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

	<u>Page</u>
1. Call to Order/Roll/Declaration of a Quorum (8:00am) <i>Chair Vince Jones</i>	
2. Consent Agenda <i>Chair Vince Jones</i>	
2.1 <u>Approve Minutes of the January 24, 2019 Meeting</u>	1
3. Reports (8:05am)	
3.1 Fiscal Operations Advisory Council (10 min) <i>FOAC Chair Richard Bailey</i>	
3.2 <u>Fiscal Year 2019 Second Quarter Dashboard</u> (8:15am) (25 min) <i>AVP Stephanie Pope and VP Brian Fox</i>	5
3.3 State Budget and Legislative Update (8:40am) (10 min) <i>AVP Brittany Miles</i>	
4. Action Items (8:50am)	
4.1 <u>Recommendation to the Board to Approve Recreation Center Student Fee</u> (20 min) <i>ASOIT KF President Junmin Yee, VP Erin Foley, and VP Brian Fox</i>	22
5. Discussion Items (9:10am)	
5.1 <u>Tuition Development Process Update</u> (10 min) <i>VP Erin Foley and VP Brian Fox</i>	28
5.2 <u>Operating Expense Analysis</u> (9:20am) (40 min) <i>AVP Stephanie Pope and VP Brian Fox</i>	44
5.3 <u>CEET Project Update</u> (10:00am) (25 min) <i>TVA Architects Mandy Butler and Tim Wybenga</i>	98
6. Other Business/New Business (10:25am) <i>Chair Vince Jones</i>	
7. Adjournment (10:30am)	



**Meeting of the
Oregon Tech Board of Trustees
Finance and Facilities Committee
Room 225, Portland-Metro Campus
January 24, 2019
8:00am – 10:45am**

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

Trustees Present:

Vince Jones, Chair

Jessica Gomez (via Skype)

Nagi Naganathan, President

Grace Rusth

Paul Stewart

Other Trustees Present:

Mike Starr

University Faculty and Staff Present:

Steve Addison, Director of Oregon Tech Seattle, Interim Chair MMET (via Skype)

Richard Bailey, FOAC Chair/Associate Professor Mathematics (via Skype)

Richard Cornwell, Director of Business Affairs Office (via Skype in Klamath Falls)

Brian Fox, VP of Finance and Administration

Dave Groff, Legal Counsel

Tom Keyser, Dean of the ETM College

Brittany Miles, AVP Government Relations

Stephanie Pope, AVP of Budget and Resource Planning

Erika Veth, AVP of Strategic Enrollment Management

Others Present:

Jean Bushong, CliftenLarsenAllen

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

Chair Jones called the meeting to order at 8:00am. The Secretary called roll and a quorum was declared. Chair Jones welcomed Trustee Starr and explained a recommendation to the Board to appoint Mr. Starr to this committee will occur later today; he is encouraged to participate but is not able to vote yet.

4. Consent Agenda

2.2 Approval of Minutes of the November 15, 2018 Meeting

With no amendments, the meeting minutes stand as published.

3. Reports

3.1 Fiscal Operations Advisory Council

FOAC Chair Bailey explained the Council worked on budget development principles and found the strategic enrollment management proposal to increase the budget by \$750,000, the OMIC proposals, and the capital projects to be in-line with the principles. He shared faculty's request to ensure continued replacement of outdated classroom technology in light of CIO Jones' retirement. He stated the tuition recommendation committee is meeting and there is concern over the Governor's base budget and decreased revenue to the university. Future Council agenda items include review of the Foundation's report for capital campaign, audit update, governor's budget update, and mid-year budget and adjustments to that budget.

4. Action Items

4.1 Approval of FY 2019 Committee Work Plan

VPFA Brian Fox explained the changes to the current work plan including the delay of tuition setting to the May meeting and addressing an expense ratio analysis to see where we are in comparison to other institutions, in March. He outlined the plan for next year.

Trustee Stewart moved to approve the FY 2019 Committee Work Plan as presented in the agenda. Trustee Rusth seconded the motion. With all trustees present voting aye, the motion passed unanimously.

4.2 Adoption of FY 2020 Budget Development Goals

VPFA Fox gave a PowerPoint presentation identifying the goals and explained the three budget scenario requests of +3%, flat, and -5% changes to assist prioritization of investments. He stated there is a need to transition from reliance on state funding to a more sustainable source. **Trustee Starr** asked if staff and faculty understand what the annual escalation is and the challenge the university is facing as far as budget pressures, knowing even a 5% decrease might not meet the budget pressures facing the university. **VPFA Fox** stated there is some understanding of the PEBB and PERS pressures but more can be explained when budget personnel meet with the chairs, and FOAC is also another means to educate the faculty. He gave an overview of the budget development goals: focus on recruiting and retaining students, invest in core infrastructure, align programs with industry output/demand, manage operating efficiencies, and balance short-term efficiencies. The goals will be distributed to campus. **Trustee Stewart** stated the long-term goal is sustainability and these budget goals are a means to achieve sustainability.

Trustee Stewart moved to adopt the FY 2020 Budget Development Principles as presented in the agenda. Trustee Rusth seconded the motion. With all trustees present voting aye, the motion passed unanimously.

4.3 Recommendation to the Board to Adopt a Mid-Year Adjusted Budget

VPFA Fox explained the previous committee chair suggested bringing a mid-year budget to show how resources are spent and, unlike the previous year where a deficit budget was approved and we ended up in the black, this year we will end the year in the red due to

bold strategic investments. He showed a PowerPoint presentation identifying the original 2019 budget goals aligned with the short-term action goals, the approved budget, and the forecast of where the year will end financially. He gave an overview of the large strategic investments. **Trustee Stewart** voiced his concern that the deficit budget funding is being spent on ongoing costs rather than one-time investments. **President Naganathan** explained there are revenue streams associated with the on-going investments.

Trustee Rusth moved to recommend the board adopt the mid-year adjusted budget as presented in the agenda. Trustee Gomez seconded the motion. With all trustees present voting aye, the motion passed unanimously.

4.4 Recommendation to the Board to Adopt a Special Tuition Rate (Boeing) 1:30

Director/Chair Addison explained there is no established tuition rate to teach Boeing employees in Washington but rather an agreed upon tuition rate. He stated the proposal is coming forward separate from the other tuition processes, the program is not associated with an academic year, and students do not receive federal funding, so it is possible to amend tuition at any time. The proposed increase at this time is 5.5% and is based on historical data and comparable institutions. **Trustee Starr** stated he is very familiar with the programs and appreciated the location, timing and conveniences. He suggested tying the increases to an index with a competitor to avoid having to return to the Board every time a change is proposed. **VPFA Fox** stated Boeing tuition will be incorporated into the same cycle as our other tuition but not called out separately. **President Naganathan** stated this program will not be addressed in the SEM efforts.

Trustee Stewart moved to recommend the board adopt a special tuition rate for Boeing as presented in the agenda, to begin summer term 2019. Trustee Rusth seconded the motion. With all Trustees present voting aye, the motion passed unanimously.

4.5 Acceptance of the Annual Financial and Single Item Audit Report

Jean Bushong, Cliften Larsen Allen showed a PowerPoint presentation summarizing the findings of the financial and the single audit report focused on the federal funding and the student financial aid program. She outlined the responsibilities of CLA: to let the committee know if the financial statements are free from material misstatement due to error, fraud or non-compliance. She summarized the results of each report stating the financial statements are free from material misstatements. She noted changes in OPEBB and the termination of the Perkins Revolving Loan fund that add liabilities to the university. She noted three deficiencies: control weakness that should be resolved with the current Banner upgrade, payroll process weaknesses, and the change of allocation of OMIC membership revenue stream from last year. She identified one finding in the single audit: the inability to meet the 45-day return requirement of the Title IV process. She recommended the university adopt a policy to address the process of returning funds to the Department of Education when a student drops out. She also identified the university overdrew federal funds through the grant programs. **VPFA Fox** stated the grant

management process has changed to avoid this from reoccurring. **Ms. Bushong** recommended training or an annual reminder to faculty and staff of their reporting responsibilities when it comes to fraud, waste and abuse. She suggested the university adopt a policy for issuing manual checks. She mentioned upcoming changes to GASB standards, Moody's outlook on higher education trends, federal tax reform implications, unrelated business income tax issues, and the Graham Leach Act.

Trustee Rusth moved to accept the 2018 annual financial and single item audit reports as published. Trustee Stewart seconded the motion. With all trustees present voting aye, the motion passed unanimously.

8. Discussion Items

5.1 State Budget Update and Timeline

AVP Brittany Miles gave an update on the governor's two budget scenarios: a base budget and her proposed investment package to take place in the form of a ballot measure. **Trustee Gomez** voiced her concern about the tuition setting process given the instability and unpredictability of the budget; she would like to give the students and parents an idea of what tuition might be to prevent variability. **VPFA Fox** stated staff would like to postpone the Board's decision on setting tuition to its May meeting to try and obtain additional information and avoid proposing a range for tuition. He explained there are not many areas where expenses can be cut as most expenses are benefit related (PEBB and PERS) and take 3-4 years to change.

9. Other Business/New Business - none

10. Adjournment

The meeting was adjourned at 10:28am.

Respectfully submitted,



Sandra Fox
Board Secretary

REPORT

Agenda Item No. 3.2

Finance, Facilities and Audit Status: Quarterly Review

Background

The following Quarterly Finance, Facilities and Audit Status Report provides information on the major areas of responsibility for the Finance and Administration Division of Oregon Tech. This includes budget, forward looking revenue and enrollment indicators, facilities, equipment and capital projects as well as internal and external audit coordination. This information is used by the Vice President of Finance and Administration to track progress of the institution in meeting its financial and operational goals, and reported to the Finance and Facilities Committee on a quarterly basis.

Staff Recommendation

No action required. For discussion purposes only.

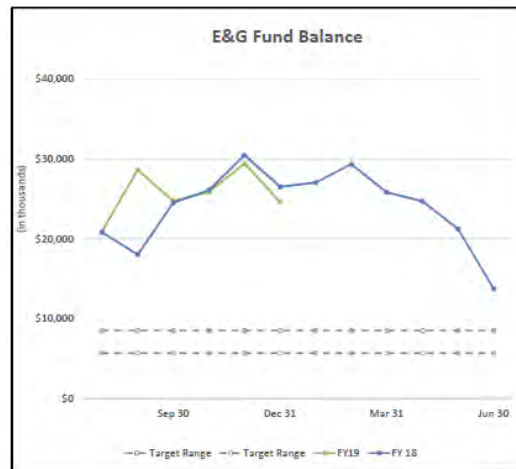
Attachments

Q2 FY 2019 Quarterly Finance, Facilities and Audit Status Reports including the following:

- A. [Financial and Enrollment Dashboard](#)
- B. [Quarterly Managerial Report](#)
- C. [Facilities and Capital Projects](#)
 - a. Capital Projects Status Report
 - b. Deferred Maintenance and Capital Renewal
- D. [Audit Status Updates](#)
- E. [Quarterly Investment Report](#)

ATTACHMENT A

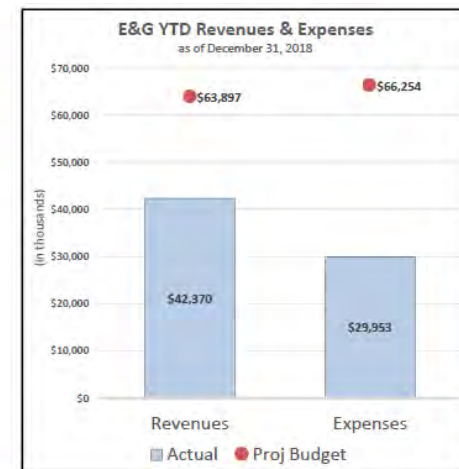
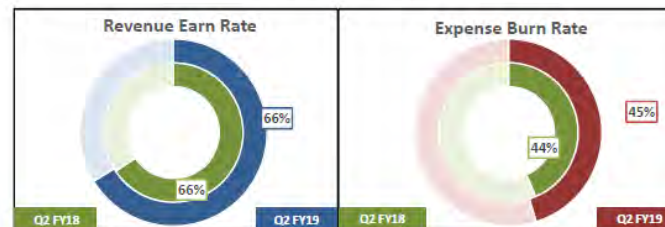
Financial and Enrollment Dashboard



Oregon TECH

Quarterly Financial Dashboard

As of December 31, 2018



Key Financial Indicators

E&G Fund Balance:	24,608	As of Dec. 31, 2018
Total Cash on Hand:	23,556	As of Dec. 31, 2018
E&G Cash on Hand:	12,685	As of Dec. 31, 2018
Days Cash on Hand:	117 Days	As of Dec. 31, 2018
Debt Burden Ratio:	3.98%	As of June 30, 2018
Quasi Endowment:	7,217	As of Dec. 31, 2018
Foundation Assets:	\$31,198	As of June 30, 2018
Deferred Maint. Backlog:		

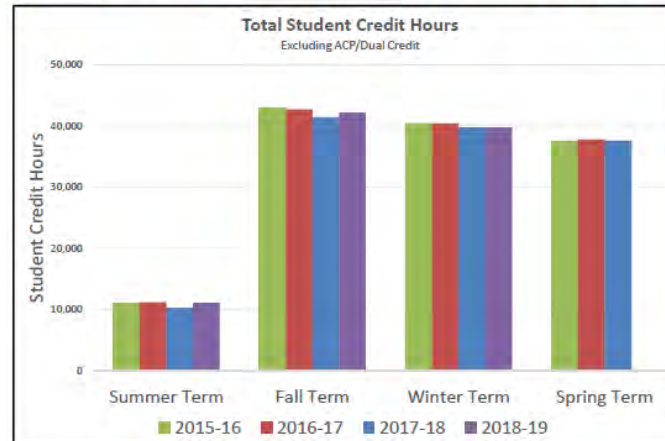
Student Tuition

Undergraduate Tuition

	2018-19	2017-18
Resident:	\$8,277	\$7,921
Non-Resident:	\$26,345	\$25,211
WUE:	\$12,416	\$11,882
Online:	\$11,025	\$11,025
Differential:	25% Premium	20% Premium

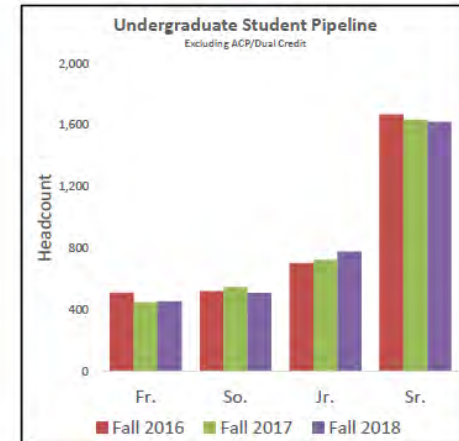
Graduate Tuition

	2018-19	2017-18
Resident:	\$3,844	\$14,927
Non-Resident:	\$6,452	\$34,886
Online:	\$11,088	\$11,088
ETM Differential:	25% Premium	20% Premium



Degree Completions

	2017-18	2016-17	2015-16	3 Year Δ
Undergraduate				
Resident:	516	557	558	-7.5%
Non-Resident:	212	218	194	9.3%
Graduate				
Resident:	7	4	8	-12.5%
Non-Resident:	11	13	16	-31.3%



Notes:

- Undergrad. Tuition calculated at 15 credits; Grad. tuition at 9 credits
- Enrollment and completion projection dates as of 02/06/2018

General Fund Monthly Report

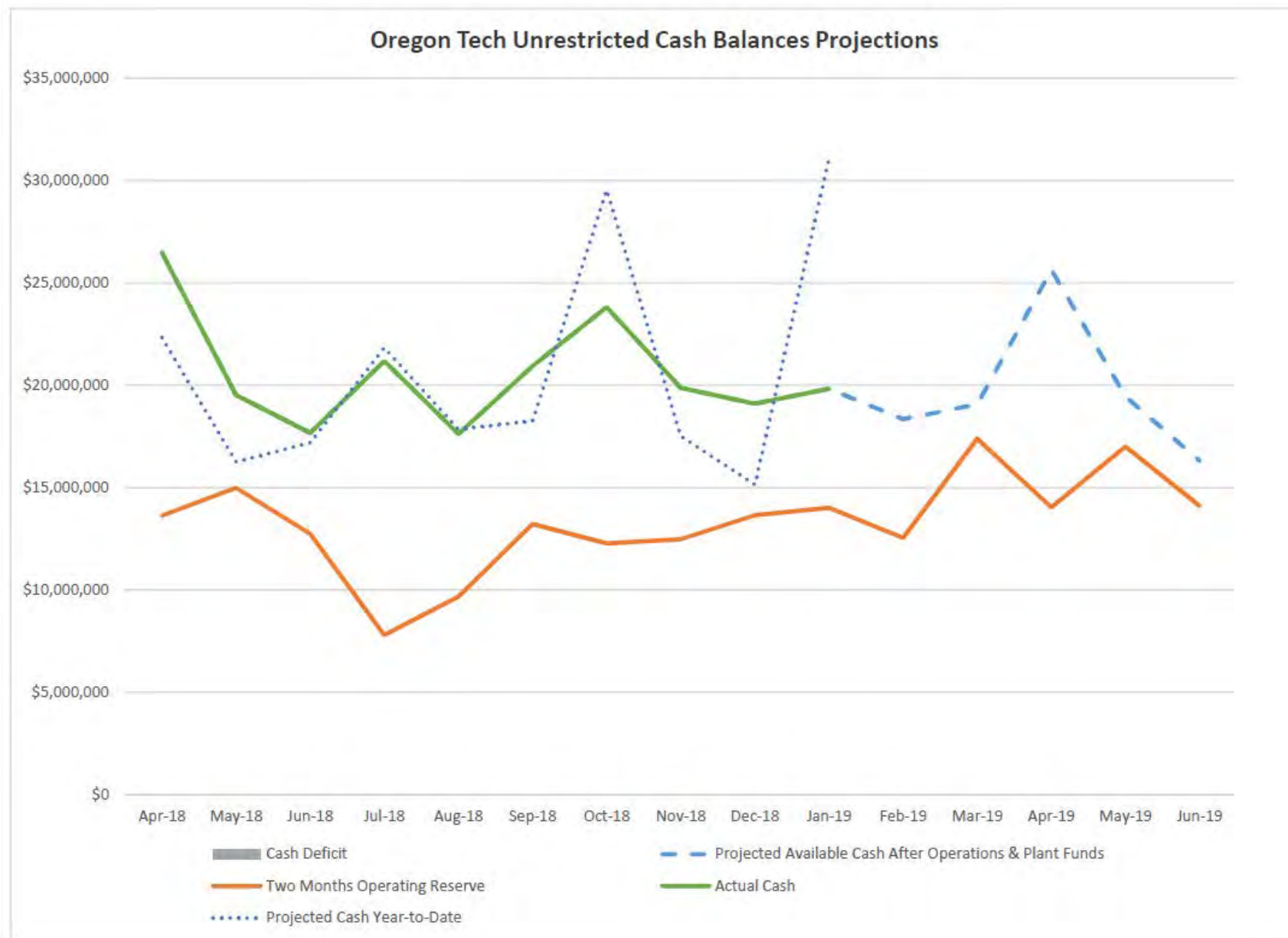
December 2018 - Quarter 2

Acct	YTD Comparison		FY19 Forecast			
	FY18 YTD Dec Actuals	FY19 YTD Dec Actuals	FY18 Year End Actuals	Board Adopted Budget	Adjusted Budget	Year-End Forecast
State Allocations	16,432	17,354	27,657	29,300	28,945	28,945
Tuition & Fees	23,091	24,799	33,639	35,558	37,953	35,788
Remissions	(1,317)	(1,394)	(3,843)	(4,111)	(4,558)	(4,109)
Other	684	1,610	1,828	1,557	1,557	2,212
Total Revenue	38,891	42,370	59,280	62,304	63,897	62,836
Unclassified	9,938	10,800	23,631	24,594	26,181	25,789
Classified	2,690	2,749	5,422	6,000	5,862	5,736
Student	370	440	769	1,034	1,034	834
GTA	10	22	25	152	146	56
OPE	6,431	7,851	14,665	16,616	16,144	15,229
Salary Savings					(1,000)	
Total Labor	19,438	21,863	44,512	48,396	48,367	47,643
Service & Supplies	4,769	6,292	10,726	11,640	12,718	12,500
Internal Sales	(515)	(521)	(1,154)	(491)	(829)	(829)
Debt Service	287	682	1,034	1,468	1,468	1,468
Capital	273	196	657	1,179	1,061	600
Utilities	549	593	1,274	1,103	1,103	1,003
Transfers Out	673	848	1,334	1,551	1,551	1,551
Total Direct Expense	6,036	8,089	13,871	16,450	17,072	16,293
Total All Expense	25,474	29,953	58,384	64,846	65,439	63,936
Net From Operations	13,417	12,417	897	(2,542)	(1,543)	(1,100)
Extraordinary Transfers In	217	17	291	302		
Extraordinary Transfers Out	(261)	(1,475)	(366)	-	(549)	(549)
Strategic Investment Fund						
Contingency Fund						
Miscellaneous	-	-		-		
Special Projects	-	-	(205)	-		
Fund Additions/(Deductions)	-	-		-		
Change in Fund Balance	13,373	10,959	616	(2,240)	(2,091)	(1,649)
Beginning Fund Balance	13,114	13,762	13,114	13,762	13,762	13,762
Ending Fund Balance	26,486	24,721	13,730	11,522	11,670	12,113
Ending Cash Balance	19,728	20,819	12,670			
% Operating Revenues	68.1%	58.3%	23.2%	18.5%	18.3%	19.3%

Notes:

Education & General

- (1) FY19 Actuals: 2nd quarter state appropriations deposited in February instead of January
- (2) FY19 Actuals: Tuition was billed to students in August rather than September as in previous years
- (3) FY18 Actuals: An adjustment to OMIC revenue pushed other revenue down in FY18; Increases in grant overhead revenues pushes up FY19 revenues
- (4) FY19 Year End Forecast: Estimated salary savings based on current information. Will continue to monitor and update
- (5) FY19 Actuals: Increases in faculty compensation due to fewer failed searches and increased health and retirements costs
- (6) FY19 Actuals: S&S includes increased ITS spending on classroom upgrades and equipment allocations made in FY18 and carried forward into FY19
- (6) FY19 Forecast: Storm water repair should net \$100k in savings
- FY19 Budget: Geothermal plant is expected to come online in FY19 reducing utilities costs overall



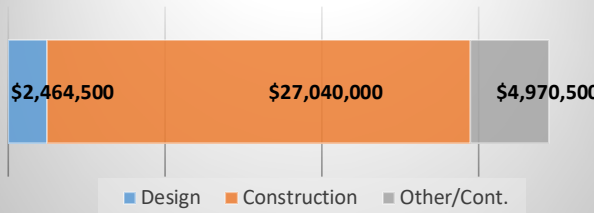
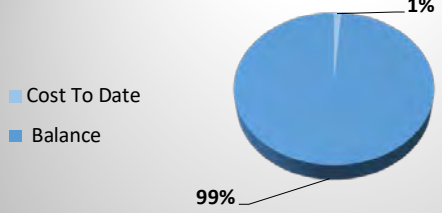
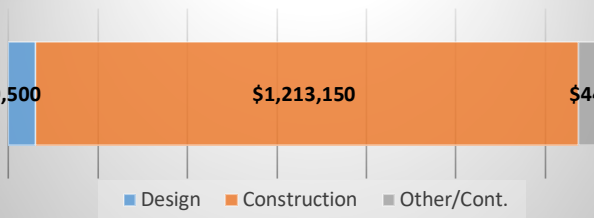
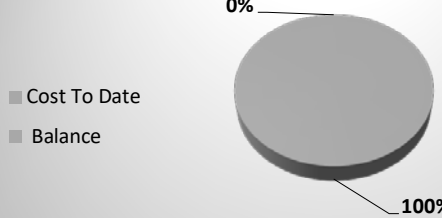
ATTACHMENT C

Facilities and Capital Projects



Capital Bond Projects - Status Report							2/28/2019
North 12kV Upgrade							
Project Start: 6.19.17		Project Completion: 6.30.18					
Project	Progress Highlights	Cost Breakdown	Orig. Budget	Rev. Budget	Cost To Date	%	Balance
UPE769 / FSCORR	* Substantial Completion: 11.30.2018						
Bond Type: XI-Q	** Final completion 12.14.2018						
	*** \$116,450 for CO 2 to PRK301						
Design: Fluent Engin.		Design (7%):	\$ 50,365	\$ 50,365	\$ 50,365	100%	\$ -
Build: Bob's Excav.		Construction (85%):	\$ 714,400	\$ 786,150	\$ 786,150	100%	\$ -
		Other (8%):	\$ 20,235	\$ 3,360	\$ 3,360	100%	\$ -
		Project Totals:	\$ 785,000	\$ 839,875	\$ 839,875	100%	\$ -
		CO's / Amendments					
		CO 1:	\$ 3,660 (AV)				
		CO 3:	\$ (8,495) (VE)				
		CO 4:	\$ 5,430 (AV)				
		CO 5:	\$ 33,840 (AV)				
		CO 6:	\$ (10,835) (VE)				
		CO 7:	\$ (16,750) (VE)				
		CO 8:	\$ 62,540 (AV)				
			\$ -				
			\$ -				
		Total:	\$ 69,390	8%			
Budget Breakdown 		Percent Complete (%) 					
Budget Breakdown 		Percent Complete (%) 					
		CO's / Amendments					
		Amd. 1-9:	\$ 413,155 (AV)				
		Amd. 13-25:	\$ 257,455 (AV)				
		Amd. 27:	\$ 113,115 (AV)				
		Amd. 28:	\$ 15,535 (AV)				
		Amd. 29:	\$ 24,010 (AV)				
		Total:	\$ 823,270	4%			

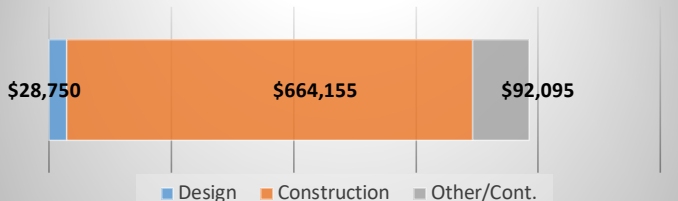
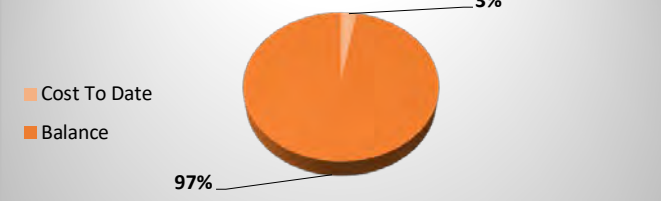
Capital Bond Projects - Status Report										2/28/2019				
Emerg. Storm - Phase 2a														
Project Start: 6.18.18					Project Completion: 9.28.18									
Project	Progress Highlights					Cost Breakdown		Orig. Budget	Rev. Budget	Cost To Date	%	Balance		
UPE769 / FSSTD	* Design: Completed November 2017													
Bond Type: XI-Q	** Construction: April 2018 - September 2018													
						Design (7%):		\$ 21,200	\$ 21,200	\$ 21,200	100%	\$ -		
Design: Marquess						Construction (68):		\$ 413,206	\$ 480,760	\$ 480,760	100%	\$ -		
Build: Bob's Excavating						Other (25%):		\$ 123,714	\$ 3,600	\$ 3,600	0%	\$ -		
	Plan	Design	Bid	Build	Closeout	Project Totals:		\$ 558,120	\$ 505,560	\$ 505,560	100%	\$ -		
<div>Budget Breakdown</div> <div><div>Design</div><div>Construction</div><div>Other/Cont.</div></div>						CO's / Amendments		<div>Percent Complete (%)</div> <div><div>Cost To Date</div><div>Balance</div></div>						
						Design Add	\$ 49,100							(AV)
						CO 1:	\$ 2,997							(AV)
						CO 2:	\$ 8,250							(AV)
						CO 3:	\$ 28,172							(AV)
						CO 4:	\$ 19,830							(AV)
						CO 5:	\$ 8,305							(AV)
							\$ -							
							\$ -							
							\$ -							
Total:	\$ 67,554													

Athletics Exterior Renovation														
Project Start: 6.04.2018					Project Completion: 11.30.2018									
Project	Progress Highlights					Cost Breakdown		Orig. Budget	Rev. Budget	Cost To Date	%	Balance		
UPE773 / UPE789	* Design: April 2018 - June 2018													
Bond Type: XI-F	** Construction: July 2018 - December 2018													
	UPE773 = \$1,050,000 / \$900,000					Design (8%):		\$ 114,100	\$ 114,840	\$ 114,840	100%	\$ -		
Design: BBT Architects	UPE789 = \$450,000 / \$385,000					Construction GMP (80%):		\$ 1,194,055	\$ 1,155,055	\$ 1,155,055	100%	\$ -		
Build: Bogatay Const.						Other (12%):		\$ 191,845	\$ 10,875	\$ 10,875	100%	\$ -		
	Plan	Design	Bid	Build	Closeout	Project Totals:		\$ 1,500,000	\$ 1,280,770	\$ 1,280,770	100%	\$ -		
<div>Budget Breakdown</div> <div><div>Design</div><div>Construction</div><div>Other/Cont.</div></div>						CO's / Amendments		<div>Percent Complete (%)</div> <div><div>Cost To Date</div><div>Balance</div></div>						
						CO 1:	\$ (10,280)							(VE)
						CO 2:	\$ 16,418							(AV)
						CO 3:	\$ (45,142)							(VE)
							\$ -							
							\$ -							
							\$ -							
							\$ -							
							\$ -							
							\$ -							
Total:	\$ (39,004)													

Capital Bond Projects - Status Report							2/28/2019				
New CEET Building											
Project Start: 6.03.2019				Project Completion: 12.31.2020							
Project	Progress Highlights			Cost Breakdown	Orig. Budget	Rev. Budget	Cost To Date	%	Balance		
UPE785 / FCEET	Visioning: May 2018 - August 2018										
Bond Type: XI-Q / XI-G	Design: Sept. 2018 - July 2019			Replace. Parking Lot (1.5%)	\$ 525,000	\$ 525,000	\$ 28,650	5%	\$ 496,350		
	Construction: August 2019 - December 2020			Visioning/Design (7%):	\$ 2,340,000	\$ 2,464,500	\$ 404,865	16%	\$ 2,059,635		
Design: TVA Architects				Construction (77%):	\$ 27,040,000	\$ 27,040,000	\$ 960	0%	\$ 27,039,040		
CM/GC: Adroit Const.				Other (14.5%):	\$ 5,095,000	\$ 4,970,500	\$ 3,040	0%	\$ 4,967,460		
	Plan	Design	Bid	Build	Closeout	Project Totals:	\$ 34,475,000	\$ 34,475,000	\$ 437,515	1%	\$ 34,037,485
<div>Budget Breakdown</div> 				CO's / Amendments		<div>Percent Complete (%)</div> 					
				\$ -							
				\$ -							
				\$ -							
				\$ -							
				\$ -							
				\$ -							
				\$ -							
				\$ -							
				Total:							\$ -
Softball Complex Renovation											
Project Start: 11.01.2017				Project Completion: Fall 2018							
Project	Progress Highlights			Cost Breakdown	Orig. Budget	Rev. Budget	Cost To Date	%	Balance		
UPE780 J.Stilwell	* Design: Nov. 2017 - May 2018										
UPE782 OIT	** Construction: July 2018 - Oct. 2018										
	FieldTurf GMP = \$982,995 (less bleachers)			Design (5%):	\$ 60,500	\$ 60,500	\$ 60,500	100%	\$ -		
Design: ZCS Engineering				Construction (88%):	\$ 982,995	\$ 1,213,150	\$ 1,213,150	100%	\$ -		
Build: FieldTurf				Other (7%):	\$ 80,950	\$ 44,480	\$ 44,480	100%	\$ -		
	Plan	Design	Bid	Build	Closeout	Project Totals:	\$ 1,124,445	\$ 1,318,130	\$ 1,318,130	100%	\$ -
<div>Budget Breakdown</div> 				CO's / Amendments		<div>Percent Complete (%)</div> 					
				CO 1: \$ 8,090 (AV)							
				CO 2: \$ 193,685 (AV)							
				CO 3: \$ 410 (AV)							
				CO 4: \$ 16,220 (AV)							
				CO 5: \$ 320 (AV)							
				CO 6: \$ 10,750 (AV)							
				CO 7: \$ 680 (AV)							
				\$ -							
				Total:							\$ 230,155

Capital Bond Projects - Status Report										2/28/2019			
Academic Student Rec Center (ASRC)													
Project Start: 6.04.2018						Project Completion: 9.27.2019							
Project		Progress Highlights				Cost Breakdown		Orig. Budget	Rev. Budget	Cost To Date	%	Balance	
UPE789		* Design: January 2018 - June 2018											
Bond Type: XI-F		** Construction: June 2018 - September 2019											
						Design (8%):		\$ 280,000	\$ 275,180	\$ 64,010	23%	\$ 211,170	
Design: BBT Architects						Construction (80%):		\$ 2,797,765	\$ 2,865,000	\$ -	0%	\$ 2,865,000	
Build: Modoc Contracting						Other (12%):		\$ 422,235	\$ 424,820	\$ 225	0%	\$ 424,595	
		Plan	Design	Bid	Build	Closeout	Project Totals:		\$ 3,500,000	\$ 3,565,000	\$ 64,235	2%	\$ 3,500,765
<div>Budget Breakdown</div> <div>■ Design ■ Construction ■ Other/Cont.</div>						CO's / Amendments		<div>Percent Complete (%)</div> <div>■ Cost to Date ■ Balance</div>					
						\$ -							
						\$ -							
						\$ -							
						\$ -							
						\$ -							
						\$ -							
						\$ -							
						\$ -							
						Total:							\$ -
Emerg. Storm - Phase 2b													
Project Start: 8.20.18						Project Completion: 10.26.18							
Project		Progress Highlights				Cost Breakdown		Orig. Budget	Rev. Budget	Cost To Date	%	Balance	
UPE769 / FSSTD		* Design: Completed July 2018											
Bond Type: XI-Q		** Construction: August 2018 - April 2019											
						Design (5%):		\$ 29,550	\$ 29,550	\$ 12,205	41%	\$ 17,345	
Design: Marquess						Construction (87%):		\$ 508,210	\$ 577,805	\$ 495,000	86%	\$ 82,805	
Build: Bob's Excavating						Other (8%):		\$ 132,240	\$ 62,645	\$ 12,205	19%	\$ 50,440	
		Plan	Design	Bid	Build	Closeout	Project Totals:		\$ 670,000	\$ 670,000	\$ 519,410	78%	\$ 150,590
<div>Budget Breakdown</div> <div>■ Design ■ Construction ■ Other/Cont.</div>						CO's / Amendments		<div>Percent Complete (%)</div> <div>■ Cost To Date ■ Balance</div>					
						CO 7: \$ 3,323 (UC)							
						CO 8: \$ 7,803 (AV)							
						CO 9: \$ -							
						CO 10: \$ 3,293 (UC)							
						CO 12: \$ 44,650 (UC)							
						CO 13: \$ 10,530 (AV)							
						\$ -							
						\$ -							
						Total:							\$ 69,599

Capital Bond Projects - Status Report										2/28/2019		
Emerg. Storm - Phase 3a												
Project Start: 8.20.18						Project Completion: 10.26.18						
Project		Progress Highlights				Cost Breakdown		Orig. Budget	Rev. Budget	Cost To Date	%	Balance
UPE769 / FSSTD		* Design: Completed January 2019										
Bond Type: XI-Q		** Construction: June 2019 - Sept. 2019										
		*** Bids due on 3/7/19										
Design: Marquess						Design (5%):		\$ 27,100	\$ 27,100	\$ 20,325	75%	\$ 6,775
Build: TBD						Construction (87%):		\$ 579,385	\$ 579,385	\$ -	0%	\$ 579,385
						Other (8%):		\$ 73,515	\$ 73,515	\$ -	0%	\$ 73,515
						Project Totals:		\$ 680,000	\$ 680,000	\$ 20,325	3%	\$ 659,675
		Plan	Design	Bid	Build	Closeout						
<div>Budget Breakdown</div> 						CO's / Amendments		<div>Percent Complete (%)</div> 				
						\$ -						
						\$ -						
						\$ -						
						\$ -						
						\$ -						
						\$ -						
						\$ -						
						\$ -						
						\$ -						
Total:						\$ -						

Emerg. Storm - Phase 3b												
Project Start: 8.20.18						Project Completion: 10.26.18						
Project		Progress Highlights				Cost Breakdown		Orig. Budget	Rev. Budget	Cost To Date	%	Balance
UPE769 / FSSTD		* Design: January Completed July 2019										
Bond Type: XI-Q		** Construction: March 2019 - June 2019										
Design: Marquess						Design (5%):		\$ 28,750	\$ 28,750	\$ 21,865	76%	\$ 6,885
Build: RMC						Construction (87%):		\$ 664,155	\$ 664,155	\$ -	0%	\$ 664,155
						Other (8%):		\$ 92,095	\$ 92,095	\$ -	0%	\$ 92,095
						Project Totals:		\$ 785,000	\$ 785,000	\$ 21,865	3%	\$ 763,135
		Plan	Design	Bid	Build	Closeout						
<div>Budget Breakdown</div> 						CO's / Amendments		<div>Percent Complete (%)</div> 				
						\$ -						
						\$ -						
						\$ -						
						\$ -						
						\$ -						
						\$ -						
						\$ -						
						\$ -						
						\$ -						
Total:						\$ -						

Cornett - Phase 1 (UPE777)			Cornett - Phase 2 (UPE785)		
CO's / Amendments			CO's / Amendments		
Amd. 1-9:	\$ 413,155	(AV)	Amd. 10:	\$ 6,000,000	GMP
Amd. 13:	\$ 17,725	(AV)	Amd. 11:	\$ (270,895)	(AV)
Amd. 14:	\$ 51,260	(AV)	Amd. 12:	\$ (789,250)	(AV)
Amd. 17:	\$ 15,455	(AV)	Amd. 15:	\$ (610,320)	(AV)
Amd. 18:	\$ 47,140	(AV)	Amd. 16:	\$ (167,950)	(AV)
Amd. 19:	\$ 27,700	(AV)	Amd. 22:	\$ (71,020)	(AV)
Amd. 20:	\$ 27,205	(AV)	Amd. 23:	\$ (73,760)	(AV)
Amd. 21:	\$ 38,770	(AV)	Amd. 26:	\$ (8,210)	(AV)
Amd. 24:	\$ 11,525	(AV)	Amd. 30:	\$ (35,390)	(AV)
Amd. 25:	\$ 20,675	(AV)		\$ -	
Amd. 27:	\$ 113,115	(AV)		\$ -	
Amd. 28:	\$ 15,535	(AV)		\$ -	
Amd. 29:	\$ 24,010	(AV)		\$ -	
	\$ -			\$ -	
	\$ -			\$ -	
	\$ -			\$ -	
	\$ -			\$ -	
	\$ -		P2 Total:	\$ (2,026,795)	(AV)
P1 Total:	\$ 823,270	4%	P2 Balance	\$ 3,973,205	

Notes:

- 1) Added Value: (AV)
- 2) Errors and Omissions: (EO)
- 3) Unforeseen Conditions: (UC)
- 4) Value Engineering: (VE)

Deferred Maintenance and Capital Renewal Report

3/13/2019

DM/CR - UPE 773 , FY 17/18						
#	Project Description	Est. Cost	Final Cost	Bond Balance	Status	Date Complete
	UPE 773			\$ 2,760,605		
1	FACP Upgrades-PE/SN	\$ 5,745	\$ 5,745	\$ 2,754,860	Completed	30-Aug-17
2	PE Waterline N Upgrade	\$ 23,350	\$ 23,350	\$ 2,731,510	Completed	30-Aug-17
3	Chiller CH-1 and CH-2 Overhaul	\$ 125,480	\$ 101,650	\$ 2,629,860	Completed	30-Nov-17
4	LRC/Snell/PE Elev. Upgrades	\$ 231,315	\$ 231,315	\$ 2,398,545	Completed	29-Jun-18
5	CU Sidewalk Replacement	\$ 5,490	\$ 5,490	\$ 2,393,055	Completed	22-Sep-17
6	Well 1-4 Chlorine Syst. Upgrade	\$ 40,000	\$ 35,365	\$ 2,357,690	Completed	14-Dec-17
7	Purvine Chiller Compressor	\$ 25,000	\$ 26,597	\$ 2,331,093	Completed	9-May-18
8	Facilities Rollup Door (#3)	\$ 5,749	\$ 5,550	\$ 2,325,543	Completed	28-Mar-18
9	LRC Ventilator Heaters	\$ 7,350	\$ -	\$ 2,318,193	Underway	TBD
10	Boivin Static Pressure	\$ 6,000	\$ 5,000	\$ 2,313,193	Completed	9-Apr-18
11	Athletics Exterior Upgrades	\$ 1,050,000	\$ 900,000	\$ 1,413,193	Completed	31-Dec-18
12	Purvine VFD's	\$ 10,000	\$ 9,655	\$ 1,403,538	Completed	27-Dec-18
13	Chiller Refrig. Monitor/Alarm	\$ 5,968	\$ 5,968	\$ 1,397,570	Completed	21-May-18
14	Athletics Hot Water Syst. Upgrade	\$ 134,020	\$ 136,370	\$ 1,261,200	Completed	31-Sept-18
15	Well 1 - Pump Replacement	\$ 35,000	\$ 24,570	\$ 1,236,630	Completed	21-Dec-18
16	Athletics West Side HC Entry	\$ 10,000	\$ 9,505	\$ 1,227,125	Completed	1-Mar-19
17	Powerplant Fall Protection	\$ 25,000		\$ 1,202,125	Design	TBD
18	Purvine Geo Pump Replacement	\$ 20,000	\$ -	\$ 1,182,125	Pending	TBD
19	Well 5 Rehabilitation	\$ 475,000	\$ -	\$ 707,125	Design	TBD
20	HX Geo Upgrades	\$ 355,000	\$ -	\$ 352,125	Design	
21	Connect Walkway Snowmelt System	\$ 50,000		\$ 302,125	Pending	
22	Athletics Entryway DM (73%)	\$ 145,000		\$ 157,125		
23	Facilities Reroof	\$ 275,000	\$ -	\$ (117,875)		
	Balance			\$ (117,875)		

DM/CR - UPE , FY 19/20						
#	Project Description	Est. Cost	Project Cost	Bond Balance	Status	Date Complete
	UPE			\$ 2,591,025		
	Balance forward - UPE 773	\$ 117,875	\$ -	\$ 2,473,150		
1	Replace LRC Inverters	\$ 30,000	\$ -	\$ 2,443,150	Pending	
2	Replace GEO Isolation Valves	\$ 140,000	\$ -	\$ 2,303,150	Pending	
3	Replace 4 FRP Pipe Elbows	\$ 40,000	\$ -	\$ 2,263,150	Pending	
4	Connection Power Plant Effluent/	\$ 100,000	\$ -	\$ 2,163,150	Pending	
5	Boivin/Semon Vault, MDP, Feeder	\$ 400,000	\$ -	\$ 1,763,150	Pending	
6	Replace Facilities MDP, Feeder, Se	\$ 125,000	\$ -	\$ 1,638,150	Pending	
7	Well 6 Rehabilitation	\$ 425,000	\$ -	\$ 1,213,150	Pending	
8	Athletics Roof	\$ 345,000	\$ -	\$ 868,150	Pending	
9	Bldg. HX Replacement (5)	\$ 175,000	\$ -	\$ 693,150	Pending	
10	Replace ME Bldg. 12KV Switch Ge	\$ 525,000	\$ -	\$ 168,150	Pending	
11	Replace ME Bldg. Substations	\$ 200,000	\$ -	\$ (31,850)	Pending	
12	TBD	\$ -	\$ -	\$ (31,850)		
	Balance	\$ 2,475,000		\$ (31,850)		

Note: Facilities Management is actively managing the DM list based on a recent comprehensive facilities system assessment completed by a third party engineering consulting firm and unexpected failures. Systems identified for immediate replacement, except those in Cornett Hall (currently under renovation) and Boivin Hall (currently in front of the legislature for a major renovation) will be prioritized first. At least \$1.0M will be held for FY 2020 projects. Systems eligible for replacement using the \$5.0M infrastructure bond approved by the legislature will first be funded through that project and then DM funds applied as necessary.

3/13/2019

Identified Deferred Maintenance						
#	Building	Other	MEP Systems	Exterior	Interior	Bldg. Total
1	Boivin	\$ 850,000	\$ 892,000	\$ 1,454,250	\$ 1,853,250	\$ 5,049,500
2	Cornett Hall	\$ -	\$ 495,000	\$ 700,000	\$ 235,000	\$ 1,430,000
3	Dow Center	\$ 55,000	\$ 758,000	\$ 10,000	\$ 35,000	\$ 858,000
4	Facilities	\$ 825,000	\$ 425,000	\$ 770,000	\$ 245,000	\$ 2,265,000
5	LRC	\$ 1,100,000	\$ 930,000	\$ 185,000	\$ 300,000	\$ 2,515,000
6	Owens Hall	\$ 350,000	\$ 854,000	\$ 400,000	\$ 178,550	\$ 1,782,550
7	Power Plant C	\$ 905,000	\$ 85,000	\$ 80,000	\$ -	\$ 1,070,000
8	Purvine Hall	\$ 725,000	\$ 679,000	\$ 798,850	\$ 500,000	\$ 2,702,850
9	Semon Hall	\$ 850,000	\$ 404,000	\$ 500,000	\$ 325,000	\$ 2,079,000
10	Snell Hall	\$ 75,000	\$ 304,000	\$ 561,730	\$ 214,000	\$ 1,154,730
11	Portland-Metro	\$ 341,500	\$ 618,780	\$ 540,770	\$ 493,500	\$ 1,994,550
12	Campus	\$ 5,065,000	\$ 16,150,000	\$ 220,000		\$ 21,435,000
Total						\$ 44,336,180

Identified Deferred Maintenance - Auxiliary Services						
#	Building	Other	MEP Systems	Exterior	Interior	Bldg. Total
1	Athletics	\$ 675,000	\$ 854,000	\$ 285,000	\$ 1,000,000	\$ 2,814,000
2	Stadium/Track	\$ 1,075,000	\$ 235,000	\$ 600,000	\$ 424,000	\$ 2,334,000
3	Residence Hall	\$ 800,000	\$ 354,000	\$ 2,905,650	\$ 4,370,000	\$ 8,429,650
4	College Union	\$ -	\$ 404,000	\$ -	\$ 575,000	\$ 979,000
5	Village	\$ -	\$ 104,000	\$ 600,000	\$ -	\$ 704,000
6	Student Health	\$ 77,350	\$ 143,000	\$ 275,000	\$ 270,550	\$ 765,900
7		\$ -	\$ -	\$ -	\$ -	\$ -
Subtotals		\$ 2,627,350	\$ 2,094,000	\$ 4,665,650	\$ 6,639,550	\$ 16,026,550
Total		\$ 16,026,550				

Notes:

- 1) The Deferred Maintenance plan reflects known needs and will be updated as project pricing is finalized to meet institutional priorities or to support unforeseen emergencies.
- 2) Deferred Maintenance for OMIC campus is not included in analysis.
- 3) Costs do not include Furniture, Fixtures, Class equipment or IT Hardware.

