
**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 April 8, 2021 Meeting</u>	1
3. Reports (8:05am)	
3.1 Fiscal Operations Advisory Council <i>FOAC President Richard Bailey</i> (10 min)	
3.2 <u>Finance, Facilities and Audit Update: 3rd Quarter FY 2020-21</u> <i>VP John Harman</i> (8:15am) (45 min)	5
4. Action Items	
4.1 <u>Approval of FY 2021-22 Internal Audit Plan</u> (9:00am) (20 min) <i>Haley Lyons and Trevor Campbell, Kernutt Stokes</i>	32
5. Discussion Items - none	
6. Other Business/New Business (9:20am) (5 min) <i>Chair Vince Jones</i>	
Adjournment (9:25am)	



**Meeting of the
Oregon Tech Board of Trustees
Finance and Facilities Committee
Sunset Room, Klamath Falls Campus
And virtually via Microsoft Teams
April 8, 2021
8:00am – 9:45am**

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

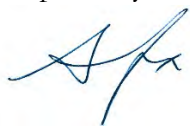
VP Harman reviewed the information in the agenda packet.

6. Other Business/New Business - none

7. Adjournment

Meeting was adjourned at 9:52am.

Respectfully submitted,

A handwritten signature in blue ink, appearing to be 'Sandra Fox', with a stylized, cursive script.

Sandra Fox
Board Secretary

REPORT

Agenda Item No. 3.2

Finance, Facilities and Audit Status: Quarterly Review

Background

The Quarterly Finance, Facilities and Audit Status Report provides information on major areas of responsibility under the Finance and Administration Division of Oregon Tech. The Report generally highlights budget performance, revenue and enrollment indicators, facilities, equipment, capital projects and invested funds, as well as internal and external audit coordination. Depending on the timing of the quarterly Board meeting, some data may not yet be available for reporting. The information contained in the Report is used by the Office of the Vice President of Finance and Administration to track progress toward achieving the institution's financial and operational goals.

The report is shared with the Finance and Facilities Committee on a quarterly basis to provide information essential in supporting the Board's governance and fiduciary responsibilities.

Staff Recommendation

No action required. For discussion purposes only.

Attachments

Q3 FY 2021 Quarterly Finance, Facilities and Audit Status Reports including the following:

- A. [Management Report](#)
- B. [Cash-Flow Report](#)
- C. [Investment Report](#)
- D. [Financial Dashboard](#)
- E. [Facilities and Capital Projects Report](#) (PowerPoint)
- F. [Audit Status Updates](#)

ATTACHMENT A MANAGEMENT REPORT

General Fund Monthly Report FY21 March (in thousands)

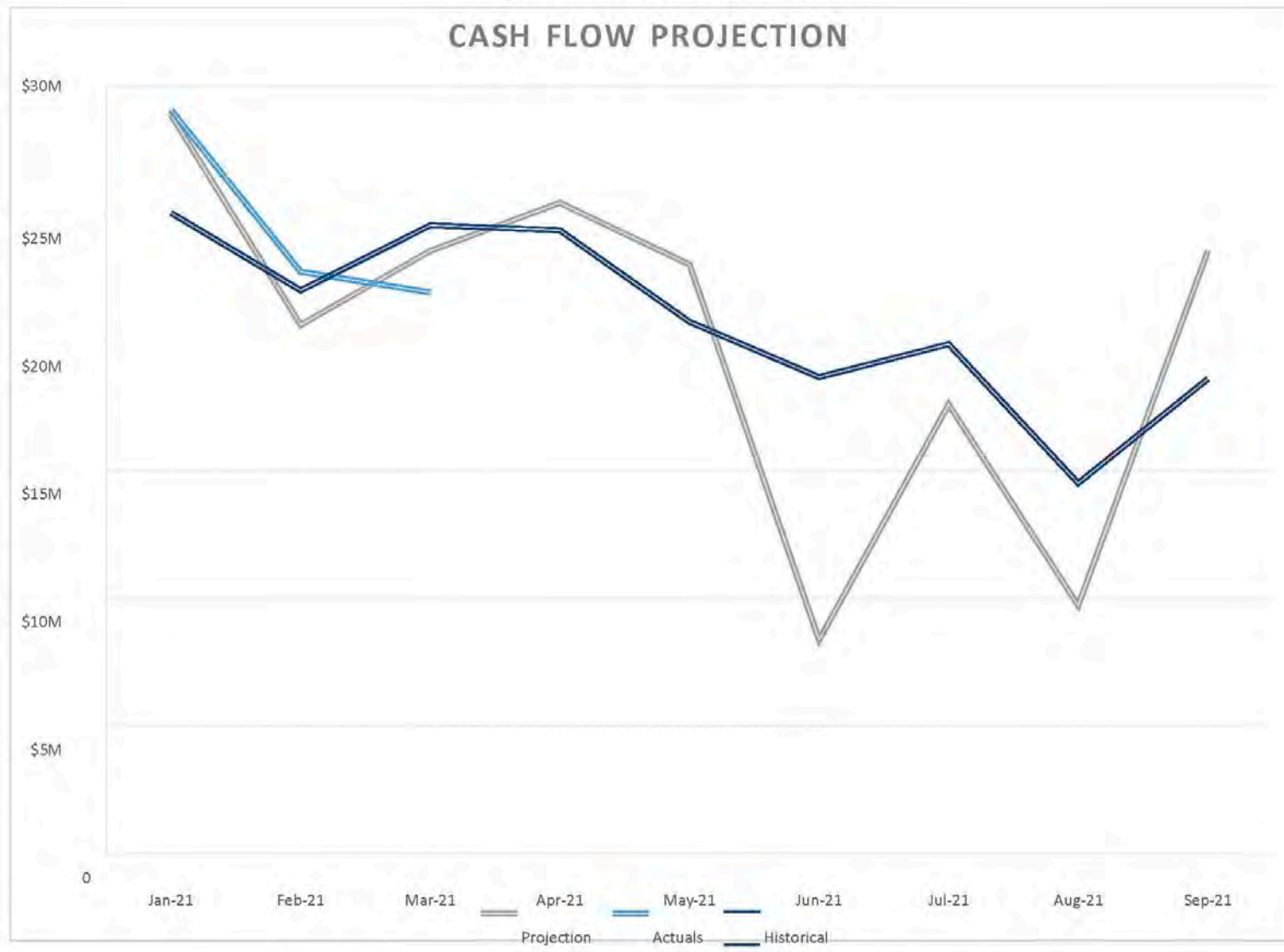
Acct	YTD Comparison		FY21 Forecast				Notes
	FY20 YTD March Actuals	FY21 YTD March Actuals	FY20 Year End Actuals	Board Adopted	Adjusted Budget	Year-End Forecast	
State Allocations	31,311	26,972	31,311	29,836	29,836	32,281	(1)
Tuition & Fees	38,360	39,097	39,203	41,862	41,862	39,957	(2)
Remissions	(3,167)	(4,996)	(4,697)	(5,058)	(5,058)	(5,076)	
Other	1,981	2,141	2,767	2,763	2,763	2,848	(3)
Total Revenue	68,485	63,214	68,584	69,402	69,402	70,011	
Unclassified	17,965	16,883	25,039	24,659	24,956	27,003	(4)
Classified	4,477	4,036	5,907	6,173	6,137	6,173	
Student	552	450	660	1,093	1,084	601	
GTA	48	42	80	121	121	59	
OPE	12,297	12,035	16,763	18,335	18,714	18,570	
Salary Recapture				(750)	(1,882)	(4,523)	
Total Labor	35,339	33,445	48,449	49,632	49,130	47,883	(5)
Service & Supplies	9,287	8,353	11,954	18,247	18,811	14,805	(8)
Internal Sales	(888)	(1,022)	(926)	(2,167)	(2,167)	(1,379)	
Debt Service	1,297	841	1,771	624	775	1,176	
Capital	378	19	449	458	475	1,491	(9)
Utilities	788	686	1,053	1,247	1,278	961	
Transfers Out	1,191	1,025	1,462	1,362	1,362	1,362	(6)
Total Direct Expense	12,053	9,902	15,764	19,771	20,534	18,416	(7)
Total All Expense	47,392	43,348	64,212	69,403	69,664	66,299	
Net From Operations	21,093	19,867	4,372	(1)	(262)	3,712	
Extraordinary Transfers In	314	56	328	1	1	56	
Extraordinary Transfers Out	(185)	-	(694)	-	-	-	
Carryforward & Rollover	(460)	-	(460)	-	-	-	
Fund Additions/(Deductions)	46	(170)	46	-	-	(170)	
Change in Fund Balance	20,808	19,753	3,592	0	(261)	3,598	
Beginning Fund Balance	10,001	13,593	10,001	13,593	13,593	13,593	
Ending Fund Balance	30,809	33,345	13,593	13,593	13,332	17,190	
Ending Cash Balance	17,953	26,449	12,128				
% Operating Revenues	45.0%	52.7%	19.8%	19.6%	19.2%	24.6%	

Notes:

