east of the Scappoose Airport runway, less than a mile from OMIC R&D. PCC plans on constructing a new building on this site to house OMIC Training.

R&D Projects

Technical representatives from OMIC R&D member organizations met at the OMIC R&D facility in December and January to develop the technology roadmap. Thirteen research themes have been identified using industry drivers from the member companies. The research themes' common thrust is metals manufacturing. A Technology Council is being formed to oversee all R&D activity. The desire is to have one to three research projects started by May with at least one of those projects conducted in the OMIC R&D facility.

Collaboration with PCC training

Oregon Tech Portland metro, the Mechanical and Manufacturing Engineering and Technology (MMET) department, and PCC have entered into a Memorandum of Understanding (MOU) to pursue a mutually beneficial agreement for sharing learning spaces, training equipment, and related academic resources at PCC's Willow Creek Center to expand STEM and trades-focused programming. The purpose of this collaborative arrangement is to increase access to higher education opportunities, increase combined student enrollment, reduce net operational expenses through resource sharing, establish OMIC career pathways, and strengthen ties with industry partners located across the Greater Portland region. The MOU to enable this arrangement is currently in work. The goal is to offer MMET courses from PCC's Willow Creek Center starting Fall 2017.

REPORT
Agenda Item No. 2.2
Oregon Tech Foundation Report

Background

AVP Tracy Ricketts will give a verbal report on the Oregon Tech Foundation.

Recommendation

No recommendation. Item is a report only.

Attachments

Foundation Report



The Oregon Tech Foundation

The Oregon Tech Foundation was established in 1969. Its mission is to:

- Further the educational, cultural, charitable, and service activities of Oregon Tech;
- Acquire financial support through gifts, grants, bequests, and capital campaigns;
- Promote the public relations aspect of the university to expand and improve the understanding of its programs among students, alumni, potential employers of graduates, friends of Oregon Tech and other individuals, groups, organizations or publics.

The Foundation is a 501(c)(3) organization and is a separate legal entity from the University governed by a governing board currently populated with 22 volunteer board members who are tasked with management and growth of the assets of the Foundation. The Foundation Board meets three times per year.

The University Development Department

The University Development Department supports the mission of Oregon Tech by connecting donors, alumni, and friends with philanthropic opportunities at the university.

The Development team expands the network of Oregon Tech friendships and donors by explaining Oregon Tech's mission, hosting activities, promoting our initiatives, and spreading the word about the exceptional national rankings of Oregon Tech and the success of Oregon Tech graduates.

Currently, there is a staff of 8 personnel who operate the Development Department, Alumni Relations efforts and the day-to-day operations of the Foundation, and are jointly funded by the Foundation and Oregon Tech. The Exchange Agreement between Oregon Tech and the Foundation details our common goals and support for the Oregon Tech/Foundation Development Department.

FY 2016 Foundation Board Goals & Related Activities

1. Cultivate friendships

The Foundation Board and Development Department recognize the importance of building strong relationships with alumni, friends, faculty & staff, foundations and corporations to create a strong pipeline of potential donors.

- a. Donor Thank You Calls
- b. Hosted Events

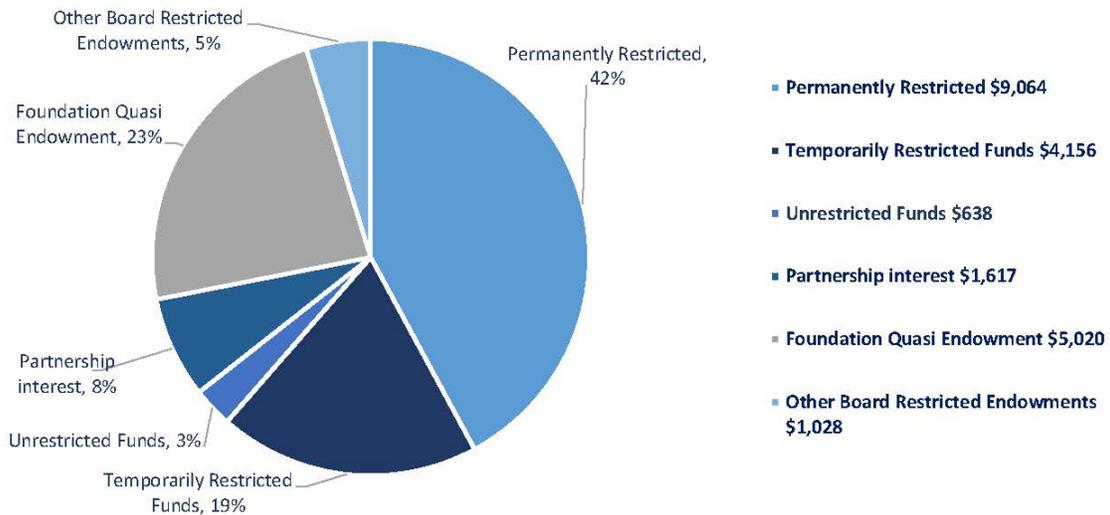


- c. Continued to support “Student Project Fund” as a way to support innovative students and engage donors in compelling stories. This fund was started by the Foundation Board 3 years ago with \$1,200 and has grown to \$10,000 of available award for the current fiscal year
2. Recruit new board members
The Foundation Board strives to be purposeful in recruitment of new board members and is actively seeking individuals with a passion for Oregon Tech, a “can do” attitude, extensive personal and professional networks, professional skills which will support the mission of the Foundation and a philanthropic spirit.
 - a. Recruited seven new Board Members
3. Strengthen relationships with faculty, staff and alumni
The Foundation Board recognizes the importance of strong philanthropic participation from alumni, faculty and staff, and the impact of such participation on university rankings and perception of potential funders. Additionally, the Foundation strives to help build a collaborative culture of philanthropy among campus partners which will help us more effectively share the Oregon Tech story and engage donors on behalf of the university.
 - a. Collaborative alumni events with Development Team
 - b. Faculty interviews and thank you calls
 - c. Created Faculty Development Awards and provided \$10,000 for 16-17 awards
 - d. Created Faculty Teaching Awards and provided \$1,000 each for two awards in 16-17
4. Increase scholarships and financial support, especially for fifth year students
The Foundation endeavors to provide direct support to students in the completion of their degree and focus on areas of support which provide a compounded benefit to the university whenever possible.
 - a. Created “Finish Line Fund” and provided \$10,000 for initial grants to students with exceptionally high financial need and limited available aid who were nearly finished with their degree
 - b. Awarded over \$500,000 in scholarships for the first time ever
5. Support capital projects deemed a priority for the university
The Foundation recognizes the need to make capital improvements in order to maintain Oregon Tech’s tradition of excellence and better serve students, and the value of leverage provided by private support for capital projects
 - a. Worked with faculty and staff to understand opportunities for donor support in upcoming projects
 - b. Provided a one-time grant of \$10,000 to update classroom furniture in Purvine Hall