ATTACHMENT D

Audit Status

Internal Audit

Oregon Tech has contracted Kernutt Stokes LLP (KS) for internal audit services. KS reports directly to the Audit Committee of the Board of Trustees.

The FY 2019 Audit Plan was approved by the Audit Committee at its November 15, 2018 meeting and included several engagements for this fiscal year and potential engagements for the upcoming two to three years. The approved audits for the current fiscal year, and their status are as follows:

Internal Audit Plan	
Engagement	Status
Ongoing Risk Assessment and 2020 Internal Audit Planning	Ongoing
Monitor Fraud, Waste, and Abuse Ethics Hotline	Ongoing
Oregon Manufacturing Innovation Center (OMIC)	Ongoing
Athletics Fiscal Review	Ongoing
Prior Audit Follow-up	Ongoing

The Annual Risk Assessment and Audit Plan can be found on the Oregon Tech Internal Audit webpage <http://www.oit.edu/faculty-staff/internal-audit> or through the Finance and Administration homepage.

During the Action Items section of the November 15, 2018 meeting of the Audit Committee KS presented its Academic Affairs Workload Management audit which the Committee referred to the Academic Quality and Student Success Committee for review at its January 24, 2019. Internal Audit will work with Academic Affairs Leadership to ensure a response and action plan is implemented by management and reported to the Board of Trustees.

Ongoing Internal Audit work includes the OMIC engagement is focused on procurement activities, expenditure review, research project oversight and walkthrough and tests of various policies and processes. Preliminary fieldwork was completed in January and February of 2019 and is expected to be reported to the Committee at its May 30, 2019 meeting. The Athletics Fiscal Review engagement will begin during the month of March 2019 with fieldwork conducted in early spring.

Internal Audit expects to present an updated risk assessment and audit plan at the Committee's May 30, 2019 meeting. This risk assessment will be largely based on the assessment approved in November 2018 as a multi-year work plan. Internal Audit is working with Management and the Board Liaison to identify and audit engagements for FY 2020.

KS continues to monitor and perform case management of Oregon Tech's Fraud, Waste, and Abuse Ethics Line, engaging appropriate offices at Oregon Tech, the most current report log for 2018 is available below. Three reports were made during fall 2018 which have been submitted to the appropriate parties within the university and are currently under investigation. No new reports have been made during 2019. The annual fiscal audit identified consistent knowledge of the Fraud, Waste and Abuse Ethics Hotline as an area for improvement. Management will work with Internal Audit to

identify a process for better communication and understanding of the purpose and role of the hotline within the university's control structure.

Fraud, Waste, and Abuse Ethics Line Report Log				
Complaint Source	2016	2017	2018	2019
Hotline	2	13	8	0
Direct to IA	16	0	0	0
Total	18	13	8	0
Issues Resolved				
Resolved	18	13	5	0
Open	0	0	3	0

Annual Financial and Compliance Audits

Staff will begin internal year-end planning in April 2019 with year-end work beginning in May 2019. Staff in impacted units are responding to prior year audit findings and adjusting systems as necessary.

The audit opinions, Annual Financial Report, Single Audit Report and results of the fiscal year will be presented as part of the Audit Committee's regularly scheduled first meeting of calendar year 2020.

The annual financial and compliance audit tentative timeline for the year ending June 30, 2019:

- April – May 2019: Internal planning including all audit areas: financial reporting, federal financial aid, and Information Technology Services (ITS) portions of the audit; coordination and planning meetings with various campus departments
- May – June 2019: Auditors on-site conducting interim fieldwork for the financial and financial aid compliance audits;
- May – August 2019: Auditors conduct remote testing over ITS portion of audit (IT-related internal controls); year-end preparation
- June - July 2019: Fiscal year-end close, audit related schedules, financial statement drafting
- August – September 2019: Auditors conduct on-site final fieldwork; financial statement compilation and draft review
- September – November 2019: Auditors conclude testing off-site and audit wrap-up; finalize Annual Financial Report and Single Audit Report
- Audited financial information submitted to the State of Oregon on or before November 15, 2019

Timeline through report issuance includes:

- December 2019: Submission of audit report issuance to State for discretely presented component unit reporting
- January 2020: Presentation of audits to Audit Committee for acceptance

The VPFA Office oversees the progression and completion of the annual financial and compliance audits with work performed by the Business Affairs Office, Financial Aid Office, Human Resources Office, Information Technology Services, and Office of Sponsored Projects and Grants.

ATTACHMENT E
Quarterly Investment Report
December 31, 2018

Public University Fund

(Prepared by the Public University Fund Administrator)

The Public University Fund (PUF) gained 1.4% for the quarter and 1.7% fiscal year-to-date through December 31, 2018. The PUF's three-year average return was 1.9%.

The Oregon Short-Term Fund (OSTF) returned 0.6% for the quarter, performing in line with its benchmark. The Core Bond Fund returned 1.7% for the quarter, underperforming its benchmark by 20 basis points. The investment yield on the PUF portfolio was 0.7% for the quarter.

In January, Oregon State Treasury fixed income portfolio manager, Tom Lofton, conducted a quarterly performance review with university staff. The fixed income markets experienced dramatic swings during the quarter, while segments of the yield curve inverted, particularly the one to three year maturities. Credit spreads widened as corporate leverage concerns rose during the quarter, impacting corporate bond performance (Bloomberg Barclays Corporate Index -0.2%). The selloff in corporate bonds was the primary detractor in the Core Bond Fund's relative underperformance.

During the quarter, investment earnings distributed to Oregon Tech totaled \$178,381. The market value of OIT's operating assets invested in the PUF was \$22,856,151 on December 31, 2018.

Oregon Tech Quasi-Endowment Assets

(Prepared by University Shared Services)

The Oregon Tech Quasi-Endowment assets gained 1.3% for the quarter and 1.5% fiscal year-to-date through December 31, 2018. The Oregon Intermediate-Term Pool underperformed its benchmark by 50 basis points during the quarter and fiscal year-to-date. The pool's corporate bond allocation was the primary detractor in relative underperformance. The Endowment assets were valued at \$7,216,992 at the end of the quarter.

Oregon Tech
Investment Summary
as of December 31, 2018
 (Net of Fees)

	Quarter Ended 12/31/2018	Current Fiscal YTD	Prior Fiscal YTD	3 Yr Avg	5 Yr Avg	10 Yr Avg	Market Value	Actual Asset Allocation	Policy Allocation Range
OIT Operating Assets Invested in Public University Fund									
Oregon Short - Term Fund	0.6%	1.2%	0.8%	1.5%	1.1%	0.9%	\$ 7,035,659	30.8%	1
Benchmark - 91 day T-Bill	0.6%	1.1%	0.5%	1.0%	0.6%	0.4%			
PUF Core Bond Fund	1.7%	1.8%	0.4%	N/A	N/A	N/A	15,820,492	69.2%	1
Blended Benchmark ²	1.9%	2.0%	0.3%	1.7%	2.5%	N/A			
Public University Fund Total Return	1.4%	1.7%	0.6%	1.9%			<u>\$ 22,856,151</u>	<u>100.0%</u>	
Public University Fund Investment Yield	0.7%	1.3%	0.9%	2.0%					
OIT Endowment Assets									
Oregon Intermediate-Term Pool	1.3%	1.5%	0.4%	N/A	N/A	N/A	\$ 7,216,992	100.0%	
Benchmark - Bloomberg Barclays 3-5 Year Index	1.8%	2.0%	0.2%	1.6%	1.6%	N/A			
Total Endowment Assets	1.3%	1.5%	0.4%				<u>\$ 7,216,992</u>	<u>100.0%</u>	

¹ The Public University Fund (PUF) policy guidelines define investment allocation targets based upon total participant dollars committed. Core balances in excess of liquidity requirements for the participants are available for investment in the Core Bond Fund. Maximum core investment allocations are determined based upon anticipated average cash balances for all participants during the fiscal year.

² Blended Benchmark Composition: 75% Bloomberg Barclay's Aggregate 3-5 Years Index, 25% Bloomberg Barclay's Aggregate 5-7 Years Index.

Note: Outlined returns underperformed their benchmark.

ACTION

Agenda Item No. 4.1

Approval of Student Recreation Center Student Fee

Summary

The Associate Students of Oregon Institute of Technology – Klamath Falls have requested the establishment of a new student fee to fund the construction and operations of a remodeled and expanded Student Recreation Center (SRC). The Board of Trustees and Finance and Facilities Committee has heard presentations on this project several times since its initial proposal in the fall of 2016. Most recently during its November 2018 meeting. The project received legislative authorization through the approval of Article XI-F Bonds (self-funded) during the 2017 Legislature.

Since that time the university has retained an architect, BBT Architects of Bend, OR, and a construction management/general contractor, Modoc Construction of Klamath Falls to design and construct the project. The Vice Presidents of Student Affairs and Finance and Administration have convened the SRC Oversight Committee including students, faculty and staff to provide oversight on the design, scope and financing of the project.

On February 25, 2018 the SRC Oversight Committee put forward several service level proposals at a well-attended student forum hosted by ASOIT-KF and provided information to ASOIT to support their decision making process. ASOIT has subsequently provided the attached recommendation to support a full service recreation center and expand other recreation opportunities. Through the attached memorandum, President Naganathan, is putting forward his recommendation to the Board of Trustees, echoing the ASOIT recommended fee and service levels.

Staff Recommendation

Staff recommends the Committee recommend the Board of Trustees approve a new Student Recreation Center Fee in the amount of \$69.00 for all students enrolled at the Klamath Falls campus, excluding Dual Credit and Advanced Credit Program students or similar such programs beginning during the Fall Term of 2019 and approve expenditures as requested by President and determined by ASOIT.

Attachments

[Correspondence from President Naganathan](#)

[Correspondence from ASOIT President Yee](#)

[Attachment I – Recreation Fee Scenarios](#)



OFFICE OF THE PRESIDENT

Nagi G. Naganathan, Ph.D.

To: Oregon Tech Board of Trustees
From: President Naganathan
Re: Student Recreation Center Fee
Date: March 15, 2019

A handwritten signature in purple ink that reads "Nagi G. Naganathan" with a stylized flourish at the end.

As required by statute, through this memoranda, I submit to the Oregon Tech Board of Trustees my recommendation for the creation of a new Student Recreation Center fee for all regularly enrolled students on the Klamath Falls campus for the 2018-2019 academic year. This recommendation was developed through an open process spanning multiple years and led by the Associated Student of Oregon Institute of Technology – Klamath Falls (ASOIT-KF). The conceptual design and open engagement with students and student leaders began during the summer of 2016 and continues through the Student Recreation Center Oversight Committee which is advising on the design and operation of the center.

The student government in 2016 indicated their support for a student recreation center renovation project, which was brought forward as a legislative project for Article XI-F (self-funded) bonds during the 2017 Legislative Session. The Legislature approved the project and bonds for issuance during the spring of 2019. The Board approved the use of institutional funds for planning and construction of the project through its capital spending plan and authorization for the use of institutional funds at its December 2017 meeting and recommended the Oregon State Treasury issue bonds under the assumption of a student fee funding a portion of the project at its November 2018 meeting. Staff has authorized the State Treasury to issue the bonds accordingly and they are expected to be sold in the coming months as market conditions allow.

During the summer and fall of 2018 the university established a SRC Oversight Committee including the ASOIT-KF President, a student at-large, student athletes, a faculty member, the Athletic Director, the Director of Facilities, and Vice President of Student Affairs and Finance and Administration. Once the committee was formed the university conducted a competitive bid processes for architectural services and subsequently a construction manager/general contractor for the project under the assumption that a student fee would be approved to pay for a portion of the overall debt service and the entirety of operations of the SRC.

After thorough consideration and counsel from members of the executive staff and recognizing the significant consultation with all major constituencies within the university community through the SRC Oversight Committee, campus forums and surveys held over multiple years I endorse the ASOIT recommendation to create a Student Recreation Center (SRC) Fee in the amount of \$69.00 dollars beginning Fall Term of 2019 for all regularly enrolled students enrolled at the Klamath Falls

campus on a term-by-term basis and expenditures associated with the recommended programming as described in the attached memorandum dated March 4, 2019.

Attached to this letter you will find the above referenced memorandum from ASOIT-KF President Junmin Yee requesting the creation of the SRC fee, and outlining the use of resources generated by this fee for the renovation and operation of the SRC. It is anticipated that the fee will be requested annually and that students will designate the use of funds for the operations and maintenance of the Student Recreation Center through the normal fee setting processes going forward. Further, it is expected that approximately \$8.00 previously allocated through the incidental fee process will be eliminated from the incidental fee and those services replaced by the SRC Fee.

This project has been discussed by the campus community for several years, including all stakeholders and at meetings of the Board of Trustees, with the faculty budget committee (FOAC), and at student forums. At the most recent student forum, there was overwhelming support for the project and the fee level recommended by both ASOIT and myself. This project will enhance the cultural and physical development of students, increase the overall appeal of the campus to current and prospective students and provide needed services to our community of students, faculty and staff.

The Division of Student Affairs, Finance and Administration and the Athletics Department will continue to work with the SRC Oversight Committee and student leadership on project construction and operations of the SRC. Construction is expected to begin during Spring Term 2019 and be concluded during Winter Term 2020.

MEMORANDUM



DATE: March 4, 2019
To: Dr. Nagi Naganathan, President Oregon Institute of Technology
CC: Dr. Erin Foley, Brian Fox, and Sandra Fox
From: Junmin Yee, President ASOIT Klamath Falls
RE: New Student Recreation Center Student Fee

Beginning in 2017 ASOIT-KF leadership has been working with university administration officials in pursuit of a remodeled and expanded Student Recreation Center (SRC). During the 2017 Legislature funding was approved for the SRC project. Planning for the project began during 2018, with the hiring of an architect and construction team.

After establishing an oversight committee, conducting student surveys and holding a student forum ASOIT-KF recommends the establishment of a Student Recreation Center Fee totaling \$69 per term, beginning Fall term during the 2019-20 Academic Year. The proposed student fee will be renewed and recommended by ASOIT through the normal student fee process annually.

ASOIT Recommends that the funds generated by this fee be used to fund debt service associated with the Student Recreation Center, its operations, maintenance and services.

These services are anticipated to include:

- professional staff to enhance student recreation opportunities available through the university,
- student workers for the SRC and other recreation, athletics operations and group exercise classes,
- maintaining extended open hours in the morning, in the evening and over weekends, and
- expanding available athletic equipment, and the long-term maintenance and replacement of the equipment.

The SRC Project is expected to include the:

- redesign and expansion of the current weight room,
- replacement of the pool with an all-purpose sports court,
- moving the current cardio room into the basement,

- creating a new group fitness room,
- replacing/creating athletic offices in the current cardio room space, and
- other necessary improvements.

We believe it is in the best interest of students to begin the project as quickly as possible, likely during Spring Term 2019, and to complete the project as early as possible. We recognize that this may cause some loss of services while the project is underway. During the period in which the SRC is unavailable due to construction ASOIT and the SRC Oversight Committee will work with the Athletic Director, VP for Student Affairs, Facilities and the VP for Finance and Administration to identify alternative space on campus if possible or to make available recreation facilities off campus for students. The construction process is anticipated to last approximately nine months and extend into early 2020.

This recommendation corresponds with Scenario 1, as described by Athletic Director John Van Dyke listed in Attachment I. ASOIT requests that the Student Recreation Center Oversight Committee work with the Athletic Director and VP of Student Affairs to manage the details and operations of the SRC to meet the budget as approved.

Please do not hesitate to reach out to me if you have any questions regarding the adoption of the SRC Fee.

Sincerely,



Junmin Yee
President
ASOIT – Klamath Falls

Attachment I

	Scenario 1	Scenario II	Scenario III
Open Hours (M-F)	6am-11pm	6am-10pm	6am-10pm
Open Hours (Sa/Sun)	9am-6pm/noon-6pm	9am-6pm/noon-6pm	9am-6pm/noon-6pm
Equipment Funding	\$60k/year	\$60k/year	\$60k/year
Student Employees	2 at all times	1 at all times	1 to 2 at peak hours
Professional Staff	1 Full Time	1 Full Time	Part Time/Job Share
Renovation Cost	\$3.0M	\$3.0M	\$3.0M
Description:	Full time staff for Rec Center, intramurals and events, student staffing for operations/classes, open late	Full time staff for Rec Center, intramurals and events, limited student staffing, no drop in classes	Limited professional staff management, limited student staffing,
Rec Fee	\$69 per term	\$61 per term	\$56 per term
I Fee Savings	\$8 per term	\$8 per term	\$8 per term

DISCUSSION

Agenda Item No. 5.1

Tuition Development Process Update

Summary

In order to ensure an annual consultative tuition development process the Board of Trustees, through its adoption of a tuition policy, has established the Tuition Recommendation Committee (TRC). The Committee's 2018-19 work plan is designed to conform to both university policy, meet the process requirements of HB 4141 (2018), satisfy the criteria established by the Higher Education Coordinating Commission (HECC) for approving tuition above five percent. Most importantly, however, the process is designed to provide for a consultative and inclusive tuition setting process focused on supporting student affordability, long-term sustainability of the university and ensuring high-quality degree programs. This docket item provides an update on the TRC process to date and relevant criteria for approving tuition at the HECC and state levels which have changed since the 2018 tuition setting process.

The TRC began meeting in late 2018 and has continued to meet throughout the Winter Term 2019, including hosting two student open forums led by ASOIT. These open forums are designed to provide meaningful opportunities for students at large to participate in the tuition setting process and elicit student feedback for the TRC and for ASOIT on their priorities during the tuition setting process. The forums also have provided an opportunity to inform the university community on the university's and state's budget. The TRC will conclude its process during April after students return from Spring Break. Two additional student forums will be held to solicit feedback for draft recommendations from the TRC.

Academic Year 2020 Tuition scenarios ranging from as low as 5% and as high as 30% have been discussed by the group based on different state budget scenarios. As greater certainty has recently been gained in the likely path of state funding from the Oregon Legislature the TRC has honed their thinking into a tighter tuition range, spanning 5-7% on the low end to 15-16% on the high end.

Tuition assumptions assume funding for the Public University Support Fund at \$777M or \$56.6M for Oregon Tech over the 2019-21 biennium. Significant uncertainty related to funding of the Engineering Technology Sustaining Fund, the Oregon Renewable Energy Center and the Sports Lottery program exists. Combined these total nearly \$2.0M in state funding annually.

These scenarios will be presented to the student body at additional open forums the week of April 15, 2019. This timeline will allow for additional committee deliberation and for a tuition recommendation to be made to the President in advance of the May 2019 Board of Trustees meeting.

Tuition Recommendation Committee Work

The TRC is composed of the following members:

Brian Fox, <i>Chair</i>	Vice President for Finance and Administration	Klamath Falls
Richard Bailey, <i>FOAC Chair</i>	Department of Business Management, ETM	Klamath Falls
Erin Foley	Vice President for Student Affairs and Dean of Students	Klamath Falls
Erik Johnson	Director of Admissions	Klamath Falls
Taylor Kimura	Student Representative	Klamath Falls
Gary Kuleck	Provost and Vice President for Academic Affairs	Klamath Falls
Faith Lee	Student Representative	Klamath Falls
Anne Malinowski	Assistant Registrar	Portland-Metro
Kathryn (Katie) Mura	Student Representative	Klamath Falls
Johnathan Nguyen	ASOIT President	Portland-Metro
Rosanna Overholser	Department of Mathematics, HAS	Klamath Falls
Junmin Yee	ASOIT President	Klamath Falls
Osvaldo Capistran-Perez	ASOIT Vice President	Portland-Metro
Ernesto Hernandez	Student Representative	Klamath Falls

Support staff for the TRC includes:

Cindy Childers	Accounting Manager	Klamath Falls
Karissa Guthrie	Accounts Receivable Manager	Klamath Falls
Stephanie Pope	Assistant Vice President for Budget & Planning	Klamath Falls
Farooq Sultan	Director of Institutional Research	Klamath Falls
Brittany Miles	Assistance Vice President for Government Relations	Portland-Metro

The TRC meets or exceeds all requirements established by HB 4141 (2018), including a broad and diverse set of students from both the Klamath Falls and Portland Metro campuses, faculty and senior administrators.

Process Guidelines and Principles

In order to facilitate the tuition setting process the President has established a committee charter for the TRC. This charter is included in the annual catalog of [Standing Committees, Commission and Councils](#). At the TRC's first meeting it established a working calendar (Appendix I) as well as guiding principles and a process framework to ensure that the group had a guidepost to measure their deliberative process and the outcome by. These are included below.

2019 Tuition Recommendation Committee Charter

The Tuition Recommendation Committee is responsible for recommending the tuition and mandatory fee rates to the President who must in turn report and recommend mandatory tuition and fee to the Board of Trustees in accordance with ORS 352.102. The Board of Trustees shall request that the President transmit to the Board the joint tuition recommendation of the President and the recognized student government.

This committee is comprised of six students representing both campuses and appointed by the ASOIT president(s), two of which represent ASOIT and two of which represent historically underserved students of the university, as defined by the university; the Fiscal Operations Advisory Council (FOAC) chair and at least two administrators. Any changes to the Committee structure required by ORS 352.102, subsequent controlling statutes or Board Policy may be made without notification. The President shall designate one member to chair the committee.

Before making any recommendation to increase tuition and mandatory fees but especially when the proposed increase is more than five percent annually, the Committee must document its consideration of the impact on students, and the necessity of the increase in achieving the mission of the University. The Committee shall provide meaningful opportunities for members of the student government and students at large to participate in the process and deliberations.

The committee will meet at least twice during January – February. Its meetings shall be open to the public and broad notification of the meetings shall be made to the university community. The committee will consider the guidelines provided by the Board, information provided by the Administration, and such other matters as shall seem appropriate.

Guiding Principles

- Consider long-term factors when recommending the single year decisions (important to have a forward looking vision)
- Recognize the importance of affordability for students
- Tuition levels should be developed using data and information, including internal budget, comparator institutions, and external cost indices.
- Ensure we maintain the current service level, quality and support that Oregon Tech provides to students.

Process Framework

- Communicate openly and transparently with all stakeholders
- The committee will utilize data and information throughout the process
- Communicate respectfully and ask questions

Deliberative Process

Throughout the nearly four-month long tuition setting process the TRC will meet at least eight times, host four campus forums total, two on each primary campus location and hear from university teams including, Financial Aid, Budget and Planning, Enrollment Management, Student Affairs and Institutional Management. This process has included training on the major components and pressures impacting Oregon Tech's and state's budget, as well as historical data on tuition and fees. Staff have outlined how the university is managing its costs and continues to evaluate scenarios which include reductions in tuition if additional state support is available. At its most recent meeting the TRC had a focused discussion on financial aid and its interplay with tuition and supporting historically underserved students from admission to completion. This discussion has directly impacted provisional tuition recommendations.

HB 4141 (2018) lays out a stringent series of requirements for public universities during the tuition setting process (Appendix II). This codifies many of the practices Oregon Tech has long undertaken to ensure broad engagement and inclusion throughout the tuition setting process. Earlier this winter the HECC further clarified its evaluative focus if a tuition increases beyond 5% is proposed by a university (Appendix III). These includes three specific criteria:

1. Fostering an Inclusive and Transparent Tuition Setting Process

- a. The institution can demonstrate that students had multiple opportunity [sic] to engage in the tuition-setting process including, but not limited to, participation on the institution's advisory committee.
 - b. The institution demonstrates that information about the tuition setting process was easily accessible, that the tuition-setting process was transparent and in compliance with House Bill 4141 (2018).
2. Safeguarding Access and Support for Degree Completion by Historically Underrepresented Students
 - a. Demonstration of impacts, with and without a tuition increase of more than 5%, on remission programs and support services that bolster retention and completion of underrepresented students.
 - b. The institution has a plan for reducing tuition costs if the PUSF exceeds the funding level upon which the tuition increase is predicated.
3. Financial Conditions Demonstrating the Need for Resident, Undergraduate Tuition to be Increased More than 5%
 - a. The institution demonstrates that current and projected financial conditions compelling the need for the increase request to meet the critical portions of its HECC-approved mission or goals set in the HECC's strategic plan, including documentation that alternatives to raising tuition above 5% were considered.
 - b. The institution demonstrates that it has considered and implemented cost containment efforts for those costs that are within their control.

Staff believes that the process outlined by HB 4141 (2018) and the evaluation criteria established by the HECC have been met or are in process of being met.

Staff Recommendation

No action necessary, for discussion purposes only.

Attachments

Appendix I – [Tuition Recommendation Committee Calendar](#)

Appendix II – [House Bill 4141](#)

Appendix III – [HECC Tuition Increase Criteria](#)

Appendix I – Tuition Recommendation Committee Calendar

DEC2018

SUN	MON	TUE	WED	THU	FRI	SAT
25	26 DEAD WEEK	27 FIRST TRC MEETING	28	29	30	01
02	03 FINALS WEEK	04	05	06	07	08
09	10 WINTER BREAK BEGINS	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

JAN 2019

SUN	MON	TUE	WED	THU	FRI	SAT
		01	02	03	04	05
06	07 WINTER TERM BEGINS	08	09	10	11 ESTABLISH PRINCIPLES LEGISLATIVE UPDATE	12
13	14	15	16	17	18	19
20	21 MLK DAY HOLIDAY	22	23	24 BOARD MEETING: TUITION POLICY	25 BUDGET DATA AND TUITION COMPARISON	26
27	28	29	30	31		

FEB 2019

SUN	MON	TUE	WED	THU	FRI	SAT
					01	02
03	04	05	06	07	08 TUITION SCENARIOS	09
10	11	12	13	14	15	16
17	18	19	20	21	22 FORUM PREP	23
24	25 TRC OPEN FORUM	26	27 TRC OPEN FORUM	28		

MAR 2019

SUN	MON	TUE	WED	THU	FRI	SAT
					01	02
03	04	05	06	07	08	09
					FORUM RECAP DRAFT RECOMMEND ATION	
10	11	12	13	14	15	16
DEAD WEEK						
17	18	19	20	21	22	23
FINALS WEEK				BOARD MEETING		
24	25	26	27	28	29	30
SPRING BREAK						
31						

APR 2019

SUN	MON	TUE	WED	THU	FRI	SAT
	01	02	03	04	05	06
07	08	09	10	11	12	13
TRC FORUM PREP						
14	15	16	17	18	19	20
TRC OPEN FORUM						
21	22	23	24	25	26	27
TRC SETS TUITION RECOMMEND ATION						
28	29	30				

Note: Spring Term meetings will be scheduled once student/faculty course schedules are set.

MAY 2019

SUN	MON	TUE	WED	THU	FRI	SAT
			01 ASOIT SUBMIT RECOMMEND ATION TO PRESIDENT	02	03	04
05	06	07	08	09	10 PRESIDENT'S RECOMMEND ATION TO THE BOARD	11
12	13	14	15	16	17	18
19	20	21	22 BOARD DOCKETS ISSUED	23	24	25
26	27	28	29	30 BOARD MEETING: TUITION ADOPTION	31	

Note: Spring Term meetings will be scheduled once student/faculty course schedules are set.

Appendix II – House Bill 4141 (2018)

79th OREGON LEGISLATIVE ASSEMBLY--2018 Regular Session

**Enrolled
House Bill 4141**

Sponsored by Representative HERNANDEZ, Senator DEMBROW, Representatives ALONSO LEON, BYNUM, HEARD, Senators ROBLAN, THATCHER; Representatives KENY-GUYER, MCLAIN, NOSSE, SALINAS, SOLLMAN (Presession filed.)

CHAPTER

AN ACT

Relating to setting the costs of attending public universities; creating new provisions; amending ORS 352.102; and declaring an emergency.

Be It Enacted by the People of the State of Oregon:

SECTION 1. Section 2 of this 2018 Act is added to and made a part of ORS 352.025 to 352.146.

SECTION 2. (1) Each public university listed in ORS 352.002 shall have an advisory body to advise the president of the university on the president's recommendations to the governing board regarding resident tuition and mandatory enrollment fees for the upcoming academic year.

(2) The public university shall:

(a) Establish a process to ensure that the advisory body required under subsection (1) of this section is composed of no fewer than:

(A) Two administrators of the university;

(B) Two faculty members of the university;

(C) Two students representing the recognized student government of the university; and

(D) Two students representing historically underserved students of the university, as defined by the public university.

(b) Establish a written document describing the role of the advisory body and the relationship of the advisory body to the public university, president of the university and the governing board.

(3) The public university shall ensure that all members of the advisory body are offered training on:

(a) The budget of the public university;

(b) The mechanisms by which moneys are appropriated by the Legislative Assembly to the Higher Education Coordinating Commission for allocation to public universities; and

(c) Historical data regarding the relationship between the amount of resident tuition and mandatory enrollment fees charged by the public university and the amount of state appropriations that the commission allocates to the public university.

(4) In order to assist the advisory body in making its recommendations, the public university shall provide the advisory body with:

(a) A plan for how the governing board and the public university's administration are managing costs on an ongoing basis; and

Enrolled House Bill 4141 (HB 4141-B)

Page 1

(b) A plan for how resident tuition and mandatory enrollment fees could be decreased if the public university receives more moneys from the state than anticipated.

(5) Before making a recommendation to the president of the university that resident tuition and mandatory enrollment fees should be increased by more than five percent annually, the advisory body must document its consideration of:

(a) The impact of the resident tuition and mandatory enrollment fees that the advisory body intends to recommend to the president of the public university on;

(A) Students at the public university, with an emphasis on historically underserved students, as defined by the public university; and

(B) The mission of the public university, as described by the mission statement adopted under ORS 352.089; and

(b) Alternative scenarios that involve smaller increases in resident tuition and mandatory enrollment fees than the advisory body intends to recommend to the president of the public university.

(6) The advisory body shall:

(a) Provide meaningful opportunities for members of the recognized student government and other students enrolled at the public university to participate in the process and deliberations of the advisory body; and

(b) At a time established by the public university, provide a written report to the president of the university that sets forth the recommendations, deliberations and observations of the advisory body regarding resident tuition and mandatory enrollment fees for the upcoming academic year. The written report must include any minority report requested by a member of the advisory body and any documents produced or received by the advisory body under subsections (4) and (5) of this section.

(7) Each public university shall ensure that the process of establishing resident tuition and mandatory enrollment fees at the public university is described on the Internet website of the public university. This material must include, but is not limited to:

(a) The written document produced by the public university under subsection (2)(b) of this section; and

(b) All relevant documents, agendas and data that are considered by the advisory body during its deliberations.

(8) As used in this section, "resident tuition and mandatory enrollment fees" means the tuition and mandatory enrollment fees for undergraduate students who are enrolled in a degree program and have established residency in Oregon.

SECTION 3. ORS 352.102 is amended to read:

352.102. (1) Except as set forth in this section, the governing board may authorize, establish, eliminate, collect, manage, use in any manner and expend all revenue derived from tuition and mandatory enrollment fees.

(2) The governing board shall establish a process for determining tuition and mandatory enrollment fees. The process must *provide for participation of enrolled students and the recognized student government of the university.*

(a) Include the use of an advisory body in the manner set forth in section 2 of this 2018 Act; and

(b) Ensure that the governing board receives and considers all written reports and minority reports, including all recommendations, deliberations and observations of the advisory body that are provided to the president of the university under section 2 of this 2018 Act.

(3) The governing board shall request that the president of the university transmit to the board the joint recommendation of the president and the recognized student government before the board authorizes, establishes or eliminates any incidental fees for programs under the supervision or control of the board and found by the board to be advantageous to the cultural or physical development of students.

(4) In determining tuition and mandatory enrollment fees for undergraduate students who are enrolled in a degree program and are qualified to pay resident tuition:

(a) The governing board may not increase the total of tuition and mandatory enrollment fees by more than five percent annually unless the board first receives approval from:

(A) The Higher Education Coordinating Commission; or

(B) The Legislative Assembly.

(b) The governing board shall attempt to limit annual increases in tuition and mandatory enrollment fees for undergraduate students who are enrolled in a degree program and have established residency in Oregon to a percentage that is not greater than the percentage increase in the Higher Education Price Index, as compiled by the Commonfund Institute.

(5) If the governing board of a public university requests that the commission approve an increase in the total amount of tuition and mandatory enrollment fees of more than five percent under subsection (4)(a) of this section, the public university shall provide to the commission:

(a) All written reports and minority reports, including all recommendations, deliberations and observations of the advisory body that are provided to the president of the university under section 2 of this 2018 Act; and

(b) Any other information or materials the commission determines are necessary in order for the commission to determine whether to approve the proposed increase in the total amount of tuition and mandatory enrollment fees.

[(5)] (6) The governing board may not delegate authority to determine tuition and mandatory enrollment fees for undergraduate students who are enrolled in a degree program and are qualified to pay resident tuition.

SECTION 4. Section 2 of this 2018 Act and the amendments to ORS 352.102 by section 3 of this 2018 Act first apply to the process used to establish tuition and mandatory enrollment fees for the 2019-2020 academic year.

SECTION 5. This 2018 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2018 Act takes effect on its passage.

Passed by House February 20, 2018

Received by Governor:

Repassed by House March 3, 2018

.....M....., 2018

Approved:

.....
Timothy G. Sekerak, Chief Clerk of House

.....M....., 2018

.....
Tina Kotek, Speaker of House

.....
Kate Brown, Governor

Passed by Senate March 1, 2018

Filed in Office of Secretary of State:

.....
Peter Courtney, President of Senate

.....M....., 2018

.....
Dennis Richardson, Secretary of State

Enrolled House Bill 4141 (HB 4141-B)

Page 8

Appendix III – HECC Tuition Increase Criteria



HIGHER EDUCATION COORDINATING COMMISSION
Adopted by the Commission
December 13, 2018

Tuition Increase Criteria

The following criteria shall be used by the HECC in determining whether or not a proposed university increase to its undergraduate resident tuition rate of greater than 5% is "appropriate" (ORS 350.075 (3)(h)(B)).

The following constitute the criteria the Commission will employ during the tuition review process. In determining whether or not an institution has met any particular criterion, the Commission will employ a "reasonableness" test; in other words, taking into account context and constraints, can the institution be understood to have taken all prudent and reasonable measures to meet the standard suggested by the criterion?

Finally, when making its final determination about whether a university's above-threshold tuition increase is appropriate, the Commission will consider the totality of the institution's submission. An institution's shortcoming or success with respect to any one criterion will not necessarily determine the Commission's overall conclusion about the appropriateness of the proposed tuition increase.

Focus Area One: Fostering an Inclusive and Transparent Tuition-Setting Process

Goals: Inclusion, Transparency

Why this focus area is important: Student engagement in tuition-setting decisions is a core priority for students, public universities, the state, and the HECC. The HECC seeks assurance that the tuition-setting process is open, fair and provides ample opportunities for student participation.

In order to assess the criterion in this focus area, evidence must be provided regarding the engagement of students throughout the process and that student engagement informed the development of an institution's final tuition proposal. This impact should be clearly documented by the available materials produced by the tuition advisory committee as well as the views of students and student organizations involved, either directly or indirectly, in the tuition-setting process.

Criteria for this Focus Area:

- A. The institution can demonstrate that students had multiple opportunity to engage in the tuition-setting process including, but not limited to, participation on the institution's tuition advisory committee.

Fulfillment of this criterion: The Commission determines that engagement with students occurred throughout the tuition-setting process and that student input was fully considered in the institution's tuition proposal.

HIGHER EDUCATION COORDINATING COMMISSION

Adopted by the Commission

December 13, 2018

- B. The institution demonstrates that information about the tuition setting process was easily accessible, that the tuition-setting process was transparent and in compliance with House Bill 4141 (2018).

Fulfillment of this criterion: Information on the institution's process is available and accessible and meets or exceeds the requirements of HB 4141. Data that can be used to support this determination include: Tuition advisory committee structure; student outreach strategies that were undertaken at the institution with a particular focus on outreach to underrepresented student groups; extent of information available to tuition advisory committee members, particularly students; and how dissenting comments are reflected and incorporated into official tuition deliberations and/or recommendations.

Focus Area Two: Safeguarding Access and Support for Degree Completion by Historically Underrepresented Students

Goals: Mitigate impacts of tuition increase, Plan for use of additional state resources

Why this focus area is important: The HECC's strategic plan emphasizes the importance of increasing the participation and completion of historically underrepresented students at every level. At a minimum, the HECC wants to ensure that the impact of any tuition increases on these highly vulnerable groups is mitigated.

These criteria allow universities to identify how they will help targeted groups more by approving these increases than by not doing so – for example via targeted remissions or student support programs. In addition, criteria require detailing how tuition would decrease should the final PUSF exceed the funding level upon which the tuition increase is predicated.

Criteria for this Focus Area:

- A. Demonstration of impacts, with and without a tuition increase of more than 5%, on remission programs and support services that bolster retention and completion of underrepresented students.

Fulfillment of this criterion: The institution demonstrates that it reduced or mitigated impacts on underrepresented students under the proposed increase. Specific examples should be provided as related to programs that support these students, especially resident students.

- B. The institution has a plan for reducing tuition costs if the PUSF exceeds the funding level upon which the tuition increase is predicated.

Fulfillment of this criterion: Completion of a schedule linking PUSF increases with tuition decreases.

HIGHER EDUCATION COORDINATING COMMISSION
Adopted by the Commission
December 13, 2018

Focus Area Three: Financial Conditions Demonstrating the Need for Resident, Undergraduate Tuition to be Increased More than 5%

Goals: Explanation of cost drivers and revenue dynamics triggering tuition increase, Demonstrated consideration of alternatives, Implementation of cost containment efforts and long-term sustainability of the university

Why this focus area is important: The tuition-setting process presents an opportunity to describe the impact of state-mandated cost pressures as well as to understand institutional efforts to contain costs and improve long-run fiscal sustainability. The universities and the HECC agree that certain funding levels by the state must be met to cover state-mandated cost drivers. The criteria under this focus area highlight these considerations.

Additionally, although universities establish tuition rates annually, this focus area highlights that decisions about tuition should consider the long-term consequences of annual decisions on the financial health of the institution, programs supporting student success, the quality of academic programs, and the institution's ability to recruit and retain faculty and staff.

Criteria for this Focus Area:

- A. The institution demonstrates that current and projected financial conditions compelling the need for the increase request to meet the critical portions of its HECC-approved mission or goals set in the HECC's strategic plan, including documentation that alternatives to raising tuition above 5% were considered.

Fulfillment of this criterion: A clear explanation, backed up with appropriate quantitative evidence, that the institution's increase in excess of 5% is necessary to support the long-term need to meet the institution's core mission or its ability to meet the HECC's strategic plan.

- B. The institution demonstrates that it has considered and implemented cost containment efforts for those costs that are within their control.

Fulfillment of this criterion: The institution has a demonstrable history of cost control efforts, including engaging in a systematic review of cost efficiencies. In addition, these efficiency reviews and the resulting data/monitoring have been incorporated into an institution's budgetary decision-making process for an institution's cost control efforts to receive a passing analysis under this criterion.

DISCUSSION ITEM

Agenda Item No. 5.2

Operating Expense Analysis Report

Summary

The attached report, Oregon Tech: Resource Allocation Report Fiscal Year 2017, was developed by the Budget and Planning Office and provides an analysis of Oregon Tech revenue and expenditure data compared to other Oregon public universities and national comparator universities. This analysis utilizes Integrated Postsecondary Education Data System (IPEDS) data and the university's current comparator list. Data is from the most recent available information for FY 2017.

Key findings from the report include:

- Oregon Tech is highly reliant on two key revenue streams, state appropriations and tuition revenue.
- The university's reliance on state appropriations is above that seen at other comparable universities and could create significant revenue uncertainty going forward.
- Overall revenue per student at Oregon Tech is below that of other comparable universities, particularly those within the state.
- Oregon Tech's Academic expenditures are on par with or above peer institutions in the state and nationally.
- Instructional salary expenditures are above peer institutions.
- Research expenditures are in line with peer universities, while at a relatively low overall level.
- Institutional Support expenditures are above state and national peers.

A summary and discussion section highlighting areas of interest or further research going forward is included within the report.

Staff Recommendation

No action necessary, for discussion purposes only.

Attachments

Resource Allocation Report FY 2017



Oregon Tech: Resource Allocation Report Fiscal Year 2017

Overview and Data Review

This analysis compares the revenue sources and expense allocations of Oregon Tech with comparable institutions across the United States. Data collected for this analysis was taken from the Integrated Postsecondary Education Data System (IPEDS) managed by The National Center for Education Statistics (NCES) which is the primary federal entity for collecting and analyzing data related to higher education in the United States. NCES fulfills a Congressional mandate to collect, collate, analyze, and report complete statistics on the condition of American education; conduct and publish reports; and review and report on education activities internationally. Nearly every university in the country, public or private, is required to submit data to IPEDS. Though IPEDS provides broad data definitions, each institution categorizes its internal data using its own determination on how that information fits within proscribed IPEDS categories. Though this is the best source of comparable information, significant variation within categories between multiple institutions are possible. Similarly comparisons between a single institution over multiple years may show significant changes depending on adjustments in their own accounting categorization regardless of operational activity. In addition to IPEDS data this study also relied on data from The College Scorecard (<https://collegescorecard.ed.gov/>) which is provided online by the US Department of Education.

This study focuses on revenue and expenditure areas including tuition and fees, state support, grants and contracts and auxiliary revenues and as well as instruction, research, academic support, institutional support and auxiliary enterprise expenditures. A glossary of IPEDS definitions is in Appendix 1.

Comparator institutions were determined using the university's current comparator list and separately all public universities within the State of Oregon as this group shares certain local characteristics unique to the state of Oregon. Detailed information tables for Oregon Tech can be found in Appendix 2, state and national comparators is included in Appendix 3 and Appendix 4, respectively. Information for aspirational peers, including institutions which have comparable missions or overlapping market segments as determined by Strategic Enrollment Management can be found in Appendix 5.

Oregon Tech has certain characteristics which separate it from each of the comparator lists and influence its expense ratios. This is important contextual information to aid in the understanding of IPEDS data, these characteristics include;

- Oregon Tech is a nearly "pure play" polytechnic university with nearly 85% of its degrees granted in STEM and healthcare related programs. This is a very high proportion and separates it from both its Oregon public comparators and its many on its national comparator list.
- Oregon Tech's student to faculty ratio of 15:1 is significantly lower than the each of the benchmarked group averages. Within the Oregon group the average ratio is 17.57:1 with a range from 15:1 at WOU to 21:1 at SOU. Within the comparator group the average is 18.29:1 with a range of 14:1 at two institutions and ranging up to 25:1.
- Oregon Tech's student headcount to student FTE ratio is relatively high, indicating a large proportion of part time students. Further both its headcount and FTE student population are below

the average of both comparator groups. Within the Oregon Technical and Regional Universities, Oregon Tech is significantly smaller than both WOU and SOU. This impacts many measures related to economies of scale in Institutional Support categories.

- Oregon Tech has a relatively complex operating environment including multiple operating locations, including its main campus in Klamath Falls, but including a significant operation in the Portland-Metro region as well as satellite operations in Salem and Seattle, Washington.

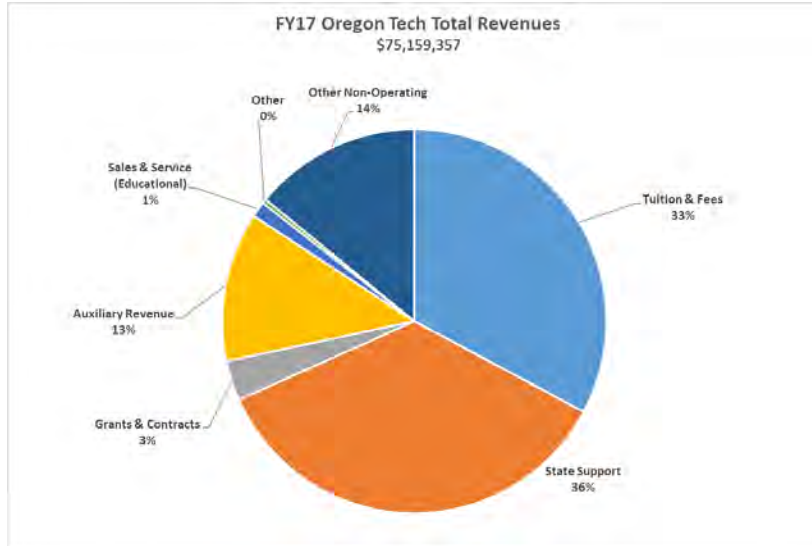
Lastly, it is important to stress that this report provides point-in-time data. Some institutions spend significant accounting effort and energy to manage the allocation of resources to match IPEDS categories. Oregon Tech is not one of those institutions. The extent to which institutions actively manage the categorization of their expenditures for the purpose of reporting may significantly alter their ratios. An example of this is prior to the FY 2018 Oregon Tech split its IT investment into two account indexes, one categorized as an “Academic Administration” one as “Institutional Support.” It has since eliminated the “Academic Administration” index to ease management burden, but has actually increased academic spend on computing infrastructure and classroom IT equipment. However, this will show up in subsequent reports as a reduction in Academic Administration and an increase in Institutional Support. That said, this analysis provides the best overall benchmark of internal expense ratios available.