Education & General

- (1) **Forecast** - March 2020 correction from HECC on state appropriation funding
- (2) **Forecast** - Tuition forecast assumes no events that disrupt enrollments
- (3) **Forecast** - Reforecast for other revenue Spring 2021
- (4) **FY21 YTD Actuals** - Lower Unclassified, Classified, and OPE amounts due to furlough savings.
- (5) **Forecast** - Labor and OPE expenses forecast based on known savings, anticipated savings and anticipated additional spend
- (6) **FY21 YTD Actuals** - Regular Athletics & Shaw transfers completed in January 2021
- (7) **Forecast** - Forecast expenses with continued instability continues to create uncertainty. Adjusted monthly to reflect known costs or events
- (8) **Forecast** - Includes known budgeted expenditures, anticipated unplanned budgeted expenditures, and estimates of total spend.
- (9) **FY20 YTD Actuals** - Capital expenses included large marketing, vehicle, and equipment expenditures in FY20 which have not occurred thus far in FY21.
- (10) **FY20 Forecast** - Capital expenditure forecast includes anticipated paydown of loan from foundation

ATTACHMENT B CASH-FLOW REPORT



ATTACHMENT C INVESTMENT REPORT

FY2021 Q3 Investment Report

BACKGROUND

The Oregon Tech (university) investment reports for the third quarter (Q3) of FY2021 are presented in the following sections:

- **FY2021 Q3 Oregon Tech Investment Report** – This section includes a report on the investments of the operating and endowment assets of the university. This report reflects the university's operating assets that are invested in the Public University Fund and the university's endowment assets managed by the Oregon State Treasury.
- **FY2021 Q3 Market Commentary** – This section provides a general discussion of the investment markets and related performance data for the third quarter of FY2021 (i.e., January 1 – March 31, 2021).

FY2021 Q3 OREGON TECH INVESTMENT REPORT

The schedule of Oregon Tech's investments is shown in the investment summary below.

Public University Fund

(Prepared by the Public University Fund Administrator)

Oregon Tech's operating assets are invested in the Public University Fund (PUF). The PUF declined 0.1% for the quarter. The PUF's three-year and five-year average returns were 3.5% and 2.6%, respectively.

The Oregon Short-Term Fund (OSTF) returned 0.2% for the quarter and 0.6% fiscal year-to-date, outperforming its benchmark by 20 and 50 basis points, respectively. The Core Bond Fund returned -0.7% for the quarter and 1.5% fiscal year-to-date, outperforming its benchmark by 70 and 210 basis points, respectively.

In April, Oregon State Treasury fixed income investment officers, Will Hampson and John Lutkehaus, conducted a quarterly performance review with university staff. The Core Bond Fund's relative overweight in corporate bonds (10% points) and underweight in U.S. Government Treasuries (40% points) contributed to the portfolio's 70 basis point relative outperformance versus the benchmark during the quarter. Corporate bonds were favored by investors during the period as the U.S. economic recovery gained momentum. Following changes to the investment policy approved in January 2021, the investment officers began purchasing high quality floating rate notes and collateralized loan obligations in the Core Bond Fund. Securities from both sectors are currently offering higher yields compared to traditional government-backed securities. The Core Bond Fund's book yield, as of March 31, 2021, was 2.5%.

A factsheet detailing each investment pool's portfolio characteristics and market exposures is included with this report.

Oregon Tech Quasi-Endowment Fund

The Oregon Tech Quasi-Endowment assets decreased by 0.9% for the quarter and gained 1.6% fiscal year-to-date. The Oregon Intermediate-Term Pool outperformed its benchmark by 100 basis points for the quarter and 280 basis points fiscal year-to-date. The Endowment assets were valued at \$7.5 million, as of March 31, 2021.

Oregon Tech
Investment Summary
as of March 31, 2021
 (Net of Fees)

	Quarter Ended 3/31/2021	Current Fiscal YTD	Prior Fiscal YTD	3 Yr Avg	5 Yr Avg	10 Yr Avg	Market Value	Actual Asset Allocation	Policy Allocation Target
OIT Operating Assets Invested in Public University Fund									
Oregon Short - Term Fund	0.2%	0.6%	1.8%	2.0%	1.7%	1.1%	\$ 24,573,118	69.5%	¹
Benchmark - 91 day T-Bill	0.0%	0.1%	1.6%	1.5%	1.2%	0.6%			
PUF Core Bond Fund	-0.7%	1.5%	4.5%	4.8%	N/A	N/A	10,767,097	30.5%	¹
Benchmark - Bloomberg Barclays Intermediate U.S. Gov't./Credit Index	-1.4%	-0.6%	4.7%	4.4%	2.7%	3.4%			
Public University Fund Total Return	-0.1%	0.9%	3.1%	3.5%	2.6%		\$ 35,340,215	100.0%	
Public University Fund Investment Yield	0.3%	1.5%	2.1%	2.7%	2.3%				
OIT Endowment Assets									
Oregon Intermediate-Term Pool	-0.9%	1.6%	3.3%	4.5%	N/A	N/A	\$ 7,485,831	100.0%	
Benchmark - Bloomberg Barclays Intermediate U.S. Gov't./Credit Index	-1.9%	-1.2%	4.7%	3.9%	2.5%	2.3%			
Total Endowment Assets	-0.9%	1.6%	3.3%	4.5%			\$ 7,485,831	100.0%	

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.

² 100% Bloomberg Barclays Intermediate U.S. Gov't./Credit Index as of February 1, 2021. From April 1, 2017 to January 31, 2021, the benchmark was 75% Bloomberg Barclay's Aggregate 3-5 Years Index, 25% Bloomberg Barclay's Aggregate 5-7 Years Index.

³ 100% Bloomberg Barclays Intermediate U.S. Gov't./Credit Index as of January 1, 2021. From June 1, 2015 to December 31, 2020 the benchmark was Bloomberg Barclays 3-5 Year U.S. Aggregate Index.

Note: Outlined returns underperformed their benchmark.

Oregon Short Term Fund

March 31, 2021

Portfolio Characteristics

Market Value 03/31/2021	\$ 439,116,174
Weighted Average Credit Quality	AA
Book Yield (%)	0.67%
Weighted Average Maturity (years)	1.11
Duration (years)	0.61
Spread Duration (rate)	0.85

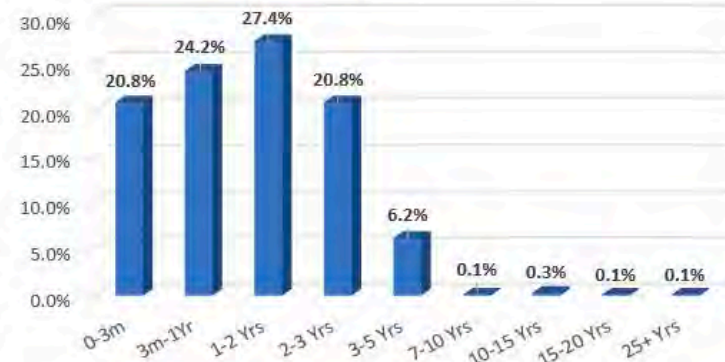
Top 10 Issuers

United States Treasury	17.9%
Federal Farm Credit Banks Funding Corporation	3.2%
Toyota Motor Corporation	3.2%
JPMorgan Chase & Company	2.5%
Toronto-Dominion Bank (The)	2.4%
Caterpillar Incorporated	2.4%
Morgan Stanley	2.2%
Wells Fargo & Company	2.2%
Royal Bank of Canada	2.2%
Citigroup Incorporated	2.1%
Total	40.3%

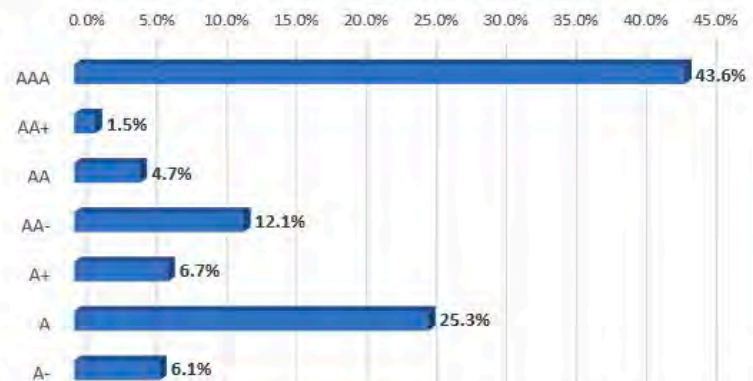
Sector Allocations



Maturity Breakdown



Credit Quality Distribution



Source: Oregon State Treasury

Core Bond Fund

March 31, 2021

Portfolio Characteristics

Market Value 03/31/2021	\$ 192,405,635
Weighted Average Credit Quality	A+
Book Yield (%)	2.50%
Weighted Average Maturity (years)	5.63
Duration (years)	4.12
Spread Duration (rate)	3.73