Oregon **TECH** FOUNDATION

FISCAL YEAR 2016

TOTAL NET ASSETS AT JUNE 30, 2016: \$21,523 (IN THOUSANDS)



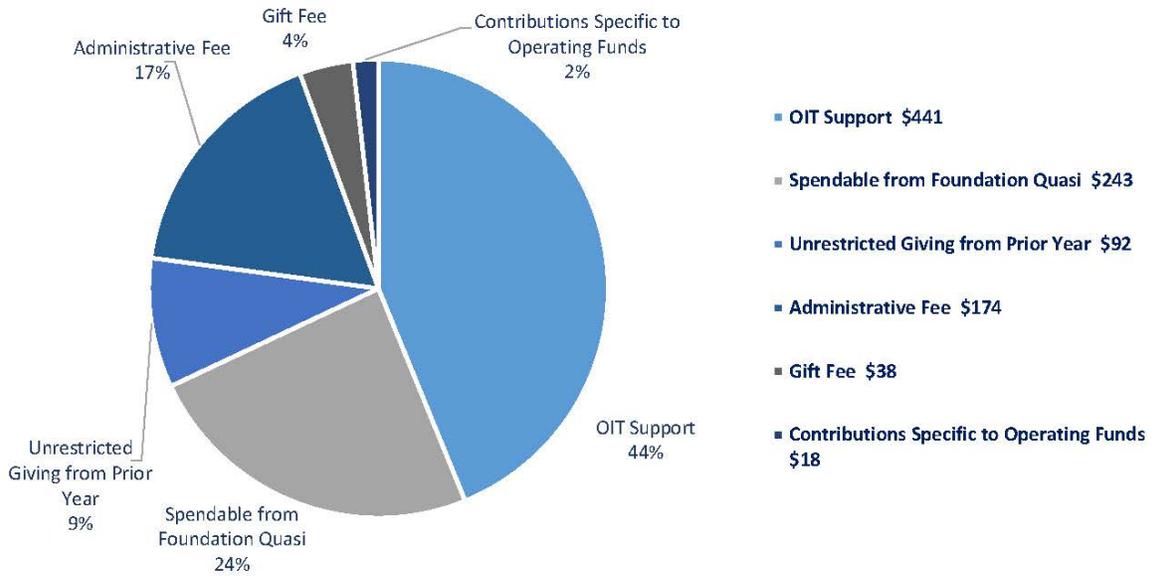
Revenue/Net Assets: Net assets, (approximately \$21 million), are broken into 3 primary categories, with 2 sub categories. The 3 primary categories, as defined by the Federal Accounting Standards Board, for reporting assets are:

- **Permanently restricted net assets:** These have donor-imposed restrictions stipulating resources be maintained permanently. The corpus, or original donor gift to an endowed scholarship is an example of funds held in this category, the corpus of the gift is held in perpetuity and is invested to generate scholarship awards.
- **Temporarily restricted net assets:** These have donor-imposed restriction either based on the passage of time or the fulfillment of a specified purpose. There are various types of funds contained within this category, such as gifts to a specific department, annual scholarship, and investment income from permanently restricted funds which may be available for use for the designated purpose
- **Unrestricted net assets:** These are neither permanently nor temporarily restricted by donor-imposed stipulations.
 - **Board-designated reserves are considered unrestricted net assets:** In order to create a reliable source of income, the Board has restricted the funds in the “Foundation Quasi Endowment” to generate spendable income to support the operations the Foundation and Development Department. At various times over the years, additional “Board Restricted Endowments” were created to support student scholarships.

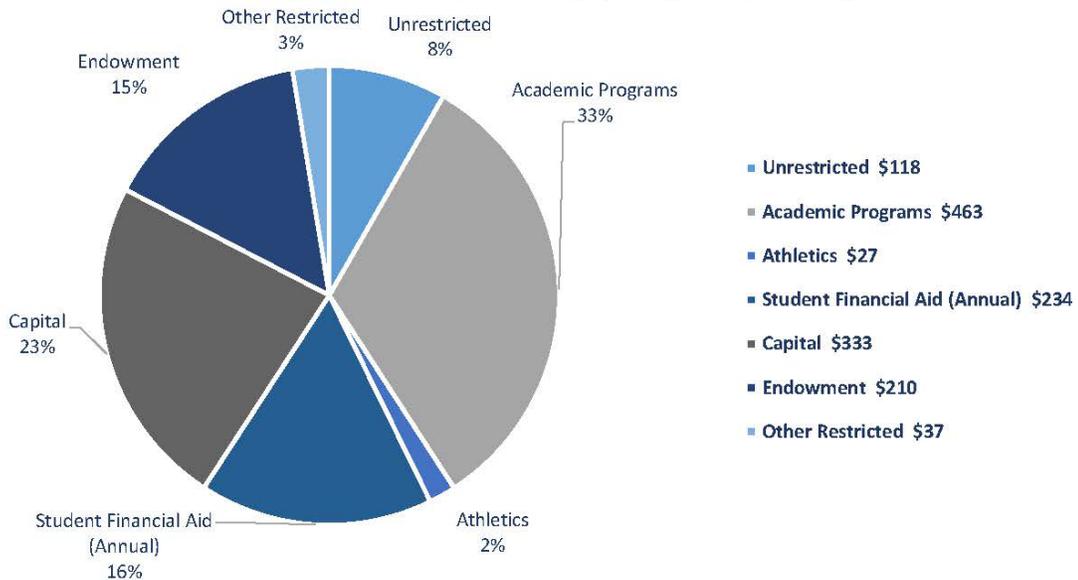
Oregon **TECH** FOUNDATION

FISCAL YEAR 2016

OPERATING REVENUES : \$1,022 (IN THOUSANDS)