Enrollment and Expenditure Data

Oregon Public Universities			
Institution	FTE	Fall Enrollment	Total Expenditures
Oregon State	27,503	30,896	\$1,120,394,729
University of Oregon	23,274	22,887	\$945,277,683
Portland State University	20,844	26,693	\$517,141,582
Western Oregon University	4,633	5,336	\$113,222,208
Southern Oregon University	4,493	6,191	\$93,270,136
Oregon Tech	3,307	5,486	\$76,864,270
Eastern Oregon University	2,393	3,016	\$57,033,795

National Comparators			
Institution	FTE	Fall Enrollment	Total Expenditures
SUNY Polytechnic Institute - Utica NY	2,197	2,912	\$362,852,700
Idaho State University	10,206	12,493	\$248,863,696
Weber State Univeristy	17,216	27,949	\$237,998,775
Eastern Washington University	11,775	12,607	\$227,933,369
Louisiana Tech University	10,045	12,839	\$194,552,916
Arkansas Tech Univeristy	8,945	11,830	\$135,362,979
University of Wisconsin-Platteville	7,615	8,548	\$135,017,789
University of Louisiana at Monroe	7,161	9,181	\$134,709,712
Midwestern State Univiersity	5,126	6,080	\$109,502,224
Savannah State University	4,490	4,429	\$102,627,482
Oregon Tech	3,307	5,486	\$76,864,270
Southwestern Oklahoma State University	4,810	5,448	\$65,578,345
Indiana University Northwest	3,809	4,055	\$49,100,276
West Liberty University	2,275	2,443	\$37,707,349
University of Pittsburgh Bradford	1,596	1,336	\$31,303,107

Revenues



In fiscal year 2016-17 (FY17) Oregon Tech reported total revenues of \$75.1M. The largest single source of revenue came from State Support (36%, \$26.7M), followed closely by Tuition and Fees (33%, \$24.7M), and Auxiliary Enterprises (13%, \$9.5M). Oregon Tech's dependence on these three sources of revenue leaves the institution particularly vulnerable to shifts in political support and state budgets as State Support is not a market driven revenue source and is largely outside the direct control of the university. With only 3% of

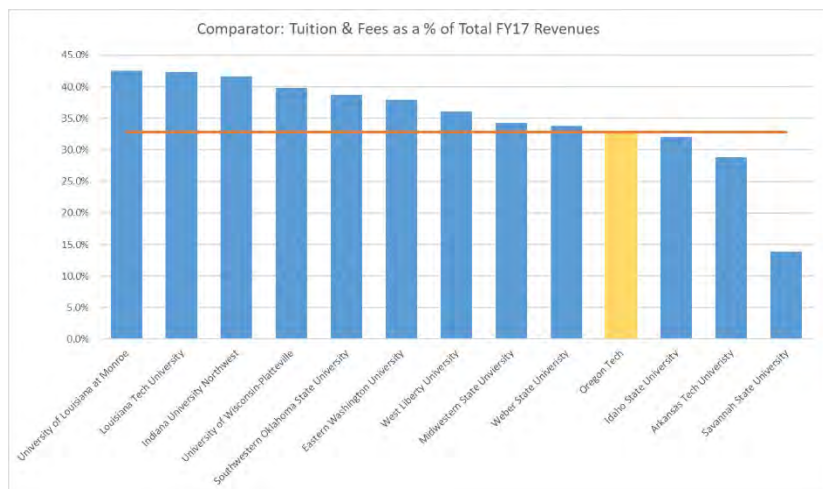
revenues coming from grants and contracts, 1% from educational sales and service and less than 1% coming from other revenue sources there is potential for alternative revenue generation, particularly clinic or fee for service type revenue activities built around programmatic expertise such as those being developed at the Oregon Manufacturing Innovation Center (OMIC) or the Behavioral Improvement Group: Applied Behavioral Analysis clinic.

Tuition

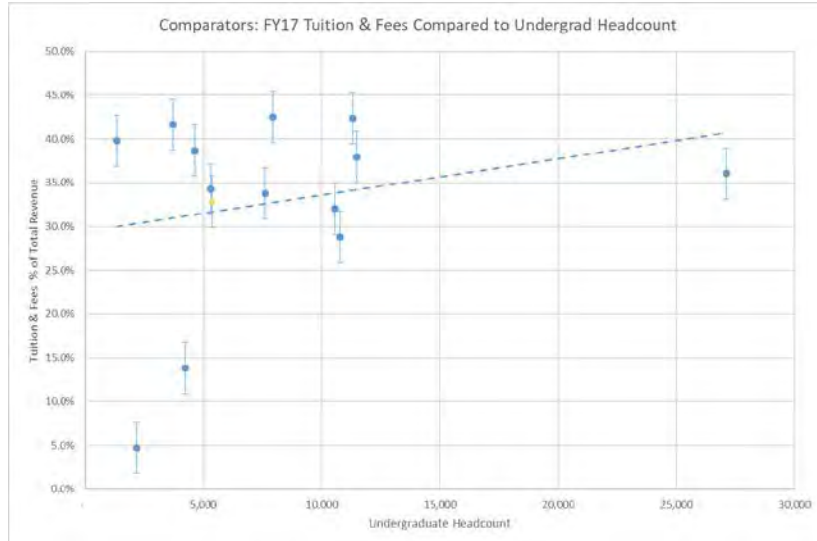
Oregon Tech's tuition rate is in the middle of the pack of other public universities in Oregon, however Oregon Tech is the third most dependent upon tuition revenues, with 33% of revenues in FY17 coming from tuition and fees.

Looking at the tuition and fee percentage of revenues compared to undergraduate headcount trends within the Oregon group, Oregon Tech is on the lower end of headcount, but on the higher end of dependency on tuition and fee revenues. Trends within Oregon show that the higher the headcount the less dependent the university is

on tuition and fee revenues. Much of this likely due to higher concentrations of auxiliary enterprises, including housing, dining, athletics as well as a broader set of grants and contracts for those institutions with broader research enterprises.



Within the national comparator group, Oregon Tech is on the lower end in terms of tuition dependence with nine institutions having a higher percentage of their total revenues derived from tuition and fees and only three with a lower proportion. With regard to tuition and fee revenue percentage compared to undergraduate headcount trends within the comparator group, Oregon Tech is on the lower to middle end of headcount and is also on the lower end of the group (denoted with the yellow dot here forward) and has a slight, but not significantly, above trend dependence on tuition revenues.

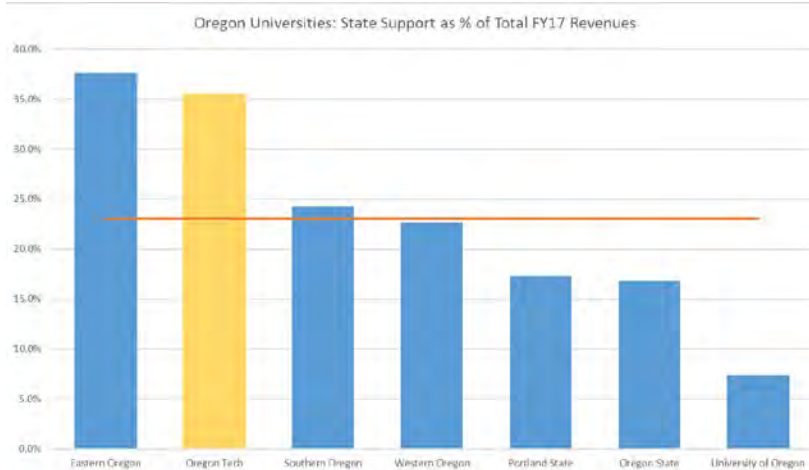


As noted previously, significant dependence on any one source of funding has the potential to be problematic for Oregon Tech. Price sensitivity among college going adults could put downward pressure on annual tuition rates and a potentially volatile economy can mean fewer students attending or attending as full-time in the future. This can be especially true for returning adults or transfer students who may have less family resources available to offset the cost of education or have exhausted financial aid while attending a community college. This sensitive population has been a significant driver of Oregon Tech enrollment over the past several years. That said, the market based nature of tuition allows for greater control by Oregon Tech as it manages its competitive position when compared to state appropriations or grant income. Higher education tends to be a counter-cyclical good, with decreasing demand when the broader market is growing and increasing demand during recessions.

State Support

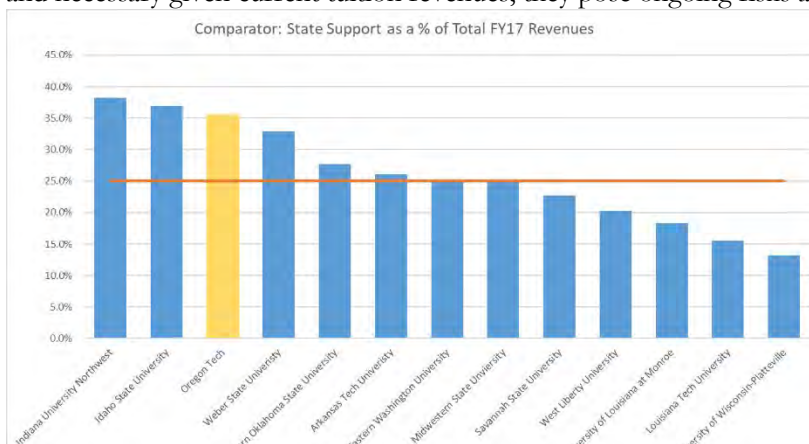
When comparing state support revenue as a percentage of total revenues among Oregon institutions, Oregon Tech has the second highest dependence on state funding, followed only EOU, the smallest university in the state. This indicates that Oregon Tech is highly dependent upon state appropriations to maintain its operations and creates a significant vulnerability in years where there is economic downturn or less state funding is available for general operations. Oregon Tech has a unique and highly concentrated revenue risk related to state funding. Not only does Oregon Tech disproportionately rely on state funding, but that state funding is specifically designed to support the university's STEM and healthcare related programs. The states allocation systems, the Student Success and Completion Model (SSCM) includes weighting for high-cost and high-demand programs within the SCH and degree production allocations and several line item funding structures including engineering technology graduate and undergraduate programs and health related programs while the Public University State Program funds the Engineering Technology Sustaining Fund, which together account for significant amounts of the total state funding for Oregon Tech. These programs have concentrated benefits and thus to some degree limited partner university and external constituency support their continuance.

When comparing the national comparator institutions by state support against undergraduate headcount there is a strong inverse relationship between size and dependence on state support. This matches the line item funding within the state's funding mechanism supporting institutions with enrollment of less than 7,500

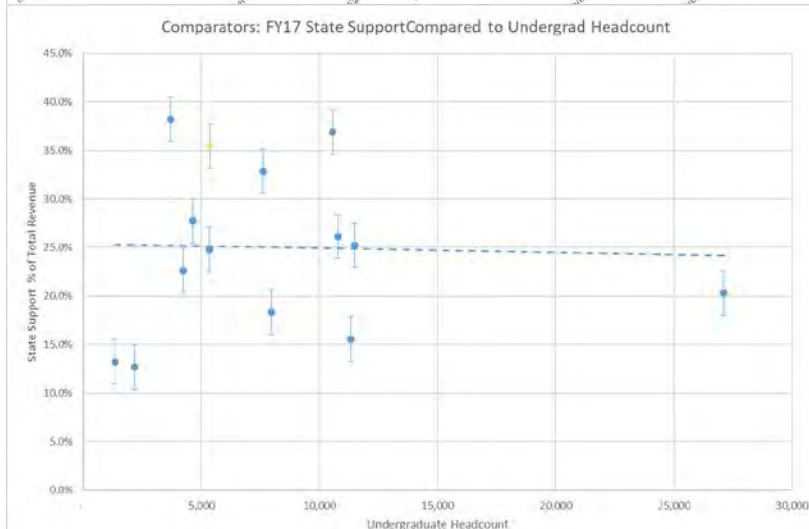


students. Similar to program specific funding, significant political risk exists as it relates to this source of funding, particularly during trying economic times. Larger institutions have more opportunity for alternative funding sources through research and grant, auxiliary, or gift funding which allows them to be less reliant on state based sources of revenue.

Among comparator institutions Oregon Tech also ranks very high on the percentage of revenue that comes from state support. This indicates that the level of state support for Oregon Tech, even among its non-Oregon peer group is well above the norm. Though investments from the State of Oregon represent a concerted effort to support technical education and are both highly appreciated and necessary given current tuition revenues, they pose ongoing risks as is shown by the relative dependence



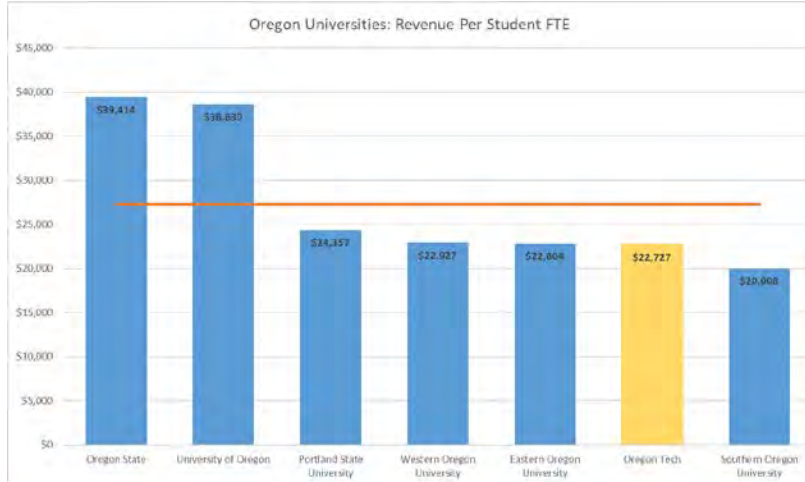
compared to other similar institutions across the country. Tuition revenues are a much less volatile source of funding and market driven and thus to some extent within the control of the university depending on its attractiveness and focus on maintaining enrollment and market position. Because of long-term pressures acting on the State of Oregon's budget, particularly from increases in legacy retirement obligations and federal healthcare match requirements, the long-term inflation per student investment from the state can be expected to decline.



Revenue per Student

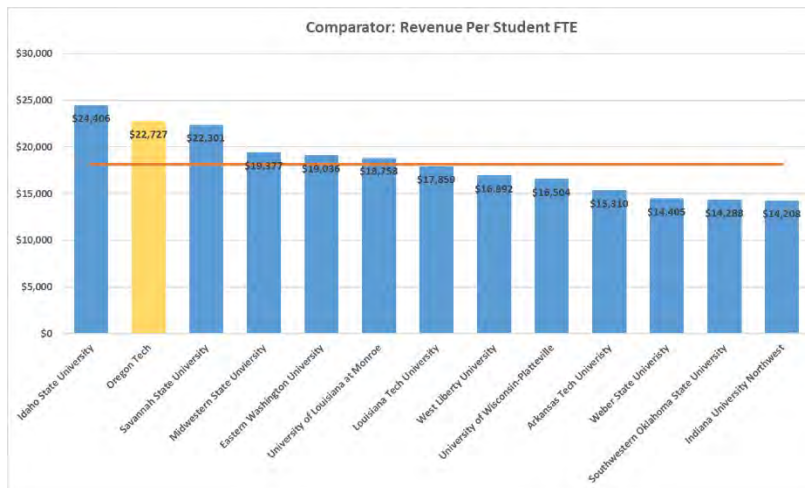
Revenue per student FTE is calculated by taking the total revenue, from all sources, divided by the total student FTE. Oregon Tech's revenue per student FTE is low compared to other Oregon universities totaling \$22,727 per

student FTE. Only one institution, Southern Oregon University, has a lower revenue per student FTE at \$20,008 whereas the institution with the highest revenue per student FTE is Oregon State University with \$39,414. This higher revenue per FTE is due to a combination of higher tuition rates, larger auxiliary enterprises and a robust grant and contracts (research) enterprise, areas where Oregon Tech lags behind.



However, within the comparator benchmarking group Oregon Tech is at the higher end of total revenue per student FTE with only one institution having more revenue per student FTE. This excludes SUNY Polytechnic Institute, a very unique institution, which has an operating budget of over \$350 million dollars and only 2,197 FTE students. The very high state appropriation levels at Oregon Tech compared to comparator institutions is largely responsible for the relatively high

total revenues to student FTE figure.



Expenditures

In FY17 Oregon Tech reported total expenditures of \$76.9M or \$1.7M above our reported revenue. This ongoing deficit for the institution is a concern considering the vulnerable nature of Oregon Tech's dominant revenue sources, state support, and known escalatory pressure on labor costs driven largely by PERS (retirement) and PEBB (healthcare). With direct labor costs making up 40% of the total expenditures further escalation

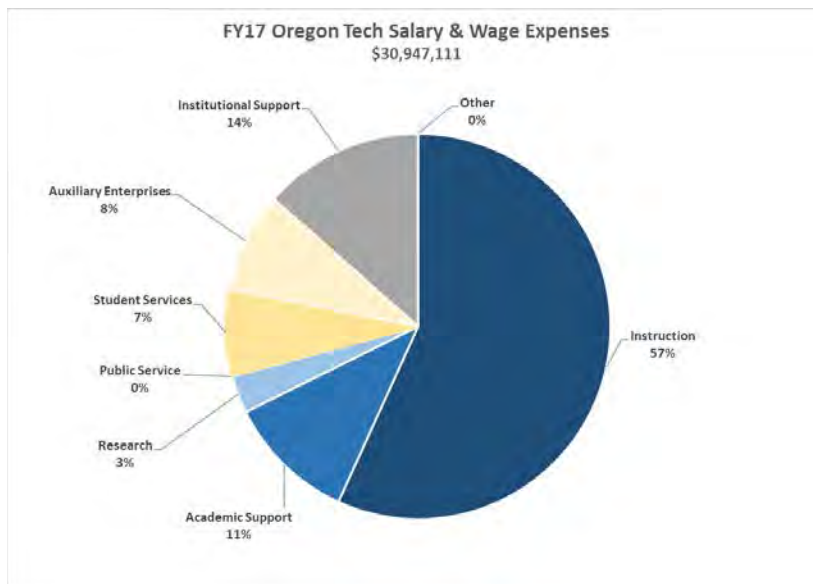
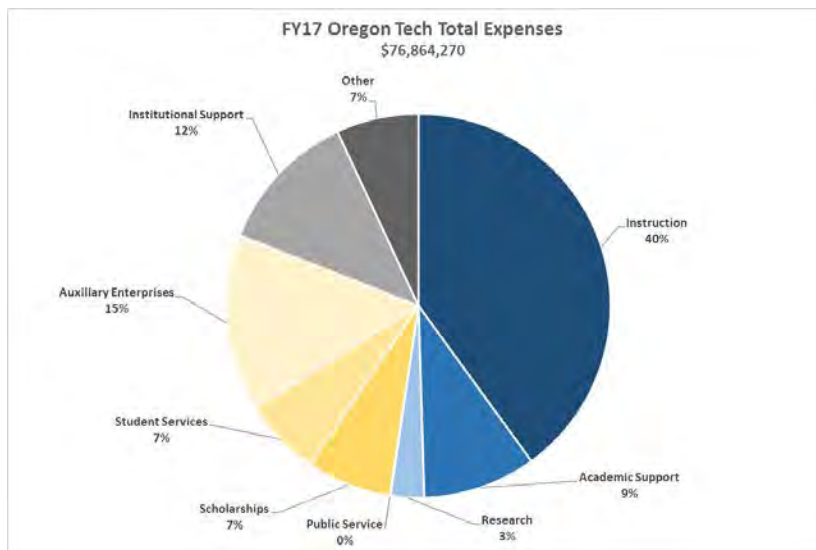
may push the university into a structural deficit requiring a structural adjustment if fee paying enrollment does not increase markedly. The following section will provide an overview of expense categories and their relations to other Oregon public and national comparator institutions.

Fifty-two percent of total expenditures at Oregon Tech are directed towards academics (instruction, research and academic support), 29% on auxiliary enterprises and student service and 19% of institutional support and other expenditures. The commitment to instruction is evident with 40% of expenditures going toward instruction. The university has a very low level of research activities with only 3% of expenditures in this category.

As noted above, 40% of Oregon Tech's total expenditures go towards labor costs which includes salary, wages, and other personnel costs. Oregon Tech's focus on academics is demonstrated with 71% of labor expenditures committed to instruction (57%), academic support (11%), and research (3%).

Because Oregon Tech contracts out to third-party vendors both food service and bookstore services total labor costs on the auxiliary side are low, only 15%, and institutional support labor makes up the remaining 14%.

Oregon Tech's large academic labor expense is likely attributable to a large tenure/tenure track instructional population relative to other institutions and an average total compensation (salary, wage, and OPE) of \$115,897 in FY17. During that time frame the average unclassified staff person total compensation was 27% less, at \$84,134 and the average classified staff total compensation was 43% lower at \$66,265.

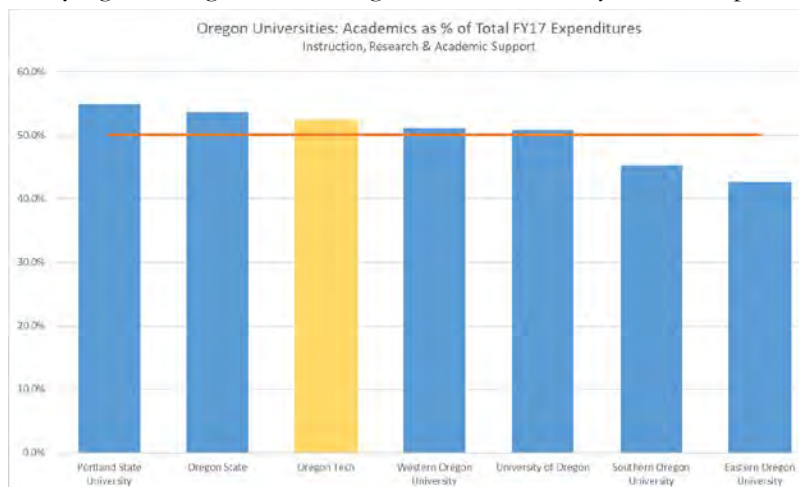


Academic Expenditures

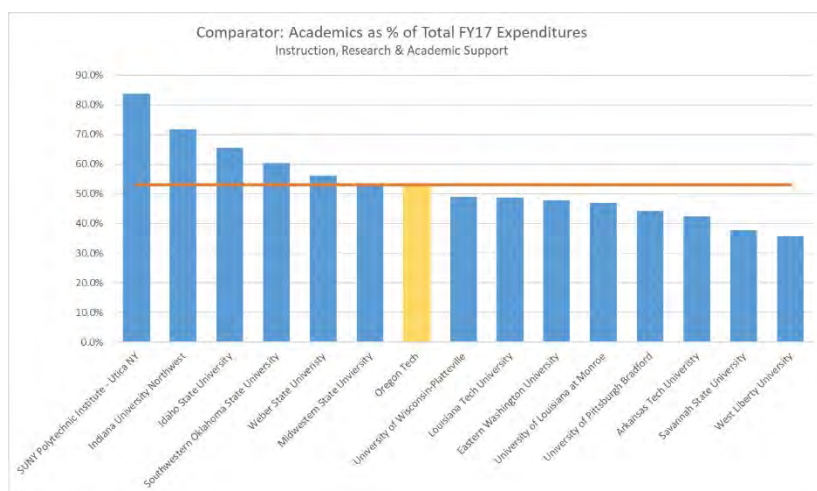
IPEDS disaggregates several areas of academic affairs including instruction, academic support and research. Graphs and tables within this report will refer to these three areas together as “Academics” broadly. Institutions that have a higher percentage of spending committed to Academics are arguably placing a greater emphasis on student facing endeavors. However, classifications between Academic Support and Institutional Support between institutions can muddy the analysis as certain expenses may be characterized

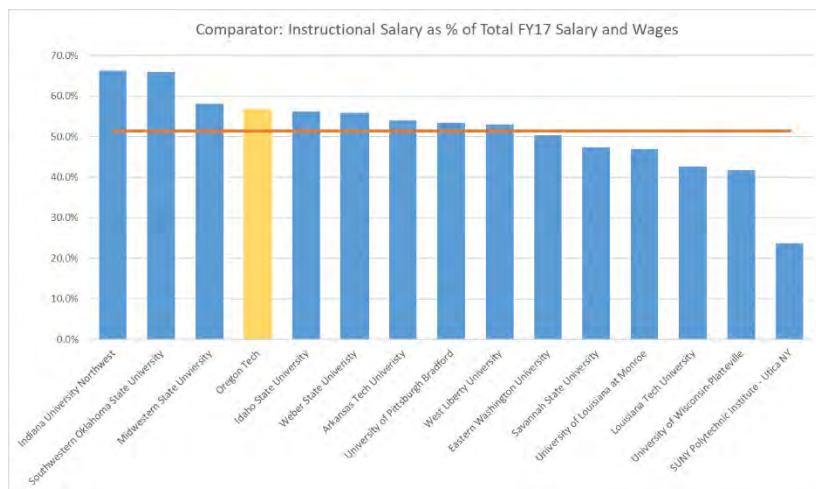
differently at different institutions, this is particularly true for classroom technology, capital spend, and IT investments as well as the organizational location of certain service units.

Among Oregon public universities the average academic expenditures is 50% of total expenditures. Oregon Tech is above the average and has the third highest among this group with 53% of total FY17 expenditures going toward academics. This is particularly significant given that Oregon Tech is relatively small compared to other Oregon public universities and significant economies of scale exist within Institutional Support (administrative) units. Further, Oregon Tech's multiple operating locations which requires significantly higher levels of institutional support (administrative oversight and management).



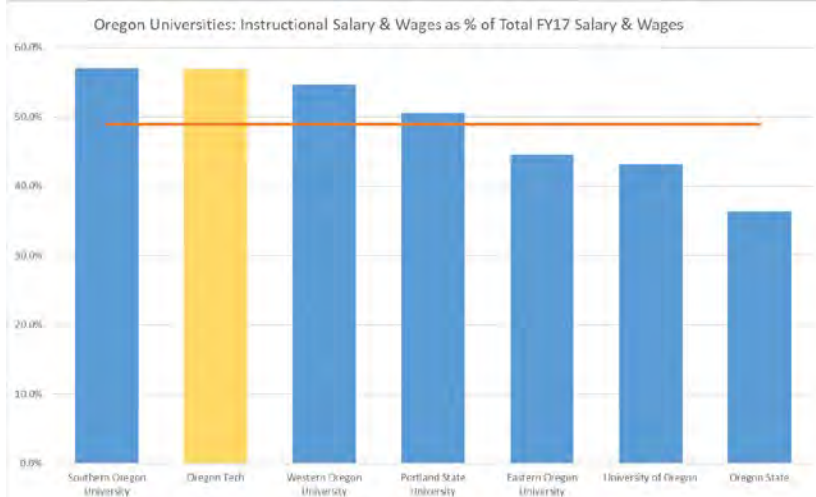
Within the comparator group the average spending on academics is 53% of total expenditures. With 53% of spending on academics Oregon Tech sits at the comparator average. Six institutions maintain a higher percentage of spending on academics, ranging up to 83.7% at SUNY Polytechnic Institute, a particularly unique institution with 68.8% of its revenue from grants and contracts, down to 35.8% at West Liberty University. As both one of the smaller institutions within the comparator group and having multiple principle site locations, Oregon Tech's maintaining a relatively high Academic spend rate is particularly noteworthy. Both forces create natural tendencies towards higher administrative spend rates. Being at or above the average in each of these groups demonstrates Oregon Tech's significant commitment to its core academic mission.





Instructional Salaries

Instructional salaries are the single largest expense category, and constitute an overall majority of expenses within the Salary and Wages. The average spending in the Oregon public university benchmark group is 48.9% of total salary and wage spending on Instructional Salaries, Oregon Tech is well above that average with 56.8% and is the second highest within this group.



Among the comparator group, where the average salary and wage spending is 51.5%. Within this group Oregon Tech is still well above average and, in fact the fourth highest in the cohort.

Research

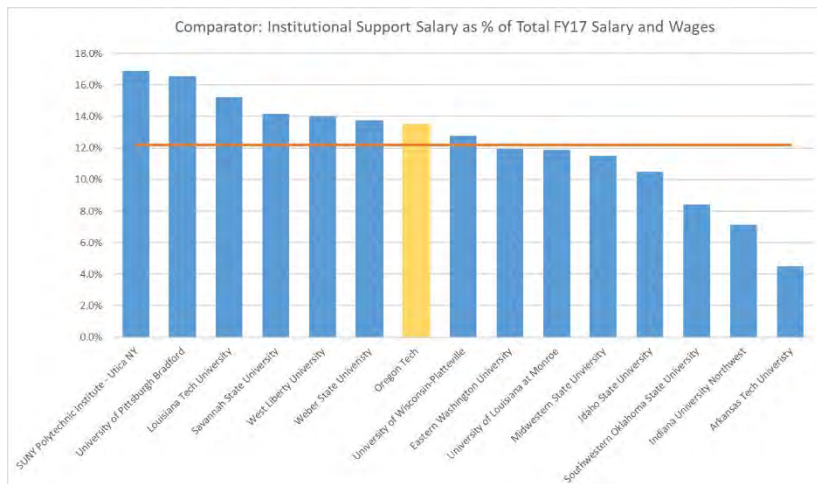
Research spending as a percentage of total spending can indicate an institutions relative concentration on research and creative works. Oregon Tech's research spending is only 2.8% of total expenditures,

well below the 6.1% average among Oregon institutions and the 7.1% average among comparators. Within the Oregon benchmark group this places it squarely among the regional universities and significantly below Portland State, the University of Oregon and Oregon State University. Within the national benchmark group, interestingly this does not place Oregon Tech as an outlier but within the mid-upper range of the group. Indicating that this group of comparator institutions fit Oregon Tech's historic lack of focus on research and discovery. Because of the recent growth in OMIC and increased focus on research, scholarship and creative works it can be expected that these numbers may change over time.

Institutional Support

At Oregon Tech Institutional Support totals 12.1% of overall expenditures. This is in line with or below EOU and SOU which Oregon Tech is most comparable with in terms of size. Though it is more complex as an operating entity given its multiple primary campus locations and satellite operations in multiple states. The variation in Institutional Support expenditures as a percentage of overall expenses between the public universities in Oregon provide some lens into the variability inherent with this category which can include significant academic spend. Because of economics of scale it is expected that the three larger public universities in Oregon, PSU, U of O and OSU

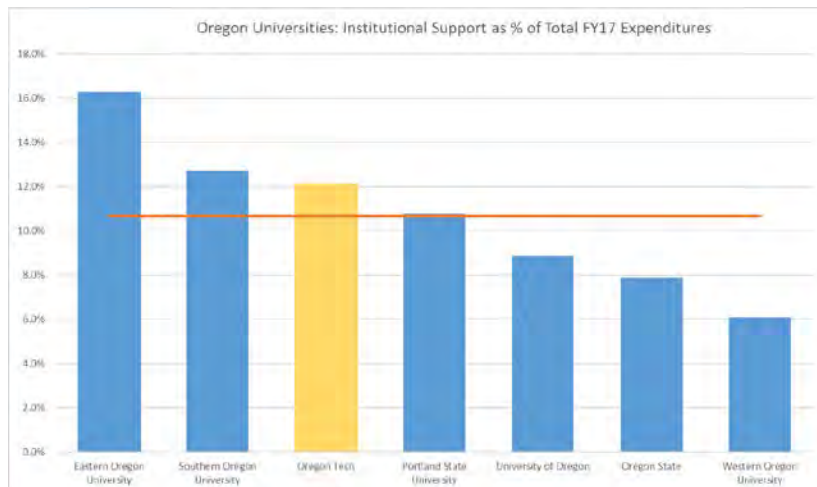
would have significantly lower Institutional Support spend rates, however WOU has the lowest spend rate which is surprising when compared to other similarly sized institutions. Oregon Tech is above the average of 10.6% in Institutional support when compared to the national comparator group, but is relatively small when compared to the other national comparator institutions. It is expected that Oregon Tech's Institutional Support percentage of overall expenditures will increase when 2018 IPEDS data are released due to a reclassification of IT related expenditures and other changes related to absorbing duties previously supported by the Chancellor's Office and the Oregon University System.



Summary and Discussion

IPEDS data provides several useful insights into revenue and expenditure patterns at Oregon Tech relative to its Oregon public university peers and comparator institutions across the nation.

Compared to its state and national peers Oregon Tech has a relatively concentrated set of revenue streams, with lower auxiliary and research revenue than most and, of particular note, much higher reliance on state appropriations than the average institution. There



are notes of optimism in the data however, as the low tuition revenue per student and low grants and contracts revenue are manageable outcomes. Early investments in both categories are positioned to bear fruit over the coming years. Strategic Enrollment Management has positive early indicators in terms of student applications and admits and is projecting the largest incoming freshmen class in many years. Investments in clinic operations and OMIC are likely to increase grants, contracts and other revenues, further diversifying the university's revenue streams.

Oregon Tech's expenditures tilt decidedly towards investments in people through salaries and benefits. Academics broadly and Instruction in particular take a front seat at Oregon Tech and this is reflected in the data. In both categories Oregon Tech spends at higher rates than its peers, indicating strong focus on the core educational mission. Low research related expenditures, and associated revenues, are not unexpected given

the university's historic focus. Shifts in Federal investments in research may pose headwinds to significant growth, but the university is investing in and focused on broadening its efforts related to applied research for both federal and private funders. The State of Oregon's recent investment in the Oregon Renewable Energy Center (OREC) and OMIC are both votes of confidence in Oregon Tech's capacity for meaningful creative activities that will advance its polytechnic mission.

The radical shift in institutional governance over the past decade has not been fully felt and the university continues to take on tasks necessary for an independent university which were previously provided by the Chancellor's Office and the Oregon University System. This includes many back office functions, budget and planning, support for capital projects and IT systems management. These will require continued investment and development over time and will inevitably require additional skilling up of incumbent staff members and additional employees in certain areas. In early assessments of the organizational charts of Oregon's TRU universities the academic administration at Oregon Tech is missing key bench strength which allows for highly effective academic planning and operations. In certain institutions this corresponds to strongly staffed Dean's Offices, in others strongly staffed Provost's Offices depending on the bias towards centralized or decentralized academic management. These roles are highly important and necessary for the development and implementation of a dynamic polytechnic university.

Oregon Tech will remain challenged to diversify its revenue streams, increase efficiency by holding back expenditures while growing its enrollment base and make key investments in its faculty and administrative capacity.

Appendix 1: [IPEDS Data definitions](#)

Appendix 2: [Oregon Tech Data Tables](#)

Appendix 3: [Oregon Institutions Graphs](#)

Appendix 4: [National Comparator Graphs](#)

Appendix 5: [Aspirational Comparator Graphs](#)

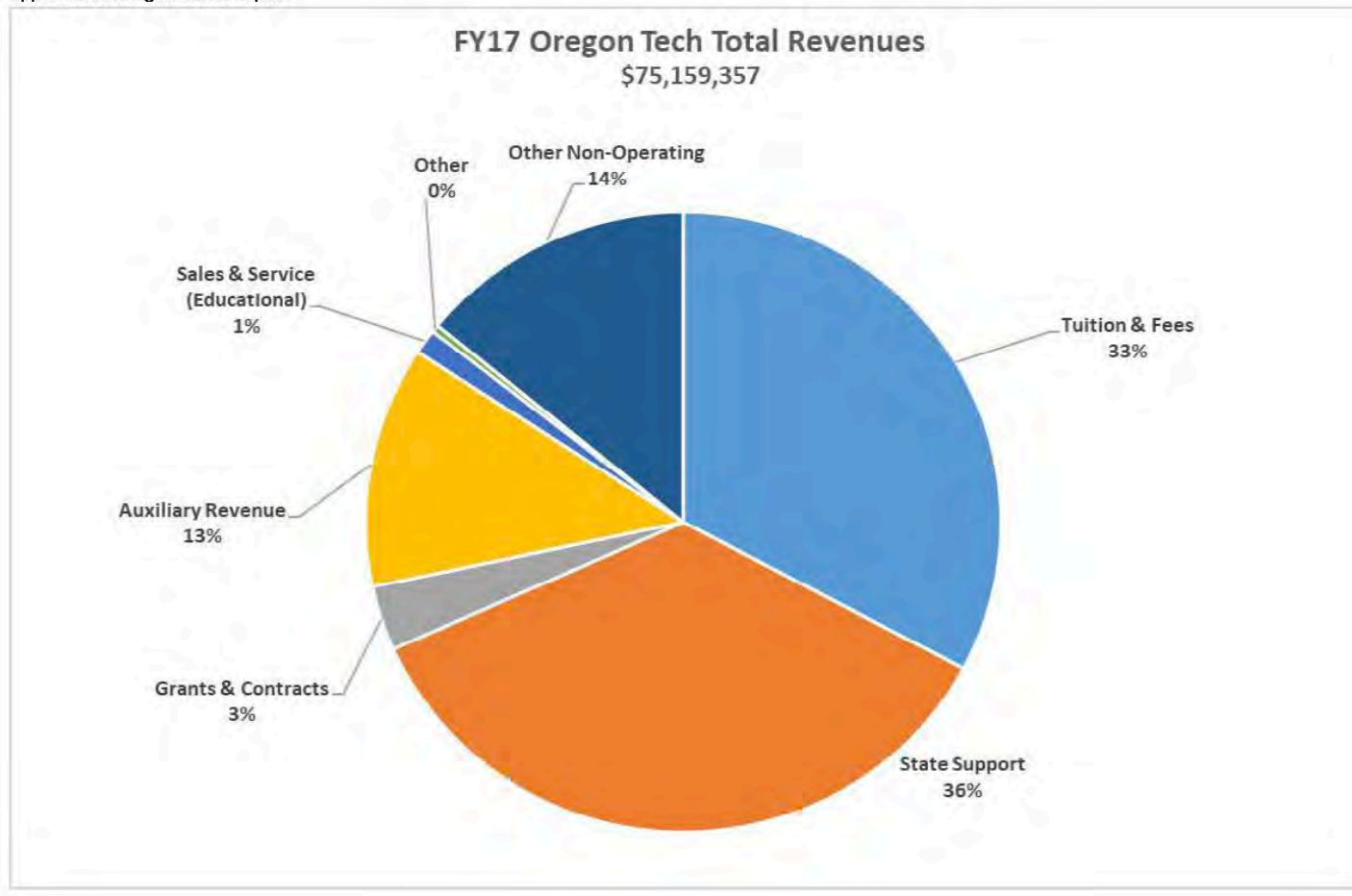
Appendix 1: IPEDS Data Definitions

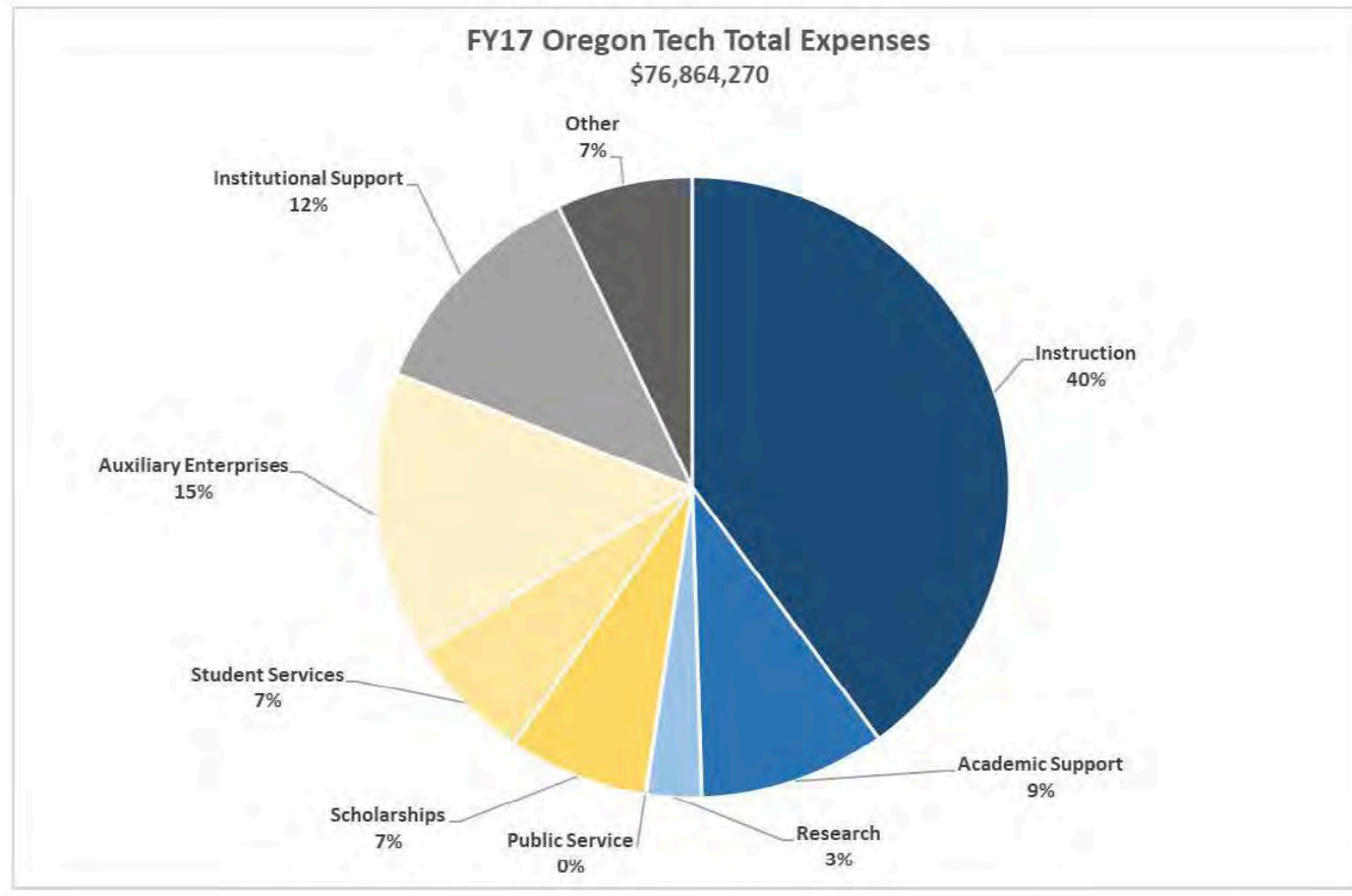
1.0	Instruction. (NACUBO and OMB Circular A-21) This category includes all activities that are part of an institution's instructional program. Included are credit and noncredit courses for academic, vocational, and technical instruction; remedial and tutorial instruction; regular, special, and extension sessions; and community education. Includes departmental research and sponsored instruction.
2.0	Organized/Sponsored Research. (NACUBO and OMB Circular A-21) This category should include all activities specifically organized and separately budgeted to produce research outcomes, whether commissioned by an agency external to the institution or separately by an organizational unit within the institution.
3.0	Public Service. (NACUBO) (For OMB Circular A-21, these activities would be identified as Other Institutional Activity (OIA) and Other Sponsored Activity (OSA) as identified in an institution's financial accounting system.) This category includes identified activities that are established primarily to provide non-instructional services beneficial to individuals and groups external to the institution. Examples:
	<i>Community Services</i> <i>Cooperative Extension Services</i> <i>Public Broadcasting Services</i>
4.0	Academic Support. (NACUBO) This category includes support services for the institution's primary missions: instruction, research, and public service. Examples:
	<i>Libraries</i> <i>Museums and Galleries</i> <i>Educational Media Services</i> <i>Academic Computing Services</i> <i>Ancillary Support</i> <i>Academic Administration</i> <i>Academic Personnel Development</i> <i>Course and Curriculum Development</i>
4.0	Academic Service. (Circular A-21)
	4.1 Libraries—Official and organized central and branch libraries. 4.2 Departmental Administration—Includes all activities directly supporting Deans and Department Chairs. 4.3 Museums and Galleries—Usually included in a functional category of Other Institutional Activity (OIA). Check institution's financial accounting system for correct function identification.
5.0	Student Services. (NACUBO and Circular A-21) This category should include admissions and registrar offices and those activities whose primary purpose is to contribute to the student's emotional and physical well-being and to his or her intellectual, cultural, and social development outside the context of the formal instructional program. Examples:
	<i>Student Services Administration</i> <i>Social and Cultural Development</i> <i>Counseling and Career Guidance</i> <i>Financial Aid Administration</i> <i>Student Admissions</i> <i>Student Records</i> <i>Student Health Services</i>
6.0	Institutional Support. (NACUBO) This category includes 1) central executive-level activities concerned with management and long-range planning of the entire institution, such as the governing board, planning and programming, and legal services; 2) fiscal operations, including the investment office; 3) administrative data processing; 4) employee personnel and records; 5) logistical activities that provide procurement, storerooms, printing, and transportation services to the institution; 6) support services to faculty and staff that are not operated as auxiliary enterprises; and 7) activities concerned with community and alumni relations, including development and fundraising. Examples:
	<i>Executive Management</i> <i>Fiscal Operations</i> <i>General Administration and Logistical Services</i> <i>Administrative Computing Services</i> <i>Public Relations/Development</i>

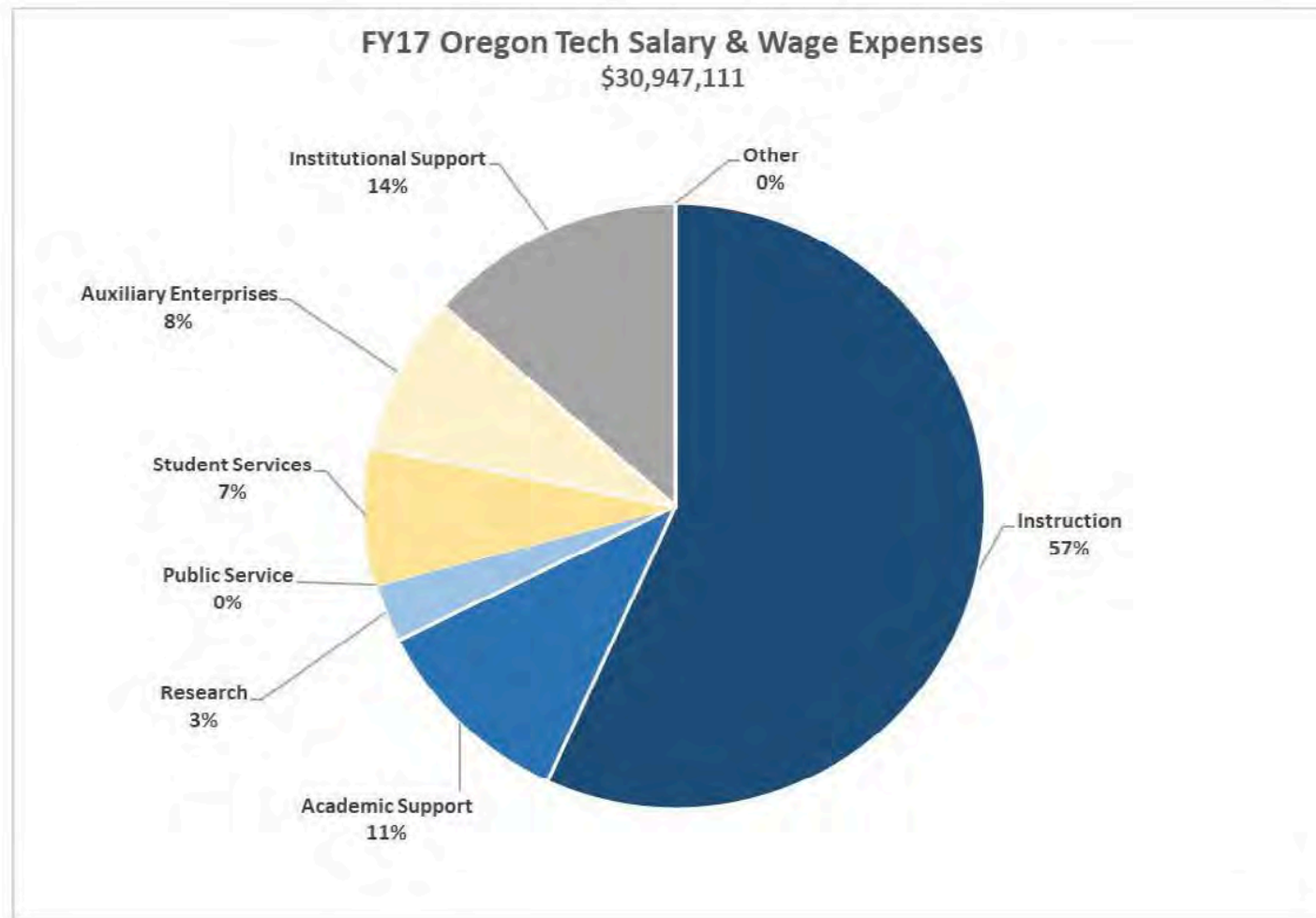
6.0	Institution Support. (Circular <u>A-21</u>)
	<p>6.1 General Administration</p> <p><i>Executive Management</i> <i>Fiscal Operations</i> <i>General Administration and Logistical Services</i> <i>Administrative Computing Services</i></p> <p>6.2 Public Relations/Development/Alumni Affairs (Usually included in Other Institutional Activity (OIA))</p> <p>6.3 Sponsored Projects Administration</p> <p><i>Grants and Contracts Administration</i> <i>Grants and Contracts Accounting</i> <i>Research Compliance Office</i> Check institution's financial accounting system for other units identified as sponsored projects administration</p>
7.0	Operation and Maintenance of Plant. (NACUBO and Circular <u>A-21</u>) This category should include the operation and maintenance of physical plants for all institutional activities, including auxiliary enterprises and independent operations. Examples:
	<p><i>Physical Plant Administration</i> <i>Building Maintenance</i> <i>Custodial Services</i> <i>Safety</i> <i>Security</i> <i>Space Management</i> <i>Occupational Health</i> <i>Utilities</i> <i>Landscape and Grounds</i> <i>Major Repairs and Renovation</i></p>
8.0	This category includes Scholarships and Fellowships but is not used in facilities. (NACUBO)
9.0	Auxiliary Enterprises. (NACUBO) An auxiliary enterprise is an entity that exists to furnish goods or services to students, faculty, or staff, and that charges a fee directly related to, although not necessarily equal to, the cost of the goods or services. This also includes Division I Intercollegiate Athletics.
10.0	Independent Operations. (NACUBO) This category includes those operations that are independent of, or unrelated to, the primary missions of the institution but that may enhance these activities. This category is generally limited to major federally funded research and development centers such as the Johns Hopkins Applied Physics Laboratory.
11.0	Hospitals. (NACUBO) This category includes patient care operations of the separately organized and budgeted hospital, including nursing and other professional services, general services, administrative services, fiscal services, etc., that are included within the organized hospital.
12.0	Service Center. (Circular <u>A-21</u>) An operation that provides a service or product or a group of services or products for a fee to users principally within the institutional community. The services may range from highly specialized to typical or necessary functions. Often they could not be provided as effectively or efficiently if provided by external sources. A service center develops a rate for the service activity based on actual incurred costs and charges users based on actual usage.
13.0	Unoccupied Space. (Supplemental Category) Space that at the time of the inventory is either vacant (not assigned to any faculty or staff members) or under renovation.
NOTE:	OMB Circular <u>A-21</u> requires the long form (detailed information) to be completed for institutions receiving over \$10 million from the federal government for grants and contracts and requires such institutions to apply for a Facilities and Administration Rate.