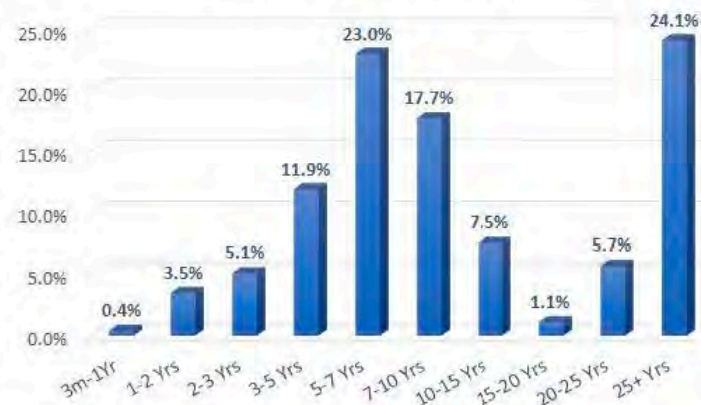
Top 10 Issuers

United States Treasury	20.0%
Oregon State Treasury (Oregon Short-Term Fund)	7.9%
Federal National Mortgage Association	5.5%
Ashtead Group PLC	3.8%
Citibank Credit Card Issuance Trust	3.0%
PPM America Collateralized Loan Obligation 2018-1A Limited	2.6%
Silgan Holdings Incorporated	2.5%
Owl Rock Capital Corporation	2.4%
Bain Capital Specialty Finance Incorporated	2.4%
Expedia Group Incorporated	2.3%
Total	52.4%

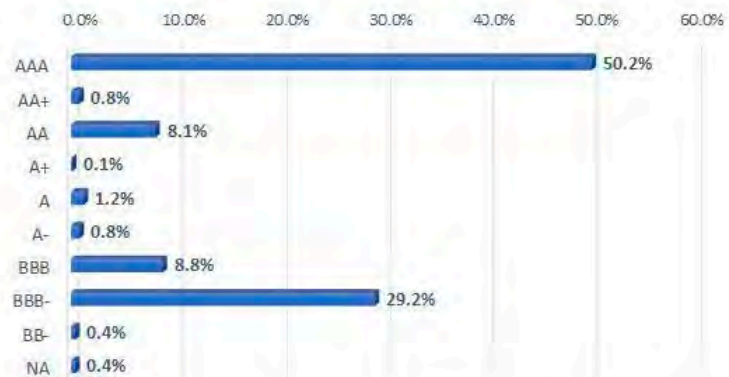
Sector Allocations



Maturity Breakdown



Credit Quality Distribution



Source: Oregon State Treasury

FY2021 Q3 MARKET COMMENTARY

(Prepared by USSE and Meketa Investment Group, consultants to the Oregon Investment Council)

Report on Investments – as of March 31, 2021**Economic and Market Update**

Markets continue to digest incremental positive economic news in most regions of the world as economies slowly reopen and distribute vaccines. The economic recovery after COVID-19 has persisted. Market participants continue to pay close attention to the new U.S. administration's policy agenda, which is still materializing. The Biden administration's approach to the regulation of large tech companies and corporate/individual taxation is worth continued close attention going forward. In the short-term, focus remains on the \$1.9 trillion fiscal package and the potential for additional fiscal spending on infrastructure. In February, yields on U.S. Treasuries rose rapidly on higher growth and inflation expectations as economic data on unemployment, manufacturing, services, and demand (retail sales, construction, incomes) came in better than expected and given the likely additional fiscal stimulus. Equity markets stalled as they repriced and rotated out of growth / tech stocks into value / recovery stocks in light of the advancing yields. Generally, growth stocks are expected to generate more of their cash flows further into the future than value stocks; when interest rates rise, those cash flows receive a larger discount, reducing their present value.

The conditions that were in place to begin the year are holding steady with strong policy support in the U.S., vaccine deployment trending positively, and economic data remaining resilient. The continued accommodative policy by the Federal Reserve and another round of fiscal stimulus further boosted investor sentiment, supporting a positive 6.2% total return by the S&P 500 during the period.

**Market Returns¹
March 31, 2021**

	Month	Quarter	YTD	1-Year	3-Year	5-Year	7-Year	10-Year
S&P 500	4.4%	6.2%	6.2%	56.4%	16.8%	16.3%	13.6%	13.9%
MSCI EAFE-ND	2.3%	3.5%	3.5%	44.6%	6.0%	8.8%	4.8%	5.5%
MSCI EM-ND	-1.5%	2.3%	2.3%	58.4%	6.5%	12.1%	6.6%	3.7%
MSCI China-ND	-6.3%	-0.4%	-0.4%	43.6%	8.2%	16.1%	11.3%	7.3%
Bloomberg Barclays US Aggregate	-1.2%	-3.4%	-3.4%	0.7%	4.7%	3.1%	3.3%	3.4%
Bloomberg Barclays US TIPS	-0.2%	-1.5%	-1.5%	7.5%	5.7%	3.9%	3.4%	3.4%
Bloomberg Barclays US Corporate High Yield	0.1%	0.8%	0.8%	23.7%	6.8%	8.1%	5.4%	6.5%
ICE BofAML US 3-Month Treasury Bill	0.0%	0.0%	0.0%	0.1%	1.5%	1.2%	0.9%	0.6%
ICE BofAML 1-3 Year US Treasury	0.0%	0.0%	0.0%	0.2%	2.8%	1.7%	1.5%	1.3%
ICE BofAML 10+ Year US Treasury	-3.8%	-13.2%	-13.2%	-16.0%	5.8%	3.1%	5.4%	6.2%

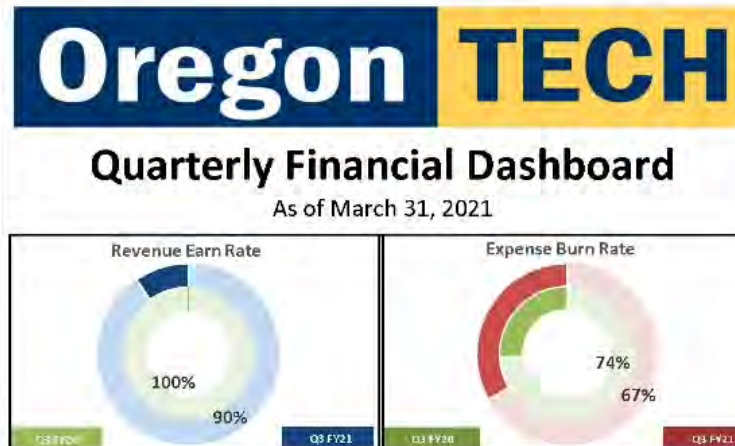
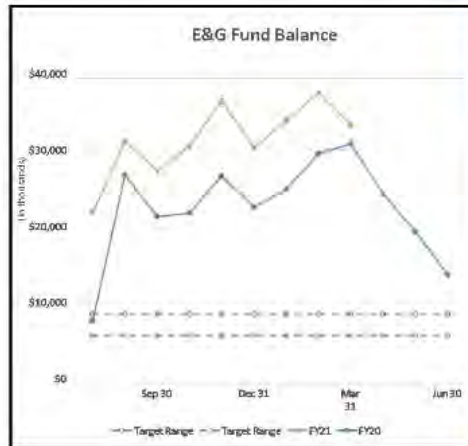
¹Source: Oregon State Treasury

YTD returns are computed on a calendar year basis.

The yield curve continued its steepening trend as rates on the 10-year Treasury surpassed 1.70%, driving bond prices lower. The Bloomberg Barclay's Aggregate Bond Index declined 3.4% during the period, as long-dated U.S. Treasuries declined over 13%. While investors have

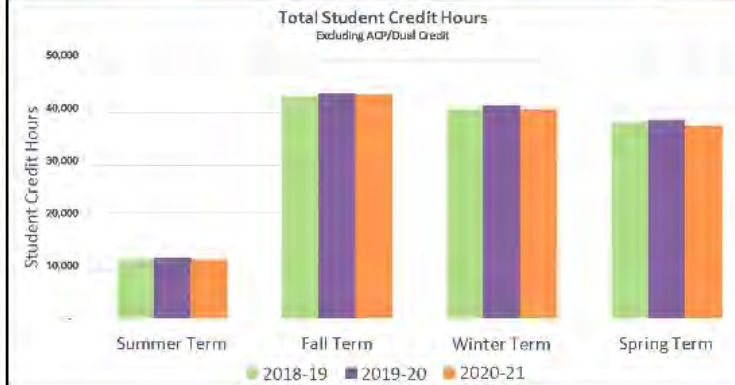
expressed concerns about the persistence of rising inflation, the Federal Reserve's Jerome Powell sought to allay inflation fears by saying overnight rates will remain in the zero-lower bound range through 2023.