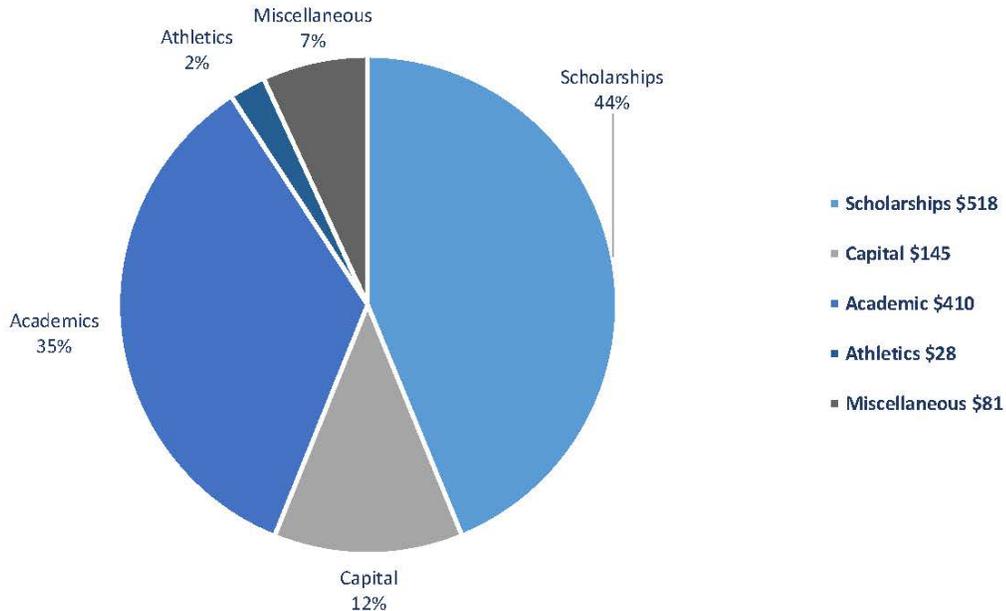
CONTRIBUTIONS TO FOUNDATION : \$1,422 (IN THOUSANDS)



Oregon **TECH** FOUNDATION

FISCAL YEAR 2016

PROGRAM SUPPORT FROM FOUNDATION TO OIT: \$1,183 (IN THOUSANDS)



Program support to OIT from the Foundation: The Foundation provides program support to the university due to donor designation or at the discretion of the board.

- **Scholarships:** The majority of program support from the Foundation was in the form of scholarships, either in annual donations or the income from endowments.
- **Academics:** Support of academics includes individual gifts to academic programs and gifts of equipment specific to their program.
- **Athletics:** All funds supporting athletic teams, travel and supplies, excluding athletic scholarships are in the athletics category.
- **Capital:** Funds transferred in support of capital building projects, classroom improvements and other items such as labs are represented in this category.
- **Miscellaneous:** This category includes many items which do not meet the criteria of other designations, including grants to the University President, Student Clubs and others such as the STEM HUBs are all in the miscellaneous category.

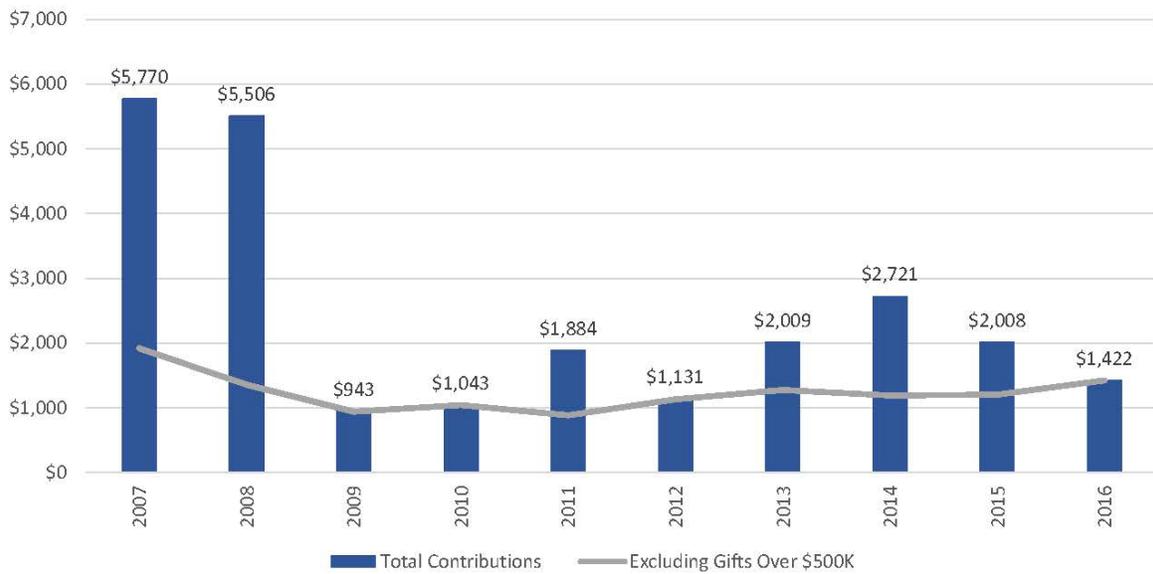
Oregon **TECH** FOUNDATION

10 YEAR TRENDS—FISCAL YEARS 2007-2016

NET ASSETS (IN THOUSANDS)



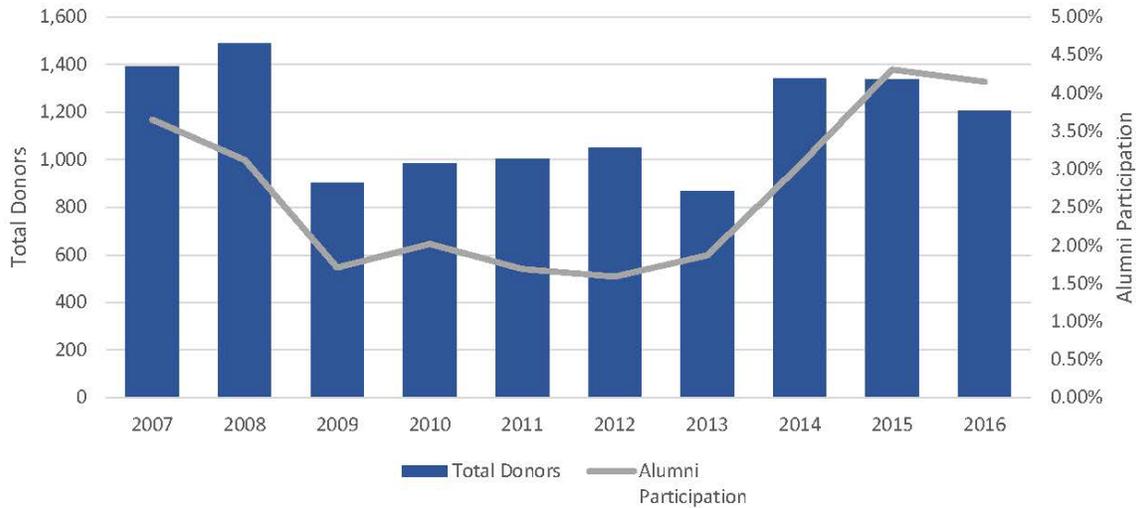
CONTRIBUTIONS TO FOUNDATION (IN THOUSANDS)