Tuition and fees (published charges)	The amount of <u>tuition</u> and <u>required fees</u> covering a full academic year most frequently charged to students. These values represent what a typical student would be charged and may not be the same for all students at an institution. If tuition is charged on a per-credit-hour basis, the average full-time <u>credit hour</u> load for an entire academic year is used to estimate average tuition. Required fees include all fixed sum charges that are required of such a large proportion of all students that the student who does not pay the charges is an exception.
Grants and contracts (revenues)	Revenues from governmental agencies and nongovernmental parties that are for specific research projects, other types of programs , or for general institutional operations (if not government appropriations). Examples are research projects, training programs, student financial assistance, and similar activities for which amounts are received or expenses are reimbursable under the terms of a grant or contract, including amounts to cover both direct and indirect expenses. Includes Pell Grants and reimbursement for costs of administering federal financial aid programs. Grants and contracts should be classified to identify the governmental level - federal, state, or local - funding the grant or contract to the institution; grants and contracts from other sources are classified as nongovernmental grants and contracts. GASB institutions are required to classify in financial reports such grants and contracts as either operating or non-operating.
Auxiliary enterprises revenues	Revenues generated by or collected from the auxiliary enterprise operations of the institution that exist to furnish a service to students, faculty, or staff, and that charge a fee that is directly related to, although not necessarily equal to, the cost of the service. Auxiliary enterprises are managed as essentially self-supporting activities. Examples are residence halls, food services, student health services, intercollegiate athletics, college unions, college stores, and movie theaters.

Appendix 2: Oregon Tech Graphs



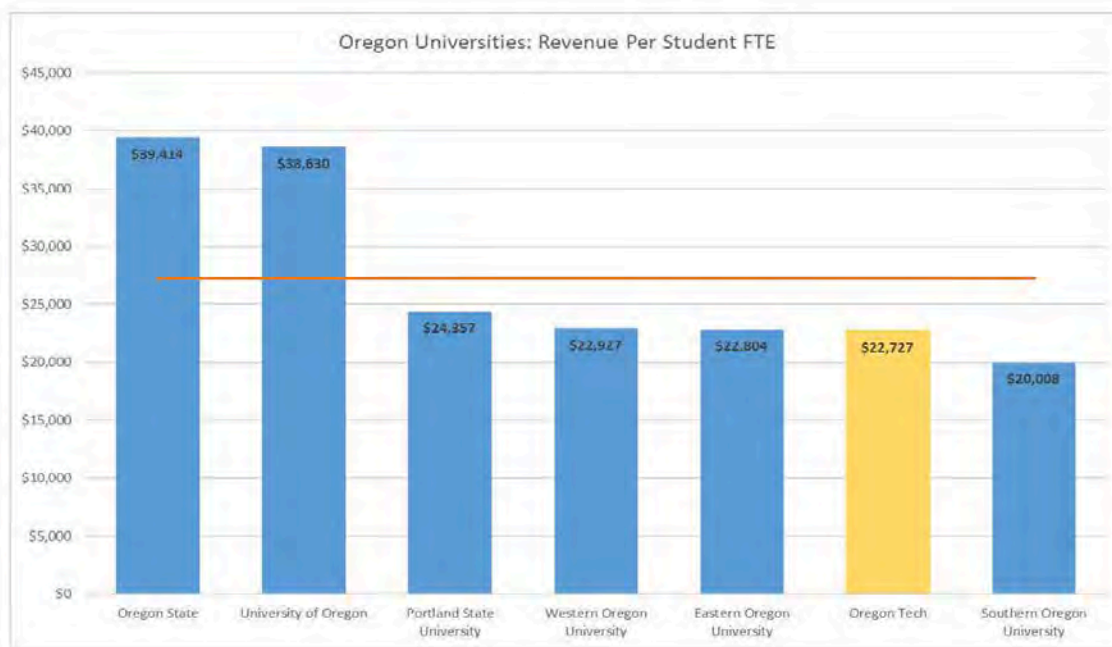


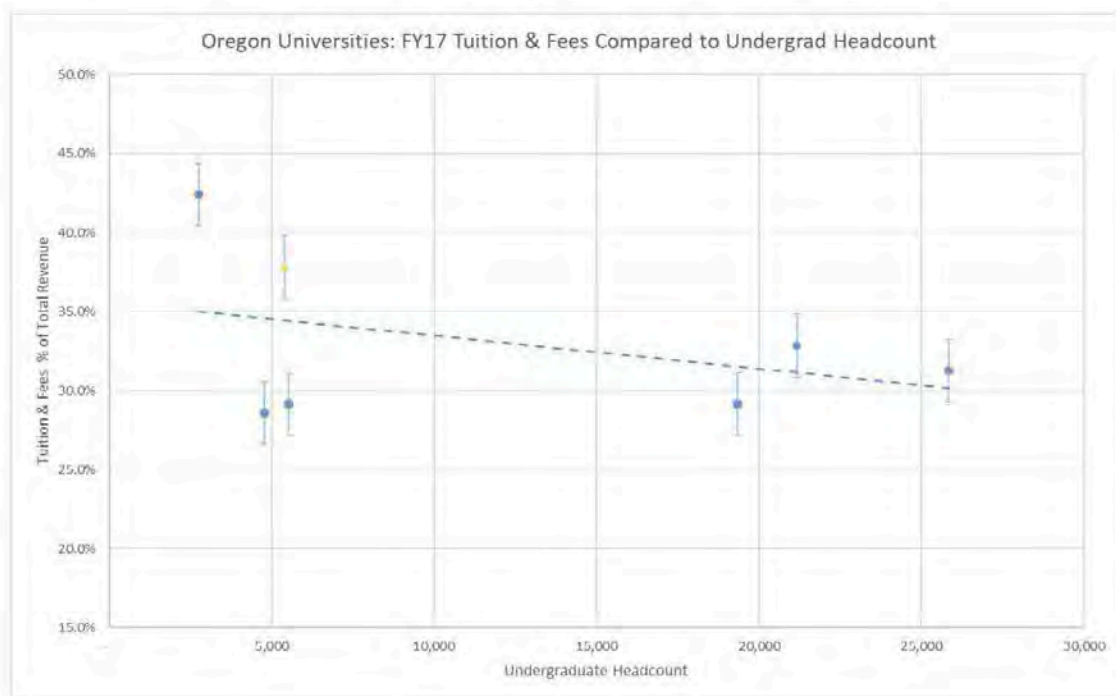
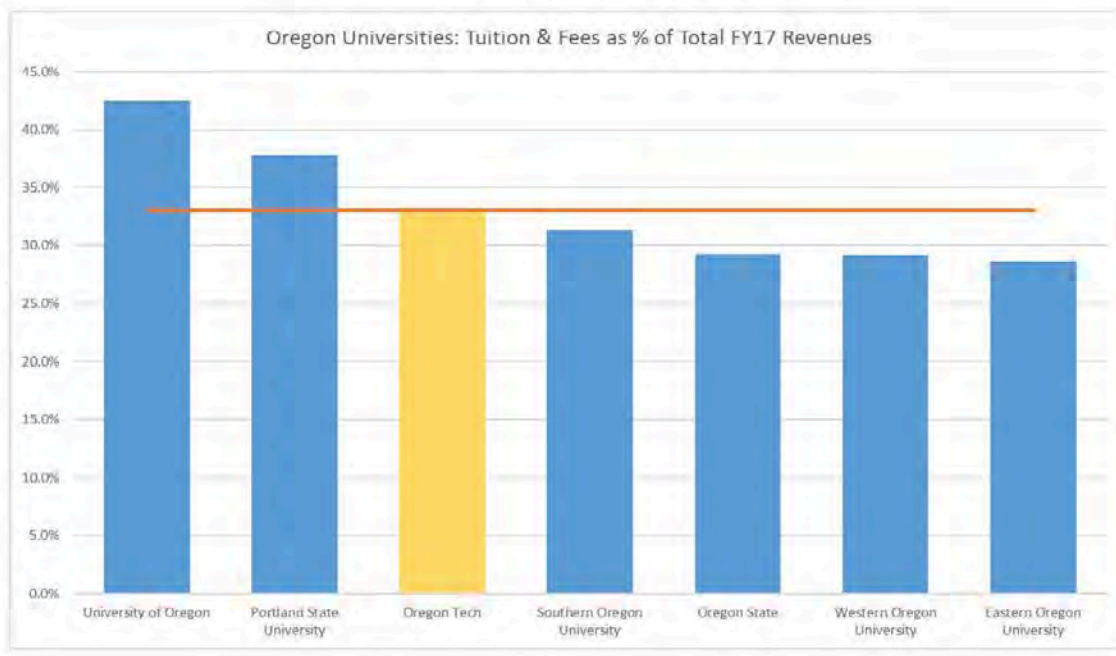


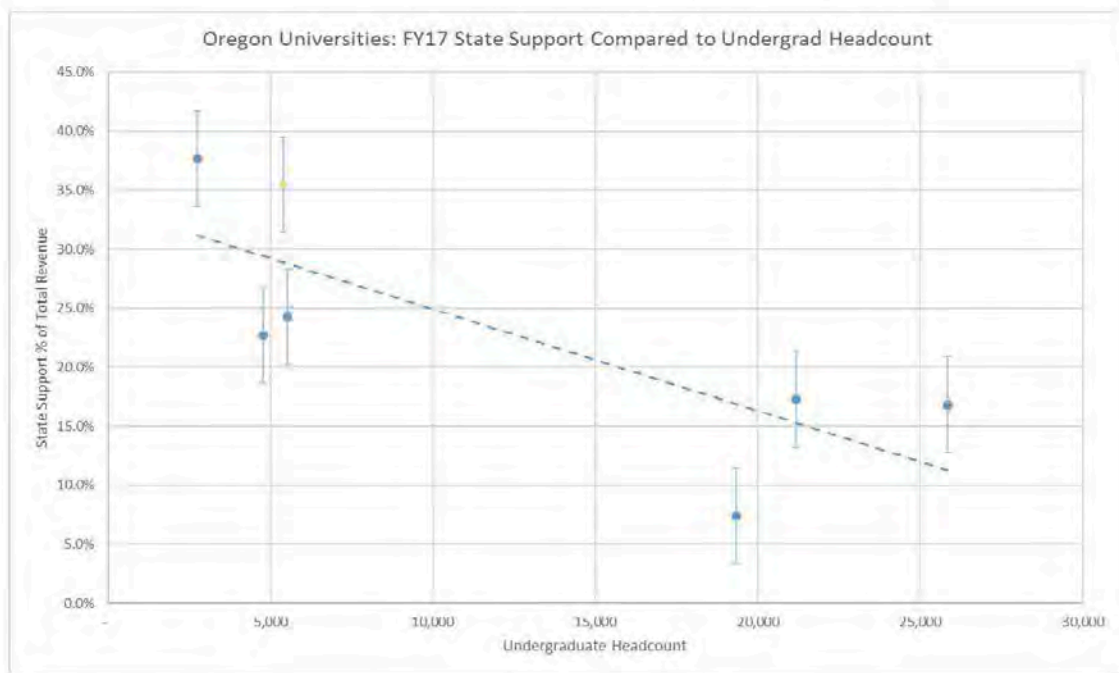
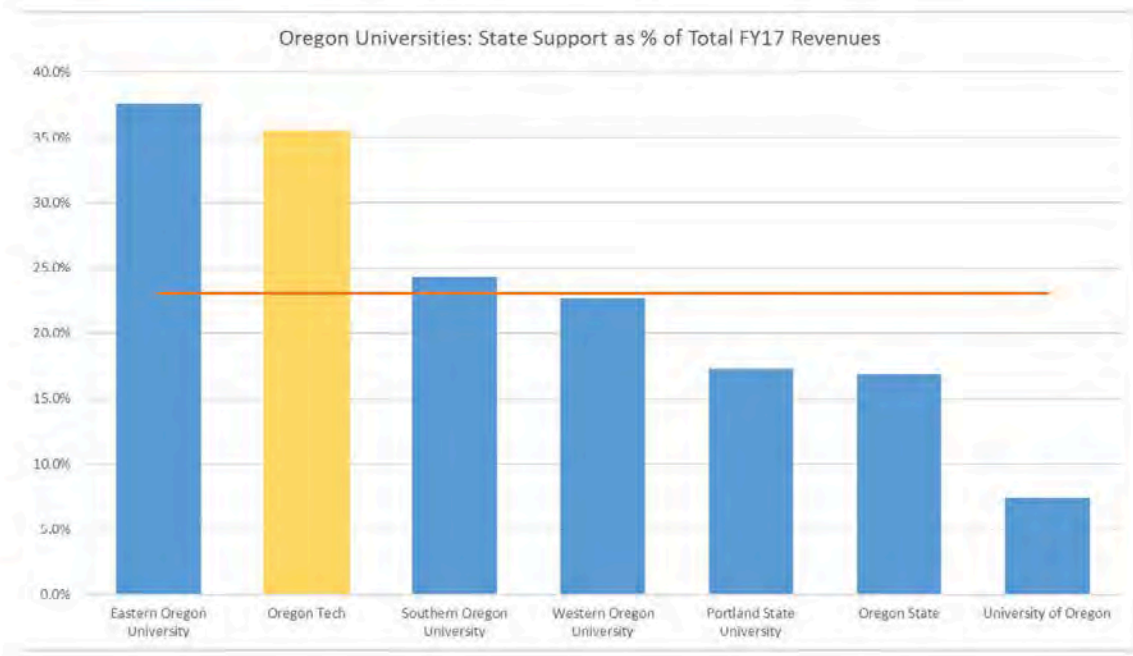
Appendix 3: Oregon Institutions

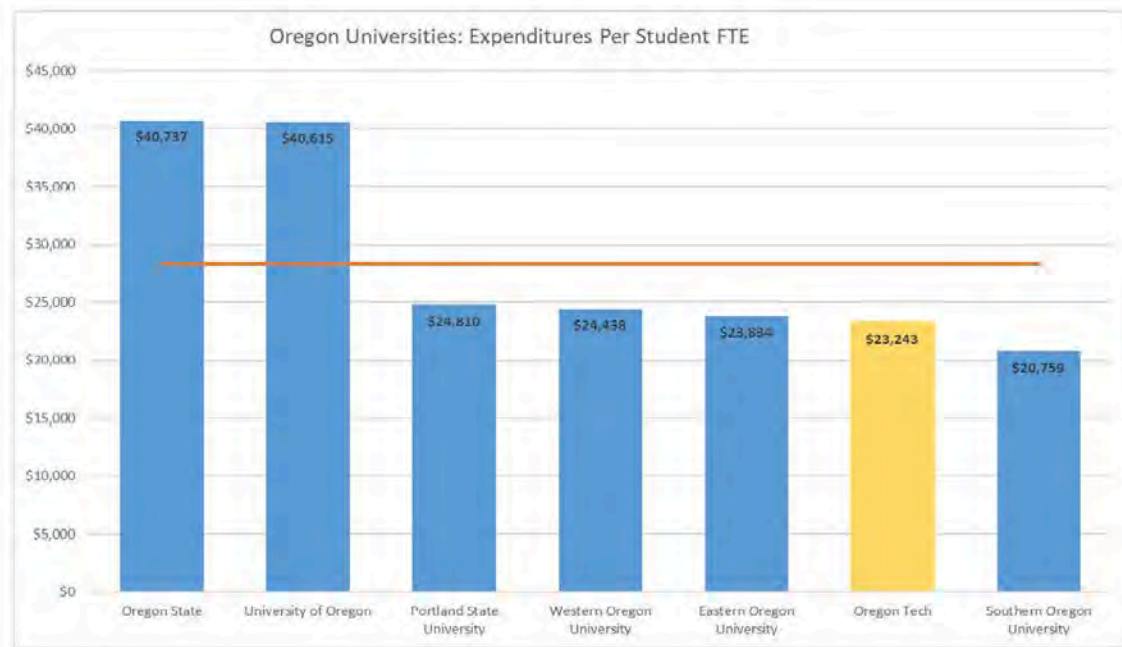
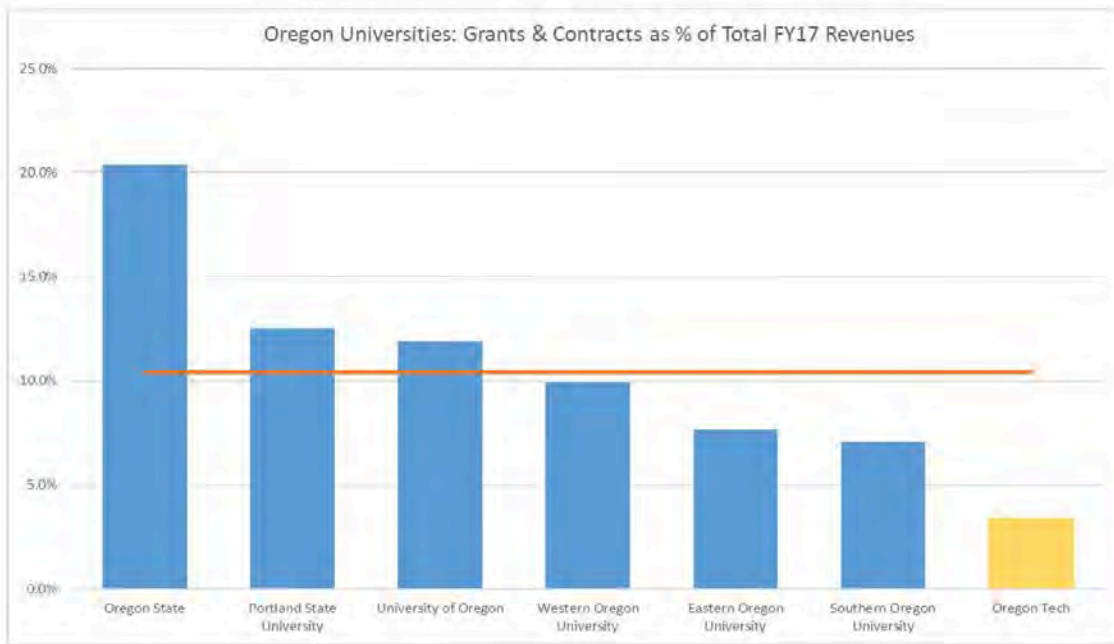
Institution	sFTE	Total Fall	
		Enrollment	Total Expenditures
Oregon State	27503	30,896	\$1,120,394,729
University of Oregon	23274	22,887	\$945,277,683
Portland State University	20844	26,693	\$517,141,582
Western Oregon University	4633	5,336	\$113,222,208
Southern Oregon University	4493	6,191	\$93,270,136
Oregon Tech	3307	5,486	\$76,864,270
Eastern Oregon University	2393	3,016	\$57,033,795

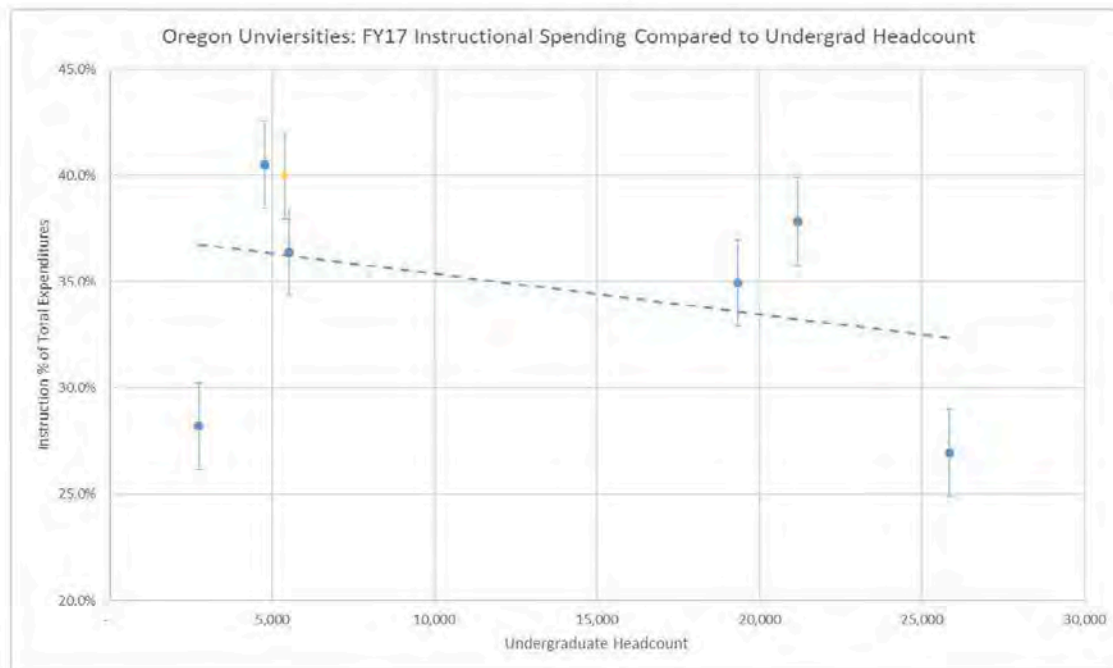
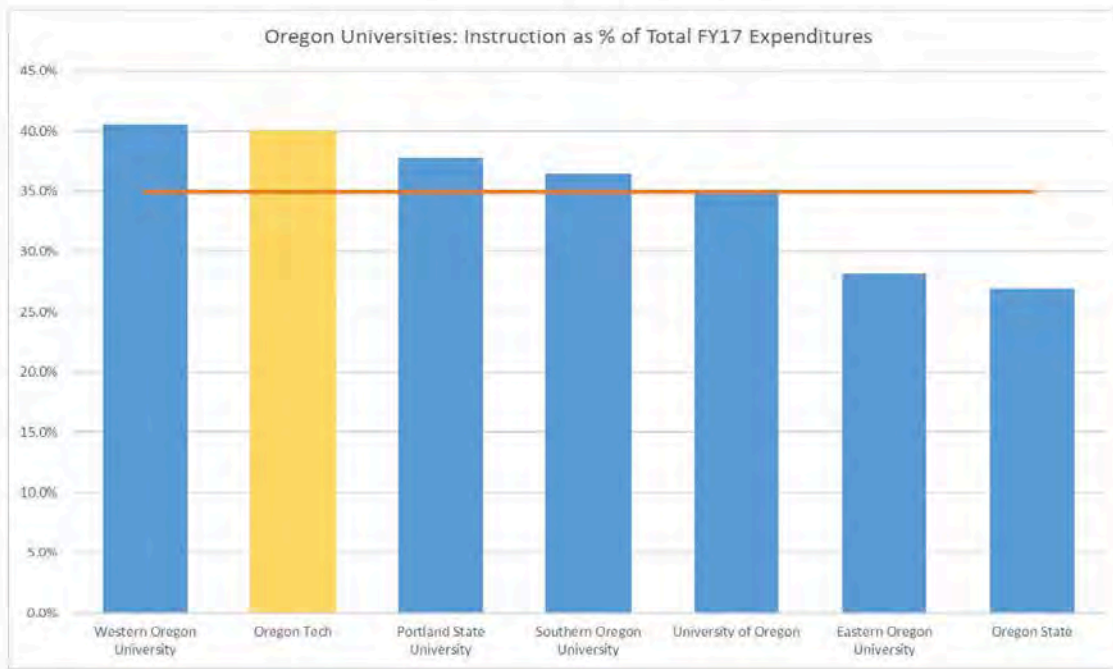
FY19 Undergraduate Tuition		
Institution	Resident	
	Annual	Non-Res Annual
University of Oregon	\$9,765	\$33,345
Oregon State University - Corvallis	\$9,435	\$28,365
Oregon State University - Cascades	\$9,120	\$28,365
Western Oregon University	\$8,391	\$24,615
Oregon Institution of Technology	\$8,276	\$26,345
Southern Oregon University	\$7,740	\$23,670
Portland State University	\$7,695	\$25,650
Eastern Oregon University	\$7,155	\$19,215

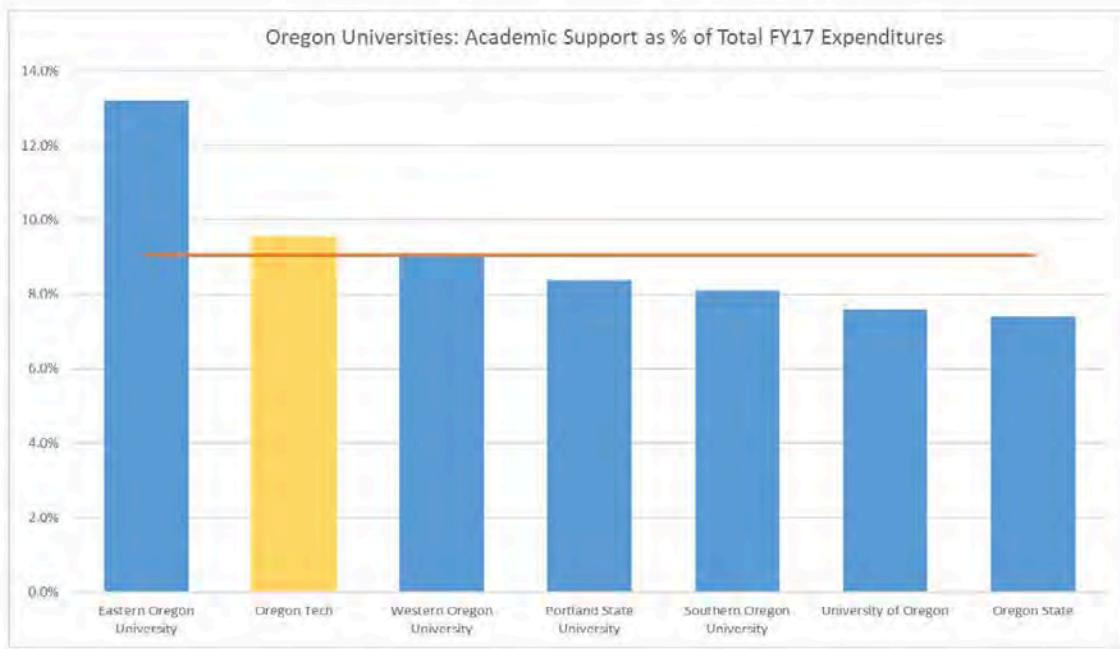
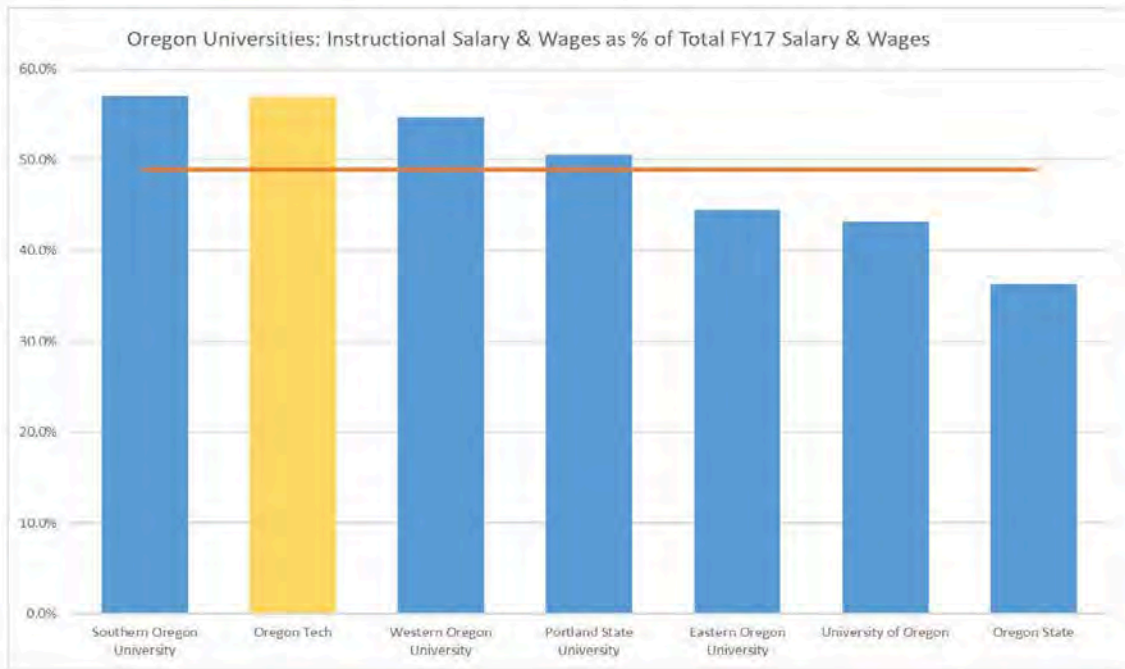


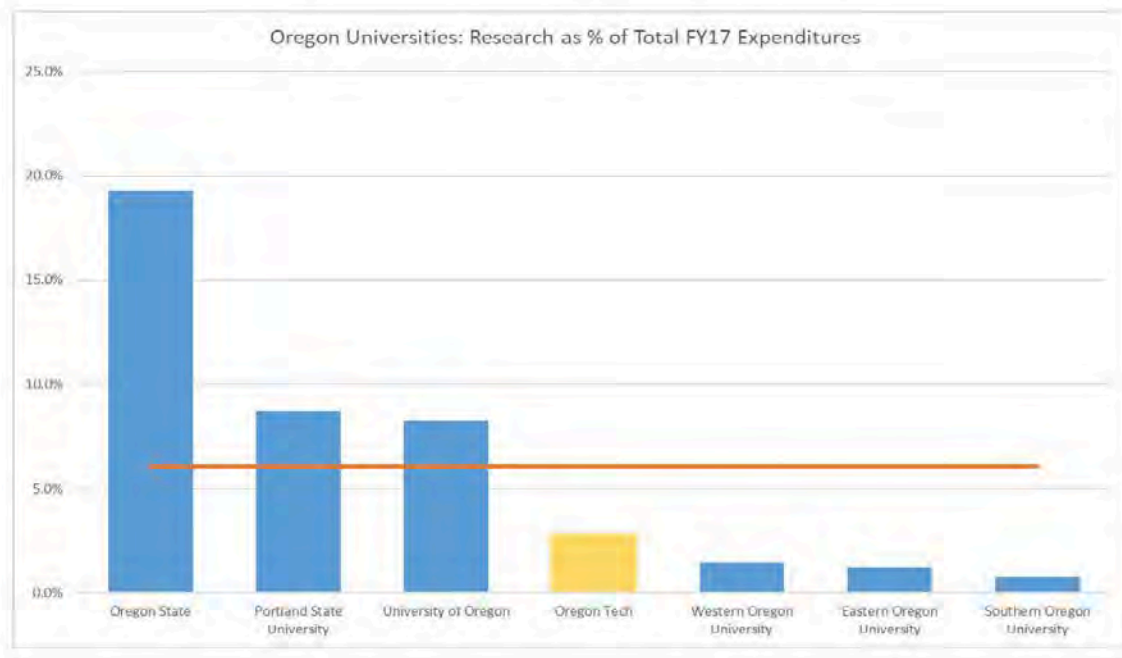
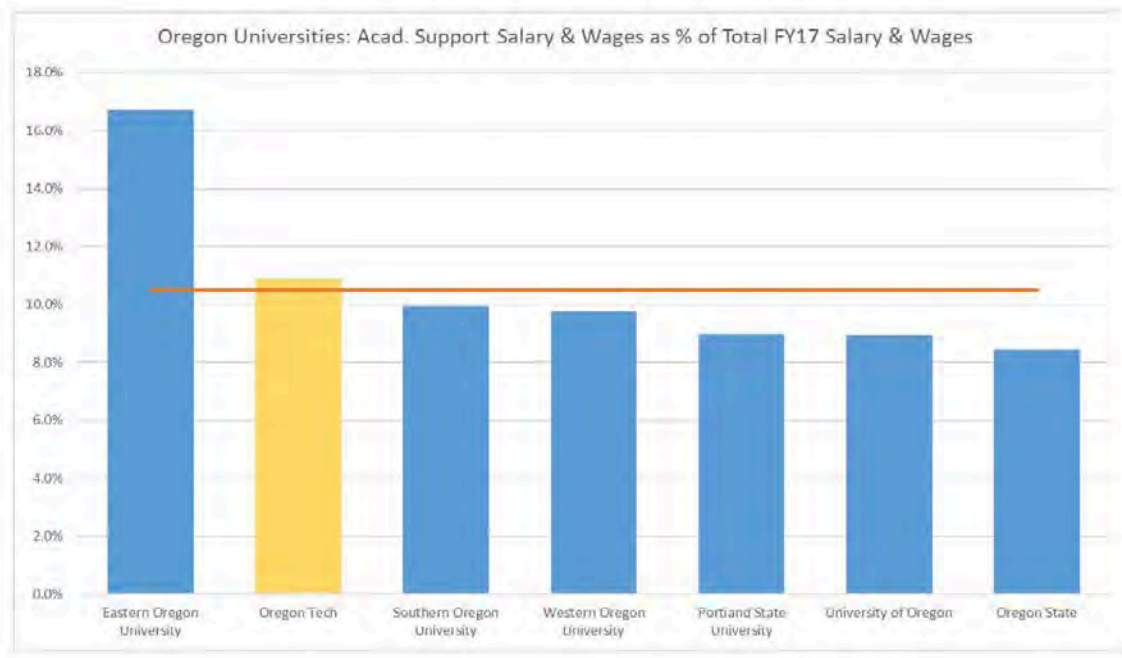


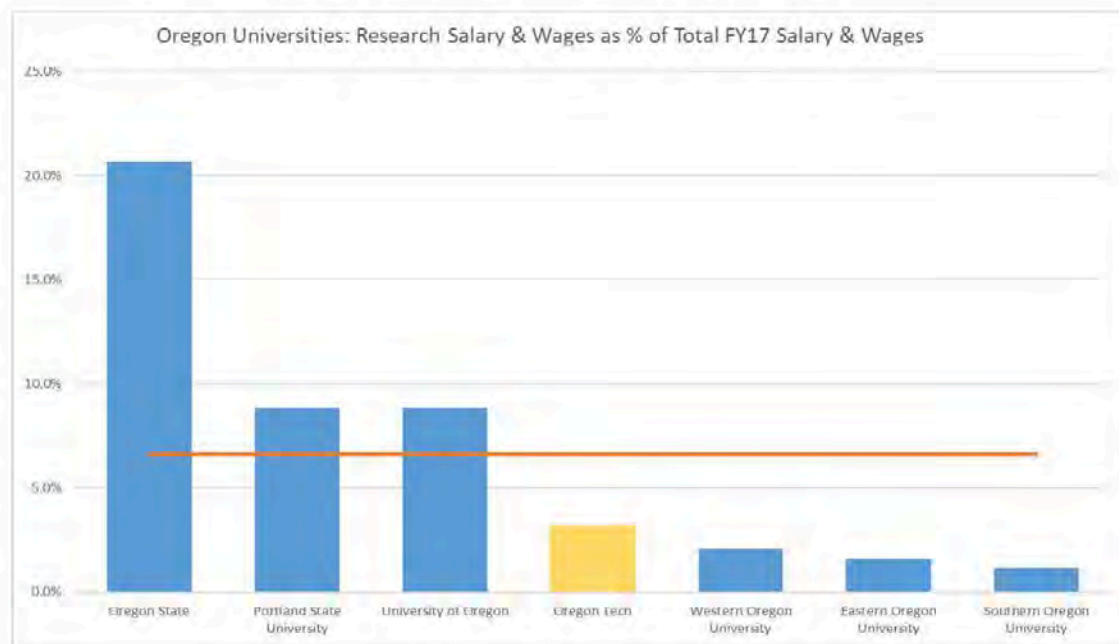
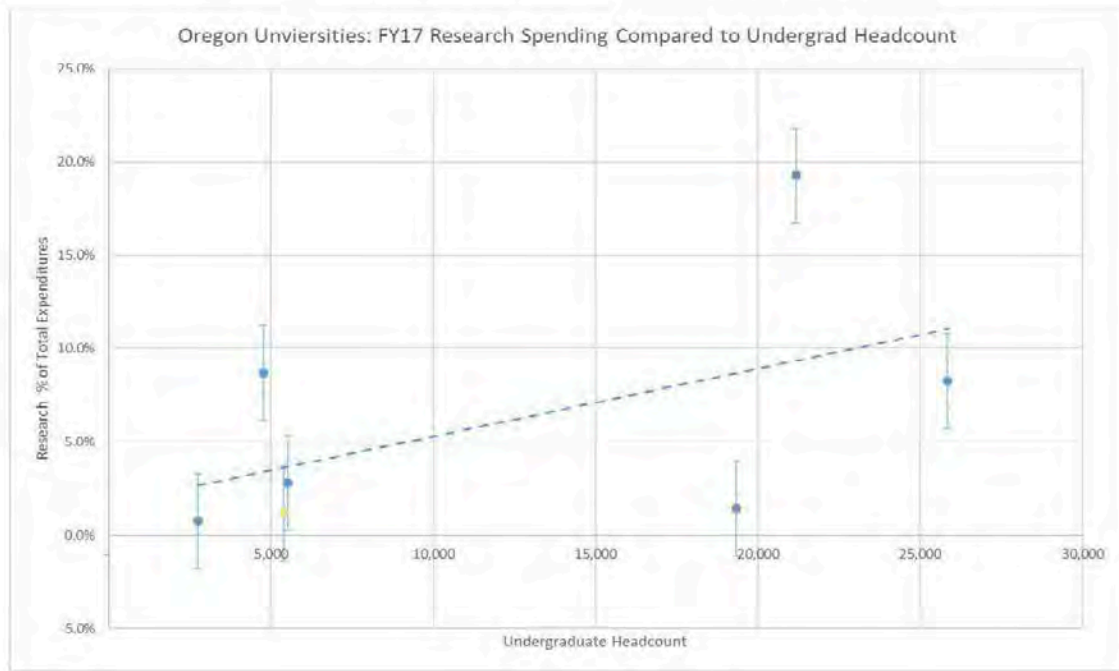


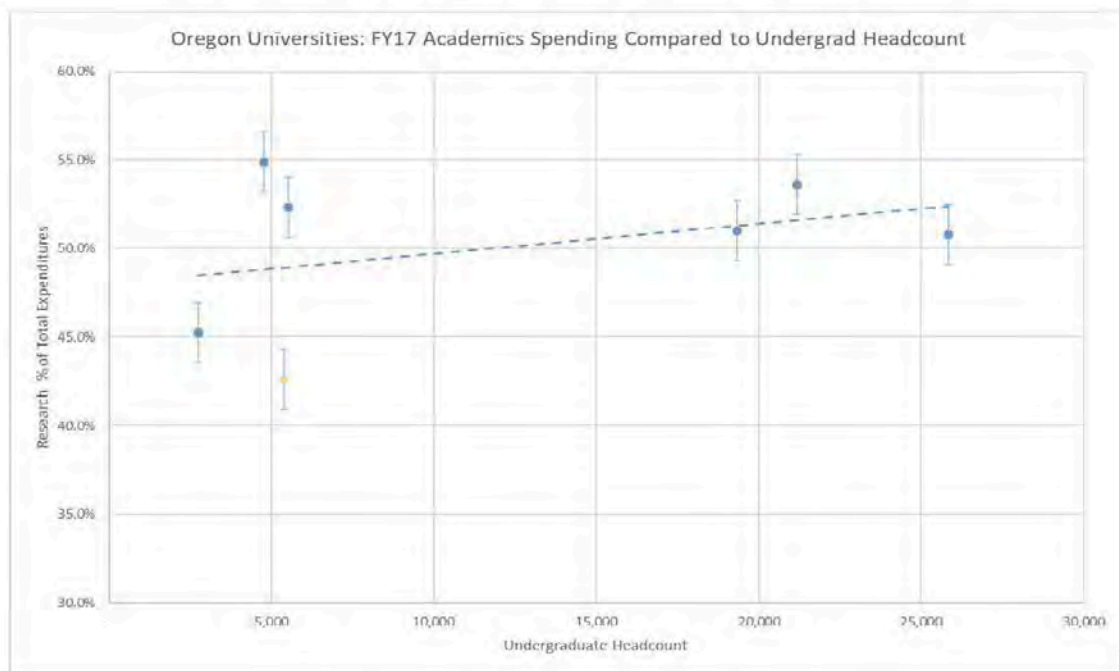
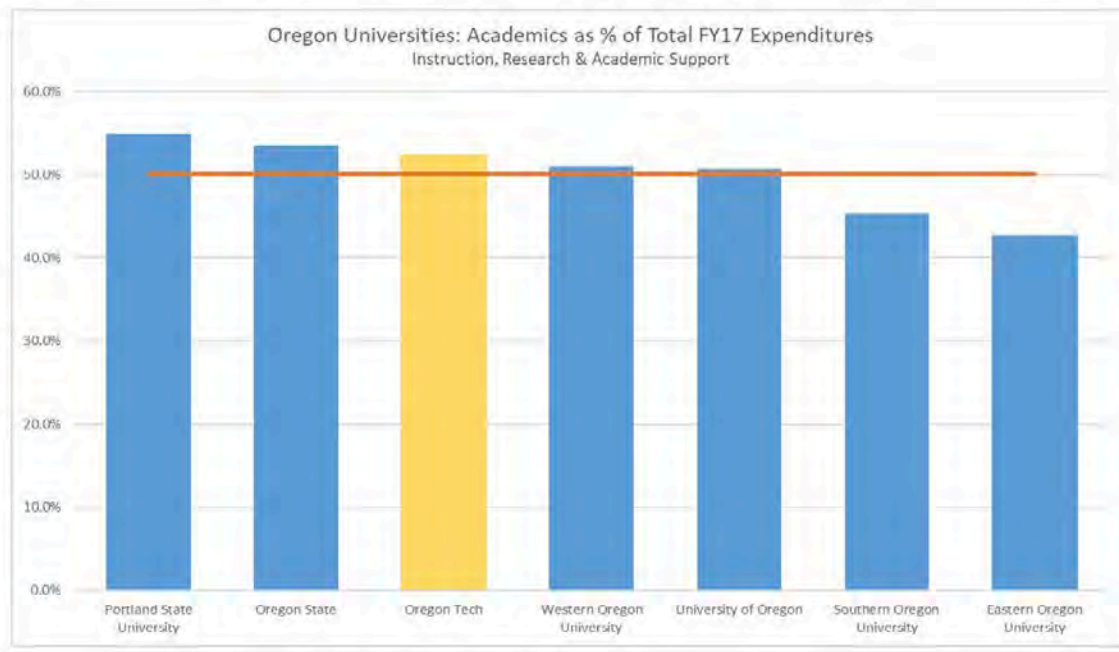