ATTACHMENT D FINANCIAL DASHBOARD

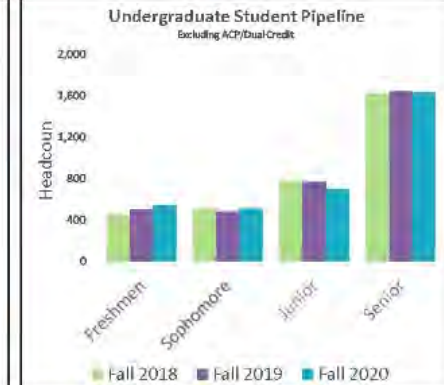


Key Financial Indicators		
E&G Fund Balance:	\$33,345	As of Mar. 31, 2021
Total Cash on Hand:	\$34,908	As of Mar. 31, 2021
E&G Cash on Hand:	\$26,542	As of Mar. 31, 2021
Days Cash on Hand:	121 Days	As of Mar. 31, 2021
Debt Burden Ratio:	3.60%	As of June 30, 2020
Quasi Endowment:	\$8,168	As of June 30, 2020
Foundation Assets:	\$31,173	As of June 30, 2020

Student Tuition		
Undergraduate Tuition		
	2020-21	2019-20
Resident:	\$9,212	\$8,774
Non-Resident:	\$29,322	\$27,926
WUE:	\$13,819	\$13,160
Online:	\$12,150	\$11,565
Differential:	35% Premium	30% Premium
Graduate Tuition		
	2020-21	2019-20
Resident:	\$16,951	\$16,143
Non-Resident:	\$28,455	\$27,100
Online:	\$13,860	\$13,212
ETM Differential:	35% Premium	30% Premium



Degree Completions					
		2019-20	2018-19	2017-18	3 Year Δ
Undergraduate	Resident:	493	545	516	-4.5%
	Non-Resident:	239	208	212	12.7%
Graduate	Resident:	13	16	7	85.7%
	Non-Resident:	14	11	11	27.3%



Notes:	
Student tuition rates are shown at 15 credits per term for undergraduates and 12 credits per term for graduates.	

Attachment E

BOARD OF TRUSTEES PRESENTATION / 5.27.2021



Oregon Tech's - Capital Projects Update

Thom Darrah | Director of Facilities & Capital Planning

Presentation Outline



Capital Projects – Underway

- CEET
- Boivin Hall Renovation
- Campus Way/Dan O'Brien Roundabout
- Track/Stadium Renovation
- ISHC Addition

Capital Projects - Completed

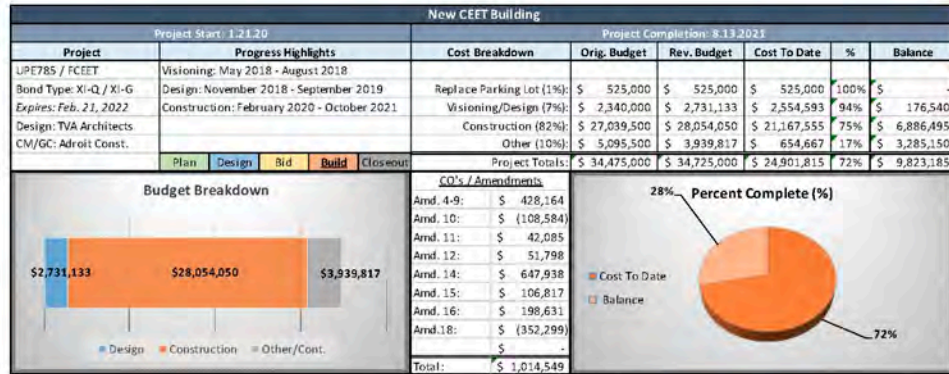
- Cornett Renovation - Phase 2
- Student Rec Center

