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

**Trustees Present:**

Vince Jones, Committee Chair	Nagi Naganathan, President (in person)	Michele Vitali
Jessica Gomez, Board Chair (in person)	Mike Starr Paul Stewart	

**Other Trustees present:**

Jeremy Brown	Tim Hasty (in person)	Rose McClure (in person)
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**University Faculty and Staff Present in person**

Thom Darrah, Facilities Management Services Director  
Maureen DeArmond, AVP Human Resources (virtual)  
Erin Foley, VP Student Affairs and Dean of Students  
David Groff, General Counsel  
Scotty Hayes, Information Technology Consultant  
John Harman, VP Finance and Administration  
Travis Miller, Information Technology Consultant  
Joanna Mott, Provost and VP Academic Affairs and SEM  
Stephanie Pope, Assistant VP Financial Operations

**Others Present:**

Trever Campbell, Kernutt Stokes (virtual)  
Haley Lyons, Kernutt Stokes (virtual)

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

Chair Jones called the meeting to order at 8:03am. The Board Secretary called roll and a quorum was declared.

**2. Consent Agenda**

**2.1 Approve Minutes of the January 28, 2021 Meeting**

With no amendments proposed, the minutes for the January 28, 2021 meeting stood as published.

### 3. Reports

- 3.1 Finance, Facilities and Audit Status Update: Quarter Two Fiscal Year 2021 Report**  
**VP Harman** reviewed the General Fund Monthly Report in the agenda report. He stated we are on target to meet the projected budget with \$2.9M in salary recapture.

### 4. Action Items

- 4.1 Internal Audit Update and Acceptance of the Internal Audit: Sponsored Projects and Grant Administration**

**Mr. Campbell** reviewed the complete audit for Sponsored Projects and Grant Administration noting 24 identified issues: 13 findings, 5 observations, and 6 process improvement recommendations. He noted that many of the issues in the audit were identified by Dr. Afjeh as needing updates and improvement prior to the audit. This was the only open audit.

**Ms. Lyons** stated a report on completed audits will be brought to the committee in the fall.

**Chair Gomez** moved to accept the Sponsored Projects and Grant Administration Internal Audit Report. **Trustee Starr** seconded the motion. With all trustees present voting aye, the motion passed unanimously.

- 4.2 Internal Audit Risk Assessment Update and Approval of the Revised FY 2020-21 Audit Plan**

**Ms. Lyons** gave an update on the Fraud, Waste, and Abuse Ethics Hotline, noting that half-way through the fiscal year there were 5 cases opened, investigated, and closed. There are no open cases at this time. She addressed the 2020-21 Risk Update and Audit Plan explaining the multi-year audit plan was created “pre-COVID” and a review was conducted to make sure the plan was still appropriate. Proposed audits are Clery Act and Procurement and Contracting. The 2021-22 audit plan will be presented at the May Board meeting with 30 potential audits identified.

**Chair Gomez** moved to approve the Revised Fiscal Year 2020-21 Audit Plan as included in the agenda report. **Trustee Starr** seconded the motion. With all trustees present voting aye, the motion passed unanimously.

- 4.3 Recommendation to the Board to Approve the 2021-22 Academic Year Tuition and Fees**

**VP Harman** reviewed the PowerPoint presentation in the agenda packet explaining the Tuition Recommendation Committee (TRC) makeup, timeline, and process, student feedback, and the recommendations of the committee and the President. The recommendation from the TRC is to increase the undergraduate base tuition (resident, WUE, non-resident) and graduate tuition by 4.9%, increase Health Program and Engineering and Technology differentials by 2 percentage points (35% to 37% premium), and if the approved state budget for 2021-23 biennium increases funding to the PUSF by

\$50 million over the current biennium level, decrease the TRC recommended 2021-22 academic base tuition increase by 1%. The President concurred with the TRC recommendation with the modification of the increased funding to the PUSF of “at least \$49 million.” There are no amendments recommended to the Portland-Metro fees, and only a \$2.00 reduction for the Klamath Falls Incidental Fee.

**Trustee Brown** noted that the amount of revenue we receive in tuition is similar to the amount of state appropriations we receive. The real cost of education then roughly tuition from in-state students is 50%; out of state students who are not subsidized by the state then the amount of out of state tuition a student should pay might be twice as much of an in-state student but our tuition rates are approximately three times higher. We are on the extremely high side and that could impact us when we are trying to recruit students outside of Oregon and the WUE system. He suggested that some consideration be made in the future to how much we charge out of state students. **President Naganathan** noted that we do not get any state allocation for or credit upon graduation for out of state student but that the point is well taken. **VP Foley** stated the number of students participating in the forums at the Klamath Falls campus was greater than in years past and the Portland Metro students did not have that increase but there was not a lot of impact voiced from the KF campus but PM felt tuition increases would not be appropriate given the impact COVID had on them (they are more likely to have had jobs impacted).

**Trustee Starr** moved to recommend to the Board approval of the Academic Year 2021-22 tuition and mandatory fee schedule as presented in the agenda and authorize the president and/or his designee(s) to take necessary actions to implement and enforce the tuition and fees. **Trustee Vitali** seconded the motion. With all trustees present voting aye, the motion passed unanimously.

#### 4.4 Recommendation to the Board for Approval to Pursue Bond Financing for Construction of a New Student Housing Facility

**VP Harman** called out a scrivener’s error in the recommendation: the proposal is for an 850-bed student housing facility (not an 85-bed facility). He reviewed the proposal for requesting \$55 million in bonds for the construction of a housing facility on the Klamath Falls campus. He explained there is unretired debt on the Village housing project and he outlined the assumptions associated with the financial proforma. Currently the Village has 264 beds (including student staff). Discussion regarding costs and assumptions. **President Naganathan** stated a Facilities Master Plan project will start in the Spring which will allow the Facilities Planning Commission to participate in this project as well as the larger campus plan. **Chair Gomez** clarified that the proposal is not approving the actual project; it is granting permission to pursue the bond.

**Trustee Stewart** moved to recommend to the Board approval to pursue \$55 million in 30-year Series XI-F bond financing through the state for construction of a new student housing facility on the Klamath Falls campus. **Chair Gomez** seconded the motion. With all trustees present voting aye, the motion passed unanimously.

## 5. Discussion Items

### 5.1 State Budget Outlook

**VP Harman** reviewed the information in the agenda packet.

**6. Other Business/New Business** - none

**7. Adjournment**

Meeting was adjourned at 9:52am.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Sandra Fox', with a stylized flourish at the end.

Sandra Fox  
Board Secretary