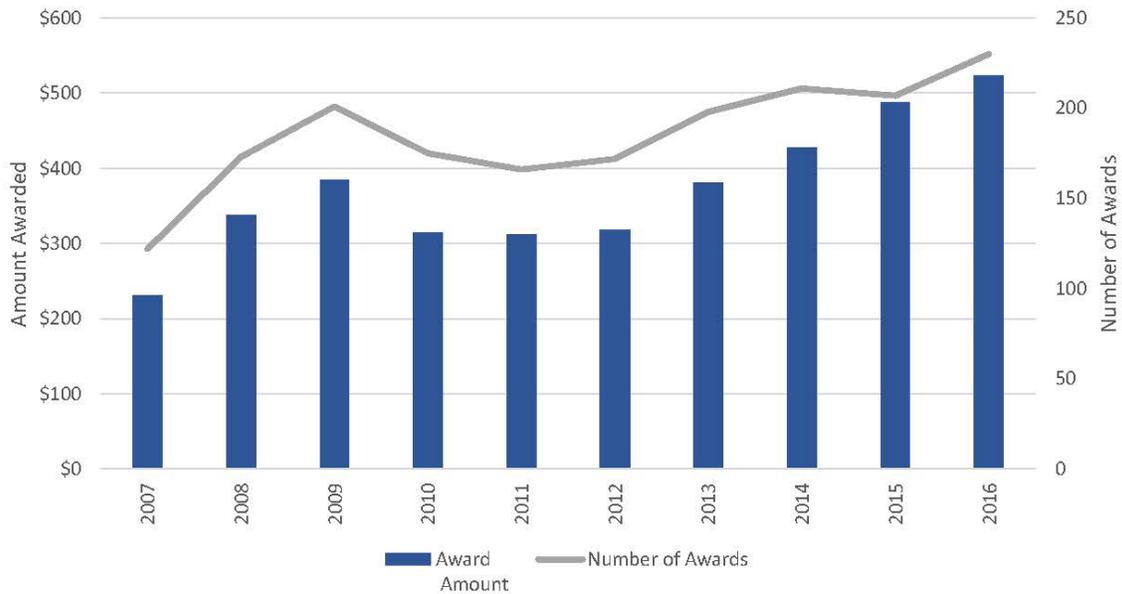
Oregon **TECH** FOUNDATION

10 YEAR TRENDS—FISCAL YEARS 2007-2016

TOTAL DONORS & ALUMNI PARTICIPATION



SCHOLARSHIP AWARDS (AMOUNT IN THOUSANDS)



REPORT

Agenda Item No. 2.6

Legislative Report

This Legislative Update provides background information on current issues of note for Oregon Tech Trustees, faculty, staff and students who may be asked about university-related topics by legislators, friends, colleagues, or community members. These are not “official positions” of the Board or the University, but will provide some consistency in messaging among Oregon Tech’s campus community.

Oregon Tech’s Funding Requests

1. Budget and Current Service Level

The Governor’s Recommended Budget (GRB) includes \$667M for the Public University Support Fund (PUSF) for all seven public universities, which is estimated to be over \$100M short of Current Service Level (CSL) to maintain current operations.

The universities are collectively lobbying to increase the PUSF and the Legislative Co-Chairs of Ways and Means have indicated their support for approximately \$680M, which is still well below our needs. Given the state’s shortfall of \$1.8B in revenue to sustain current service level for all agencies, Oregon Tech’s planning scenarios are based on these realistic levels of state funding.

2. Cornett Hall Renovation/Center for Excellence in Engineering and Technology

Oregon Tech is seeking a technical fix to last year’s bonding language to allow us to utilize the Phase 1 funding of approximately \$11M to start the Cornett Renovation now, while continuing to advocate for Phase 2 bonding authority to build the Center for Excellence in Engineering and Technology (CEET).

For the Phase 2 CEET, we requested \$38M in XI-Q bonds, \$2M in XI-G bonds and offered to raise \$2M in matching funds. The Governor’s budget includes \$34M in XI-Q bonds, \$4M in XI-G bonds, requiring \$4M in matching funds. We are working with the Co-Chairs to reduce the XI-G bond amount to \$2M, to ensure we can raise the matching funds.

Oregon Tech is also seeking \$5M in XI-F bonds to renovate the student recreational facilities. Since Oregon Tech pays the debt service on F bonds, we will likely be granted this authorization.

3. State Program Funding for Oregon Renewable Energy Center

Oregon Tech is seeking \$985K in 2017-2019 to support the backbone operations of OREC to fulfill its mission, and support student experiential learning and applied research. OREC was not included in the GRB, and the Co-Chairs of Ways and Means have stated that they are not funding “new programs” due to a constrained state budget. We are still working to lobby for OREC but have limited expectations of success.

4. Oregon Manufacturing Innovation Center (OMIC)

Funds are earmarked in the Oregon Business Development Department agency’s requested budget to support start-up operations and equipment purchases. Global industry partners are also donating equipment that may necessitate investment in building renovations to accommodate installations, electricity and other enabling modifications. Senator Johnson has

indicated an interest in seeking additional state funds to support the construction costs associated with installing and operating the donated equipment and other needs of the partnership.

5. Restoration of Sports Lottery Scholarships

The GRB eliminates funding for Sports Lottery which provides over \$400,000 for Oregon Tech's athletic programs and sports scholarships. Athletic Director Stewart estimates that Oregon Tech would need to cut the current scholarships that are awarded from lottery funds and would have to cut at least two, if not three sports. He estimates that we would lose a minimum of 50 students. The universities are lobbying to reinstate the \$8M in Sports Lottery funds that we received last biennium.

Topics of Interest

SB2540 and others: Applied Baccalaureates at Community Colleges

Several community colleges are seeking authorization to award applied baccalaureate degrees. The Governor's staff did not introduce a bill to expand community college authority to offer baccalaureate degrees, but the colleges are now organizing in Salem to seek that authority, especially for nursing. The public universities are willing to fill any gaps in the market to respond to regional and state employer needs.

SB55: Oregon Promise/Free Community College

SB55 removes the \$10M funding cap on the Oregon Promise program which was the cost for one cohort of students for one year. The GRB includes \$39.7M to cover the estimated cost of free community college tuition for two cohorts of students for two years. The Co-Chairs have raised the issue of whether the state can fully fund the program due to budget constraints.

The HECC has reported on the first cohort of students to access the program, which has raised questions from some legislators about the demographics of students being served. Due to the program model, which requires students to utilize their federal and state need-based aid first, and then receive Oregon Promise funds, only about half of the Oregon Promise grant recipients are PELL-eligible.