** Both projects complete except the % for art requirements.*

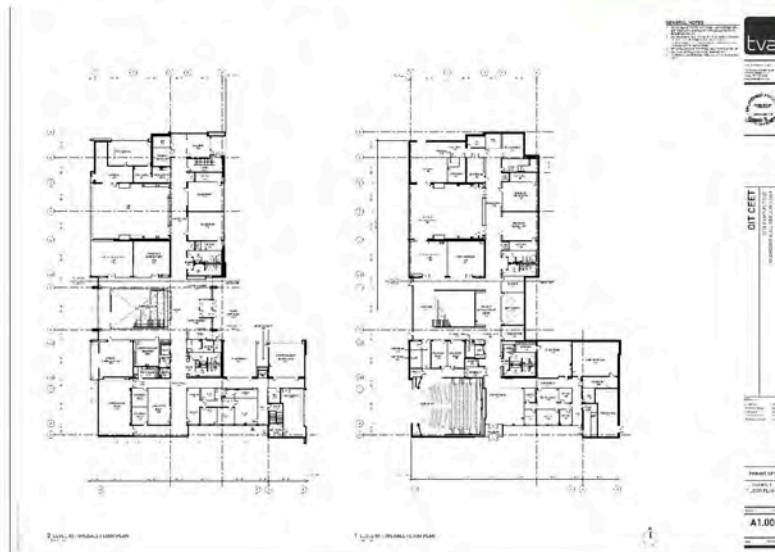
Capital Improvement Replacement

- FY 19/20 - Underway
- FY 21/22 – Pending

New CEET Building



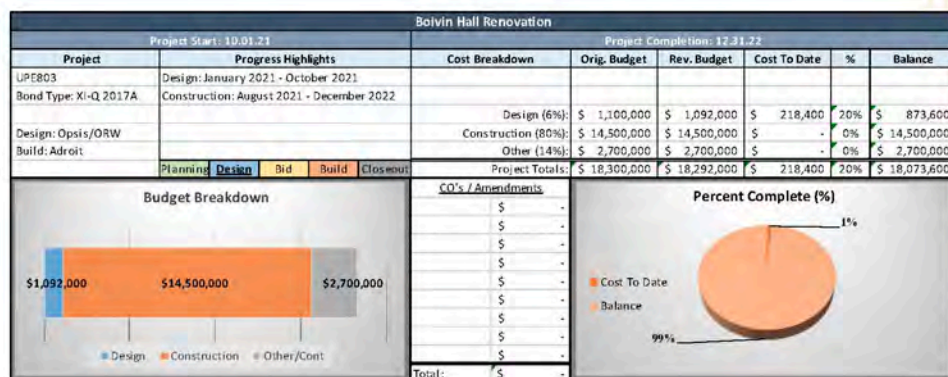
New CEET Building



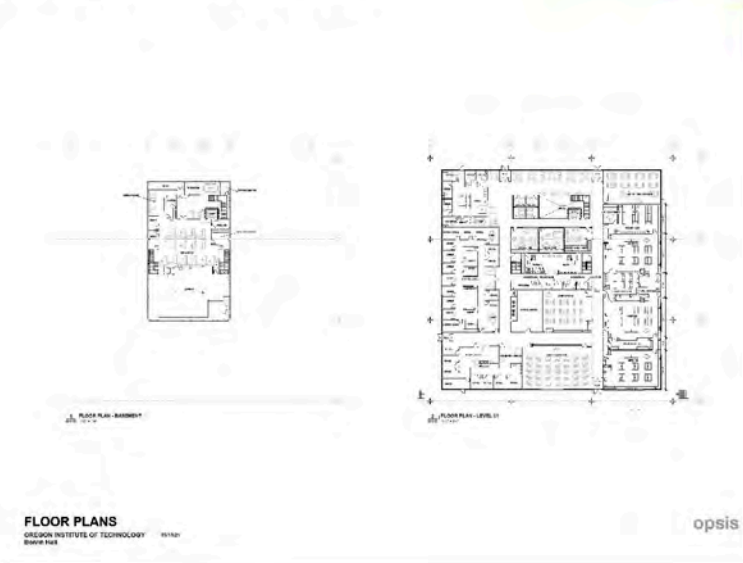
New CEET Building



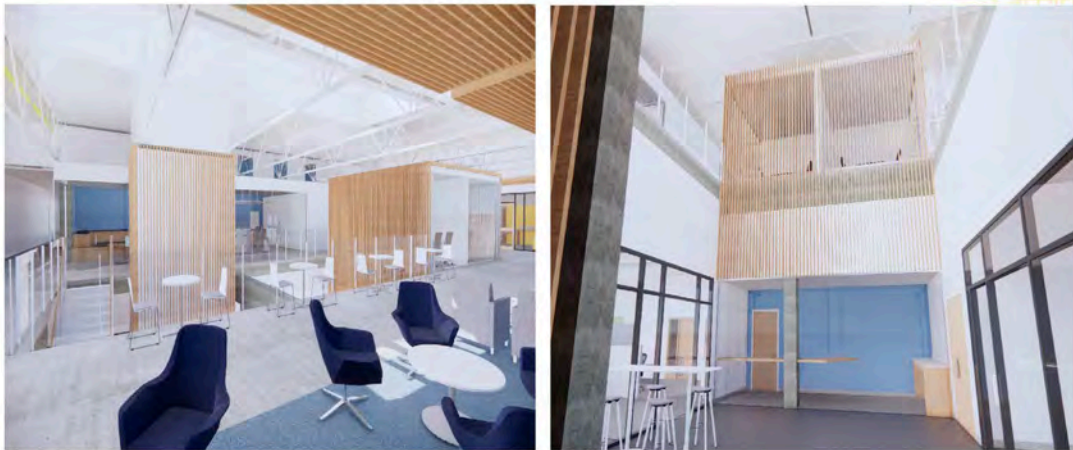
Boivin Hall Renovation



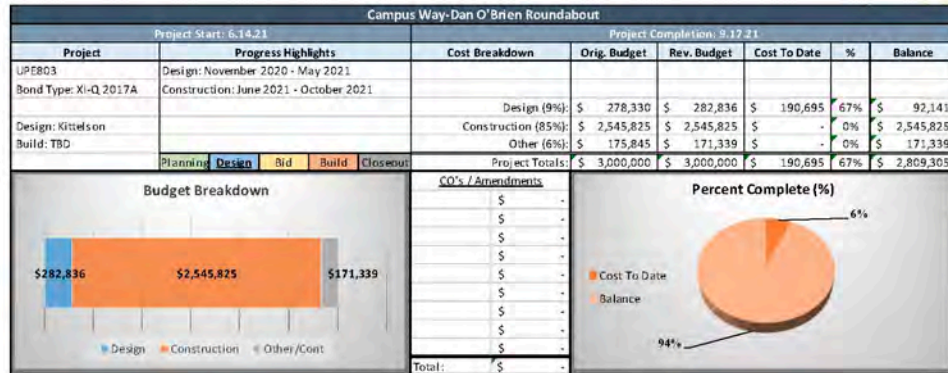
Boivin Hall Renovation



Boivin Hall Renovation



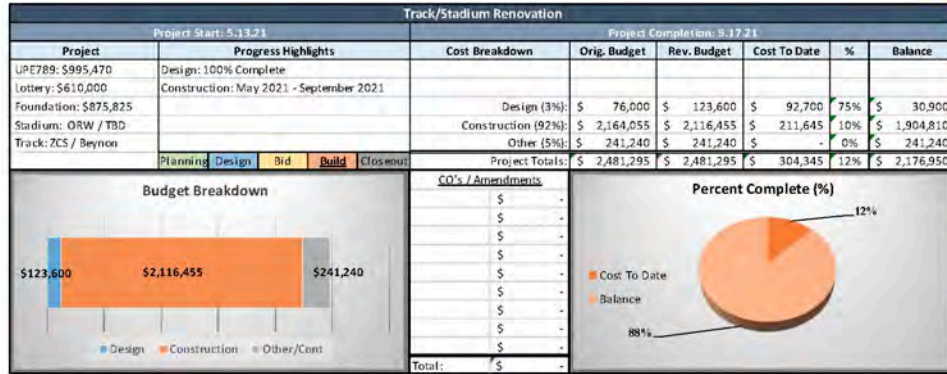
Campus Way/Dan O'Brien Roundabout



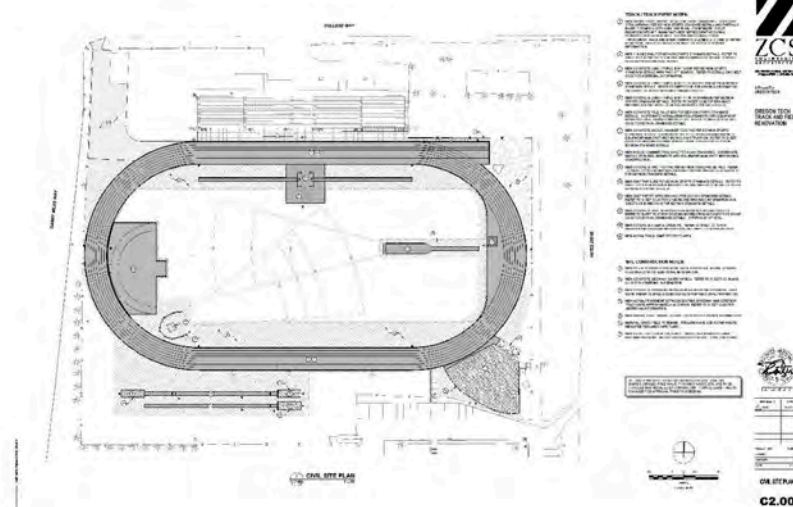
Campus Way/Dan O'Brien Roundabout



Track/Stadium Renovation



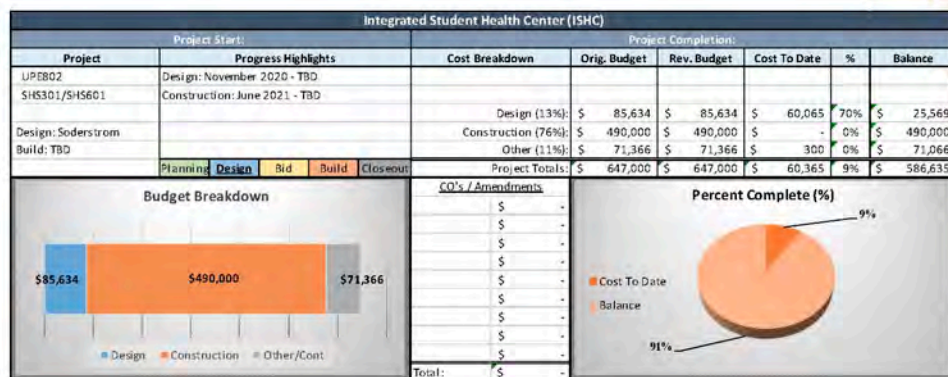
Track/Stadium Renovation



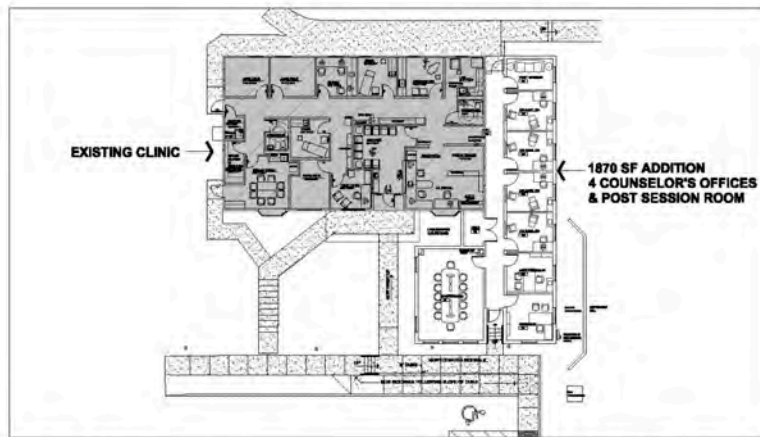
Track/Stadium Renovation



Integrated Student Health Center Addition



Integrated Student Health Center Addition



OREGON TECH
Student Health Clinic Addition
4/23/21

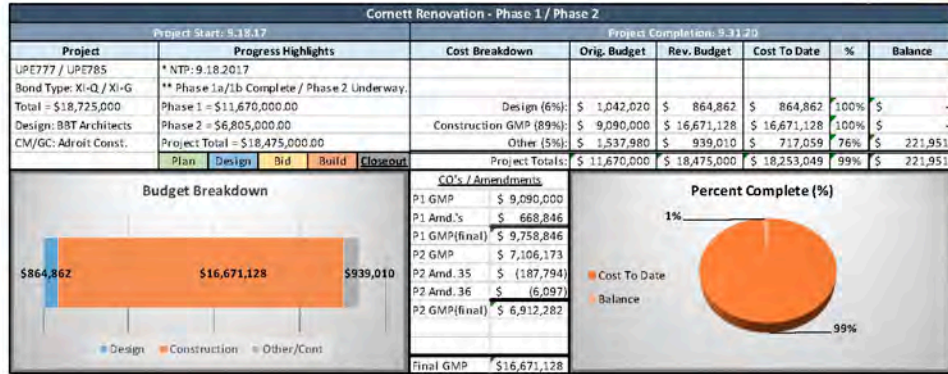
FLOOR PLAN

A1

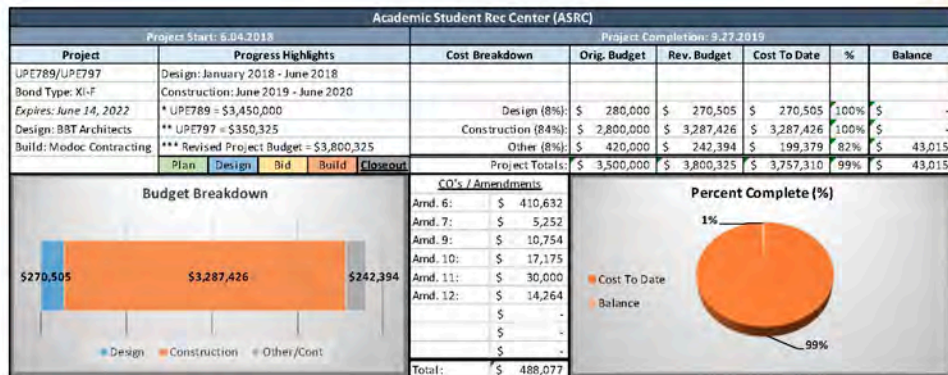
Integrated Student Health Center Addition