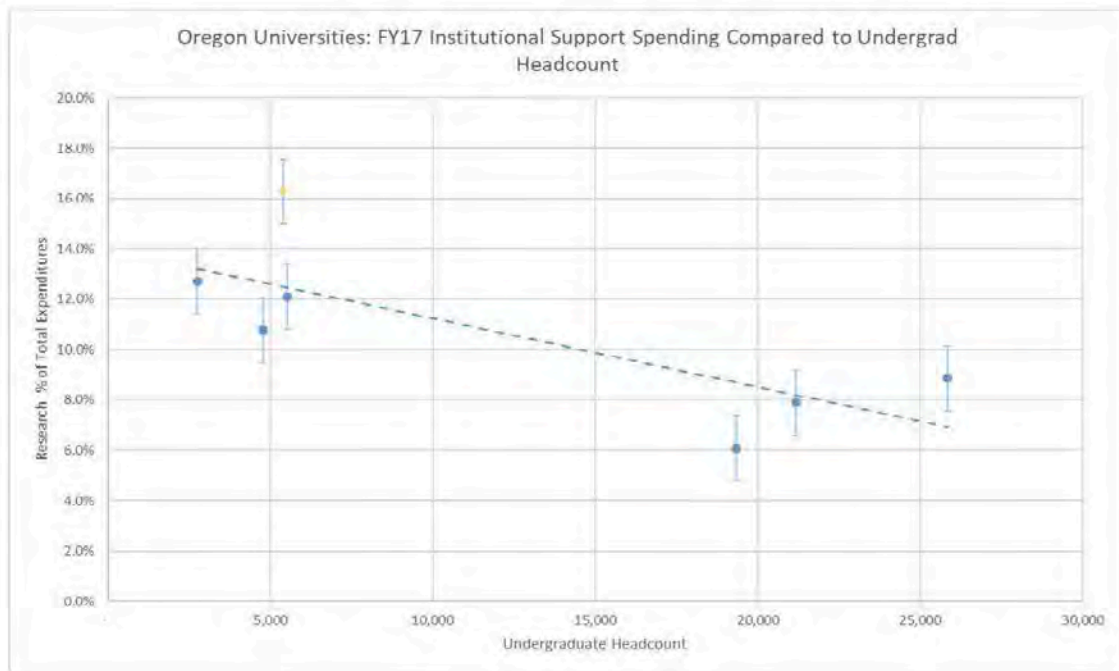
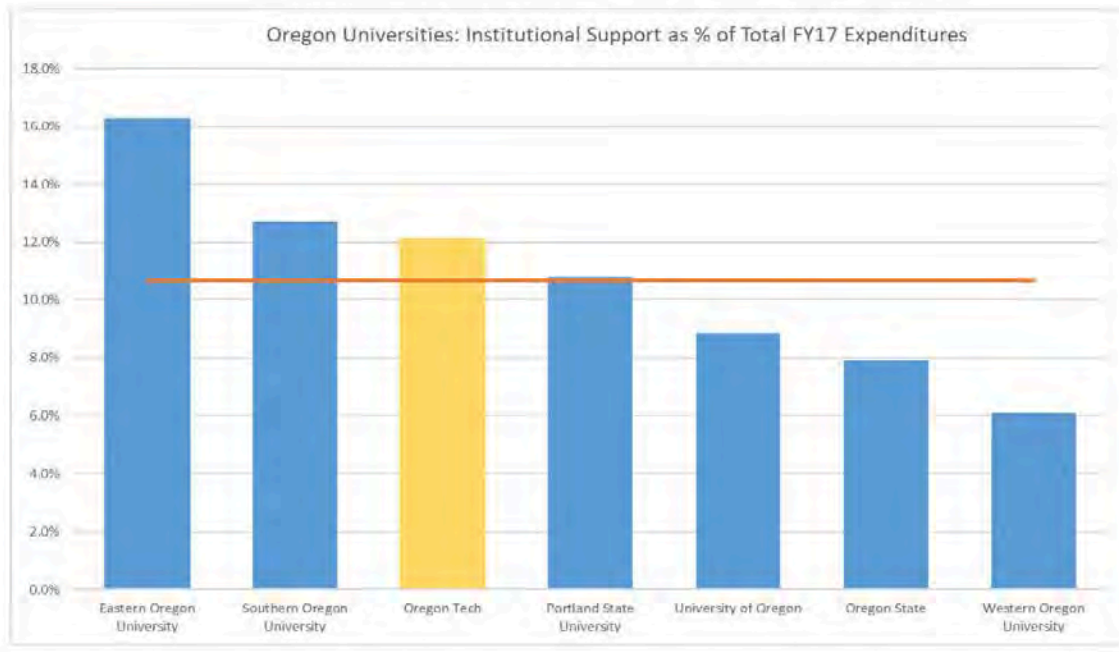


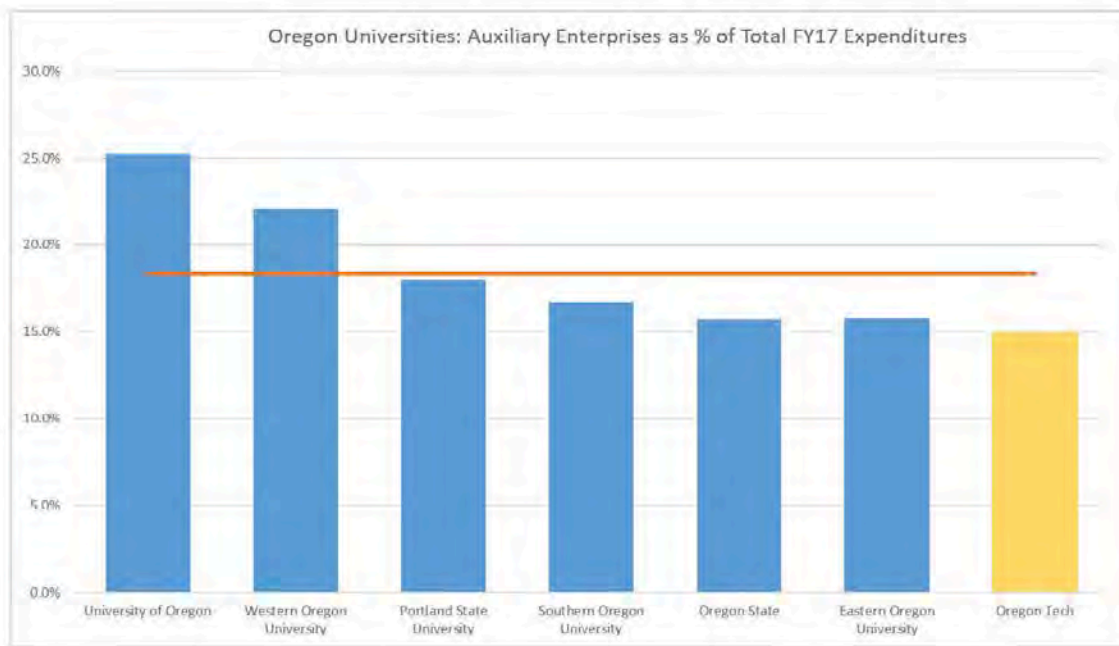
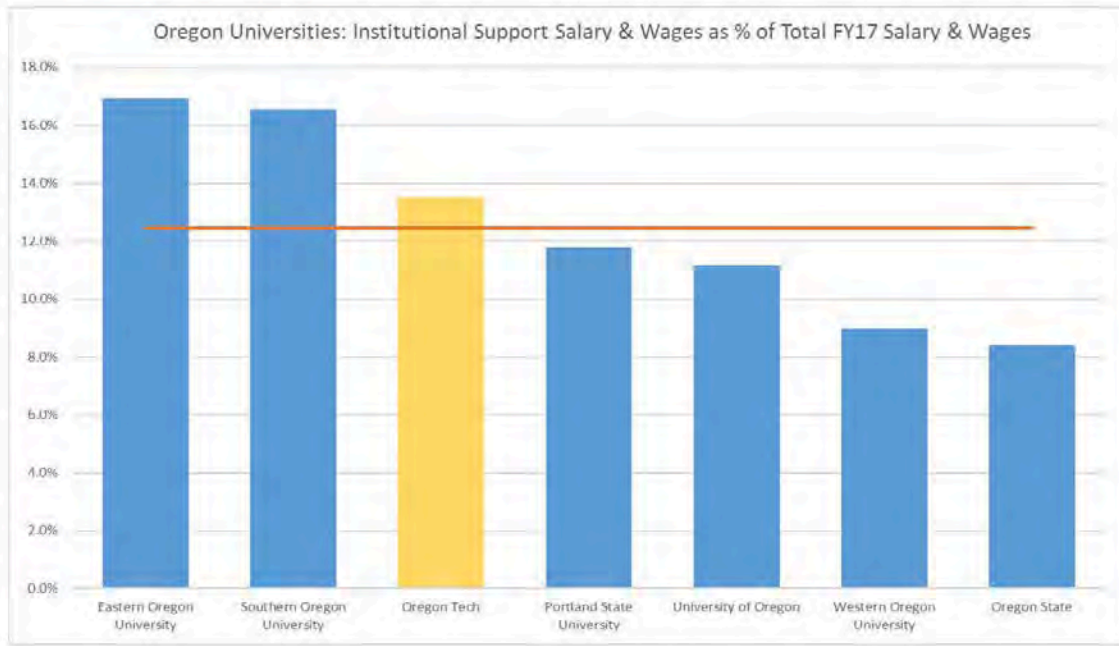


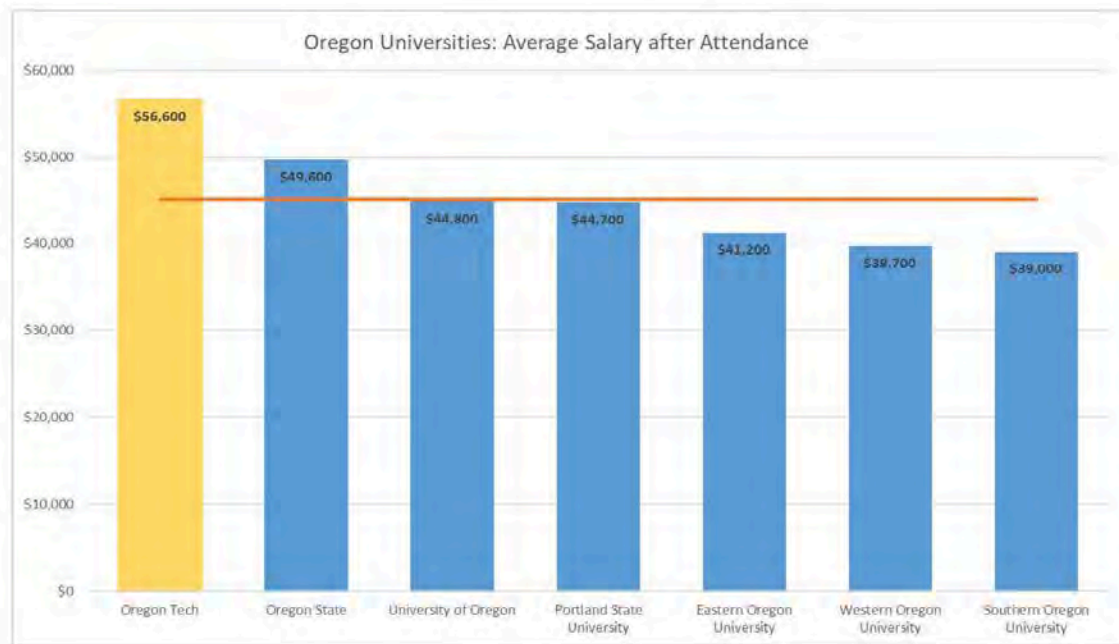
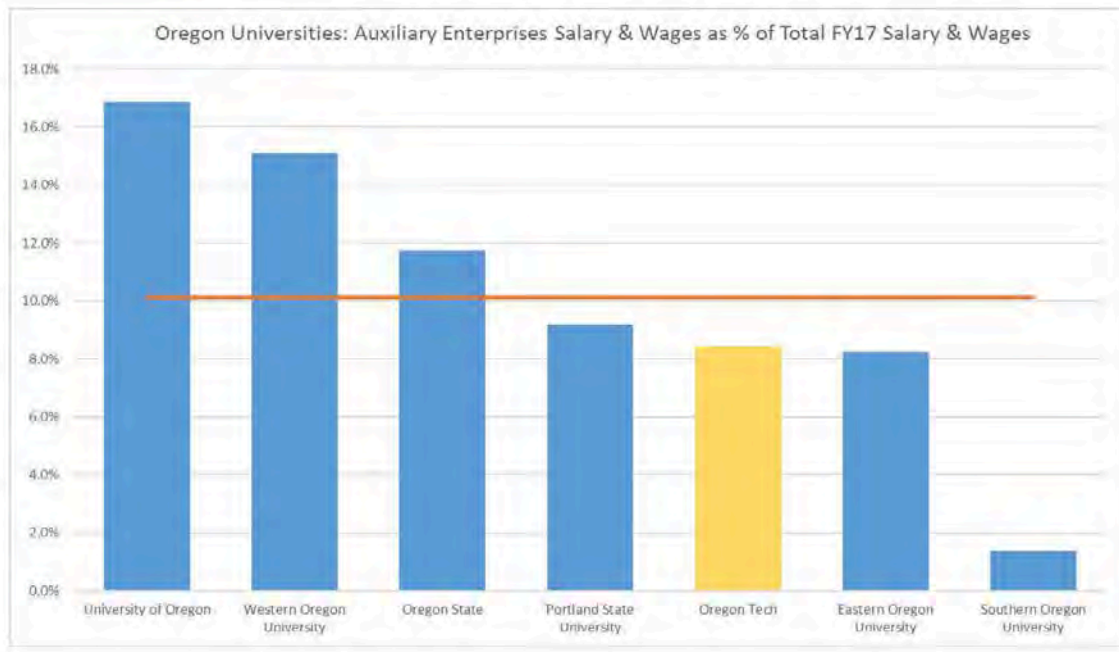






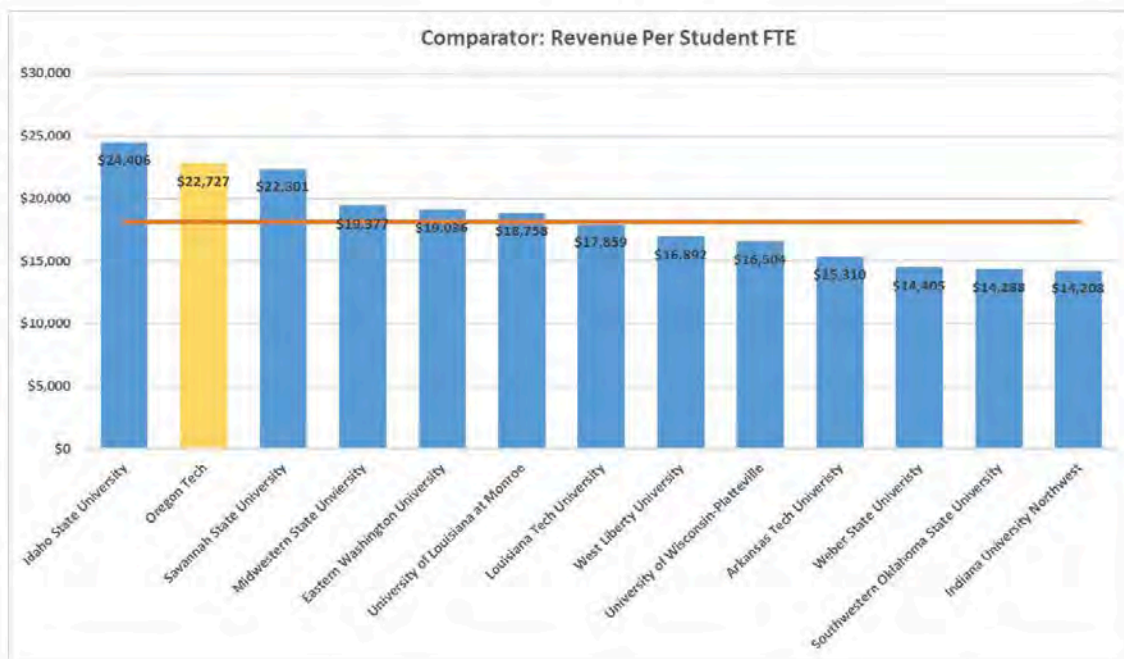


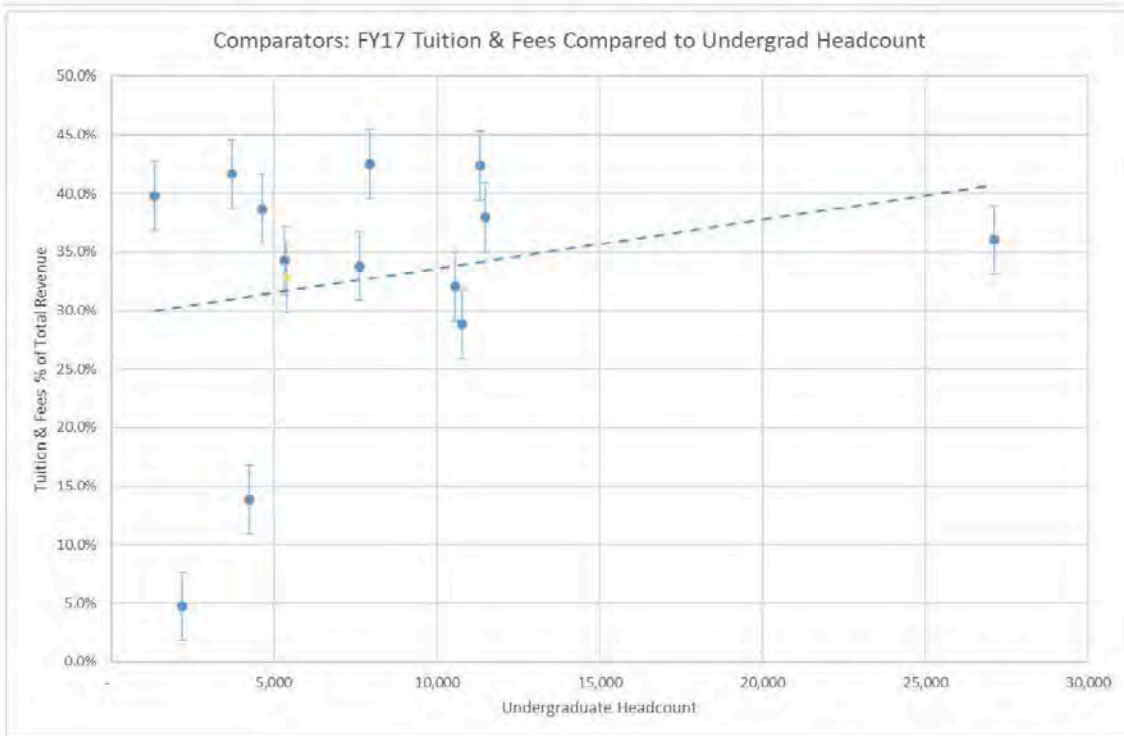
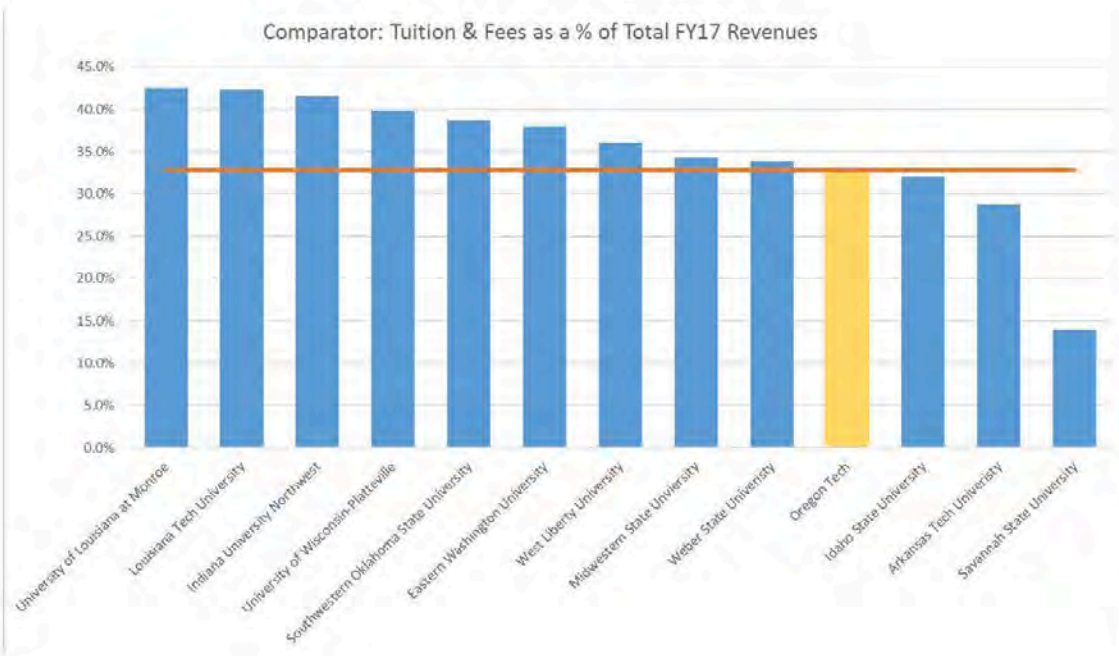


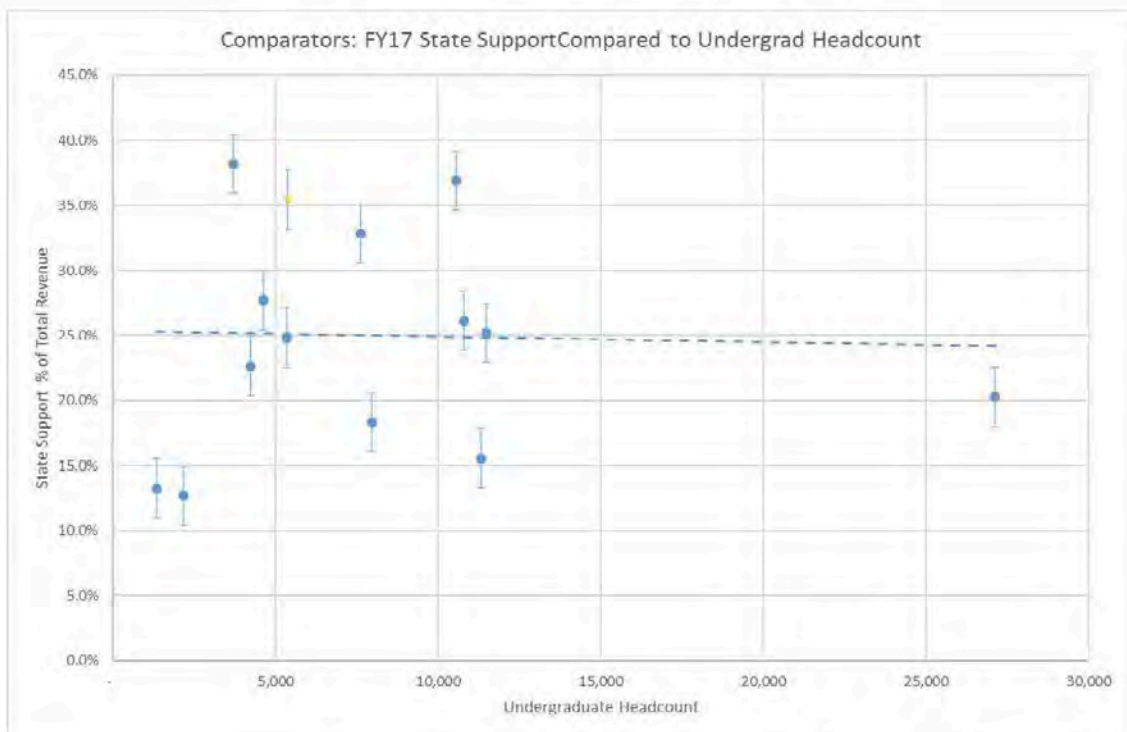
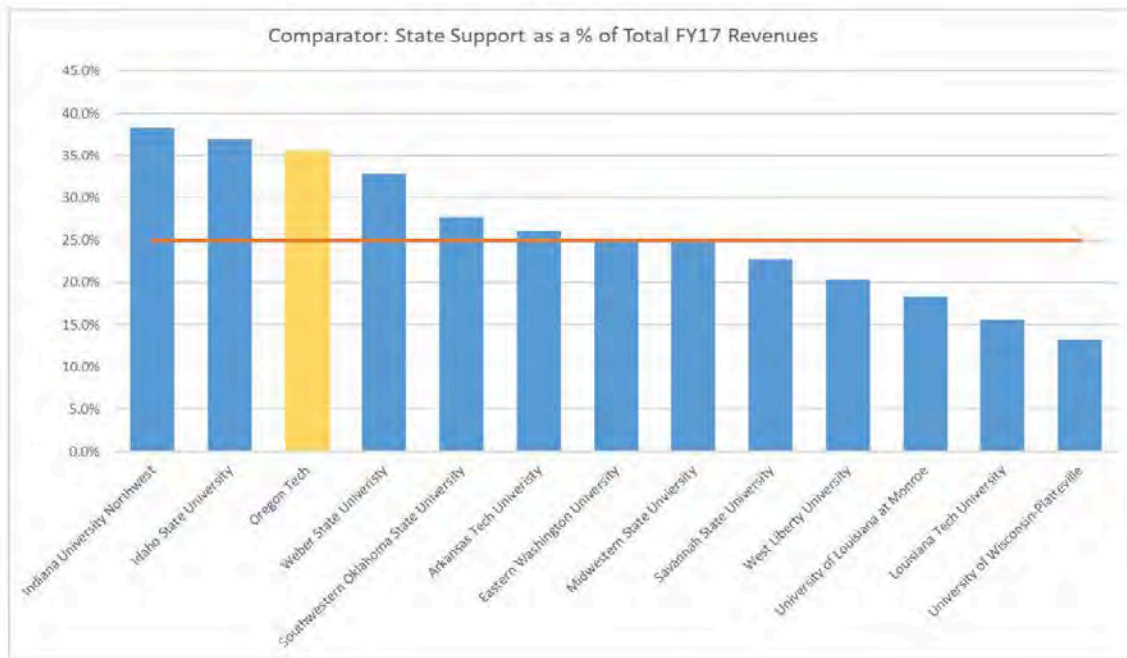


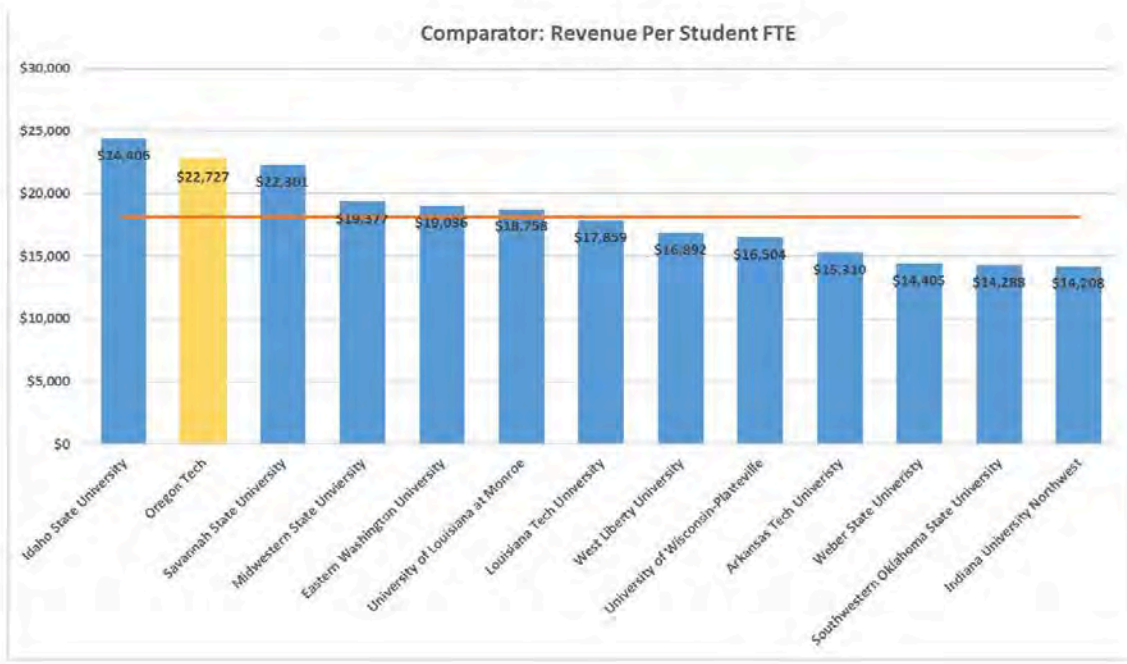
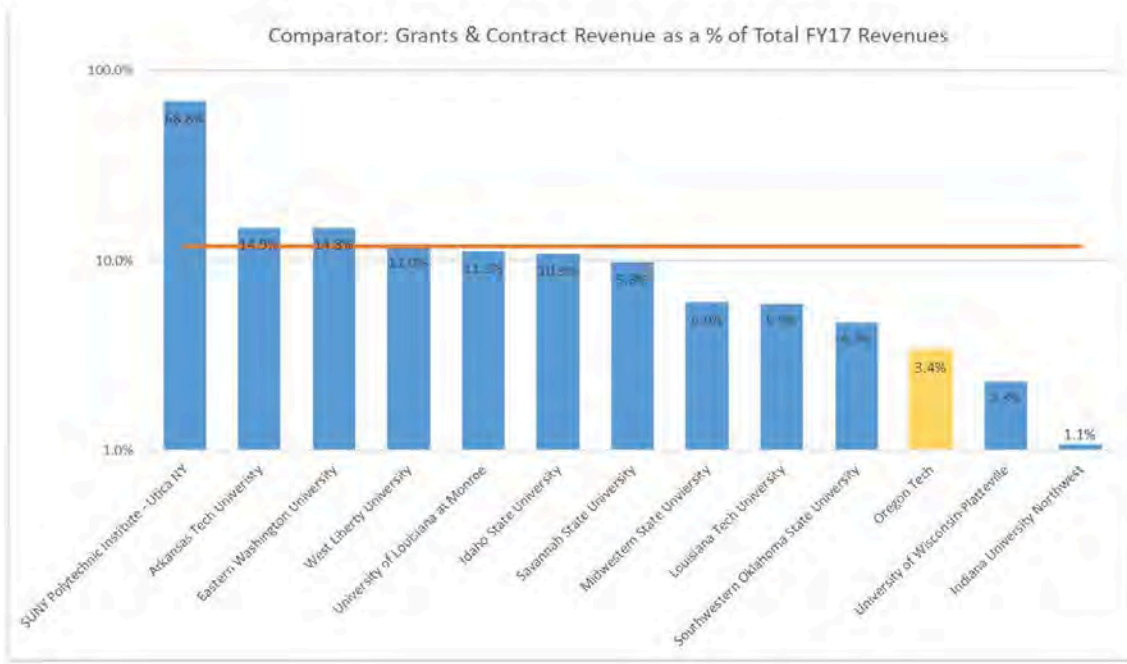
Appendix 4: National Comparators Institutions

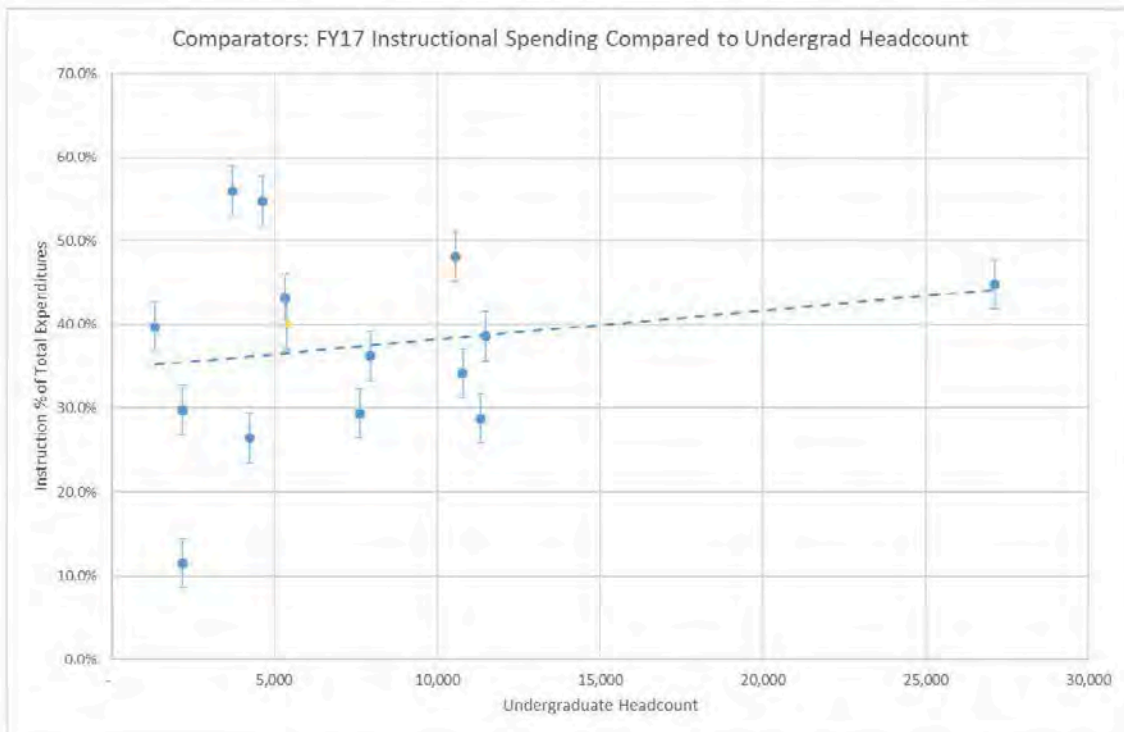
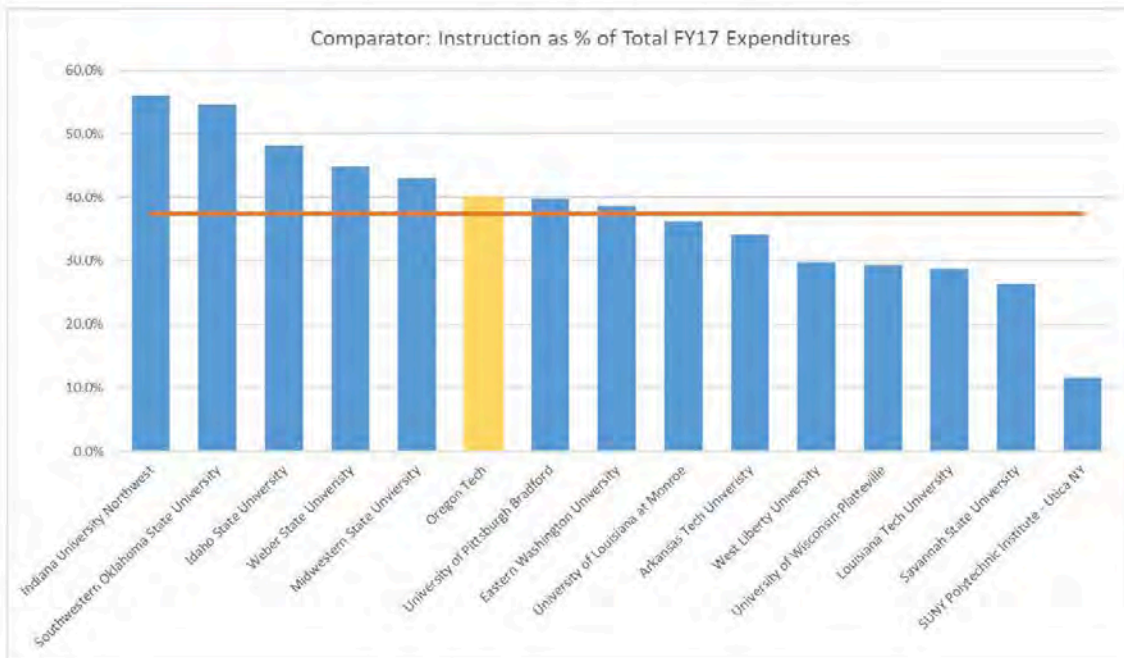
Institution	sFTE	Total Fall	
		Enrollment	Total Expenditures
SUNY Polytechnic Institute - Utica NY	2197	2,912	\$362,852,700
Idaho State University	10206	12,493	\$248,863,696
Weber State University	17216	27,949	\$237,998,775
Eastern Washington University	11775	12,607	\$227,933,369
Louisiana Tech University	10045	12,839	\$194,552,916
Arkansas Tech University	8945	11,830	\$135,362,979
University of Wisconsin-Platteville	7615	8,548	\$135,017,789
University of Louisiana at Monroe	7161	9,181	\$134,709,712
Midwestern State University	5126	6,080	\$109,502,224
Savannah State University	4490	4,429	\$102,627,482
Oregon Tech	3307	5,486	\$76,864,270
Southwestern Oklahoma State University	4810	5,448	\$65,578,345
Indiana University Northwest	3809	4,055	\$49,100,276
West Liberty University	2275	2,443	\$37,707,349
University of Pittsburgh Bradford	1596	1,336	\$31,303,107

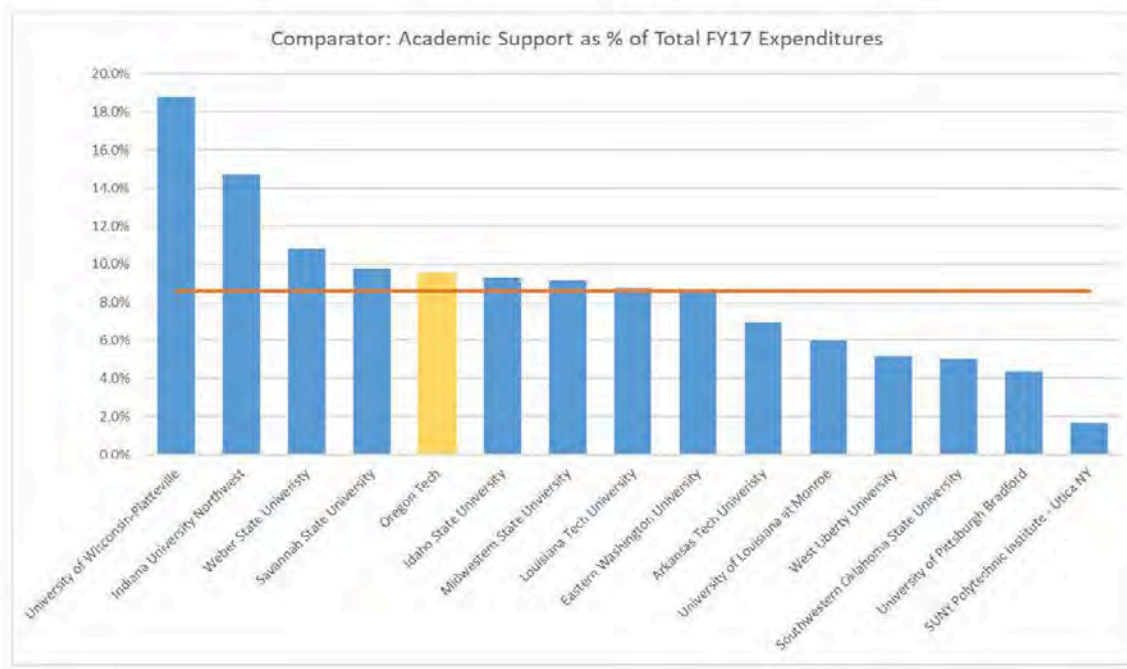
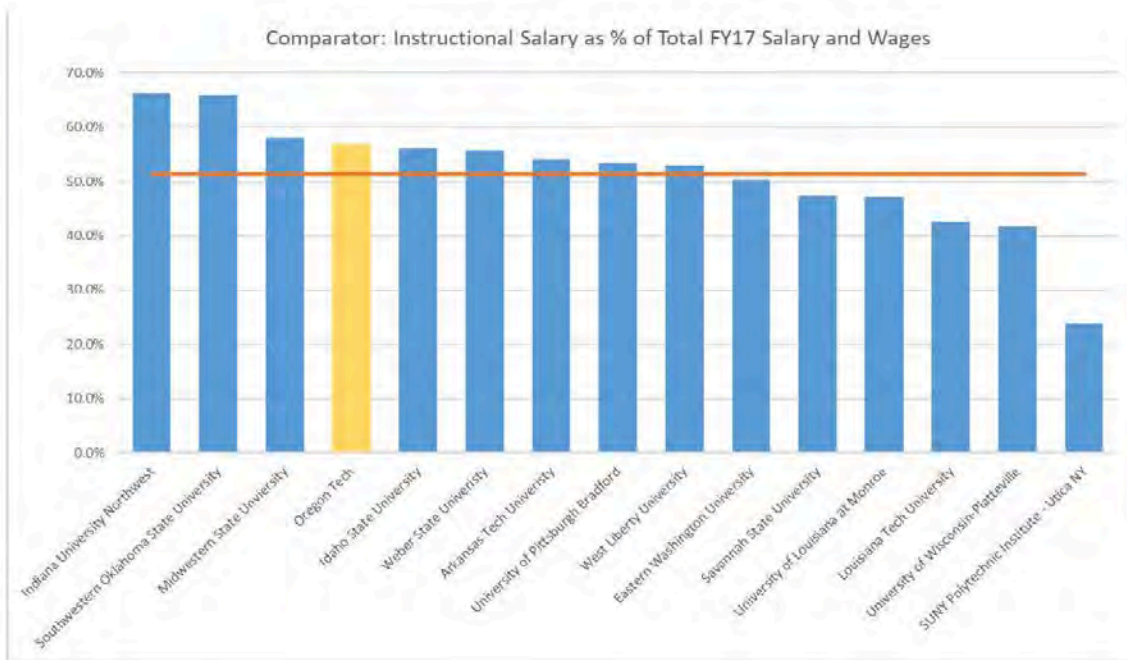


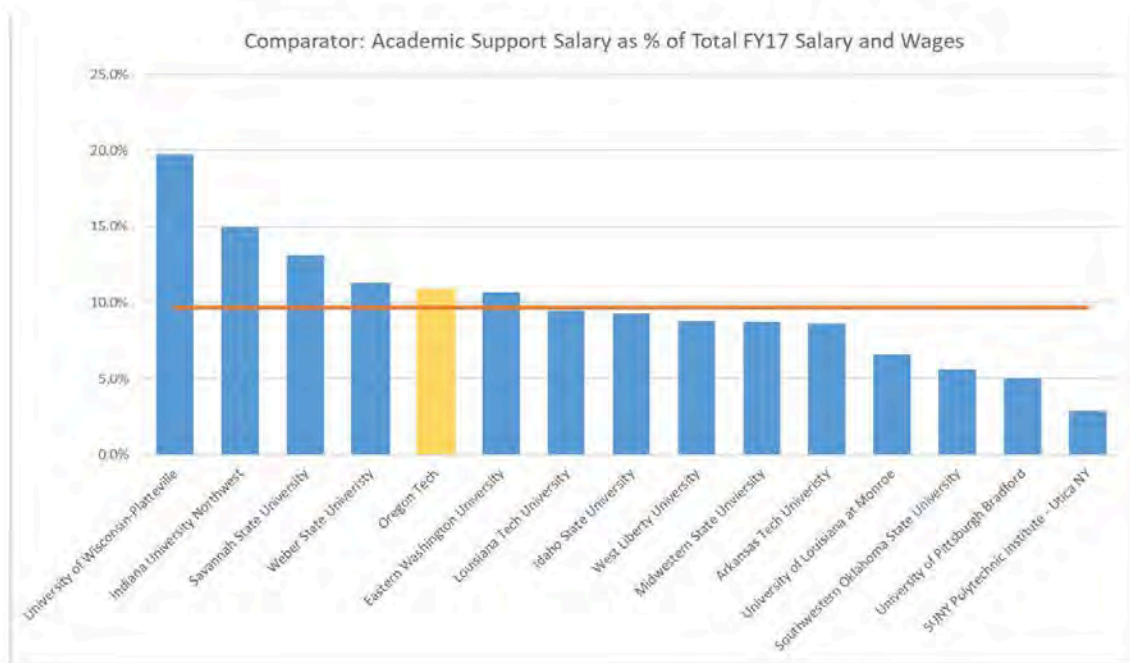
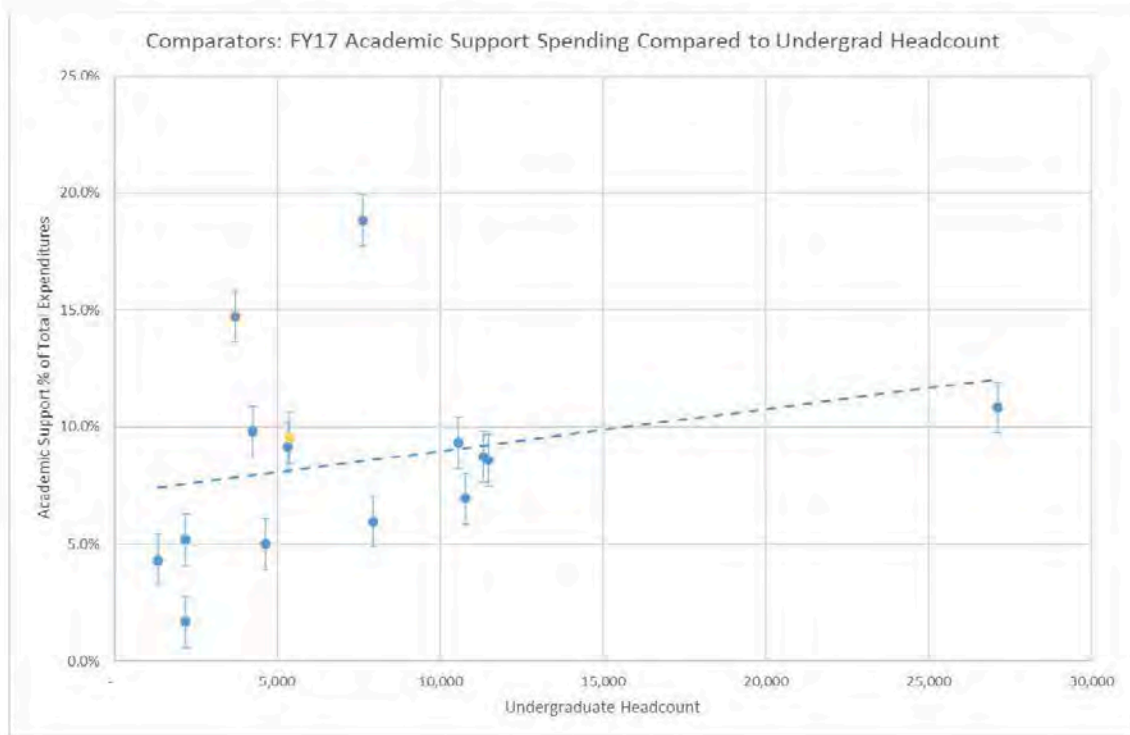