Key preliminary findings about applicants to participate in the program include:

- About 1/3 of all HS graduates applied
- Almost half of the applicants were not Pell eligible
- Approximately 1%-3% of applicants were from families with expected family contributions above \$81,000
- Oregon saw the largest jump nationwide in FAFSA completion even though the overall number of HS graduates was flat

Key preliminary findings about recipients of OR Promise awards include:

- Generally, there were declines in postsecondary enrollment
- OR Promise students represent about 5% of all CC students
- About half of OR Promise recipients do not receive Pell grants
- Most OR Promise dollars go to recipients with higher incomes

In addition, the HECC is expecting about a \$1.5 – 3.5M cost overrun for the first year of the program. This session, the universities are advocating that the legislature fund the need-based Oregon Opportunity Grant fully before they add to the size of the Oregon Promise program.

SB207: Credit for Advanced Placement (AP)/International Baccalaureate (IB) scores:

The Senate Education Committee held a public hearing on SB 207 which would require colleges and universities to award credit for AP/IB passing scores at a level of 3. Universities support the intent of the bill, and universities have been awarding AP and IB credit for successful test scores for over a decade, but we do not support including a specific test score for all courses in statute. Our faculty believe that some courses require a test score of 4 or 5 to represent equivalency to college-level work. The universities submitted written and verbal testimony on the bill in early February.

SB8: Allows Mergers of community colleges and universities

This bill was introduced by the Senate President to allow a voluntary merger of a community college and university, by presenting a plan to the HECC that proposes how the merged institution would be governed, and the efficiencies that would be achieved. The universities are neutral on this bill since it is voluntary in nature.

SB 134: Veterans Services on Campuses

The seven public universities support SB 143 which would establish a grant program to establish or supplement campus resources available to serve veteran students. We have reported the level of veteran services at each campus, and funding will be determined by the level of services that are currently offered. Oregon Tech is considered a “B” campus, which means that Oregon Tech currently does not have “campus veteran resource centers or campus veteran resource coordinators.” Grants for these campuses would establish new centers and recruit and employ coordinators. Below is the text that we submitted for joint university testimony.

Oregon Institute of Technology (OIT): Oregon Tech has a VA certifying official in the Registrar’s Office and the Student Veterans Program maintains a Veterans Lounge. Our veteran support services are embedded into our student services programs, to ensure that veterans receive comprehensive services. Our Director of Retention started a small bridge loan program to provide students no-interest short term loans to complete their term. While Oregon Tech does not have a separate veteran resource center or coordinator, we are ranked #2 for Best West Colleges for Veterans by U.S. News & World Report. Oregon Tech could be classified as an “A” campus to expand veterans’ services within the comprehensive student services center, or as a “B” campus to establish a separate center and employ coordinators.

HB 2565: Priority Registration for Veterans

The public universities are working proactively with legislative sponsors to broaden and clarify priority registration for Veterans, so they have a small preference when signing up for classes and can ensure that they can graduate while their veterans benefits are available.

HB 2257/HB 2729: Extension of Textbook Affordability and “Open Education Resources”

These bills would continue funding for the development of free textbooks at colleges and universities. Oregon House Bill 2871, passed during the 2015 Legislative Session, provided a legislative investment in the area of textbook affordability, with a specific focus on the development of Open Educational Resources (OERs). A list of awardees can be found here:

<https://www.oregon.gov/HigherEd/Pages/oer.aspx>

HB 2582: Establishment of a “Fighting Fund” for Oregon’s Research Universities

Oregon’s public universities are requesting the investment of \$20 million to establish matching funds that will enable universities to better compete for federal grants. The Fighting Fund would match federal research grants awarded to Oregon universities when they compete for grants that

enable research and economic development in Oregon. The fighting fund is not recommended in the GRB but is being introduced by Legislators in the 2017 session.

Campus Public Safety

The public universities will support the Governor’s Campus Safety Work Group recommendations including:

- Establishing a Higher Education Safety and Resilience Council
- Appropriation of \$500,000 to support a three-year statewide training initiative
- Establish online training portal for Oregon postsecondary institutions to share practices and protocols in real time
- Amend ORS 238.082 Section 5 to add postsecondary institutions to the exemption for hiring retired law-enforcement officers (SB 486)
- Develop a physical-security grant program to help postsecondary institutions pay for critical public safety infrastructure in existing buildings and campus infrastructure.

Additional Legislative Initiatives

- Increased access for student parents to state ERDC (Employment Related Day-Care).
- Increased access for student parents to TANF (Temporary Assistance for Needy Families).
- Increased access for students to SNAP (Supplemental Nutrition Assistance Program) benefits.

Opportunities for Board Engagement

Ways and Means Committee Budget Road Shows

Below you will find links to the Joint Ways and Means Budget Hearings around the state.

3/3/2017 6:00 PM Tillamook
 2/25/2017 1:00 PM Eugene
 2/24/2017 5:00 PM Ashland
 2/18/2017 1:00 PM Madras
 2/17/2017 5:00 PM Hermiston
 2/11/2017 12:00 PM Portland
 2/10/2017 5:00 PM Salem

The closest hearing is in Ashland on February 24, 2017 from 5-7PM: SOU, Rogue River Room. We are organizing a group of students to attend the hearing. If any board members wish to attend any of the hearings in your region to discuss the challenges of balancing tuition in the context of declining state funding, please contact AVP Colligan or Manager Brittany Miles to obtain some talking points.

May 16, 2017: TRU Day in the Capitol

Please save the date for this advocacy day for the technical and regional universities. All seven university presidents will be there for the Council of Presidents and to conduct advocacy meetings with legislators. Board members are welcome to join this event.

For more information, contact AVP Colligan or Manager Brittany Miles, Government Relations.