Cornett Renovation – Phase 1 / Phase 2



Student Recreation Center





Capital Improvement Replacement Projects

UPE797 – FY19/20 CRR Projects



OR - UPE797, FY19/20						
#	Project Description	Est. Cost	Final Cost	Revd. Balance	Status	Date Complete
	UPE797			\$ 2,591,025		
	Balance Forward - UPE 773	\$ (113,391)		\$ 2,477,634		
1	Fuel Management System Upgrade	\$ (10,000)	\$ (6,213)	\$ 2,471,421	Completed	Jul. 2020
2	Metasys Upgrade	\$ (245,000)	\$ -	\$ 2,226,421	Underway	TBD
3	Ash Tower Fan Controls Upgrade - 70%	\$ (25,000)	\$ (18,750)	\$ 2,207,672	Completed	Jun. 2020
4	Fire Alarm Upgrades - Purvine/LRC	\$ (40,000)	\$ (43,865)	\$ 2,163,807	Completed	Dec. 2020
5	Purvine Chiller Replacement	\$ (20,000)	\$ (8,160)	\$ 2,155,647	Completed	Aug. 2020
6	Purvine Entry Doors Upgrades	\$ (148,000)	\$ (142,547)	\$ 2,013,100	Completed	Apr. 2020
7	Purvine Flooring Upgrades	\$ (20,000)	\$ (19,602)	\$ 1,993,497	Completed	Oct. 2020
8	Campus Site Electrical Upgrades	\$ (380,000)	\$ (375,567)	\$ 1,617,936	Underway	TBD
9	Portland-Metro: ADA Signs	\$ (11,500)	\$ (1,484)	\$ 1,616,452	Underway	TBD
10	Portland-Metro: HVAC Lab 248	\$ (7,500)	\$ -	\$ 1,608,952	Pending	TBD
11	Portland-Metro: Concrete Repairs	\$ (25,000)	\$ -	\$ 1,583,952	Pending	TBD
12	Portland-Metro: 4th Floor Hall Carpet	\$ (50,000)	\$ (33,640)	\$ 1,550,312	Completed	TBD
13	Lot D - Electrical Upgrades	\$ (15,000)	\$ (12,996)	\$ 1,537,316	Completed	Aug. 2020
14	Semon Compressor	\$ (8,000)	\$ (6,331)	\$ 1,531,005	Completed	Oct. 2020
15	Dow Hot Water Pump Replacement	\$ (10,000)	\$ -	\$ 1,521,005	Underway	TBD
16	Snell Exterior Renovation	\$ (475,000)	\$ -	\$ 1,056,005	Underway	TBD
17	Portland-Metro: ADA Grab Bars	\$ (7,500)	\$ -	\$ 1,048,505	Pending	TBD
18	Portland-Metro: Replace Ceiling Tile	\$ (10,000)	\$ -	\$ 1,038,505	Underway	TBD
19	Portland-Metro: Window Sealant	\$ (10,000)	\$ -	\$ 1,028,505	Pending	TBD
20	Portland-Metro: Concrete Curb Repair	\$ (35,000)	\$ -	\$ 993,505	Pending	TBD
21	Semon Control/HX Upgrade	\$ (110,000)	\$ -	\$ 883,505	Pending	TBD
22	Athletics Offices (4) HVAC Replacement	\$ (30,000)	\$ (25,957)	\$ 857,548	Completed	Apr. 2021
23	Purvine Geo System Renovation	\$ (50,000)	\$ -	\$ 807,548	Underway	TBD
24	Phase 3 - Bottle Fill Stations	\$ (30,000)	\$ -	\$ 777,548	Underway	TBD
25	Athletics Lift Pumps - 70%	\$ (17,500)	\$ -	\$ 760,048	Pending	TBD
26	Chiller Tower Renovation	\$ (7,500)	\$ -	\$ 752,548	Pending	TBD
27	Facilities Exterior Renovation	\$ (455,000)	\$ -	\$ 297,548		
28		\$ -	\$ -	\$ 297,548		
	Balance	\$ -	\$ -	\$ 297,548		

* Portland-Metro projects are shown in red.
 ** UPE797 - Expiration Date: 2/21/2022

UPE – FY21/22 CRR Projects



OR - UPEBOS - FY 20/21					
#	Project Description	Est. Cost	Final Cost	Bond Balance	Status Date Complete
	UPEBOS			\$ 3,548,556	
	Balance Forward - UPE 797	\$ 297,548	\$ -	\$ 3,846,104	
1	Well 5 Rehab - Phase 2	\$ (875,000)	\$ -	\$ 2,971,104	
2	HX Upgrades	\$ (455,000)	\$ -	\$ 2,516,104	
3	Athletics Roof and Skylight Replacement	\$ (350,000)	\$ -	\$ 2,166,104	
4	Injection Well 1 Recase	\$ (450,000)	\$ -	\$ 1,716,104	
5	Semon Abatement/Replacement	\$ (150,000)	\$ -	\$ 1,566,104	
6	Facilities Abatement/Replacement	\$ (100,000)	\$ -	\$ 1,466,104	
7	Athletics HVAC Upgrades	\$ (500,000)	\$ -	\$ 966,104	
8	Purvine Expand DDC Controls	\$ (55,000)	\$ -	\$ 911,104	
9	IRC Expand DDC Controls	\$ (45,000)	\$ -	\$ 866,104	
10	Geo Valves / HX Pump Replacement	\$ (300,000)	\$ -	\$ 566,104	
11	Portland-Metro Project Allowance	\$ 355,000	\$ -	\$ 921,104	
12		\$ -	\$ -	\$ 921,104	
13		\$ -	\$ -	\$ 921,104	
14		\$ -	\$ -	\$ 921,104	
15		\$ -	\$ -	\$ 921,104	
		\$ -	\$ -	\$ 921,104	
		\$ -	\$ -	\$ 921,104	
	Balance			\$ 921,104	

* Projects shown are placeholders and may change based on future/changing priorities.

* Portland-Metro projects set aside allowance is shown in red, projects to be determined.



Contact Information

Thom Darrah, Director of Facilities

Phone: 541.885.1661

Email: Thom.Darrah@oit.edu

ATTACHMENT F

Audit Status

Internal Audit

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

The statuses of open and planned projects are as follows:

Internal Audit Projects Update	
2020/2021 Engagements	Status
Clery Act	Fieldwork in process. <u>Anticipated completion</u> : End of fiscal year
Procurement and Contracting	Fieldwork in process. <u>Anticipated completion</u> : End of fiscal year
Monitor Fraud, Waste, and Abuse Ethics Hotline	Summary below for Board review
2021/2022 Engagements	Status
2021/2022 Audit Plan Update	Presented for approval by Board
<i>Tentative: Capital Projects Management</i>	<i>Planning will begin after approval</i>
<i>Tentative: Title IX</i>	<i>Planning will begin after approval</i>
<i>Tentative: Fixed Assets and Inventory</i>	<i>Planning will begin after approval</i>

Fiscal Year 2020/2021 Activities:

Two audits have been selected. Fieldwork is in process and IA will begin report drafting in the near future.

- Clery Act: Audit is focused on reviewing whether the University is complying with the tracking, reporting, and disclosure of campus crime statistics and security information in accordance with Title IV of the Higher Education Act.
- Procurement and Contracting: Audit is focused on reviewing compliance with policies and procedures around contracts with third-parties including: vendor selection, vendor evaluation, change orders, bidding, purchase thresholds, legitimate business purposes, and compliance with government regulations.

It is anticipated that both of these projects will be substantially completed by the end of the fiscal year.

Fiscal Year 2021/2022 Activities:

The risk assessment update completed this spring was used to develop an internal audit plan for 2021/2022. IA is contracted to perform three audits during the coming fiscal year. IA has

proposed audits, which Oregon Tech management has reviewed and agreed with. The proposed audit plan is included in the Board materials.

Fraud, Waste, and Abuse Ethics Line Update:

Fraud, Waste, and Abuse Ethics Line Report Log (Fiscal-year)					
Complaint Source	2017	2018	2019	2020	2021
Hotline	10	5	6	8	8
Direct to IA	0	0	0	0	0
Oregon State Audits Division	0	0	0	1	0
Total	10	5	6	9	8
Issues Resolved					
Resolved	10	5	6	9	7
Monitoring	0	0	0	0	0
Open	0	0	0	0	1

IA monitors and performs case management for Oregon Tech's Fraud, Waste, and Abuse Ethics Line, engaging OIT's General Council and other appropriate offices at Oregon Tech. A five-year report log is shown with dates representing fiscal years.

- During fiscal year 2021 there have been seven cases reported through the Oregon Tech Hotline. Seven cases have been reviewed and closed. The most recent case is still in the process of being reviewed and evaluated.



Internal Audit Update Agenda

- Fraud, Waste, and Abuse Ethics Hotline Update
 - Report included in Board packet
- 2020/2021 Audits
 - Clery Act
 - Procurement and Contracting
- 2021/2022 Audit Plan
 - Included in Board packet

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Fraud, Waste, and Abuse Ethics Hotline Update

- Five-year Status Report – Included in Board Packet
- Status Update
 - 8 cases opened through hotline in 2020/2021
 - 7 cases have been investigated, resolved, and closed
 - 1 recent case is still in process of being reviewed
 - Five-year case log status (fiscal year):

Complaint Source	2017	2018	2019	2020	2021
Hotline	10	5	6	8	8
Direct to IA	0	0	0	0	0
Oregon State Audits Division	0	0	0	1	0
Total	10	5	6	9	8
Issue Status					
Resolved	10	5	6	9	7
Monitoring	0	0	0	0	0
Open	0	0	0	0	1

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2020/2021 Audit

- **Clery Act:**
 - IA is performing fieldwork. Project is on track and on budget at this point.
 - Reviewing tracking, reporting, and disclosure of campus crime statistics and security information.
- **Procurement and Contracting:**
 - IA is performing fieldwork. Project is on track and on budget at this point.
 - IA will review policies and procedures around contracts with third-parties including:
 - vendor selection,
 - vendor evaluation,
 - change orders,
 - bidding,
 - purchase thresholds,
 - legitimate business purpose, and
 - compliance with government regulations.