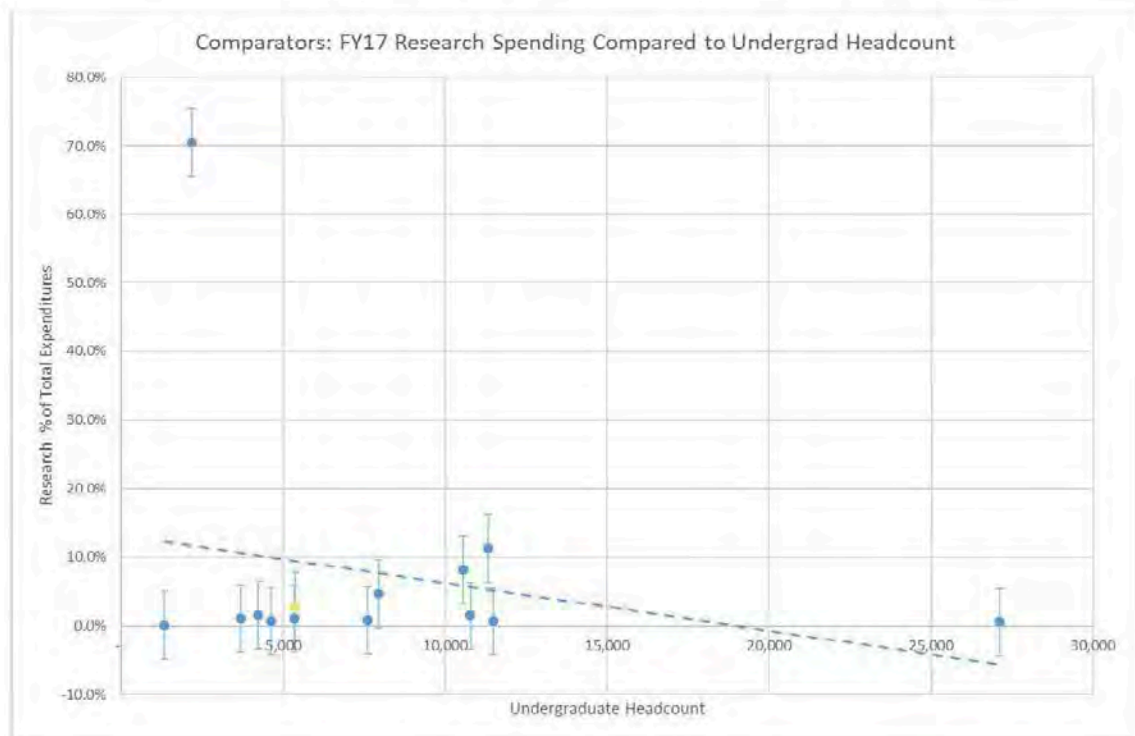
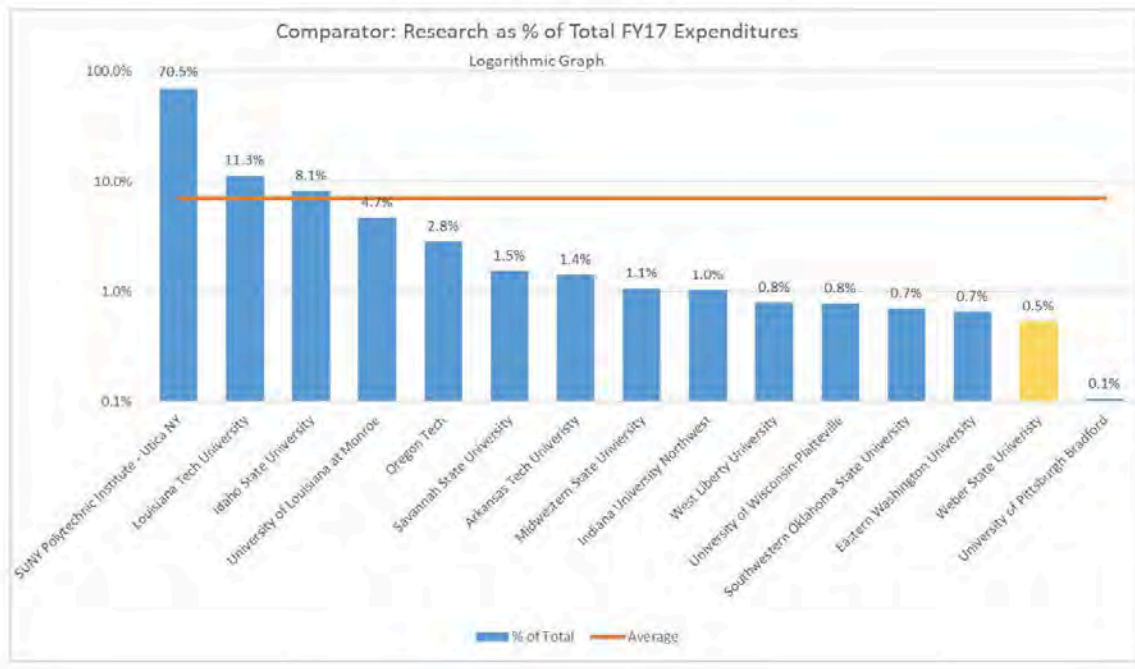


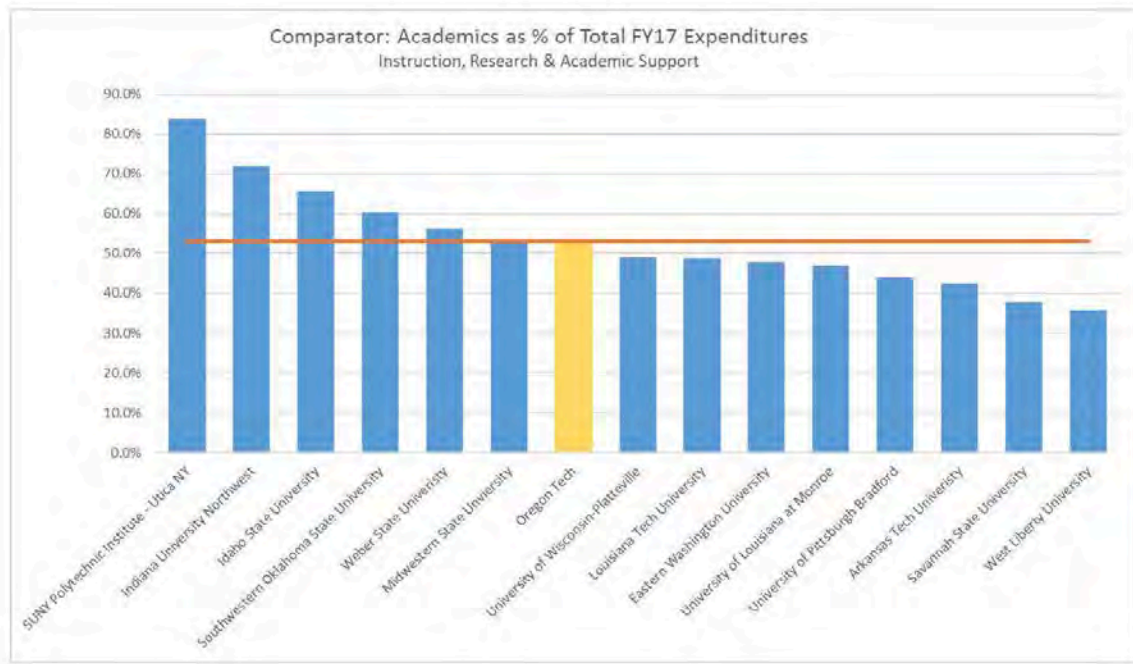
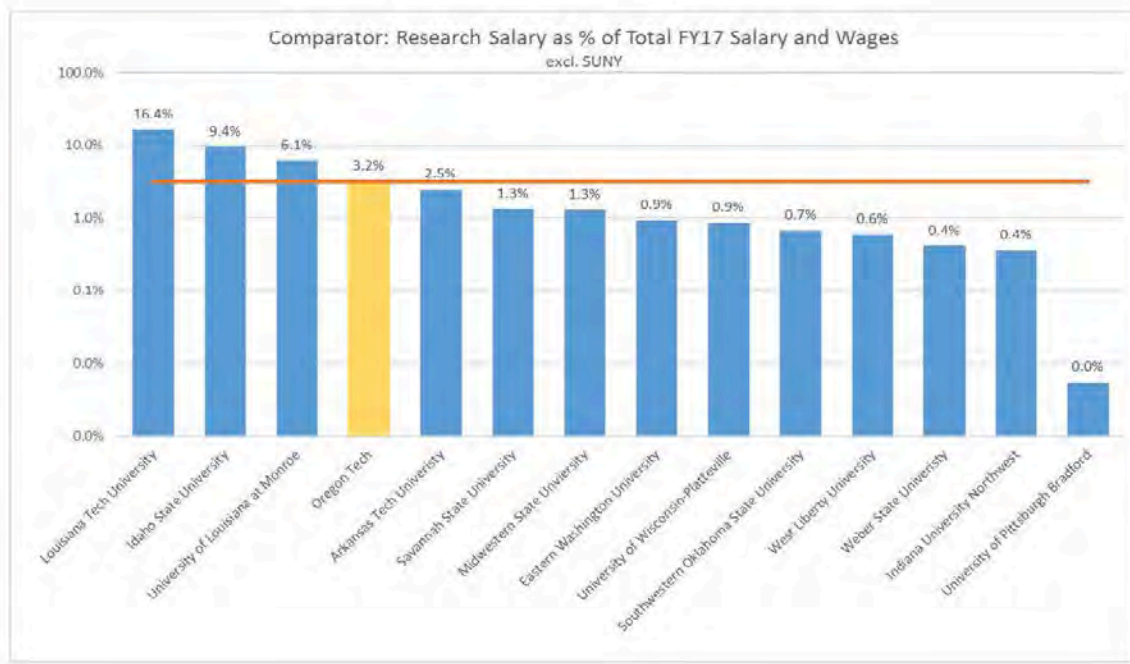


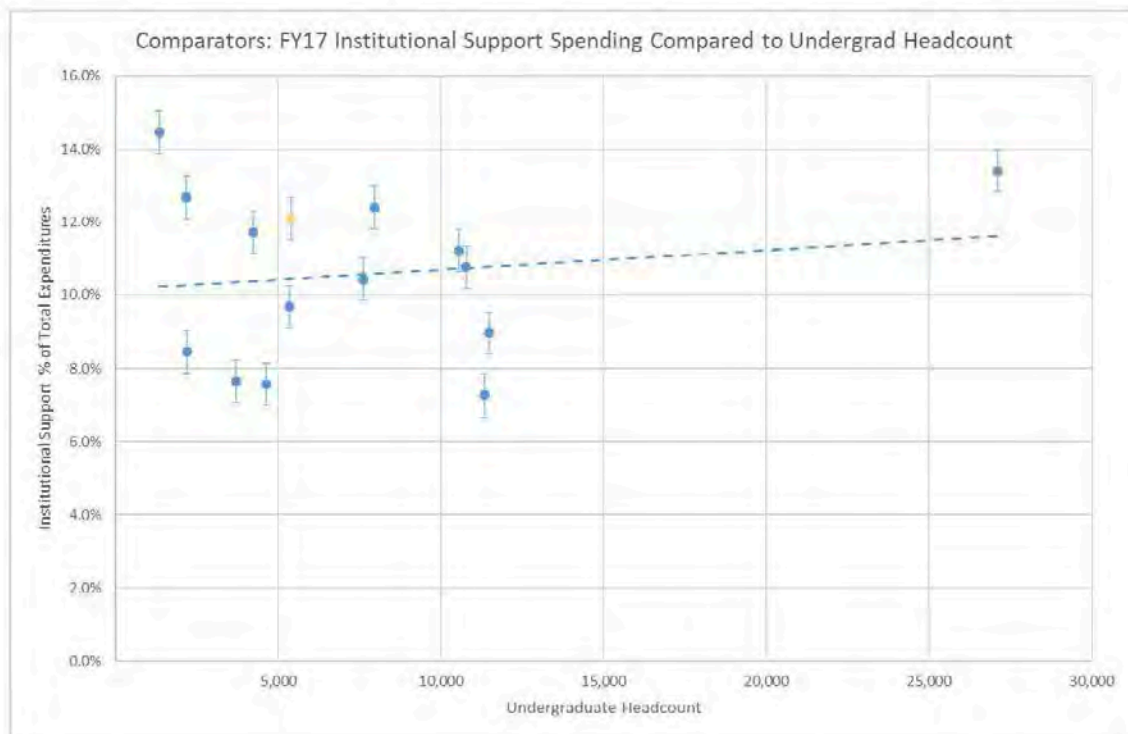
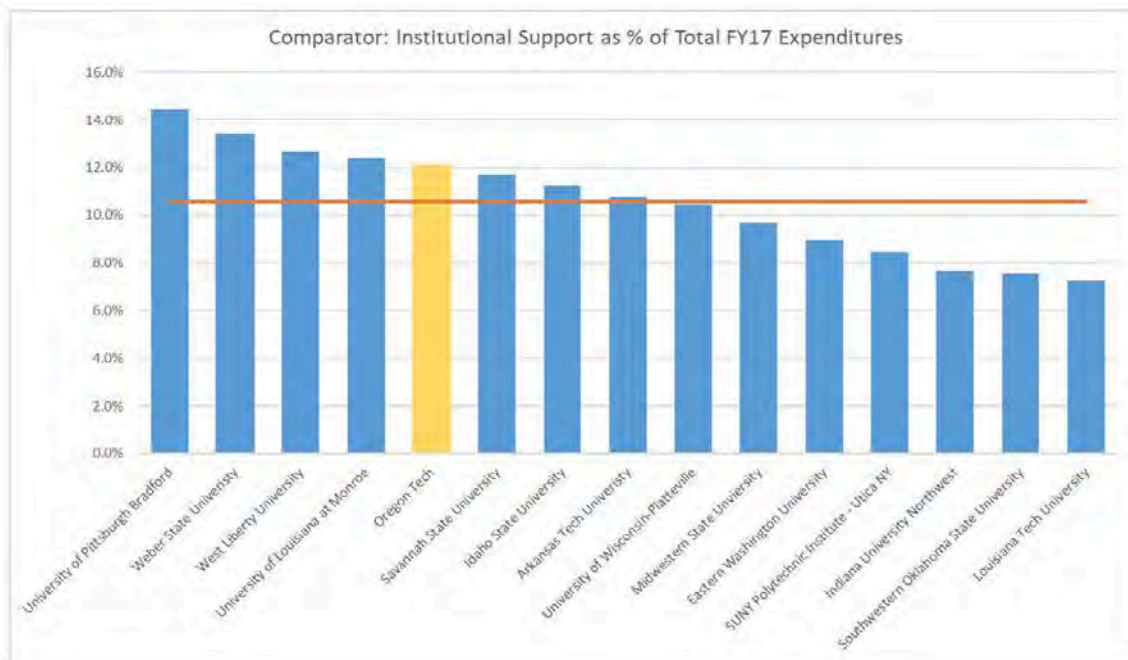


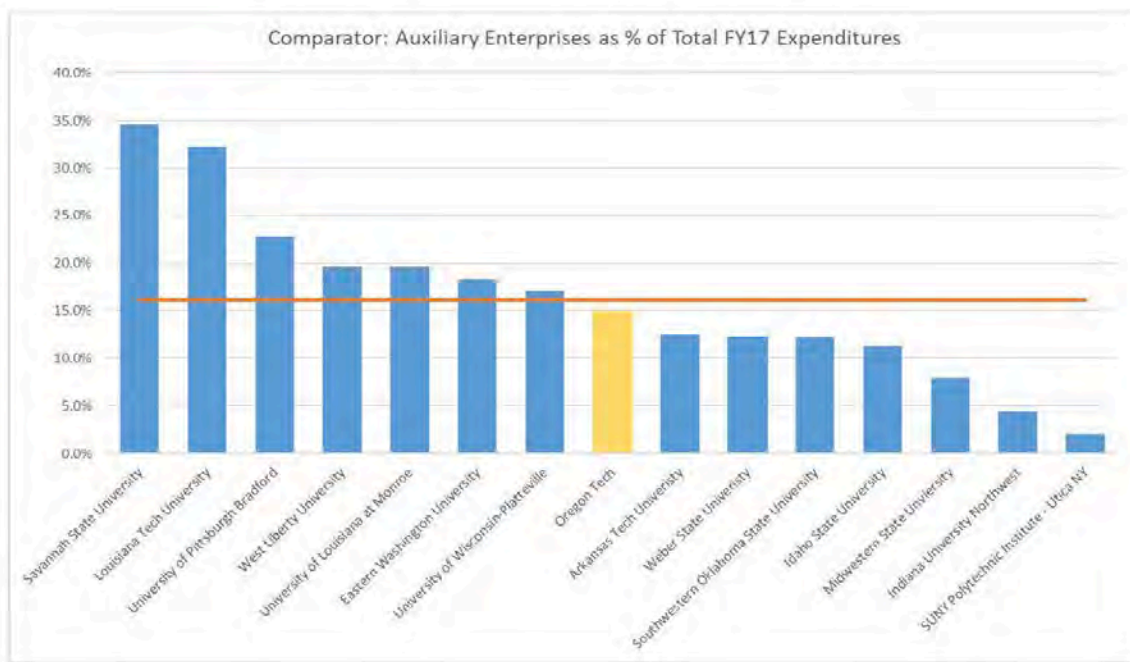
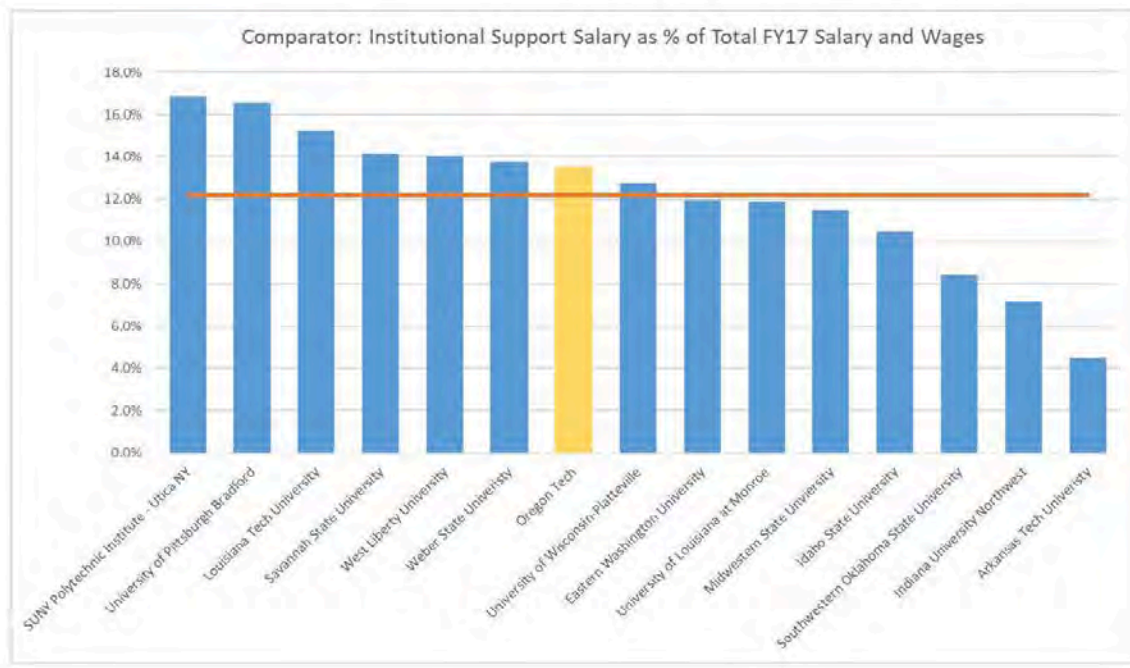


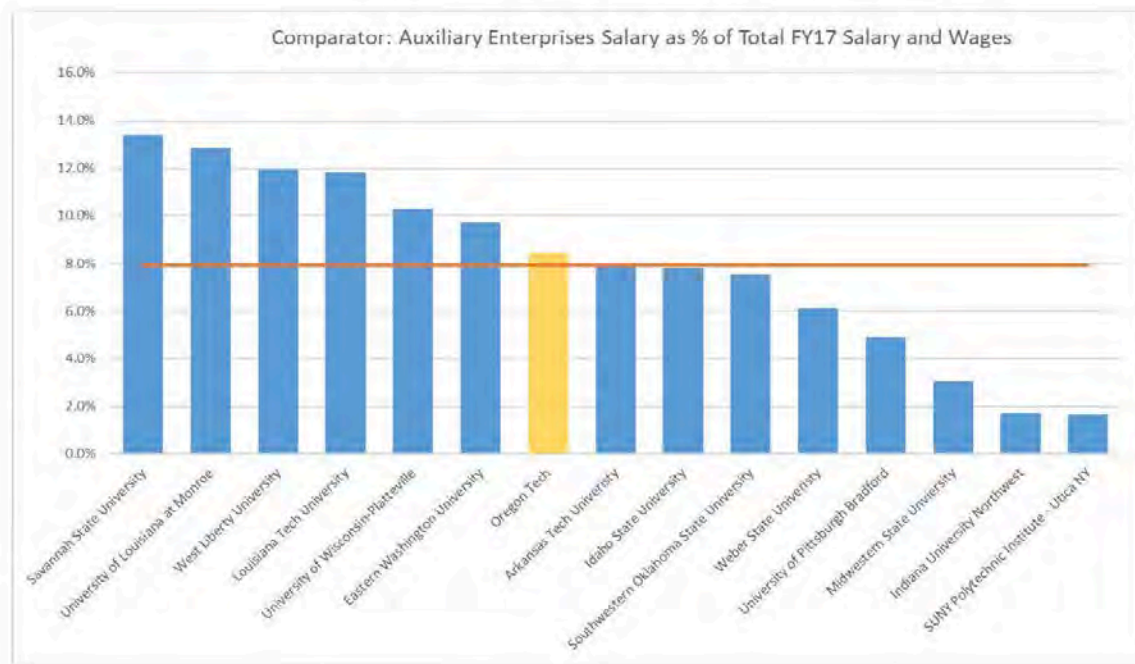






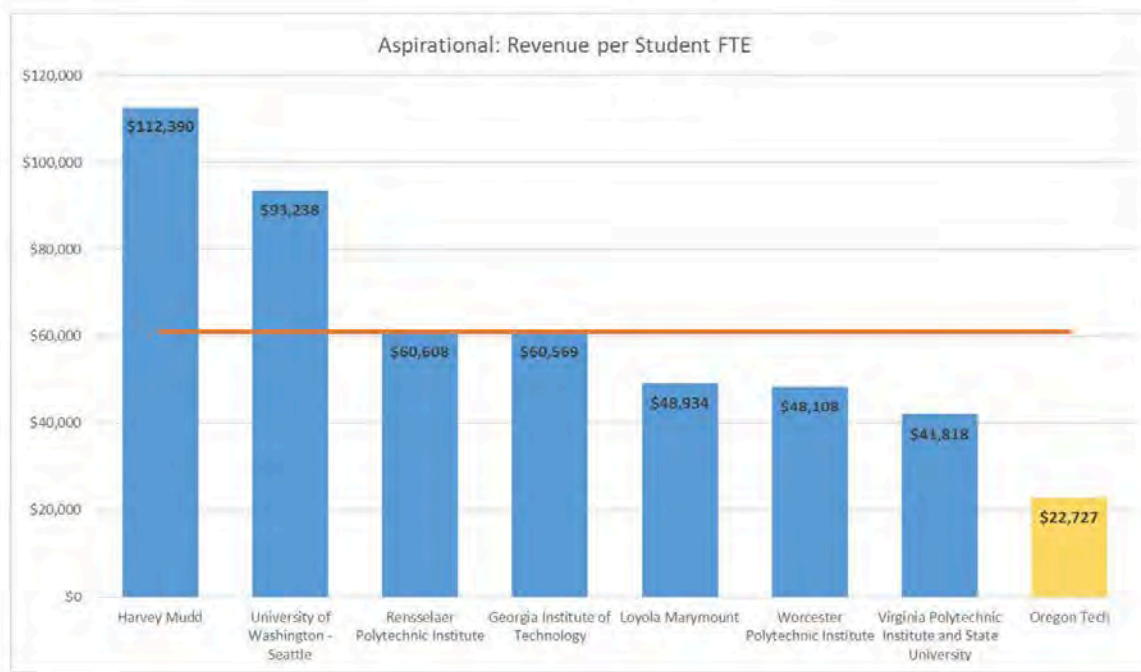


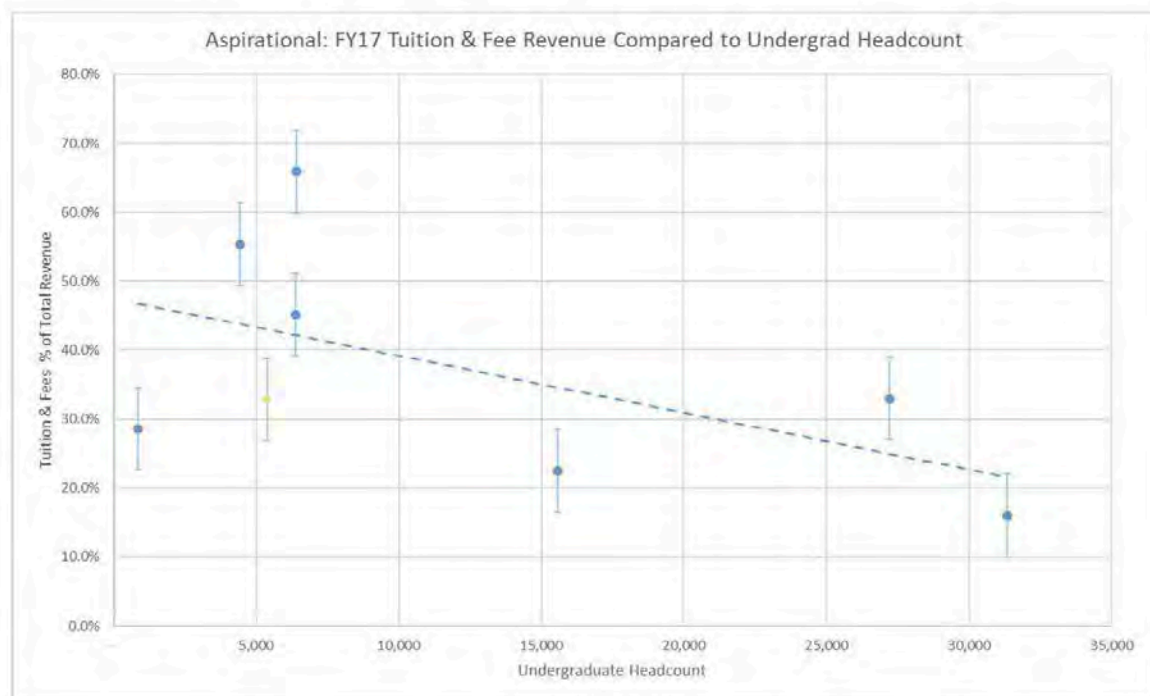
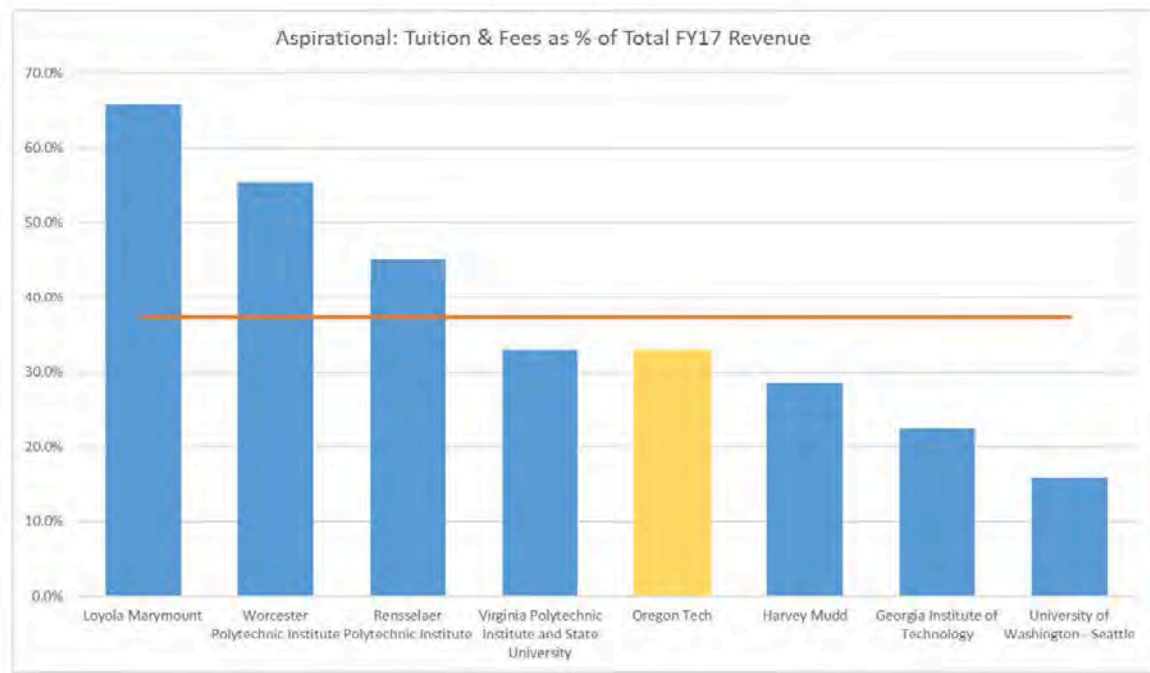


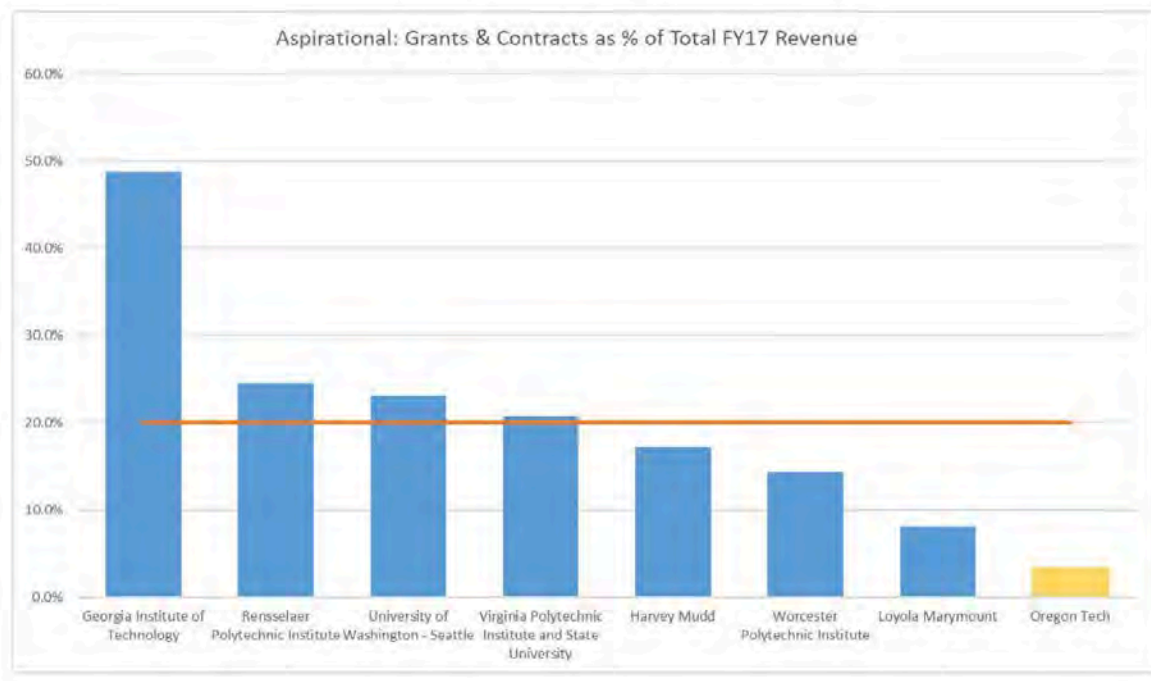
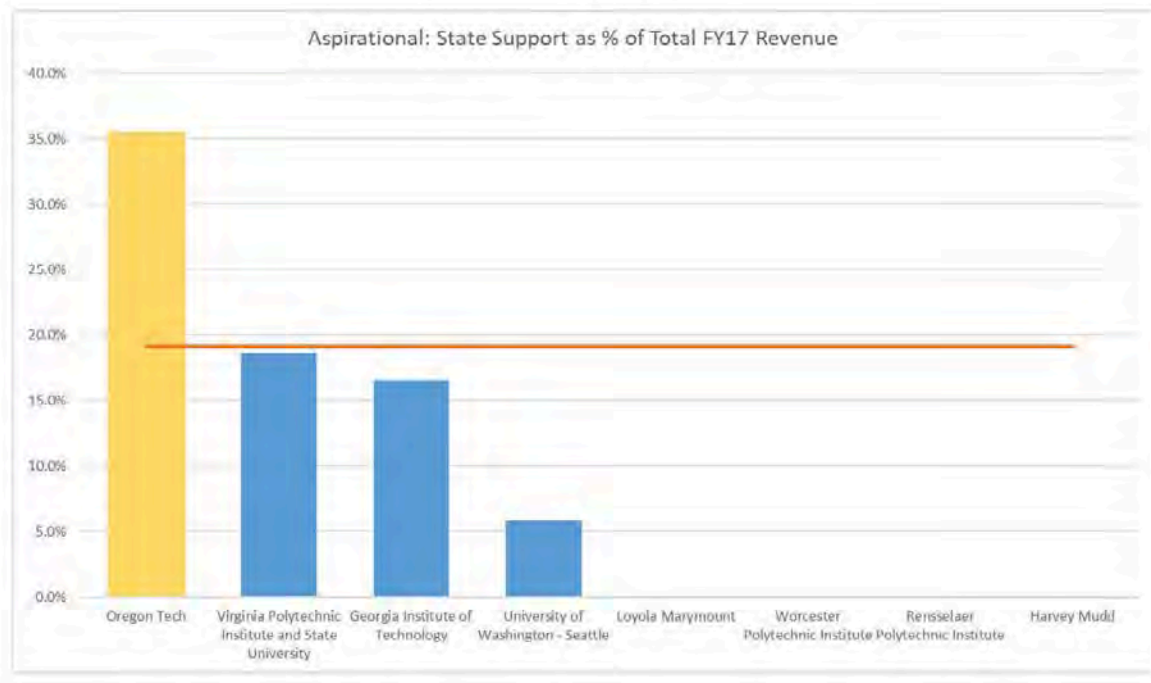


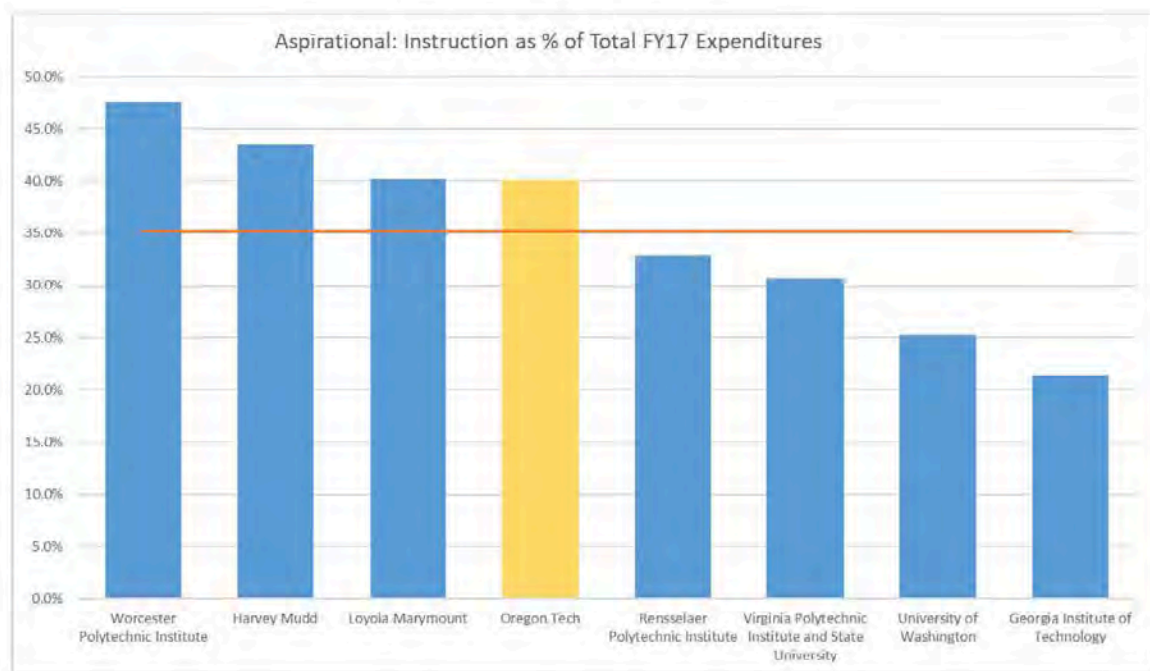
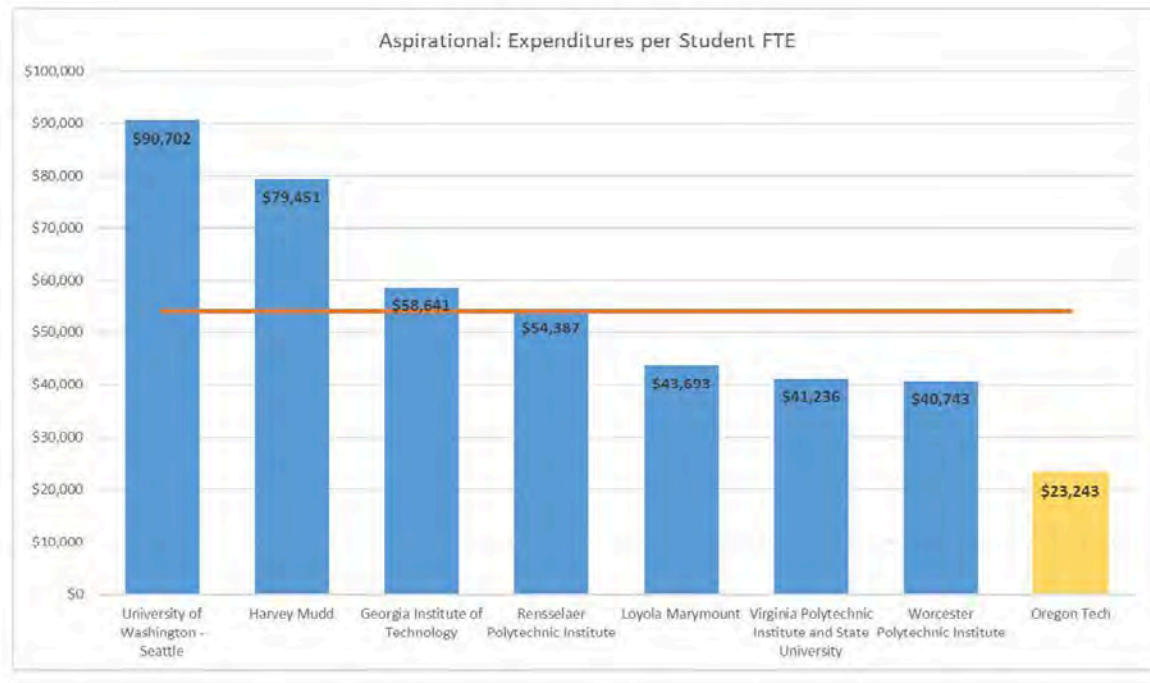
Appendix 5: Aspirational Comparator Graphs

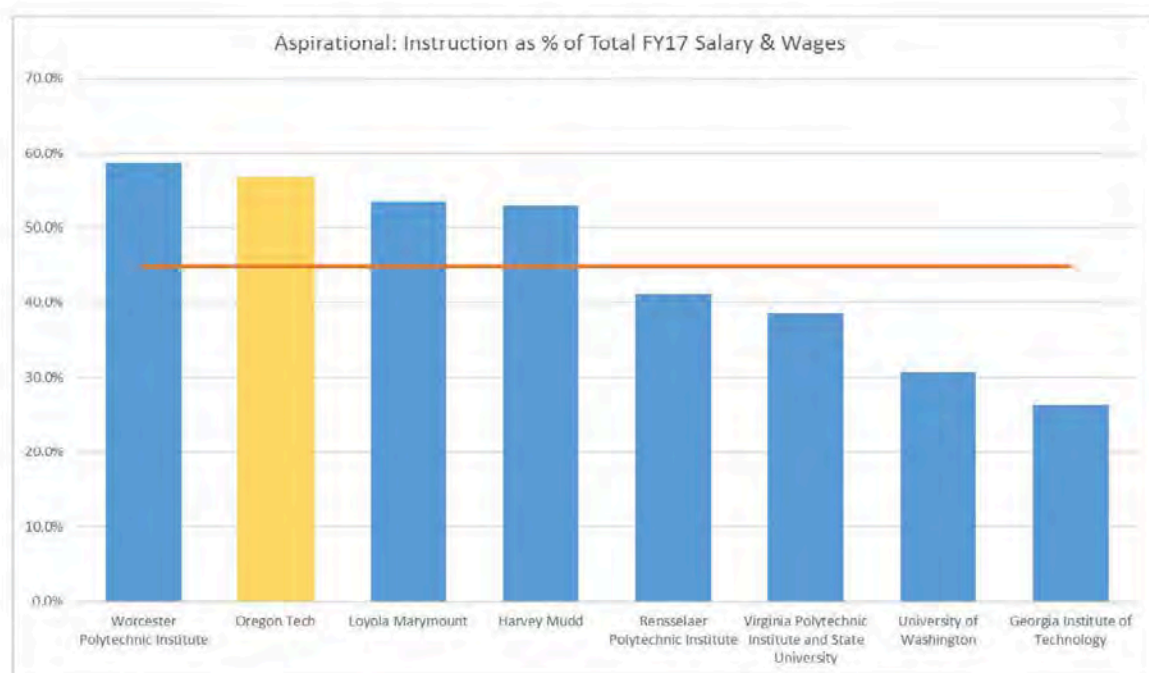
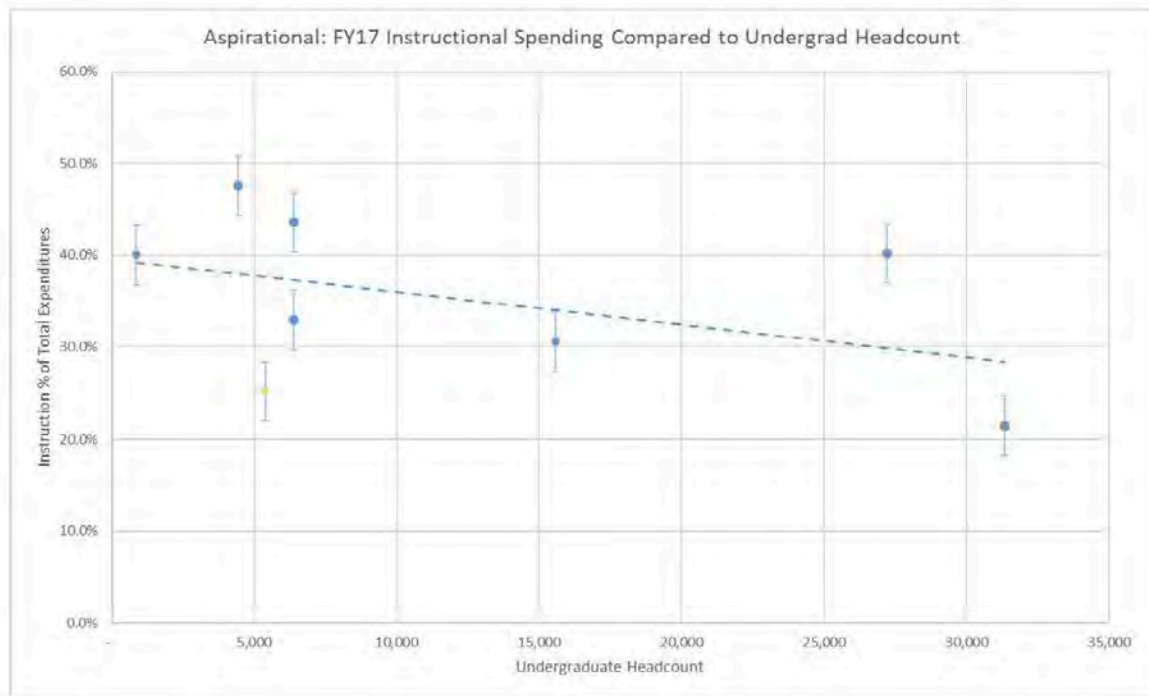
Institution	Total Fall		Total Expenditures
	sFTE	Enrollment	
University of Washington - Seattle	63326	46,166	\$5,743,814,407
Georgia Institute of Technology	26625	29,376	\$1,561,314,453
Virginia Polytechnic Institute and State University	33517	34,440	\$1,382,110,356
Rensselaer Polytechnic Institute	7747	7,592	\$421,337,000
Loyola Marymount	8253	9,618	\$360,600,000
Worcester Polytechnic Institute	6136	6,642	\$249,999,000
Oregon Tech	3307	5,486	\$76,864,270
Harvey Mudd	823	861	\$65,387,878

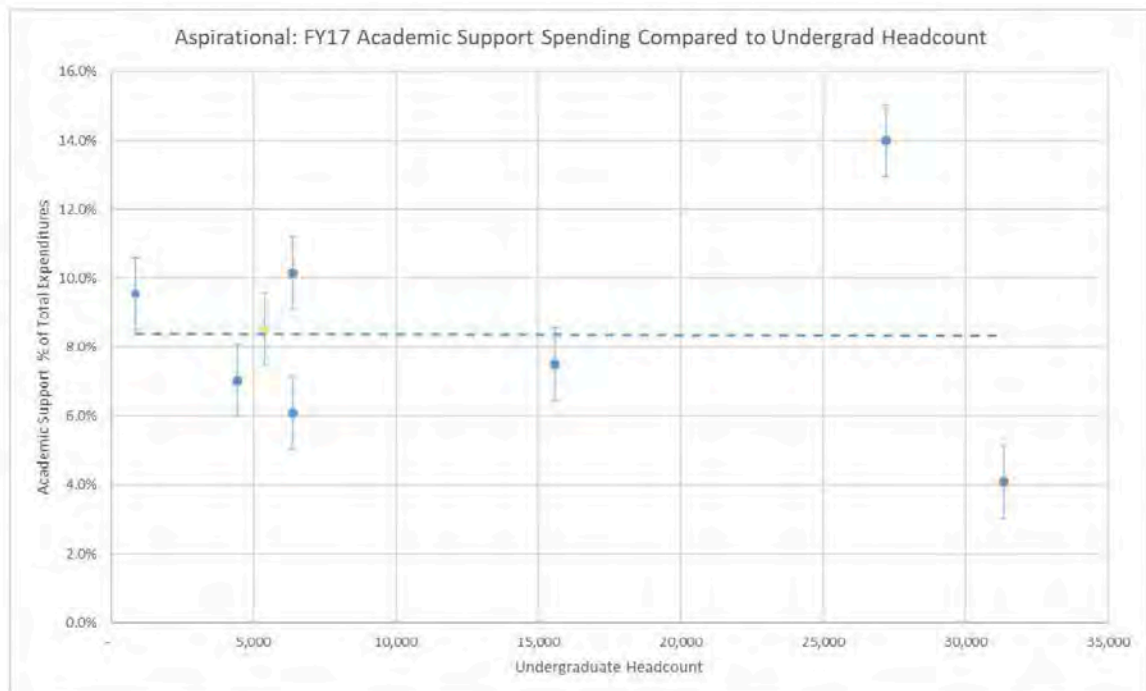
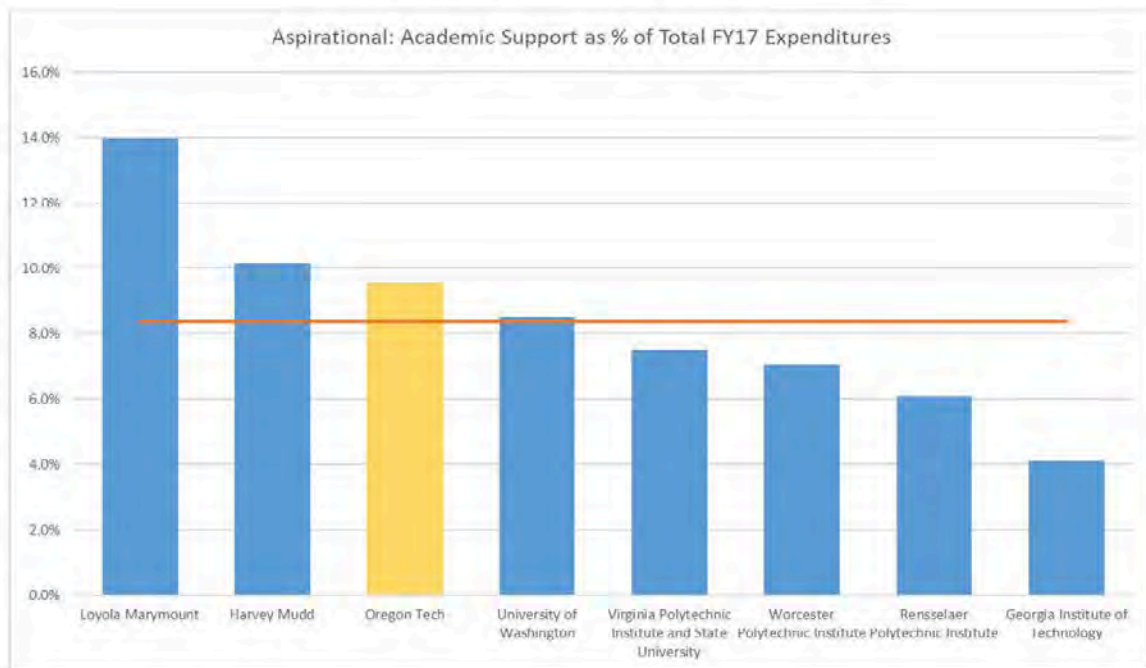


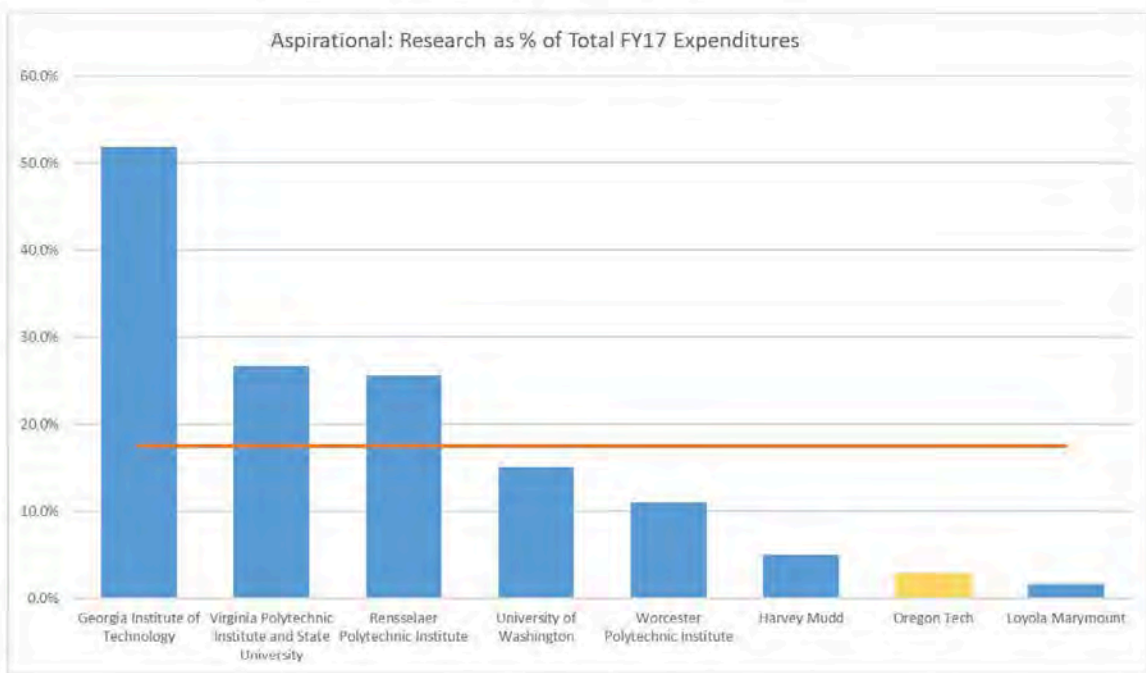
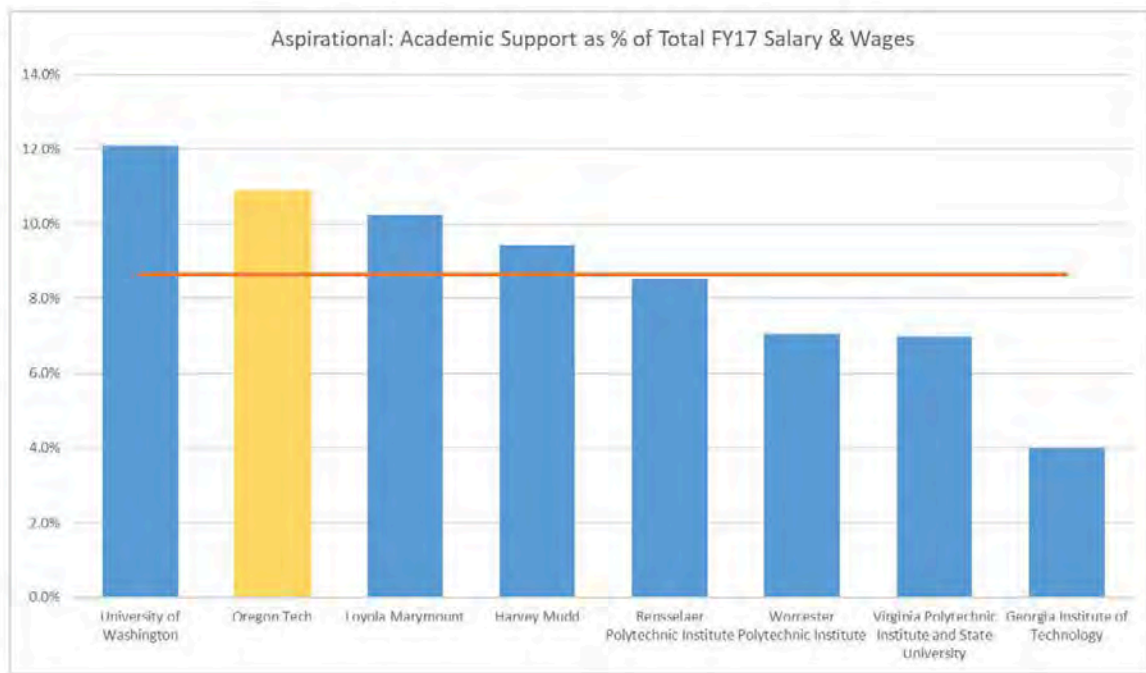


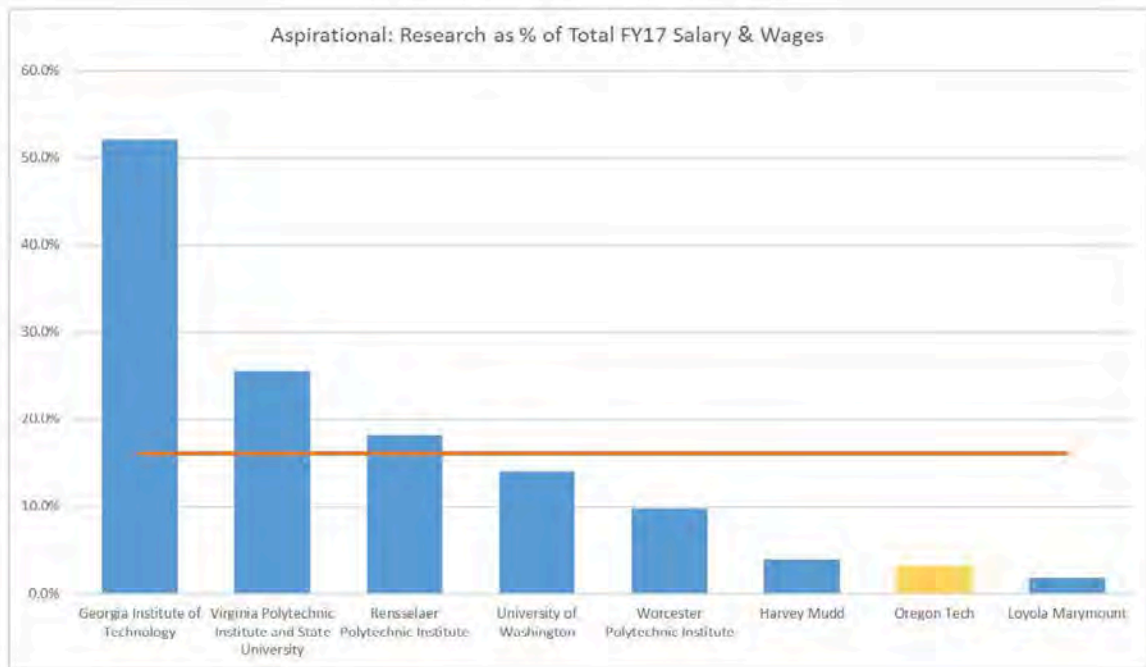
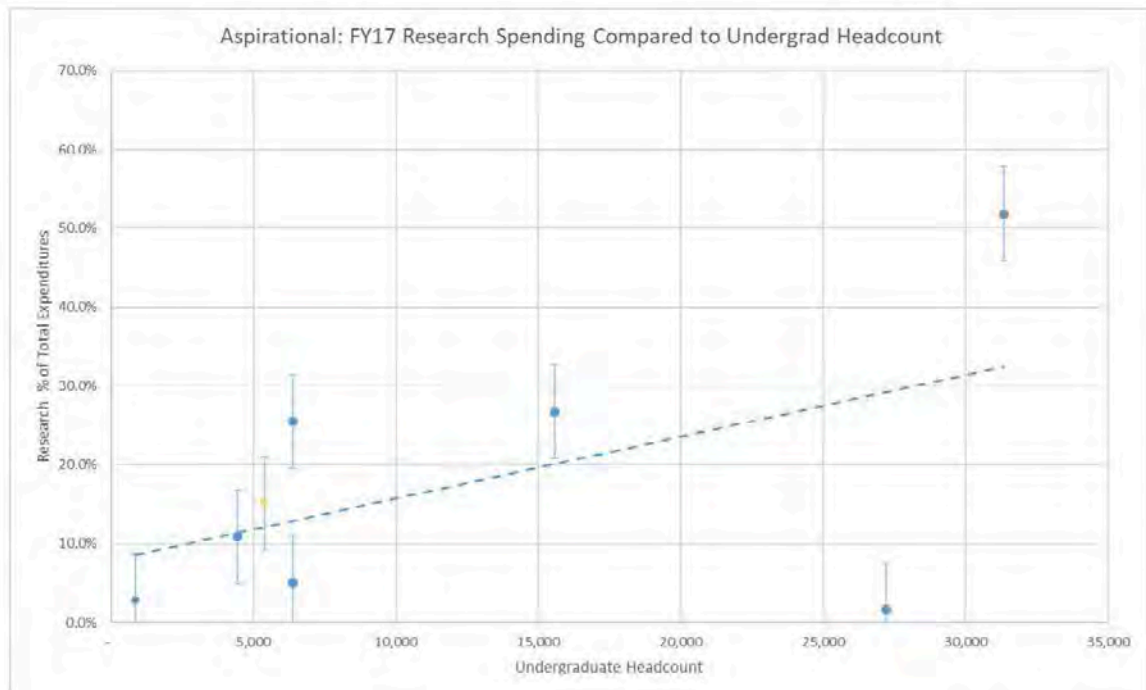


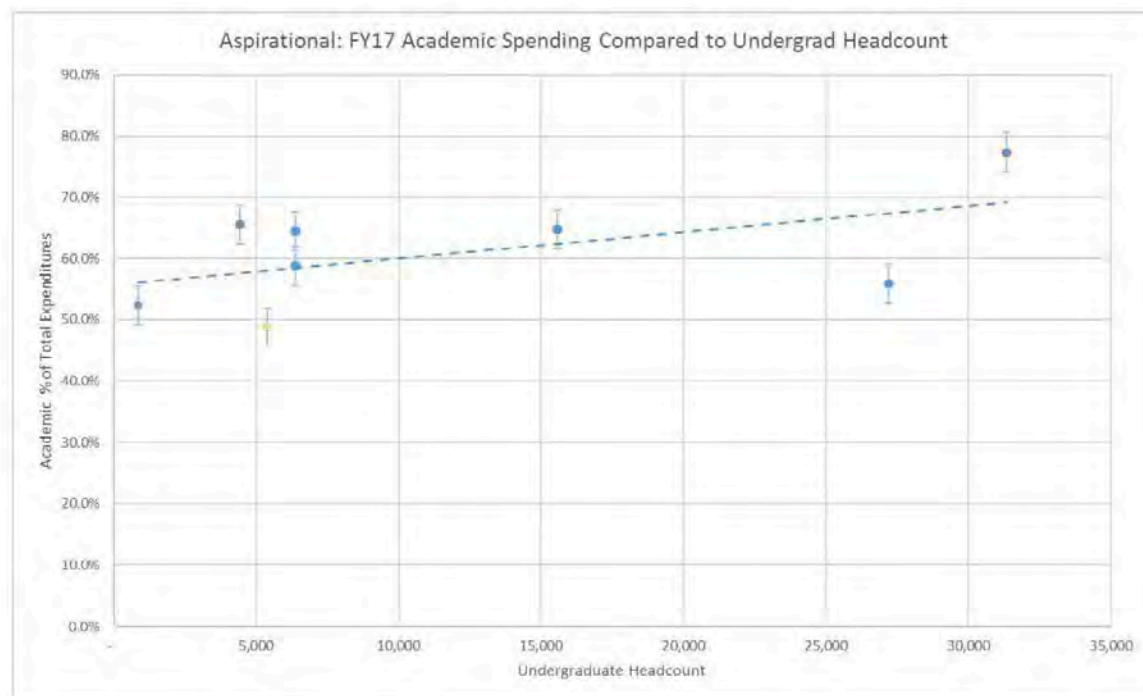
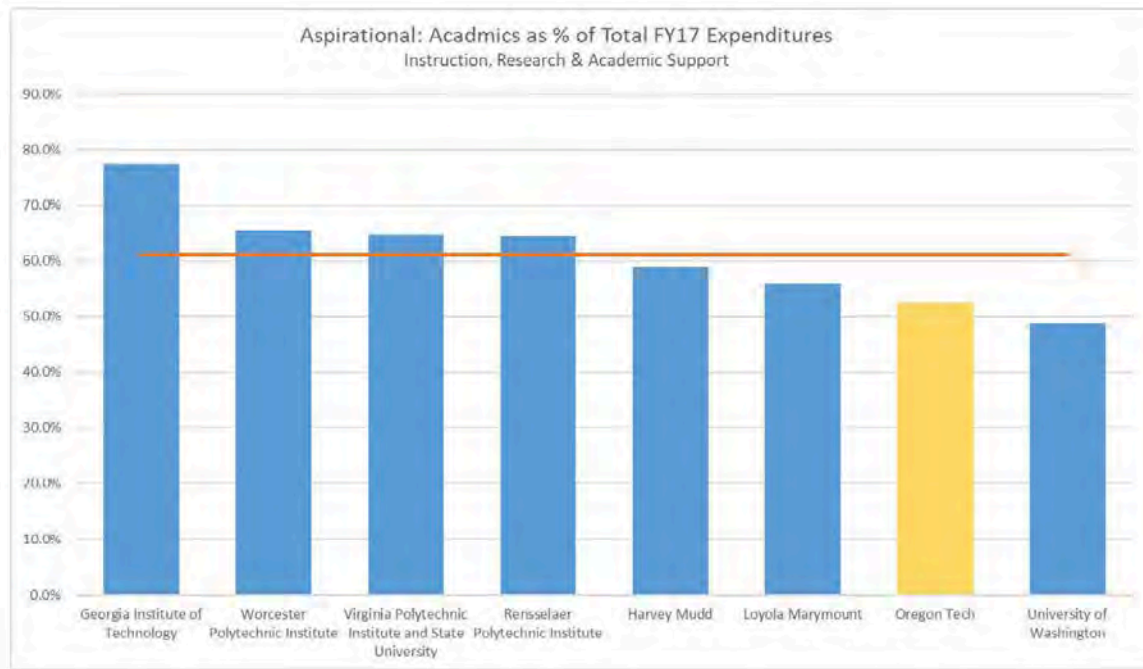


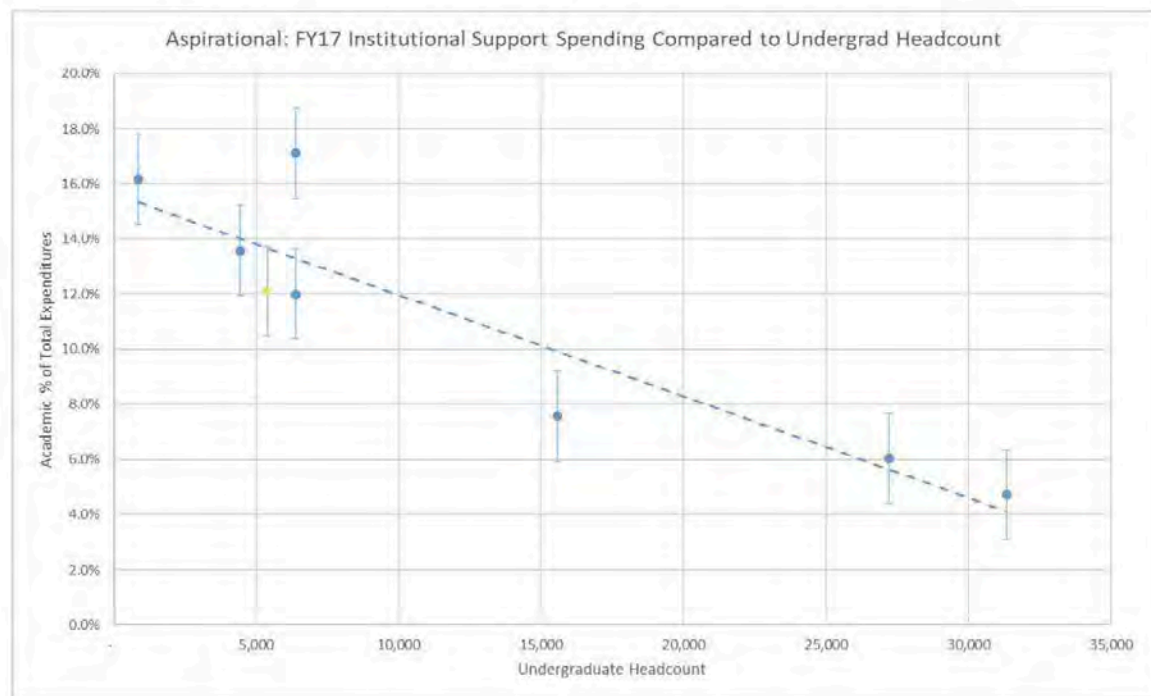
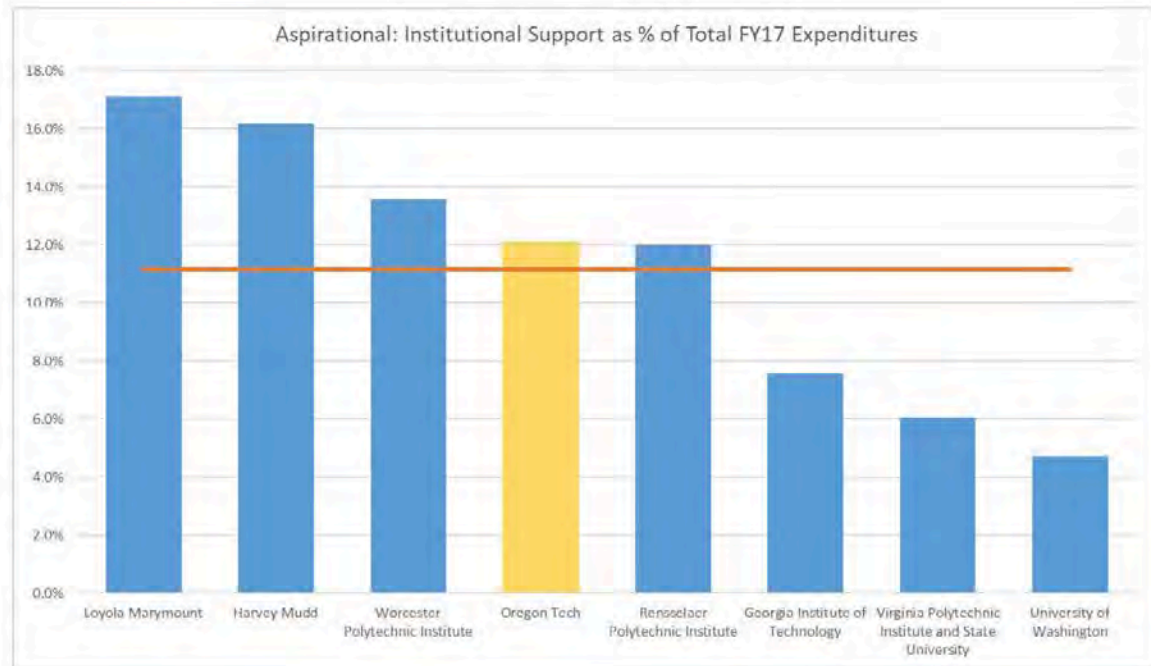


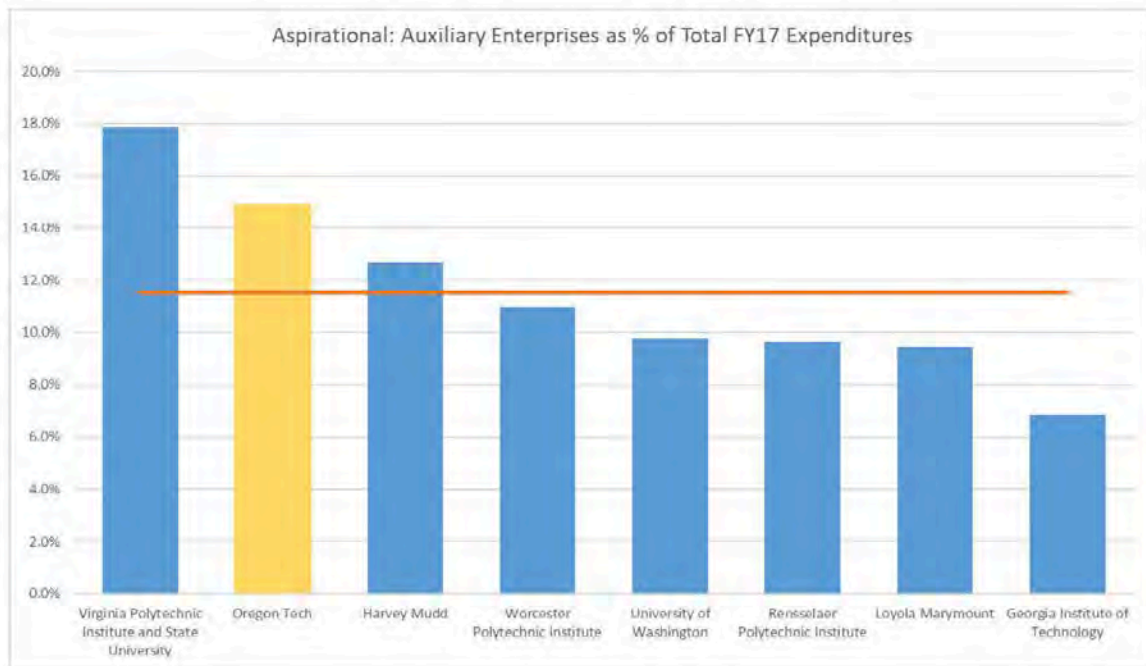
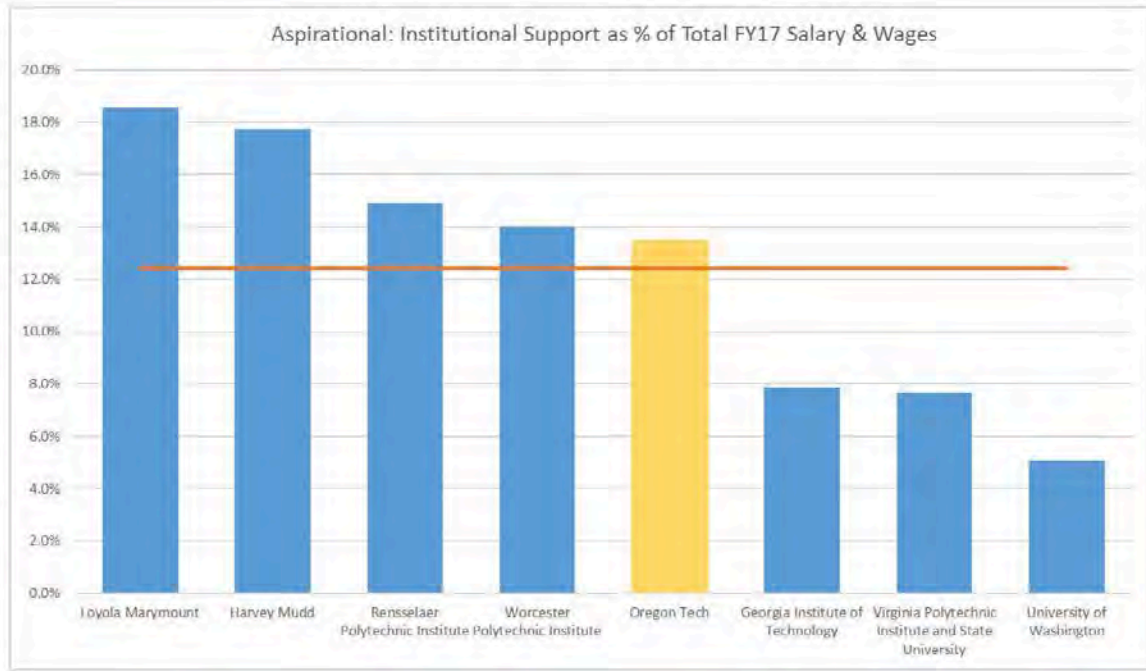


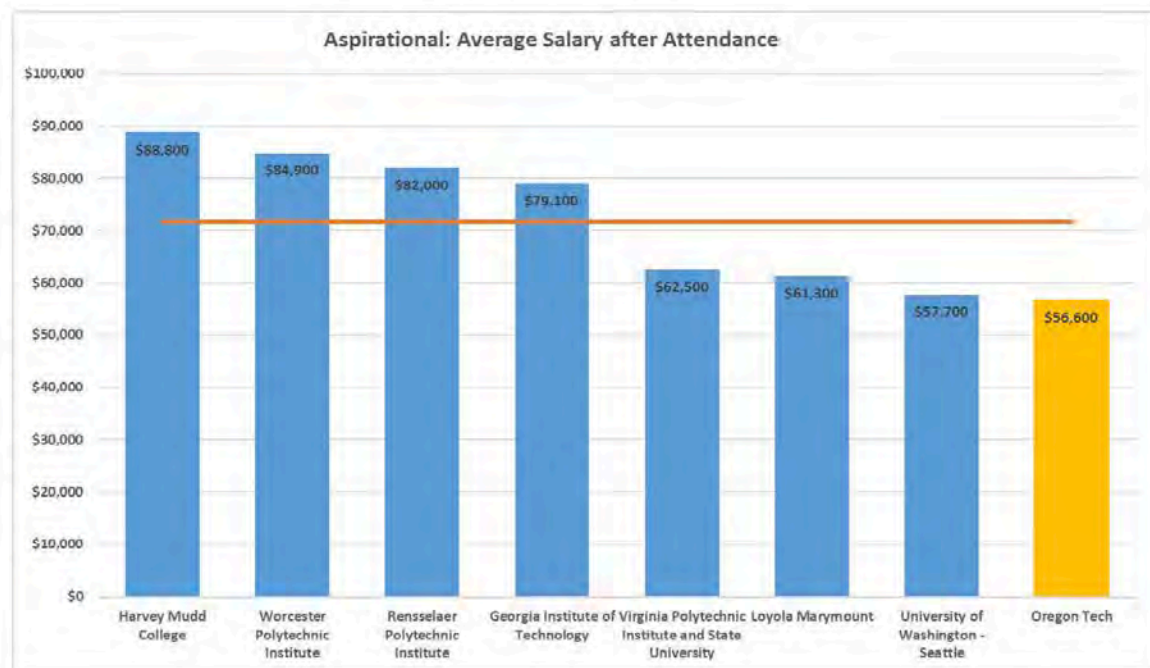
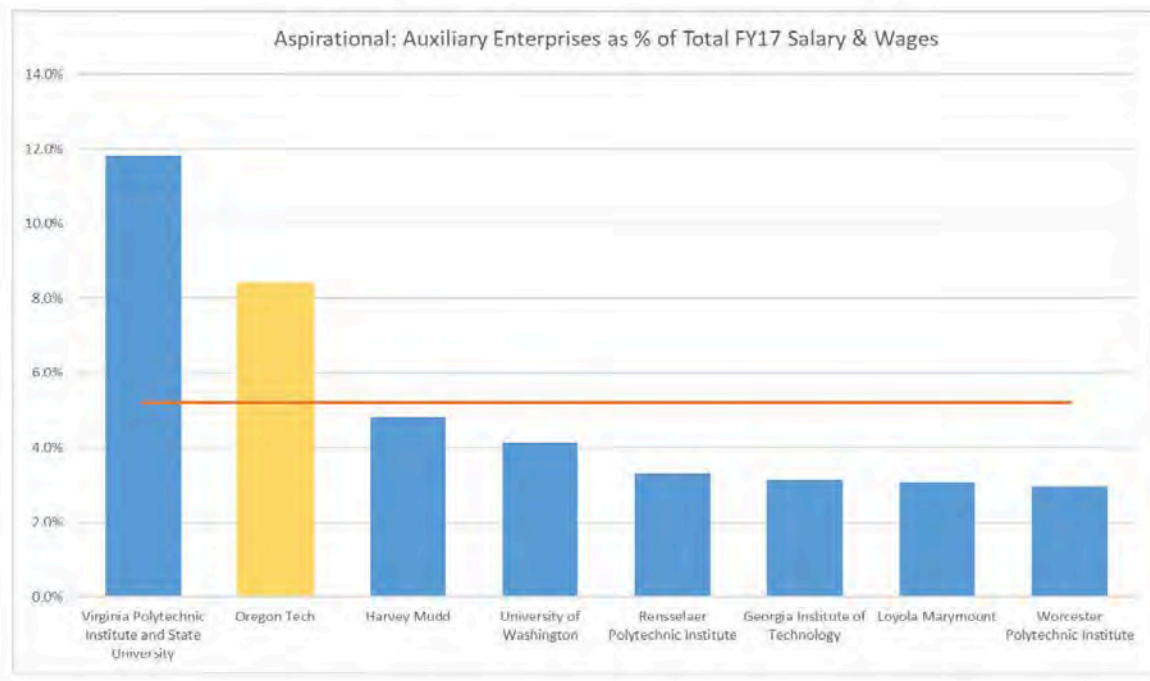












DISCUSSION ITEM

Agenda Item No. 5.3

Center for Excellence in Engineering Technology Design Overview

Summary

Oregon Tech has undertaken a \$34.5M Center for Excellence in Engineering Technology (CEET) project. A signature new construction project anchoring the western terminus of campus and serving as a catalyst for further development of the university's College of Engineering, Technology and Management.

TVA Architects of Portland, OR led an inclusive visioning process, including a diverse set of academic and administrative staff members from both colleges and both campuses. TVA is supported by ZCS Engineering, a Klamath Falls, OR based firm, for mechanical and civil engineering services. Mandy Butler, Tim Wybenga and Elisa Rocha serve as the key TVA staff on the project.

The CEET has moved from schematic design to design development. A Construction Manager/General Contractor (CMGC), Adroit Construction of Ashland, OR, has been brought onboard and is working closely with the design and engineering team. Today's presentation will provide an overview of the project visioning and programming process, site design, pre-design and program confirmation, sustainable design goals, schematic design and next steps.

Staff Recommendation

No action necessary, for discussion purposes only.

Attachments

CEET Visioning Process and Schematic Design packet

21 march 2019

design update

ceet visioning process & schematic design



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“the CEET is a catalyst for innovation and transdisciplinary collaboration between students, faculty, industry, and the community where we learn, imagine, create, and share.”



project vision

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visioning + programming process overview

visioning team meetings and constituent input



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CORE THEMES

Oregon TECH

APPLIED DEGREE PROGRAMS

STUDENT AND GRADUATE SUCCESS

STATEWIDE EDUCATIONAL OPPORTUNITIES

PUBLIC SERVICE

INDUSTRY'S UNIVERSITY

MISSION

Oregon TECH

Oregon Institute of Technology,

~~An Oregon public university,~~

~~A member of the Oregon University System,~~

The Northwest's premier public polytechnic university,

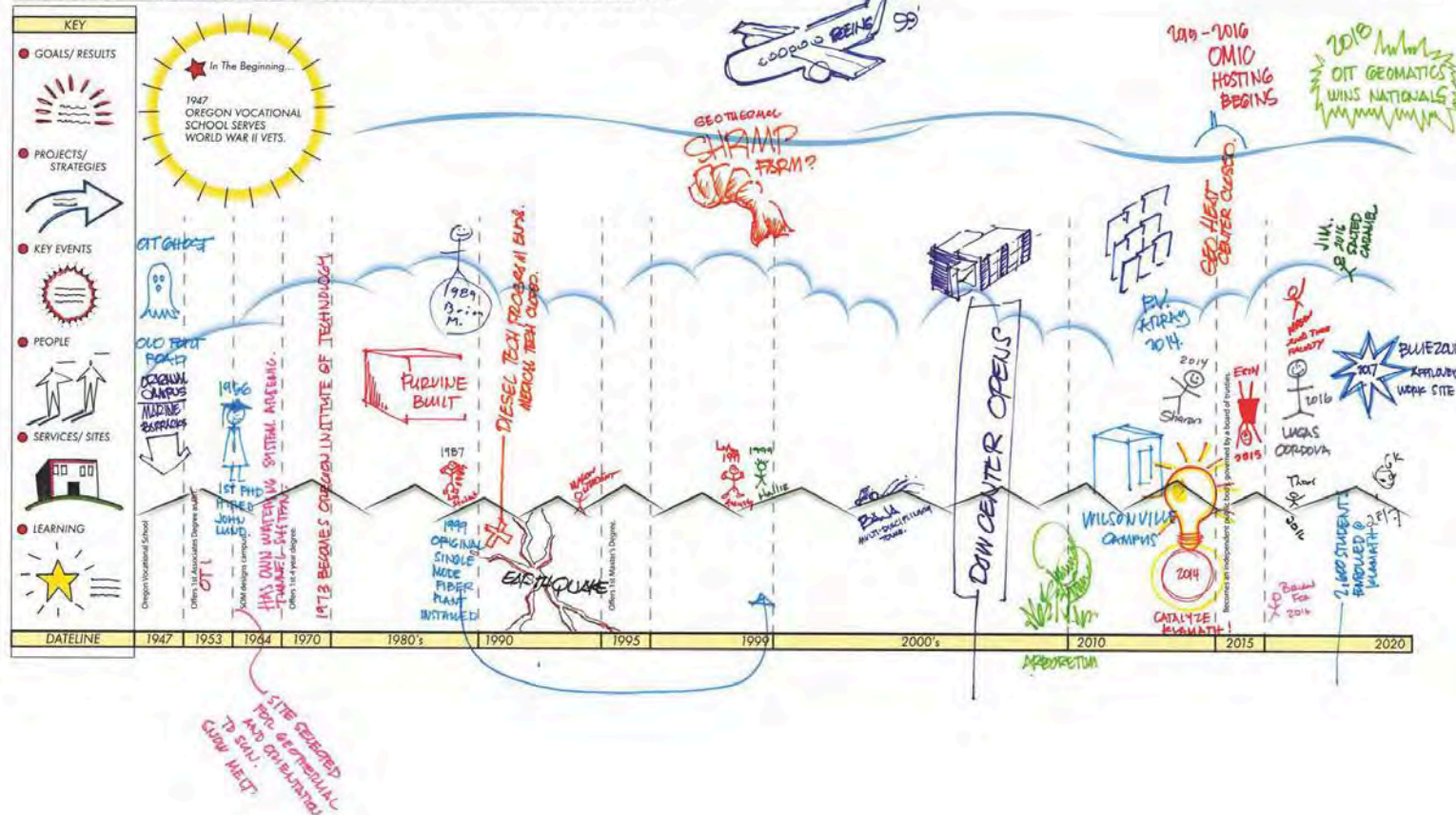
offers innovative and rigorous applied degree programs in the areas of engineering, engineering technologies, health technologies, management, and the arts and sciences. To foster student and graduate success, the university provides an intimate, hands-on learning environment, focusing on application of theory to practice. Oregon Tech offers statewide educational opportunities for the emerging needs of Oregon's citizens and provides information and technical expertise to state, national and international constituents.



visioning meeting 1

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HISTORY OF OREGON INSTITUTE OF TECHNOLOGY

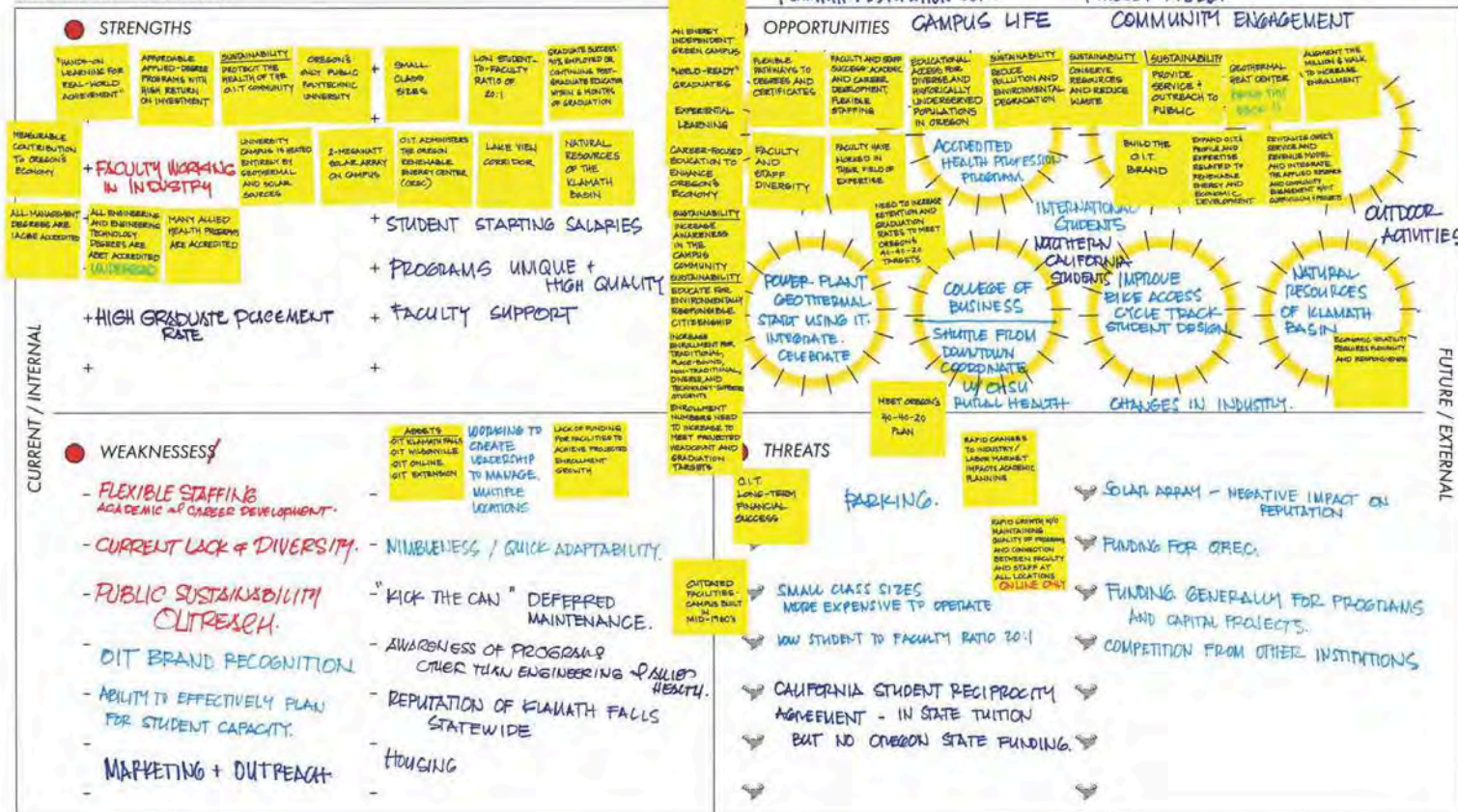


milestones and events that shaped oregon tech's history



oregon tech - center for excellence in engineering and technology

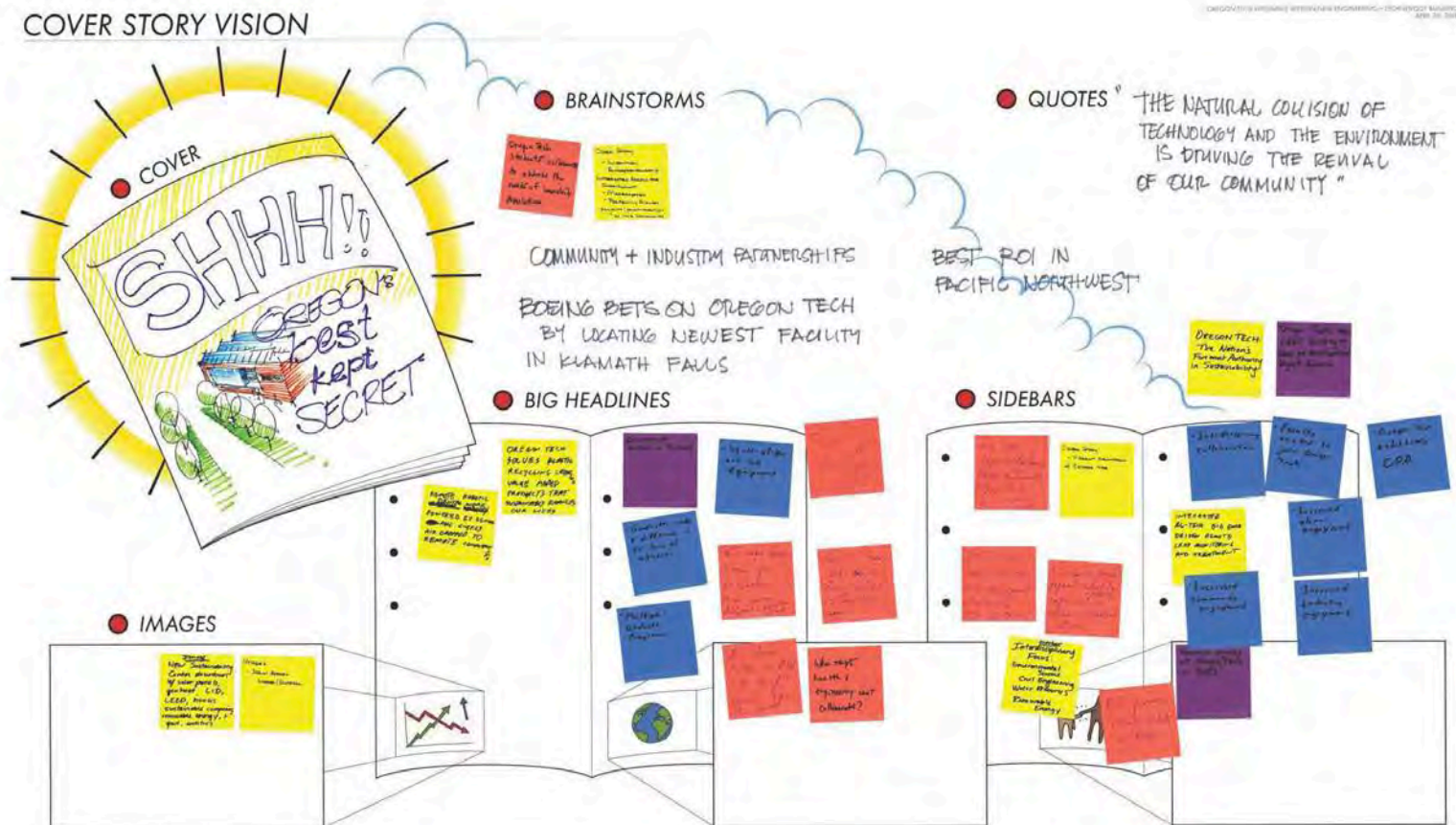
S.W.O.T MATRIX



strengths, weaknesses, opportunities and threats to success

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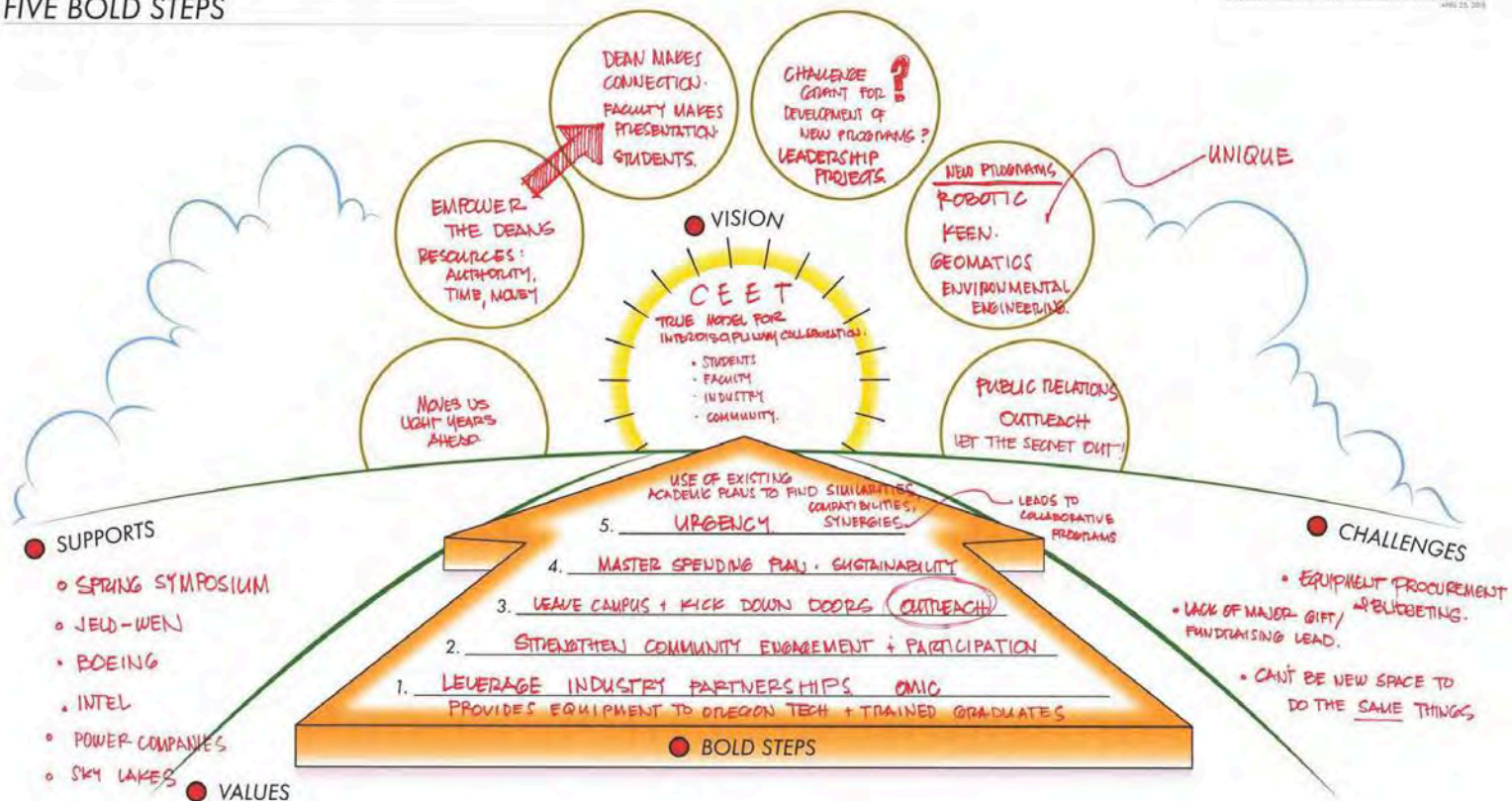


imagining the successfully realized vision for the university



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FIVE BOLD STEPS



five bold steps to realize the project vision

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THE NEW BUILDING WILL ACCELERATE AND ENHANCE
THE CULTURE OF INNOVATIVE + COLLABORATIVE
INSTRUCTION + RESEARCH AT OIT.

INNOVATION
VALUE

MULTI-DISCIPLINARY

INSPIRATION

POSITIVE

NO SILOS - INCLUSIVE

CREATIVITY.

→ INTRA AND TRANS DISCIPLINARY
ENTREPRENEURIAL

EMBODY THE SPIRIT
OF OREGON TECH



themes that defined the vision

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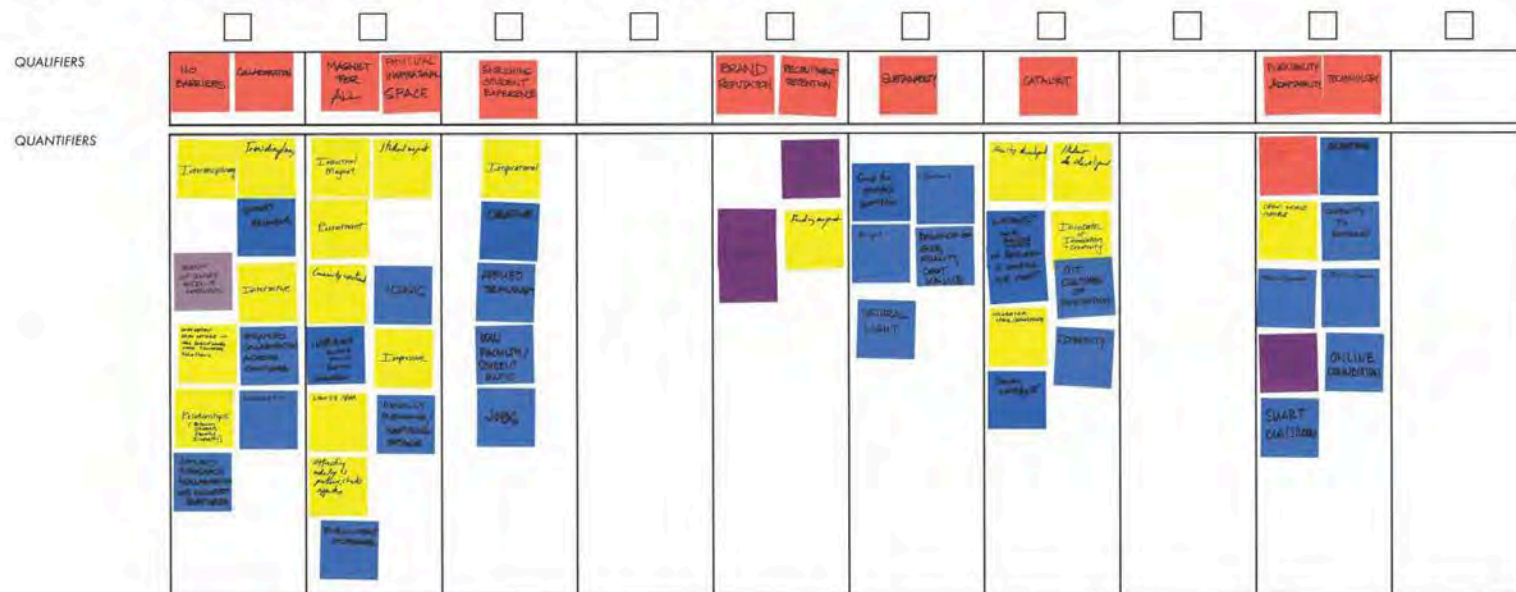


VISION, QUALIFIERS & QUANTIFIERS

OREGON TECH VISIONING SESSION NEW ENGINEERING + TECHNOLOGY BUILDING
MAY 11, 2018

VISION

"A True Model for Interdisciplinary Collaboration Between Students, Faculty, Industry, and the Community"



goals, priorities, and how to measure success



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"a day in the life"
 student, faculty, industry partner, and community/alumni experiences
 oregon tech - center for excellence in engineering and technology

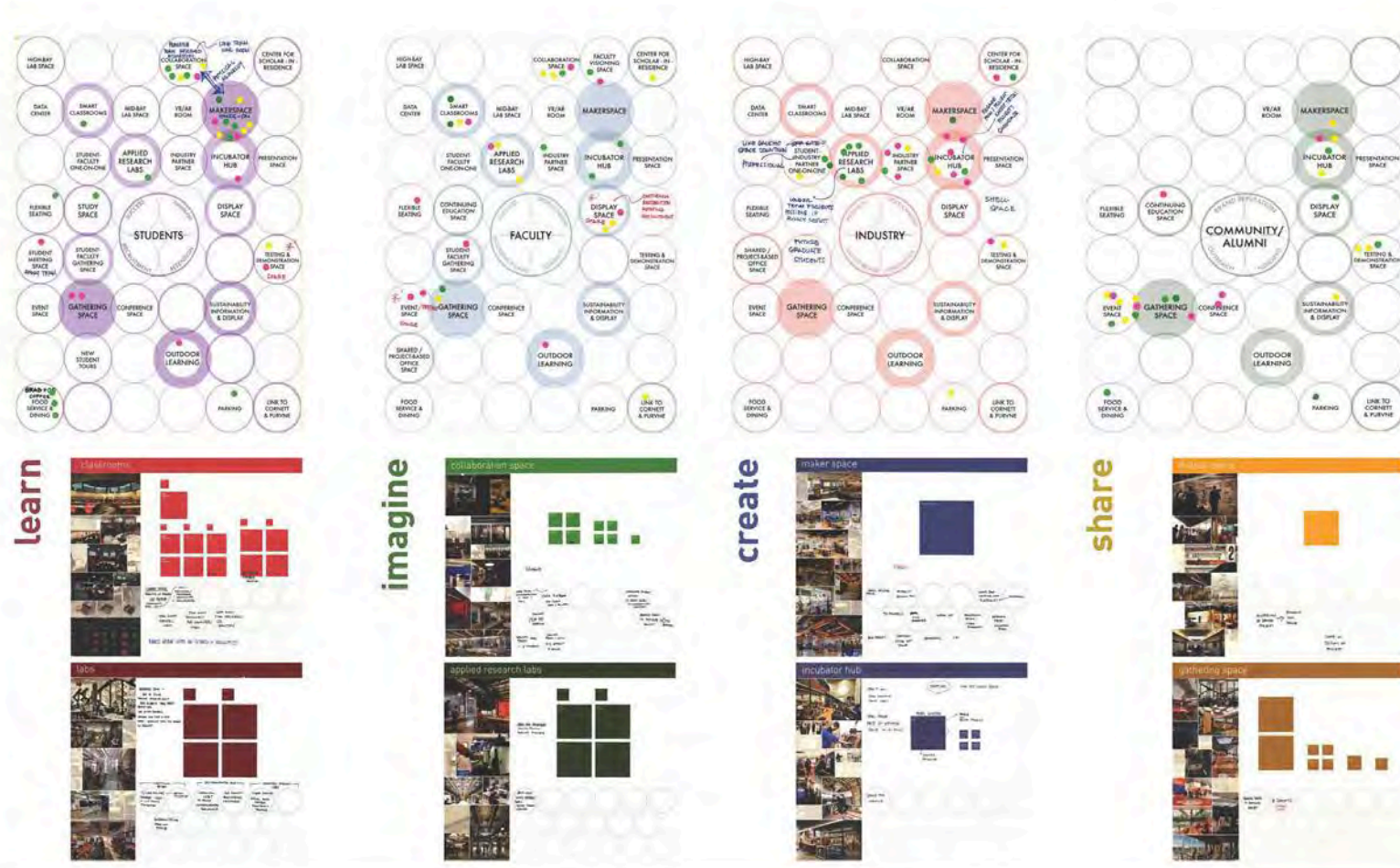


"a day in the life"
faculty input and brainstorming

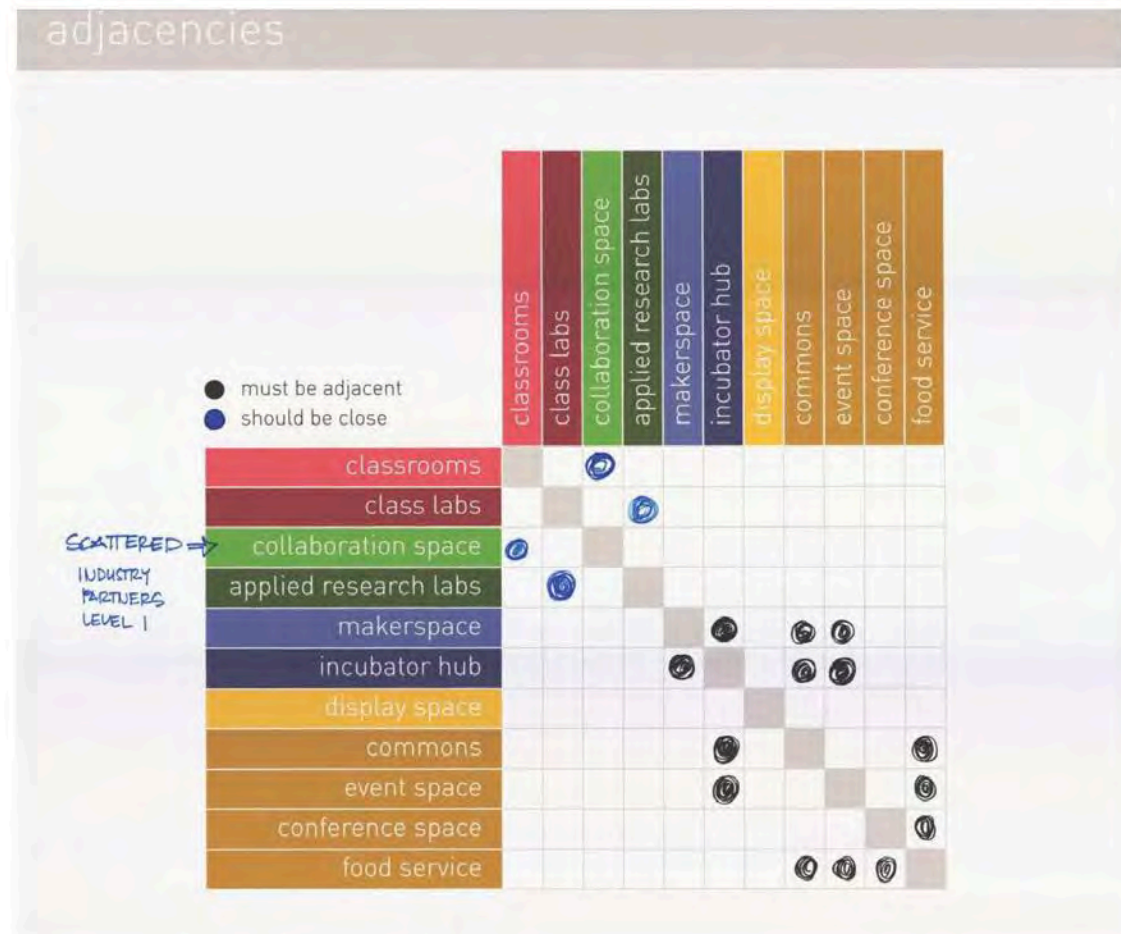
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"a day in the life"
 student, faculty, industry partner, and community/alumni experiences
 oregon tech - center for excellence in engineering and technology



interaction, gathering, and collaboration -
the types and qualities of spaces within the ceet
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adjacency diagram



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site planning

site conditions

goals for future expansion

access for community + industry partners

preservation of views



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site conditions



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site conditions



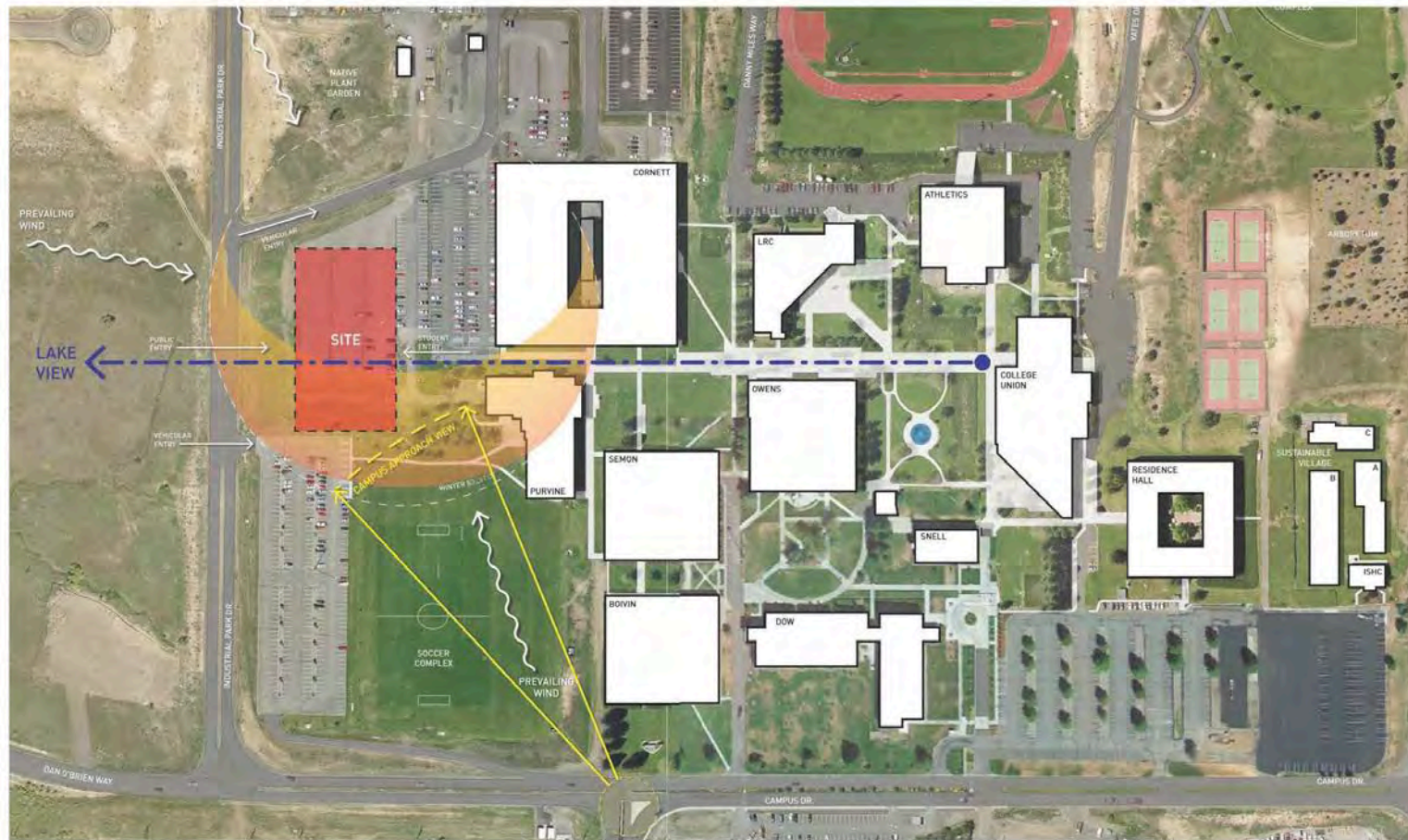
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site conditions



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site conditions



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pre-design and program confirmation

massing and orientation

programmatic relationships

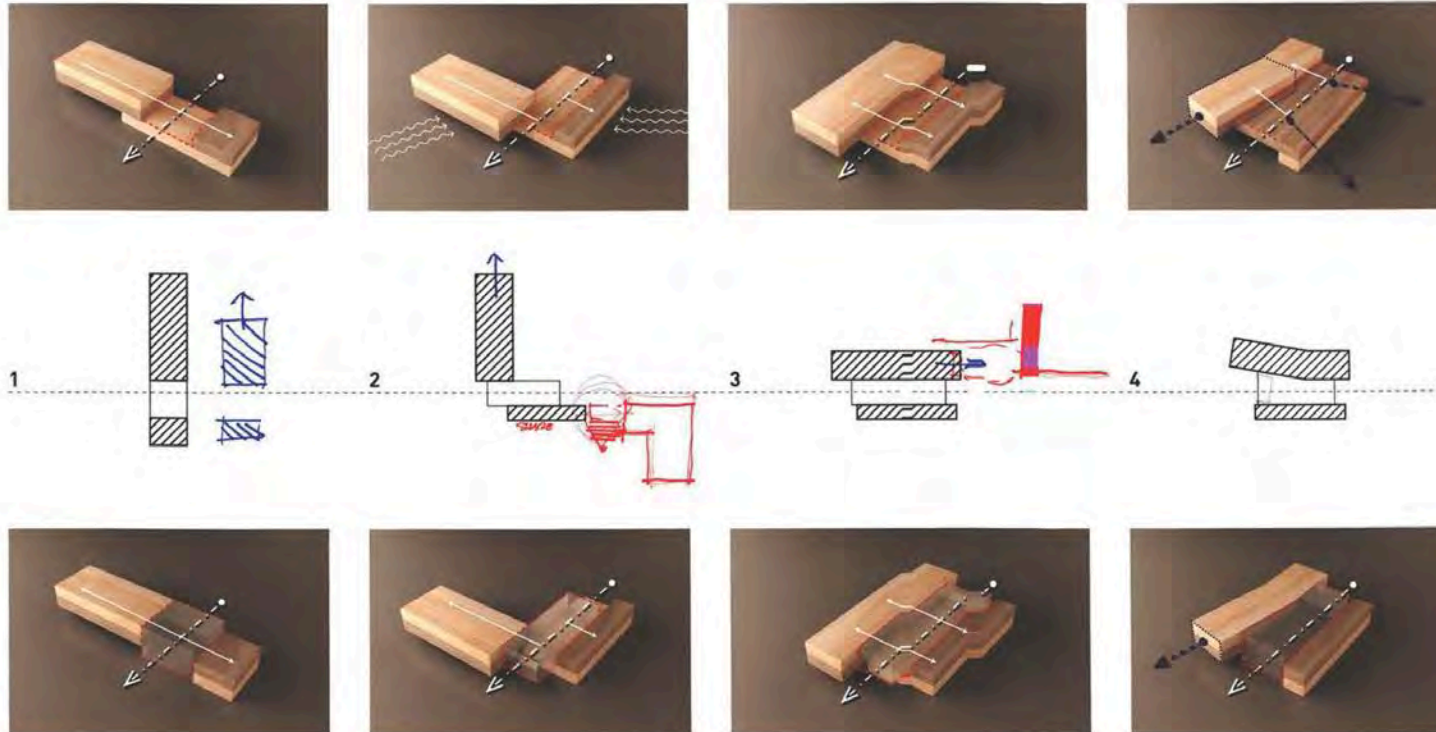
plan diagrams



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DIAGRAMS

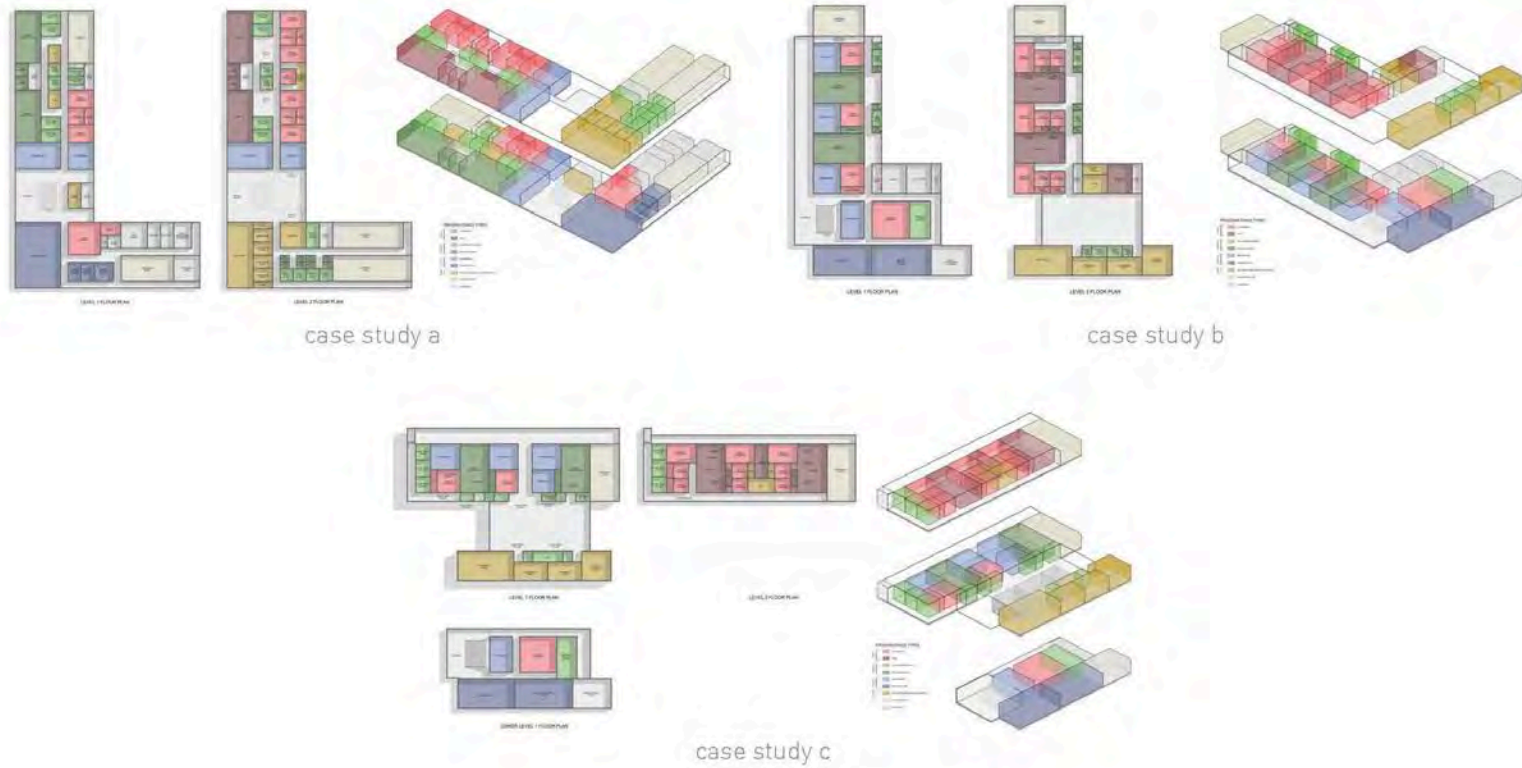
NEW ENGINEERING AND TECHNOLOGY BUILDING
CLAMATH FALLS, OREGON



spatial configuration options - massing and orientation

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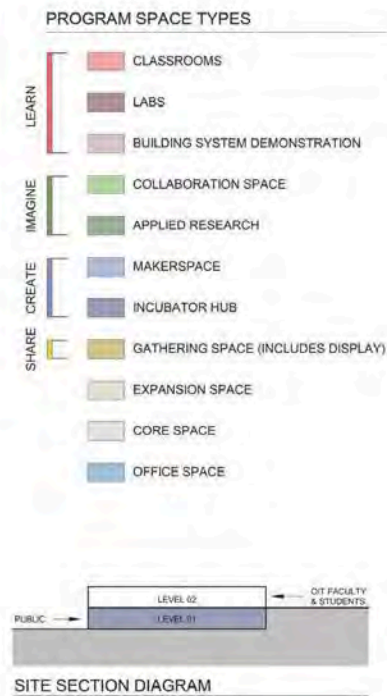




spatial configuration options - programmatic relationships

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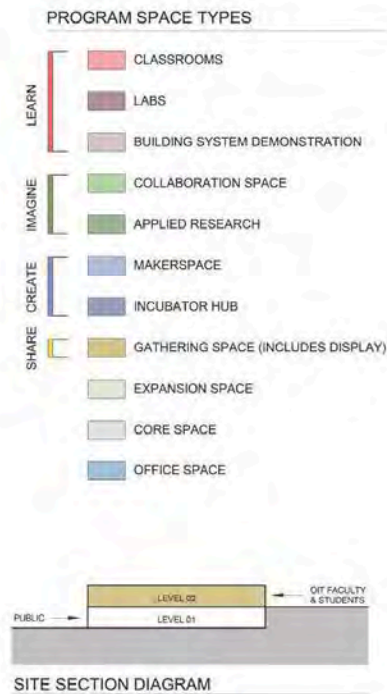




programming confirmation plan - level 01

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programming confirmation plan - level 02

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sustainable design

leed charrette

project goals

sustainable strategies



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leed charrette



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project goals

- student health and wellbeing is always a driver for projects; the building should be designed for the students
- energy efficiency through passive strategies and a high-performance building envelope
- maximize campus systems including geothermal loops, geothermal power plant, and solar field
- 50+ life span: focus on durability of construction and efficient systems that reduce demand
- feature timber at entry areas if beneficial to leed goals; concrete in wings
- working sustainability: strategies that make sense and have a short payback
- highlight strategies and allow students to learn from the building: systems on display for engineering students
- achieve leed gold certification



leed charrette - project goals

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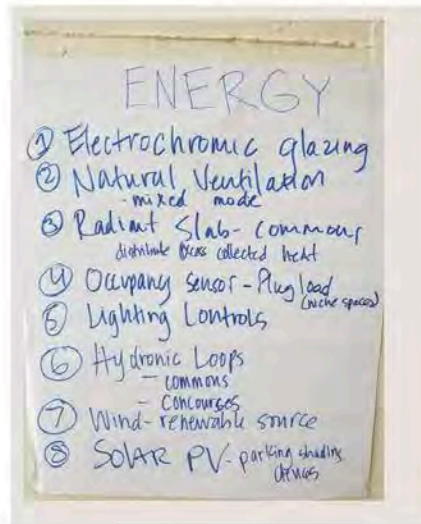
leed charrette - sustainable strategies



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ENERGY / LIGHT

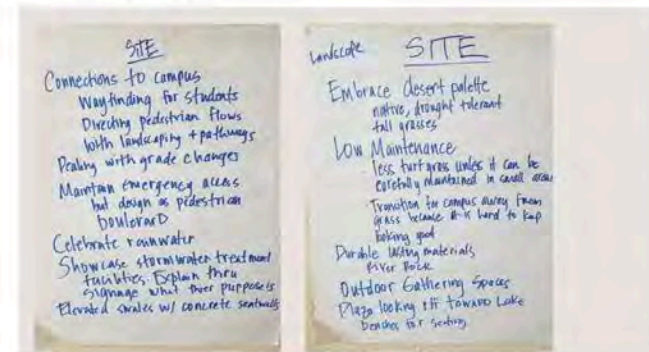
The full team had a robust discussion considering additional energy saving measures beyond those that Interface has presented in their chart. The team did not have time to plot on the lift versus cost matrix but it was agreed that all of the strategies with the exception on renewable wind energy should be further studied in the DD energy analysis.



SITE

The site team had a great discussion with Brian Fox of Oregon Tech related to his priorities for the site and where to consider the limits of work. Given the conversation started from a very preliminary point, the strategies were not plotted on the lift analysis matrix. Regardless, there were several strategies identified that are minimal cost and important to Oregon Tech including:

- Connections to campus
- Wayfinding
- Showcase stormwater treatment facilities
- Embrace desert palette
- Use minimal turf grass
- Use durable, low maintenance materials
- Create outdoor gathering spaces

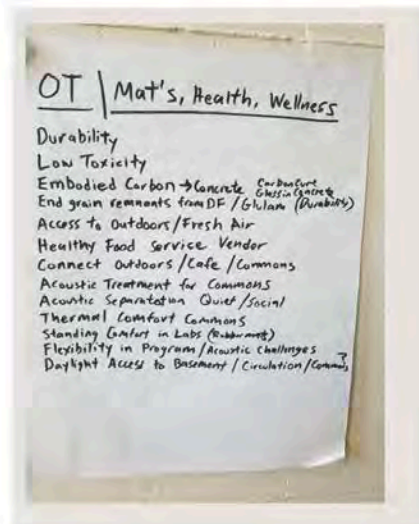


leed charrette - sustainable strategies

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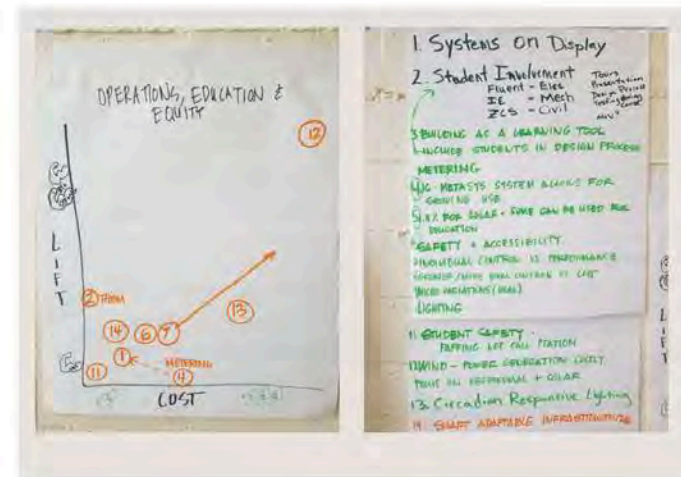
MATERIALS AND HEALTH + WELLNESS

The materials group covered a broad range of interests with a heavy focus on durable, non-toxic material selection as well as the challenges of creating acoustic separations between the various programs.



OPERATIONS + EDUCATION + EQUITY

The engineers in this group were the only team to create the cost versus lift matrix as requested. As shown the majority of the items are low lift and low cost meaning they should be implemented. Systems on display and opportunities for students in their programs to learn from the building is a key priority for Oregon Tech.



leed charrette - sustainable strategies

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schematic design

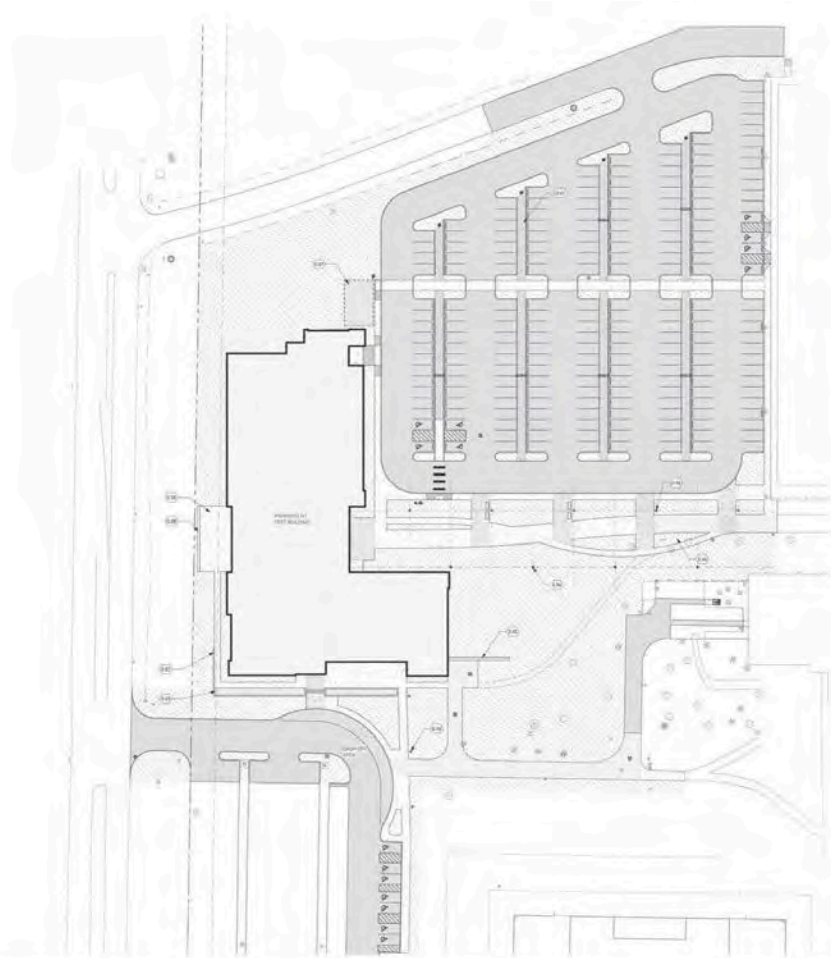
site access, grading and infrastructure

program confirmation and development

architectural concept images



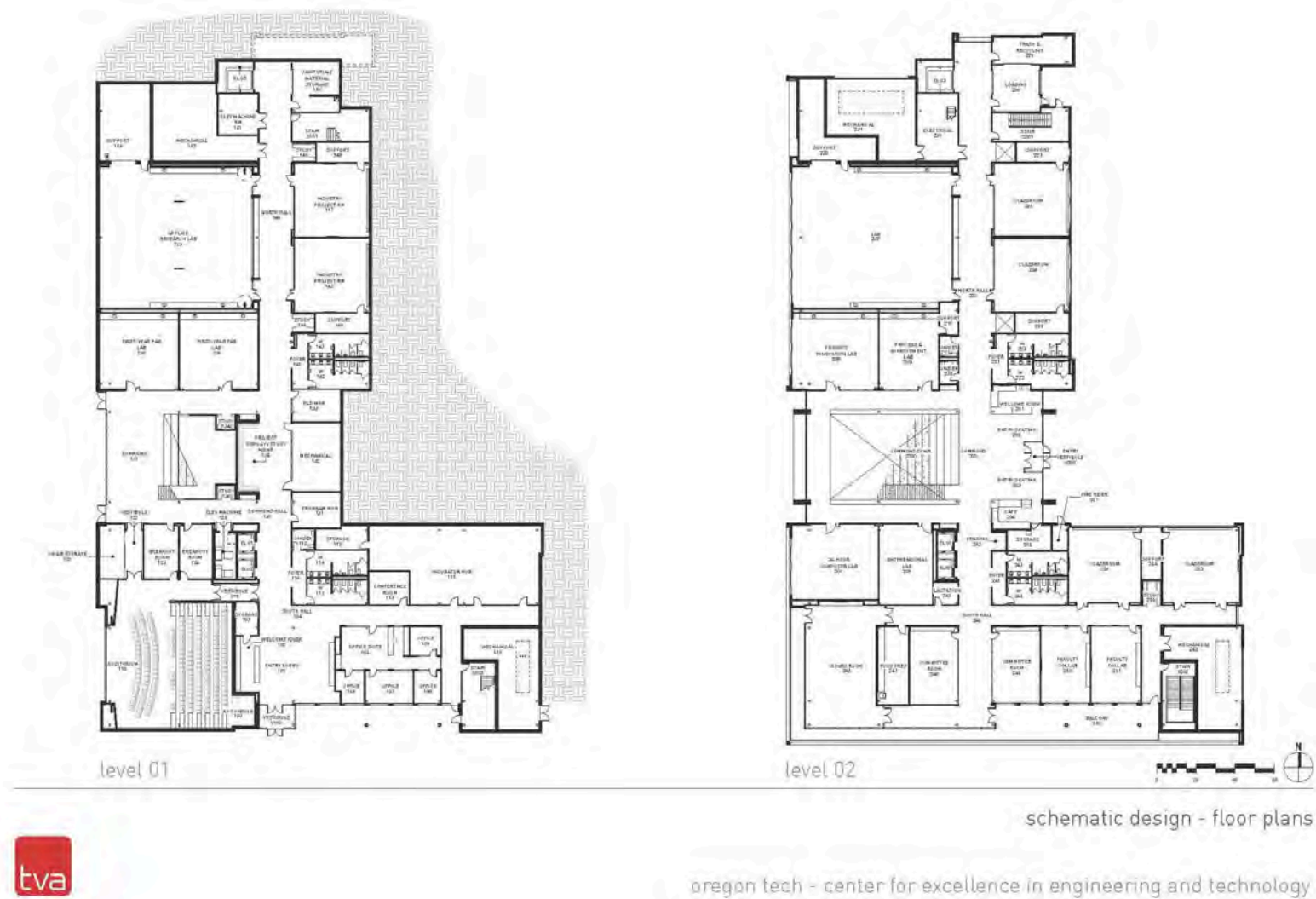
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schematic design - site plan



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exterior view from the southwest



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exterior view of the commons from the west



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campus entry and lake view corridor



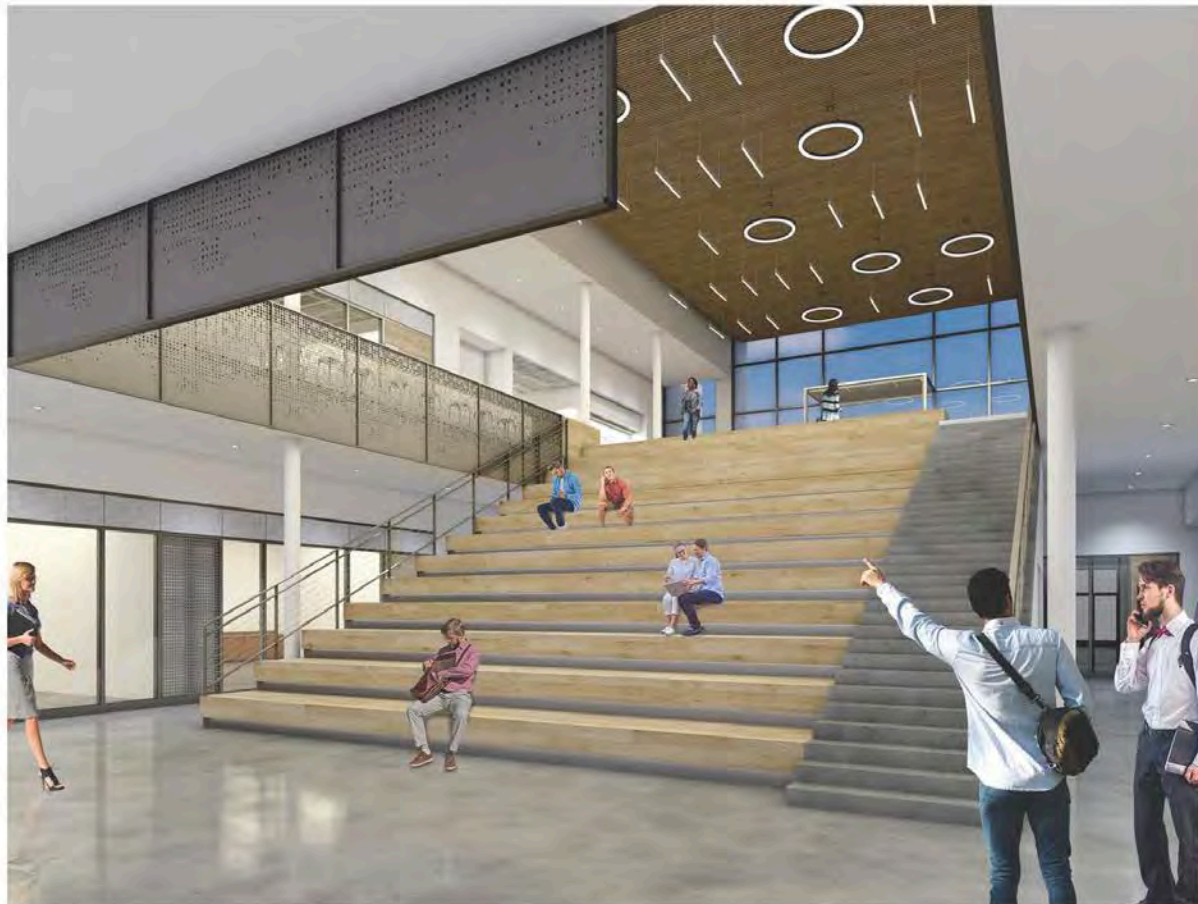
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the commons



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commons stair from level 01



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next steps

design development

define and describe all important aspects of the project including structure, building systems, and materials;
coordination with the cm/gc to confirm budgetary alignment

design review

city of klamath falls review of the design and the environmental, traffic, construction, and economic impacts of the project

construction documents

detailed documentation and detailing for construction

permitting, bidding, and construction

city and county approvals, competitive bidding, and commencement of construction



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project schedule

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the commons



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