**Meeting of the
Oregon Tech Board of Trustees
Room 402, Wilsonville Campus
November 16, 2016
8am-Noon**

DRAFT MINUTES

Trustees Present:

Lisa Graham, Chair	Jessica Gomez	Kelley Minty Morris (via telephone)
Steve Sliwa, Vice Chair	Kathleen Hill	Dan Peterson (via telephone)
Jeremy Brown	Vince Jones	Paul Stewart
Nicole Galster	Jay Kenton, Interim President	Fred Ziari
Bill Goloski	Jill Mason	

University Staff and Faculty Present:

Lita Colligan, AVP Strategic Partnerships
Barb Conner, Director of Retention
Carleen Drago, Academic Partnership Coordinator
Marla Edge, Director of Academic Agreements
Erin Foley, VP Student Affairs/Dean of Students
Brian Fox, VP Finance and Administration
Hugh Jarrard, Assistant Professor and VP of Faculty Senate
LeAnn Maupin, Acting Provost/Dean of the College of HAS
Laura McKinney, VP Wilsonville Brittany Miles
Brittany Miles, Industry Outreach – Government Relations Manager
Steve Neihsel, VP Strategic Enrollment Management
Hallie Neupert, Interim Dean of the College of E/TM/Department Chair
Dana Onorato, Associate Dean of Students
Tracy Ricketts, AVP of Development and Alumni Relations
Paul Rowan, CIO/AVP Information Technology Services
Di Saunders, AVP Marketing and Public Relations
Maureen Sevigny, Distance Education Program Manager
Farooq Sultan, Institutional Research Analyst Programmer

Others Present:

Ellie Boggs, Assistant to the Director of the Oregon University President's Council
Rep. John Davis, President Search Committee Member
Kevin Malstrom, ASOIT Wilsonville President
Dr. Nagi Naganathan, President Candidate, College of Engineering Dean, University of Toledo
Dana Richardson, Executive Director of the Oregon University President's Council
Dee Thompson, Foundation President

1. **Call to Order/Roll/Declaration of a Quorum**

Chair Graham called the meeting to order at 8:02am. **The Secretary** called roll and a quorum was declared.

2. **Reports**

2.1 **President's Report and Discussion**

Interim President Kenton introduced Dr. Steve Neiheisel, VP of Strategic Enrollment Management. **VP Neiheisel** gave an update on enrollment.

Interim President Kenton reported on: the creation of a committee to work on becoming a Blue Zone employer; approval of a salary increase of 4% to be implemented midway through the year; adjusted adjunct rates; appointment of LeAnn Maupin as the Interim Provost; searches for an Athletic Director and CIO; men's and women's cross country team were invited to attend the nationals; closing the purchase on OMIC in Scappoose; a reminder memo to faculty of the requirement to make accommodations for ADA; the possible creation of a job to caption videos to meet ADA standards; request to reduce the Cornett/Engineering capital project budget; a letter from all public university presidents encouraging the Governor to allocate additional funds to address PERS costs; his appreciation of Trustee Minty Morris and the search committee; discussing the creation of a vocation center with City/County School District, Klamath Community College, KCEDA, and the City and County of Klamath Falls; working on MOU with SLMC and OHSU; making progress on DPT degree; the Foundation raised \$1M to date with a goal of raising another \$1M by the end of the year; and the possibility of significant tuition increase if state funding is drastically cut.

Manager Miles walked through the legislative session update.

2.2 **ASOIT Wilsonville Report**

President Malstrom stated the group is working on reevaluating the use of public spaces; modifying drinking fountains to water bottle filling stations; working with adjacent businesses to have food carts come to campus; reaching out to the food bank to provide students access to food; working to encourage legislature to have the SNAP program to recognize a full-time student as meeting assistance standards with FAFSA form information. **Trustee Ziari** offered to work with the ASOIT group on their efforts to ensure students have adequate access to food by connecting them to farmers.

2.3 **Faculty Senate Report**

VP of Faculty Senate Jarrard gave a report on behalf of Faculty Senate President David Thaemert: the Academic Standard Committee is addressing accreditation concerns including the credit for prior learning policy, verifying course control policy insurance, and the incorporation of the General Education taskforce recommendations. The Elections Committee is soliciting nominations for the Inter-institutional Faculty Senate at-large position for Oregon Tech. The Faculty Compensation Committee is looking at the faculty compensation policy, faculty compensation/COLA/institutional floors/market salaries; and current policies regarding fair compensation of Department Chairs. The Faculty Welfare Committee is focusing on fair and equitable assignment of committee

assignments, faculty workload guidelines, and review of the faculty senate charter as it relates to chairing committees. The Rank, Promotion, and Tenure Committee is focusing on solidifying policies around non-tenure track faculty, faculty objective plan, adequacy of annual evaluation forms, refining the process of electronic tenure portfolio submission, and peer review for junior faculty.

2.4 **Legislative Session Update** – see President’s Report (2.1)

2.5 **Academic Quality and Student Success Committee Report**

Trustee Brown welcomed Trustees Mason and Galster to the committee. The committee heard a presentation on a proposed new degree program in professional writing and will request the Board discuss the proposal prior to taking any action. He thanked the faculty and staff for their work based on achieving the positive accreditation reviews and commendations. Barb Conner, Director of Retention, gave a presentation on the various programs available to assist students in completing their education. Nicole Briggs, Title IX Director, joined the meeting by phone and updated the committee on Title IX training. A report was given outlining the types of faculty hired and there seems to be room to increase the diversity of faculty to match the diversity of students. Staff and faculty are looking at the impact of the general education reform proposal on transferable credits for incoming students. Efforts are being made by the faculty to provide affordable textbooks.

2.6 **Finance and Facilities Committee Report Vice Chair Sliwa** requested time on a future board agenda for VPFA Fox to show the newly created dashboard template. The committee learned that the budget is on track, but the fund balance is still tracking at over 30%, which is over the 10-15% identified in board policy. The committee recommended the board approve the creation and funding of a quasi-endowment fund to more efficiently manage reserves. The committee also recommended the board approve the emergency electrical and storm drainage project and authorize the issuance of state funded debt. The internal audit firm, Kernutt Stokes, explained the audit and risk assessment process. The committee suggested staff conduct a morale/culture survey. There was consensus to conduct an audit of financial aid and one auxiliary fund, and Tier 1 and 2 items were identified for future audits. Trustee Jones will act as the committee’s internal audit representatives for the facilities issues and Vice Chair Sliwa will be the point person for general issues. The committee received a report on the possibility of rehabilitating the rec center; an update on the PUF. OSU is looking at removing investments from fossil-fuel related investments and will likely request a letter from the Chairs of the public universities outlining each university’s position. The committee was concerned that this could be the beginning of continued requests. **Trustee Brown** suggested making some investments to try and prevent drastic increases to tuition. The Cornett renovation project is moving forward.

2.7 **Executive Committee Report**

Chair Graham outlined the changes to committee assignments and stated the committee received an update from Dean Maupin on the HECC evaluation including accreditation statistics. The committee also reviewed an analysis prepared by VPFA Fox of employing internal legal counsel. They received a president search committee report from Trustee Minty Morris.

3. Consent Agenda

- 3.1 Approve Minutes of the October 3, 2016 Meeting
- 3.2 Approve the Creation and Funding of a Quasi-Endowment Fund
- 3.3 Approve the Emergency Electrical and Storm Drainage Project and Authorize the Issuance of State Funded Debt
- 3.4 Recommendation to Provost's Council to Approve a New Program: BS in Professional Writing

Trustee Brown moved to pull item 3.4 Recommendation to Provost's Council to Approve a new Program: BS in Professional Writing from the consent agenda for further discussion. **Trustee Mason** seconded the motion. With all trustees present voting aye, the motion carried unanimously. The item was considered under Action Items.

Trustee Stewart moved to approve the consent agenda. **Trustee Galster** seconded the motion. With all trustees present voting aye, the motion carried unanimously.

4. Discussion Items

4.1 Advanced Credit Program Presentation

Director of Academic Agreements, Marla Edge explained that in the Advanced Credit Program, high school students take a college course in their high school and receive high school credit and college credit. The program is designed to accelerate student success. She covered tuition, the opportunities to increase enrollment and convert students to admitted Oregon Tech students.

Chair Graham introduced Dana Richardson, Executive Director for the newly formed President's Council and Ellie Boggs, Assistant to the Director. Interim President Kenton explained the intent of creating the Council, which mirrors the Community College President's Council, to Stronger together.

4.2 Marketing/Communications/Public Affairs Update - written material only

4.3 Annual Ethics and Conflict of Interest Training
The Board chair postponed this item.

5. Action Item

5.0 Pulled Consent Item: 3.4 Recommendation to Provost's Council to Approve a new Program: BS in Professional Writing

Trustee Brown identified the concerns of the Academic Quality and Student Success Committee including whether the proposed program aligns with the mission of the university, whether the program should be a bachelor of science or a bachelor of arts or a certificate program. He outlined possible options for the Board's consideration: continue on with the recommendation to the Provost's Council, determine the program does not fit in with the mission, or request additional clarification from staff and bring it back to the AQ&SS Committee with options, such as whether this could be offered as a certificate.

Trustee Peterson discussed the growth in social sciences, that the programs are offered at a low cost to the university, and this proposed degree meets the needs of external partners. Explained that communication seems to be a core of Oregon Tech; the university requires more communication courses than other universities. Discussion regarding enrollment numbers for programs. **Trustee Ziari** would like a bigger picture of the potential degrees.

Vice Chair Sliwa moved to forward the program proposal to the Provost's Council for review and advice, and return the proposal to the AQ&SS Committee and Board for consideration of recommendation to the HECC. Trustee Jones seconded the motion.

Trustee Stewart proposed an amendment to the motion to ask staff to modify the proposal to address committee and board concerns prior to submitting the program to the Provost's Council. **Vice Chair Sliwa** and **Trustee Jones** agreed to the amendment.

Modified motion: **Direct staff to modify the program proposal to address the concerns raised by the Academic Quality and Student Success Committee and Board, forward the program to the Provost's Council for review and advice, and return the program proposal to the Academic Quality and Student Success Committee and Board for consideration of recommendation to the HECC.**

Discussion regarding essential studies integrating communication and writing into all fields; and concern about maintaining the degree.

With all Trustees present voting aye, the modified motion passed unanimously.

5.1 Search Committee Report and Appointment of a New President

Chair Graham noted Dee Thompson's, Oregon Tech Foundation Board President and Representative John Davis' attendance at the meeting and thanked them for serving on the search committee. **Trustee Minty Morris, Search Committee Chair**, gave a summary of the search process and will propose a motion on behalf of the committee.

Trustee Minty Morris moved that the Board appoint Dr. Nagi Naganathan as the University's 7th President and authorize Chair Graham to negotiate a contract. Trustee Stewart seconded the motion.

Trustees shared the positive traits they see and their perspectives of Dr. Naganathan, and their appreciation for the process and search committee members. **Trustee Stewart** stated that the search was an integrity-filled process despite the anonymous criticisms from uninformed individuals.

With all Trustees present voting aye through a roll-call vote, the motion passed unanimously.

Dr. Naganathan thanked the Board for his appointment. He appreciated the enthusiasm of the search committee members, faculty, staff and students he met during the process. **Chair Graham** thanked Dr. Kenton for his outstanding leadership during the transition.

BREAK 11:30am-noon

6. Other Matters

Chair Graham explained the process of notifying the campuses, other university presidents, and communities regarding the appointment, and that Dr. Naganathan is expected to start at the beginning of April. She thanked Trustee Minty Morris for all of the time she spent on the search committee and her leadership ability. **Chair Graham** will have a debrief meeting with the search firm and Trustee Minty Morris.

7. Public Comment - none

8. Adjournment

Meeting was adjourned at 12:30pm.

CONSENT

Agenda Item No. 3.3

Adopt a Quasi-Endowment Investment Policy

Background

At the regularly scheduled November 2016 Oregon Tech Board of Trustees meeting, the Board voted to establish and fund a quasi-endowment. With a particular focus on affordability, access and degree completion of students, the Board established the fund to preserve principle and provide capacity for the Board to invest in initiatives, which better position the institution over the long-term. The following investment policy, developed after discussions between Oregon Tech, University Shared Services Enterprise (USSE) and Oregon State Treasury (OST) staff limits investments to fixed income securities, and specifically limits investments to the Oregon Short-Term Fund, Oregon Intermediate-Term Pool, or the Public University Fund (see Section 11B), thus retaining the current relationship with USSE and OST as Investment Advisor.

Oregon Tech staff have established a quasi-endowment fund within the institution's accounting system, effective January 1, 2017. This fund is currently invested with all other university funds in the Public University Fund and spread among short, intermediate and long-term investment pools. Once an investment policy is approved by the Board, staff will work with OST and USSE to identify the most appropriate fund, given the long-term nature of the quasi-endowment. OST will act as the Investment Advisor and Investment Manager as it currently does with Oregon Tech's other investments accounts through the Public University Fund.

Recommendation

Staff recommended the Finance and Facilities Committee recommend to the Board adoption of the Oregon Tech Quasi-Endowment Investment Policy as outlined in the docket, and delegate to the President, or the President's designee, the ability to select an Investment Advisor and take all actions necessary to execute the policy.

Attachments

Draft Oregon Tech Quasi-Endowment Investment Policy

DRAFT
Board Policy on Quasi-Endowment Investment
Board of Trustees of Oregon Institute of Technology

1.0 Purpose

1.1 The purpose of the Quasi-Endowment Investment Policy is to govern the investment of the Oregon Tech’s Quasi-Endowment Fund (“Quasi-Endowment”).

1.2 The policy ensures that:

- 1.2.1 The Board, the Investment Advisor and others entitled to such information may be made aware of the Policy of the Quasi-Endowment with regard to the investment of its assets.
- 1.2.2 There will be a clear understanding by the Board, the Investment Advisor and staff of the investment goals and objectives of the Quasi-Endowment.
- 1.2.3 The Board and management have a basis for evaluation of the investment managers.
- 1.2.4 The investment managers be given guidance and limitation on investing the funds.