Both audits are in-process currently and are on track to be substantially completed by the end of the fiscal year.

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2021/2022 Audit Plan

- 3 audits proposed for fiscal year 2021/2022:
 - Capital Projects Management
 - Title IX
 - Fixed Assets and Inventory
- Risk Assessment Update was utilized along with additional data collected.
- After approval by the Board IA will begin planning the audits for the coming year in coordination with University management.

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Questions?

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ACTION ITEM

Agenda Item No. 4.1

Approval of Internal Audit Plan: FY 2021/2022

Summary

The annual Risk Assessment and Internal Audit Plan for Fiscal Year 2021/2022 was developed after evaluating changes to the University's risk environment resulting from COVID-19 and other circumstances occurring in the last 12 months. Ultimately, the plan builds off of the first Internal Audit Risk Assessment developed during 2016 and subsequent annual plans. Each risk assessment includes a look at university-wide departmental risks often including questionnaires and follow up interviews. The 2021/2022 plan is a result of insights derived from prior year audit outcomes and input from key members of administration, faculty, and the Board of Trustees audit liaison.

On an annual basis the Finance and Facilities Committee, acting as the Audit Committee for the Board of Trustees, establishes an audit plan for the upcoming year. Each year the audit plan will be brought to the Audit Committee for approval after discussion and prioritization with management and the Board liaison.

The current year audit plan will focus on Capital Projects Management, Title IX, and Fixed Asset and Inventory.

Staff Recommendation

Staff and the Internal Auditor recommend that the Finance and Facilities Committee, acting as the Audit Committee of the Board of Trustees, approve the Internal Audit Plan: FY 2021/2022 as appended to this docket item.

Attachments

Internal Audit Plan for FY 2021/2022



| Internal Audit Plan – 2021/2022

OREGON TECH
INTERNAL AUDIT PLAN – 2021/2022

CONTENTS	PAGE
INTERNAL AUDIT PLAN METHODOLOGY	1
INTERNAL AUDIT PLAN – 2021/2022	2
HEAT MAP	3
RISK RANKING	4-6
AUDIT RISK METHODOLOGY	7-8

OREGON TECH
Internal Audit Plan - 2021/2022

Internal Audit Plan Methodology

This internal audit plan is for the fiscal year 2021/2022. This plan includes internal audits selected based on the results of the risk assessments performed by Internal Audit (IA), input from administration and faculty throughout the University, and input and approval from the Board of Trustees (Board). The internal audit plan is designed to direct IA resources in an effective and efficient manner.

IA's focus is to actively work within the University to assist management in addressing strategic, financial, operational, reputational, and compliance risks and exposures. IA focuses on both University-wide and department level processes and control systems. In order to focus audit resources, the work completed by other audit professionals and compliance officers across the University were considered in setting the overall audit plan and in planning the work conducted on any specific project. Additionally audits may be performed at the express request or instruction of the Board or University management.

The types of audits that can be performed by IA are as follows:

- **Performance Audits** - Examines the use of resources to evaluate whether they are being used in the most effective and efficient manner to fulfill the University's mission and objectives. Performance audits may include some elements of the other audit techniques listed below.
- **Financial Audits** - Focuses on accounting and reporting of financial transactions, including commitments, authorizations, receipt, and disbursement of funds. This type of audit verifies that there are sufficient controls over cash and other assets, and that there are adequate process controls over the acquisition and use of resources.
- **Compliance Audits** - Reviews adherence to laws, regulations, policies, and procedures. Examples include federal and state law, Trustee policies, organizational, or departmental directives. Recommendations based on findings or observations typically call for improvements in processes and controls intended to ensure compliance with the regulations noted.

OREGON TECH
Internal Audit Plan - 2021/2022

Internal Audit Plan

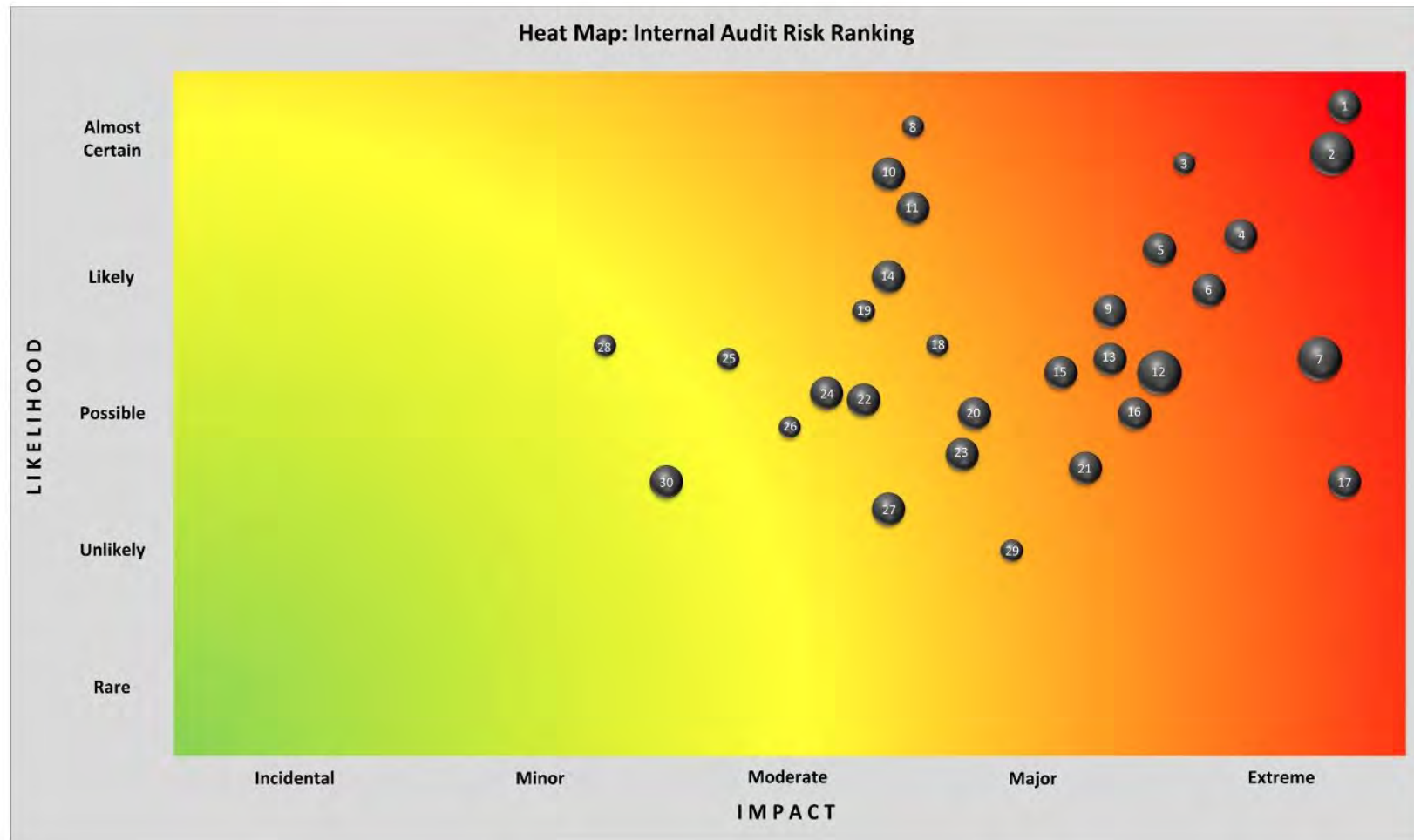
This update was developed after evaluating changes to the University's risk environment resulting from COVID-19 and other circumstances occurring in the last 12 months.

Audit Plan for Fiscal Year 2021/2022:

Audit Unit	Audit Focus	Budget*	Timeframe
Risk Assessment and Audit Plan Update	Update risk assessment and Internal Audit Plan.	20	Spring 2021
Monitor Fraud, Waste, and Abuse Ethics Hotline	Monitor reports made to the Fraud, Waste, and Abuse Ethics Hotline. Coordinate responses with University General Counsel and report activity to the Board.	20	Year-round
Prior Audit Follow-up	Look back at audits performed in prior years to review progress and/or continued areas for improvement.	20	Winter & Spring 2022
Board and Management Reporting	Prepare monthly and quarterly reports and presentations for the Board and management for audit statuses, issues encountered, decision needed, and actions taken.	40	Year-round
Capital Projects Management	Review policies and procedures for determining project management team, solicitation and selection of subcontractors, management of project costs, vendor compliance with contract requirements, overhead rate calculation and application, conflict of interest disclosures.	200	Summer & Fall 2021
Title IX	Review policies and procedures; processing of complaints; communication and documentation; victim and whistleblower confidentiality.	100	Fall 2021 & Winter 2022
Fixed Asset and Inventory	Review campus, or select department(s), fixed asset tracking procedures; purchase and disposal policies and procedures; inventory tracking practices; fixed asset utilization.	100	Winter & Spring 2022
Total Budget		500	

* Budgeted hours are approximate and may change depending on project scope to be determined by IA, OIT management, and the Board. Hours shown are provided for planning purposes.

OREGON TECH
Internal Audit Plan - 2021/2022



OREGON TECH
Internal Audit Plan - 2021/2022

Risk Ranking: This risk ranking represents potential risks that the University may face and risks that are common to higher education institutions that the University should be cognizant of.

Departments Affected or Responsible	Potential Internal Audit Focus	Risk to Oregon Tech	Heat Map Risk Rank
Office of the Vice President for Finance & Administration	Review of program costs	Changes to the state funding model could significantly impact University programs and services to students.	1
Information Technology	Cybersecurity; business email compromise; change procedures review	Cybersecurity, remote work environments, and increasing business email compromise could cause wide-spread issues. Policies and procedures may not be designed or adequate for the current environment. Insurance coverage may be lacking or insufficient for potential incidents. Incident response plan may need to be updated. Super user access and change procedures may be lacking or not enforced.	2
University-wide	Review of policy setting process and timeline	Policy setting and change process is too slow and non-reactive to frequently changing University environment and risks. Policy committee does not meet frequently enough.	3
Facilities Management	Capital project management review	Capital projects could create significant negative financial impacts if not managed correctly or if there is insufficient contractor oversight and check procedures.	4
Online Education	Online course management review	Online course management may not be optimal which could result in poor student and faculty experience that could impact enrollment. There may be inadequate review and tracking of employee agreements, reporting results, and accountability.	5
University-wide	Labor agreement review	The collective bargaining between administration and faculty could cause campus disruption.	6
Information Technology	Disaster recovery process review	Disaster recovery during major catastrophic event could cause campus shutdown or loss of important data.	7
Budget and Resource Management	Budget process review	Budgeting process involves antiquated systems and processes leading to manual workarounds and non-coordinated practices between departments.	8
Human Resources, Affirmative Action, and Title IX	Title IX compliance review	Policies and procedures may be outdated which could result in inadequate processing of complaints, insufficient communication and documentation, and issues with victim and whistleblower confidentiality. Title IX may not be sufficiently complied with.	9
Human Resources and Affirmative Action	Review policies	Policies for: Labor Law compliance, hiring (OFCCP regs), FMLA, OFLA, etc. are outdated. The University lacks a Compliance Officer.	10

Continued ~

OREGON TECH
Internal Audit Plan - 2021/2022

Departments Affected or Responsible	Potential Internal Audit Focus	Risk to Oregon Tech	Heat Map Risk Rank
Procurement, Contracts, & Risk Management, Business Affairs	Procurement and Contracting: This audit is included in the 2020/2021 Audit Plan	Contract procurement, administration, and review policies and practices are outdated which could result in the University entering into suboptimal agreements or contracts that are not compliant with government requirements. Vendor selection, evaluation, and review practices may be outdated and could result in the University using inappropriate vendors with undisclosed relationships to staff or faculty.	11
Human Resources and Affirmative Action, Campus Security	Sexual assault and harassment on campus	Sexual assault and harassment on campus could result in harm to students, staff, or faculty. There may not be adequate policies and procedures related to reporting of incidents or for investigating incidents currently in place. There may not be adequate training for staff, faculty, and students.	12
Campus Security	Clery Act: This audit is included in the 2020/2021 Audit Plan	Clery act may not be sufficiently followed or complied with.	13
Information Technology	Review protection of confidential information and PII	Protection of confidential information and personally identifiable information (PII) may not be adequate which could result in damaging losses to the University, its staff, or its students.	14
College of Engineering Technology & Management	Review of safety records and current practices	Student safety and legal compliance may not be adequate in labs on campus. Events may not be appropriately communicated outside of the department.	15
College of Health, Arts, and Sciences	Review HIPAA compliance, safety precautions, etc.	HIPAA compliance and insurance billing practices may not be sufficient in the on-campus labs or the dentistry center. Radiation risks could create unsafe environments, and student safety may be compromised when working outside the general times of staff oversight.	16
Emergency Management	Review emergency response plan	Emergency response plan may not be adequately designed or communicated which could result in potential issues during campus-wide emergencies.	17
Retention, Admissions	Review data collection and reporting	Enrollment and yield rates may not be adequately monitored which could result in decisions being made using inaccurate data.	18
Business Affairs Office	Audit of fixed assets and counting procedures	Fixed asset counts and inventory tracking procedures may not be performed routinely enough to accurately show the existence and value of University assets.	19
Athletics	NAIA audit	Athletic programs may not be in compliance with NAIA requirements.	20

OREGON TECH
Internal Audit Plan - 2021/2022

Departments Affected or Responsible	Potential Internal Audit Focus	Risk to Oregon Tech	Heat Map Risk Rank
Facilities Management	Hazardous material procedures review	Handling and disposal of hazardous materials may create safety risks for the University.	21
Auxiliaries: College Union or Campus Dining	Fiscal and operational review	Financial impacts from the campus shut-down could result in cost cutting or other restrictions that could negatively impact students. Fiscal management may not be adequate.	22
Human Resources and Affirmative Action	Facilitate or review results from a pay equity study	A pay equity study could show that pay rates may not be equitable for all people at similar positions throughout the University.	23
Information Technology	Review procedures for system implementation	Information systems implementations may not be efficient or may result in sub-optimal outcomes, insufficient training, etc.	24
Business Affairs Office	Accounts receivable review	Policies, procedures, and internal controls around accounts receivable may not be adequate.	25
Human Resources and Affirmative Action	Evaluate performance review process	Performance reviews are not performed routinely which may result in improper promotions, raises, and poor employee relationships.	26
Budget and Resource Management	Review lottery fund usage.	Lottery funds may not be used in accordance with state regulations.	27
Office of the Vice President for Finance & Administration	Cashiering fiscal review	Controls over cashiering may not be adequate which could create opportunities for error or fraud.	28
Alumni Relations/ Oregon Tech Foundation	Review use of donor funds	Use of gifts and donations may not be following donor intent or restrictions across campus organizations. This could damage donor and alumni relationships with the University as a whole.	29
Human Resources and Affirmative Action; Information Technology	Payroll system implementation review	New payroll system may go-live without sufficient testing, rollout, and training.	30

OREGON TECH
Internal Audit Plan - 2021/2022

Audit Risk Methodology

The potential audits were evaluated based on the impact, likelihood, and velocity that each audit risk would represent to the University based on standard internal audit practices. Each audit was plotted on a heat map (see page 8). Below are the criteria used to make those evaluations:

Likelihood: The chance that a risk could occur and impact the University. Likelihood is represented by the vertical axis of the heat map. Likelihood is determined and evaluated based on the following factors:

Descriptor	Frequency		Probability
Almost Certain	Immediate	Very often or expected	90% chance
Likely	≤ 3 months	Often or multiple times per year	60%-90% chance
Possible	12 months	Periodically or annually	30%-60% chance
Unlikely	24 months	Occasionally or bi-annually	10%-30% chance
Rare	60 months	Rarely or remote possibility	<10% chance

Velocity: The speed at which a risk can occur and have a material impact on the University. Velocity is represented by the size of the point plotted on the heat map such that the larger the point, the faster the potential onset of the risk. Velocity is determined and evaluated based on the following factors:

Descriptor	Speed	Time Period
Fast	Rapid or instantaneous onset with little or no warning	Occurs within hours or a few days
Moderate	Quick onset with some warning requiring a response	Occurs in a matter of a couple of weeks or months
Slow	Slow onset with enough warning to attempt remedy	Occurs over many months or years

OREGON TECH
Internal Audit Plan – 2021/2022

Impact: The extent of the consequences a risk could have on the University. Impact is plotted on the horizontal axis of the heat map. Impact is evaluated based on the following factors:

Descriptor	Strategic	Operational	Compliance	Financial	Reputational	Safety
Extreme	Loss of confidence by all stakeholder groups. Potential closing of University.	Enterprise wide. Inability to continue normal operations across entire University. Multiple board members or senior leaders leave.	Board and/or management indictments. Significant prosecution and fines. Large scale legal action. Regulatory sanctions.	Financial cost or lost opportunity greater than \$5M	Significant and long-term national negative media coverage. Major loss of market share.	Loss of life
Major	Loss of confidence by two or more stakeholder groups. Multiple changes in senior leadership. Significant changes to University's strategic plan. Potential closing of multiple University branches or services.	Significant interruptions to University operations. Some senior leaders leave. High turnover of experienced staff. Not perceived as an employer of choice.	Management challenges. Large legal liabilities. Reports to regulators requiring major corrective action. Regulatory fines.	Financial cost or lost opportunity between \$1M - \$5M	Substantial state-wide media coverage. Potentially temporary or remediable situation. Significant loss of market share.	Permanent or significant injury
Moderate	Loss of confidence by more than one stakeholder group. Changes in senior leadership or staffing. Significant changes to University's execution of strategic plan.	Moderate interruptions to University operations. Widespread staff morale problems and high turnover.	Review of management decisions. Legal action considered or reserved for. