
**Finance and Facilities Committee
also Sitting as the Audit Committee
MINUTES**

Trustees Present:

Vince Jones, Acting Chair Nagi Naganathan, President
Jessica Gomez Paul Stewart

University Staff and Faculty Present:

Brian Fox, VP of Finance and Administration
Laura McKinney, VP Wilsonville
Stephanie Pope, Budget and Resource Planning Director
Di Saunders, AVP Marketing, Communications and Public
Terri Torres, FOAC Chair/Associate Professor Mathematics *via skype*

Others Present:

Andrew Rogers, HECC Finance and Budget Director

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

Trustee Jones, in Chair Sliwa's absence, called the meeting to order at 8:03am. The Secretary called roll and a quorum was declared.

2. Consent Agenda**2.1 Approve Minutes of October 26, 2017 and December 7, 2017 Meetings**

Trustee Stewart made a motion to approve the minutes of the October 26, 2017 and December 7, 2017 meetings. Trustee Gomez seconded the motion. With all trustees present voting aye, the motion passed unanimously.

3. Reports**3.1 Fiscal Operations Advisory Council**

FOAC Chair Torres stated that the subcommittee of FOAC, formed as a budget taskforce, created a budget supportive of the strong Dean model of the university, allowing Department Chairs and Deans to make budgetary decisions; the Budget Director and VPFA are finalizing this budget process. She explained a second subcommittee reviewed tuition and fee proposals and made a recommendation to increase tuition 4.5% and increase other fees. She relayed two concerns of FOAC: low student enrollment figures, and the seemingly quick growth of the administration that makes the university

appear top heavy. She acknowledged that some of the growth is justified, as the administration was lean. **President Naganathan** explained that many of the positions are in response to the university system disbanding. **FOAC Chair Torres** relayed the news that she is the incoming Faculty President and will start on July 1.

3.2 Finance, Facilities and Audit Status: Quarterly Report

VPFA Fox stated the quarterly report is from December 2017 and explained the indicators and identified some more recent February figures. Discussion on student credit hours, retention, and recruitment. **Director Pope** explained the new format of the General Fund quarterly report including budget projections. **VPFA Fox** called attention to the increase of utility costs stating there are massive fluctuations in the sewer cost due to either water intrusion into the system or a faulty flow meter. He will work with the City of Klamath Falls to identify a solution. He also stated the geothermal power plant is down so the university is paying for a portion of electricity. Johnson Controls is still working on the issue. He identified the progress made on facility capital projects. He stated the internal auditors will make a presentation at the May meeting and the financial audit will begin in late August. He also stated a permanent Controller will be hired.

3.3 OMIC Financial Update

VP McKinney gave an overview of the Oregon Manufacturing Innovation Center finances from the university's three positions: landlord, research partner, and host. Discussion regarding pros and cons of our research branch and issues related to being the host. She gave an overview of the caliber of finalists for the Executive Director position.

4. Action Items

4.1 Recommendation to the Board to Approve 2018-19 Tuition and Fees

VPFA Fox walked through a PowerPoint presentation addressing the process and timeline to establish tuition and fees and proposed amounts. He stated the discount rate is increasing and should continue to rise as the university is using discounts more effectively and focuses on assisting seniors in completing their degree. Discussion regarding return on investment and student markets served and targeted. He outlined the recommendation of the president: 4.5% base tuition increase and 5% increase in differential tuition (from 20% to 25% of base tuition); 4.3% increase of the incidental fee, and a 10% increase of the health fee for Klamath Falls. He stated that the intent is to avoid large increases and balance costs between students and the university while allowing continued investments in remittance and scholarships. He outlined a proposal to alternate tuition increases: 4% one year and 8% the next. With a continued enrollment growth rate of 6-7% and expenses being managed, the tuition increases could be amended.

He introduced Faith Lee, ASOIT president from Klamath Falls, joining the meeting by skype. **President Lee** provided her take on the process and student input. She stated the students want to maintain the quality of education and the return on investment after graduation and the affordability. The Tuition Recommendation Committee members represented a variety of students. The Klamath Falls students understood the need to increase tuition to maintain programs and they are willing to invest in their future.

Trustee Stewart made a motion to recommend the Board approve the following:

- a. undergraduate resident and non-resident tuition rates be increased by 4.5% from the 2017-18 academic year rates for the 2018-19 Academic year as outlined in the following table;

Oregon Tech Tuition Recommendation				
		2017-18 Per Credit	2018-19 Per Credit	% Change
Undergraduate	Resident	\$176.01	\$183.93	4.5%
	WUE	\$251.45	\$262.77	4.5%
	Non-Resident	\$533.56	\$557.57	4.5%
	Differential	20%	25%	
Special Programs	Medical Lab Sciences (Res)	\$245.76	\$256.82	4.5%
	Medical Lab Sciences (NR)	\$444.36	\$464.36	4.5%
	Paramedic (Res)	\$194.34	\$203.09	4.5%
	Paramedic (NR)	\$278.68	\$291.22	4.5%
	Chemeketa Dental Hygiene (Res)	\$194.34	\$203.09	4.5%
	Chemeketa Dental Hygiene (NR)	\$631.12	\$659.52	4.5%
Graduate	Resident	\$414.64	\$427.08	3.0%
	Non-Resident	\$696.05	\$716.93	3.0%
	Differential	20%	25%	