1.3 It is intended the objectives in this policy to be sufficiently specific to be meaningful, but flexible enough to be practical. It is expected that the policy and objectives will be amended as necessary to reflect the changing needs of the endowment; however, all modifications shall be made in writing and approved by the Board.

2.0 Oregon Tech Quasi-Endowment Fund

The Quasi-Endowment is expected to operate over a long-term time horizon and as such these funds will be invested in asset classes which support long-term preservation of capital and income generation. It is important to follow coordinated policies regarding spending and investments to protect the principal of the Quasi-Endowment and produce a reasonable return.

3.0 Responsibility of the Board

The role of the Board is to recommend broad investment goals to the Investment Advisor, including spending rate information and to provide input into the asset allocation process.

4.0 Investment Advisor Responsibility

The Investment Advisor, and/or a designee, serves as consultant to the Board and will have the responsibility and authority to establish the asset allocation for the Quasi-Endowment and approve the retention and termination of all investment managers. The Investment Advisor, and/or a designee, will recommend to the Board a specific asset mix reflecting judgments of the investment environment as well as the specific needs of the Quasi-Endowment. Other duties assigned to the Investment Advisor, and/or a designee, include:

- Recommending professional investment managers;
- Negotiating and/or monitoring Quasi-Endowment investment expenses;
- Monitoring investment managers, on an ongoing basis;
- Assuring proper custody of the investments; and
- Reporting to the Board, on a quarterly basis, the Quasi-Endowment's investment results, its composition and any other information the Board may request.

5.0 Spending Policy

The amount of Quasi-Endowment available for spending (distribution) is 4% per year unless otherwise authorized by action of the Board. These funds are to be transferred on a yearly basis to the General Fund of the University.

6.0 Investment Policy Guidelines

6.1. Asset Allocation

The most important component of an investment strategy is the allocation among the various classes of securities available to the Quasi-Endowment. The Investment Advisor, in consultation with the Board, will establish the target asset allocation for the investments that will mostly likely achieve the investment goals of the Quasi-Endowment.

6.1.1 The risk/return profile shall be maintained by establishing the following long-term "target" strategic asset allocations:

<u>Asset Class</u>	<u>Policy</u>	<u>Target</u>	<u>Benchmark</u>
Fixed Income	100%	100%	See Exhibit A
Cash	0-3%	0%	91 Day T-Bill

6.2 Investment Time Horizon

6.2.1 In making investment strategy decisions for the Quasi-Endowment, the focus shall be on a long-term investment horizon that encompasses a complete business cycle (usually three to five years). An interim evaluation will be performed by the Investment Advisor, and/or a designee, if a significant change in fees, manager personnel, investment strategy or manager ownership occurs.

6.2.2 While the quantitative assessment of managerial competence will be measured over a complete market cycle, the Board anticipates that the Investment Advisor will make period qualitative assessments as well. Specific qualitative factors considered by the Investment Advisor may include, but are not limited to, fundamental changes in the manager's investment philosophy, changes in the manager's organizational structure, financial condition and personnel, and any changes, relative to peers, in a manager's fee structure.

7.0 Prudence and Ethical Standards

7.1 Prudence

All participants in the investment process shall act responsibly. The standard of prudence to be applied by the Board, the Investment Advisor, selected designees, Oregon Tech staff and external service providers shall be the “prudent investor” rule, which states: "Investments shall be invested and the investments managed as a prudent investor would do, under the circumstances then prevailing and in light of the purposes, terms, distribution requirements and laws governing each investment fund."

7.2 Ethics and Conflicts of Interest

Board members, Investment Advisory staff, selected designees, Oregon Tech staff and external service providers involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program or that could impair their ability to make impartial decisions. These parties are required to reveal all relationships that could create or appear to create a conflict of interest in their unbiased involvement in the investment process.

8.0 Investment Objectives

The investment objective of the Quasi-Endowment is to seek consistency of investment return with emphasis on capital preservation and maintenance of purchasing power over long periods of time, notwithstanding Board authorized distributions. In keeping with the performance goals included in the Policy, achievement of this objective shall be done in a manner that, over a long-term planning horizon, will meet the spending rate established by the Board (under Section 5).

9.0 Manager(s) Responsibilities

9.1 Legal Compliance

9.1.1 The investment manager(s) is (are) responsible for strict compliance with the provisions of their investment management agreement.

9.2 Authority of Investment Manager(s) in the Managed Accounts

9.2.1 Subject to the terms and conditions of this Policy and conditions of this Policy and the investment management agreement, manager(s) shall have full discretionary authority to direct investments of assets in the managed accounts. The Investment Advisor, and/or a designee, will recommend changes to this Policy when the advisor(s) views any part of this Policy to be inconsistent with overall market, economic conditions, or investment policies.

9.2.2 The Investment Advisor directs all managers to vote proxies and to vote them in

the best economic interest of the Quasi-Endowment. When requested, managers will report to the Investment Advisor regarding how proxies were voted.

- 9.2.3 Meetings between Quasi-Endowment managers and the Investment Advisor will occur consistent with the policies established for the Investment Advisor's other managers, to discuss items including, but not limited to, the manager's performance, outlook, and investment decision process.

10.0 Reporting Requirements

10.1 Investment results will be regularly monitored by the Investment Advisor, selected designees and Oregon Tech staff.

10.2 A representative of the Investment Advisor, and/or a designee, shall report investment results, or other information, to the Board no less frequently than annually, if requested. Any material non-compliance with the Investment Policy, Guidelines and Objectives of the Quasi-Endowment or with the investment management agreement will be reported to the Board immediately.

11.0 Investment Guidelines

11.1 Cash: The Quasi-Endowment shall maintain minimal cash, consistent with short-term requirements. Short term cash will be invested in a liquid cash equivalent investment.

11.2 Fixed Income: Fixed-income securities, for purposes of these guidelines, shall mean the Oregon Short-Term Fund, Oregon Intermediate-Term Pool, Public University Fund or individual securities of mutual funds with similar.

11.3 Performance: Performance expectations for each of the asset classes are described in Exhibit A.

12.0 Asset Custody and Securities Lending

Custodial responsibility for all securities is to be determined by the Board or its designee(s).

13.0 Conclusion

Implementation of this Policy, including investment manager selection, shall be the responsibility of the Investment Advisor, subject to the necessary approvals from the Board.

This Policy shall be reviewed by the Board at least every two years.

EXHIBIT A

Performance Monitoring

Fixed Income accounts are expected to exceed the return of the Barclays U.S. Aggregate 3-5 Years by 0.5 percent (after fees) over a market cycle for core bond investments.