Oregon Tech Fee Recommendation				
		2017-18	2018-19	% Change
Klamath Falls	Building	\$45.00	\$45.00	0.0%
	Incidental	\$345.00	\$360.00	4.3%
	Health Services	\$150.00	\$165.00	10.0%
Wilsonville	Building	\$45.00	\$45.00	0.0%
	Incidental	\$50.00	\$50.00	0.0%
	Health Services	\$38.00	\$38.00	0.0%

- b. graduate resident and non-resident tuition rates be increased by 3% from the 2017-18 Academic year rates for the 2018-19 Academic year;
- c. undergraduate and graduate Engineering Technology and Health Program differential tuition be increased from 20% premium to 25% premium above base tuition for the 2018-19 academic year;
- d. resident and non-resident Medical Lab Sciences and Paramedic Program tuition be increased by 4.5% from the 2017-18 Academic year rates for the 2018-19 Academic year;

- e. resident and non-resident Chemeketa Dental Hygiene tuition be increased by 4.5% from the 2017-18 Academic year rates for the 2018-19 Academic year;
- f. summer tuition rates be adjusted in accordance with the regular academic year rates; and
- g. where applicable, proration, discounts, and options be maintained from the 2017-18 academic year for the 2018-19 academic year.

And that mandatory fee rates be established as follows:

- a. the Klamath Falls Incidental Fee be increased from \$345 to \$360 per term as recommended by ASOIT, and for students enrolled in one to five credits a prorated amount be charged as follows: for the first credit enrolled, a student will be charged \$185, and an additional \$35 for every additional credit enrolled until a student reaches six credits;
- b. the Klamath Falls Summer Incidental Fees remain at \$70 as recommended by ASOIT;
- c. the Klamath Falls Health Service Fee be increased to \$165 per term;
- d. the Wilsonville Incidental Fee remain at \$50 per term as recommended by ASOIT;
- e. the Wilsonville Summer Incidental Fees remain at \$50 per term as recommended by ASOIT;
- f. the Wilsonville Health Service Fee remain at \$38 per term as recommended by ASOIT; and
- g. the Building Fees remain at \$45 per term during the academic year, \$45 per term during the summer term, and remain constant regardless of the number of credits enrolled.

And, authorize the President or designee to make minor and technical adjustments to these proposed rates as needed to correct errors, inconsistencies, or omissions, and execute the Board's directives.

Trustee Gomez seconded the motion. With all Trustees present voting aye, the motion passed unanimously.

4.2 Approval of Cornett Hall Renovation Phase II Procurement

VPFA Fox explained the special needs and unique circumstances associated with the request for a sole source procurement. He stated that if the proposal is approved, a protest period follows, allowing contractors an opportunity to dispute the direct award. **Trustee Stewart** questioned the authority of the Finance and Facilities Committee to make the decision. **VPFA Fox** interpreted the policy as anything over \$5 million should be considered by the Finance and Administration Committee of the Board.

Trustee Gomez moved to authorize staff to execute a contract with **Adroit Construction** utilizing the sole source procurement methodology for **Construction Manager General Contractor** services related to the **Cornett Hall Renovation Project Phase II** as established through **Oregon Tech Policy 580-063-0020(6)**, having determined that due to special needs, experience, or qualifications, only a

single seller is reasonably available to provide Construction Manager General Contractor services. Trustee Stewart seconded the motion. With all trustees present voting aye, the motion passed unanimously.

5. Discussion Items

5.1 HECC Student Success and Completion Model Overview

Director Andrew Rogers introduced himself and gave a presentation on the public university funding model, identifying three primary components: base funding (mission differentiation), activity based funding (student credit hour completion – resident students), and outcomes based funding (degree completion – resident students over 3 years). He explained the costs of providing an education in health and STEM disciplines are usually more expensive and the careers demand higher salaries at graduation, therefore these are rewarded with additional funding. He explained other bonus calculations for underserved students in rural areas and how the stop-loss/stop-gain model allows a portion of an institution’s allocation to be pulled away if their funding grows too much or an institution to receive additional funding if the funding was grown too slow. He showed the different allocations for all public universities in Oregon; approximately, on average, 18% of Oregon Tech’s state funding comes from base funding, 33% from activity based funding, and 49% from outcomes based funding. He stated the goals of the funding model, and explained the formula is reviewed every few years for technical adjustment, and every 5 years a more intense review is conducted. Each institution has control over how it spends the funding to aid the student in instruction; and there is no reporting requirement of how funds were spent. **Trustee Gomez** stated the formula is a way to encourage institutions to prioritize programs and focus on graduating students. **Director Rogers** encouraged trustees to go on the HECC website and use the interactive funding model.

6. Other Business/New Business - none

7. Adjournment

Meeting adjourned at 10:37am.

Respectfully submitted,



Sandra Fox
Board Secretary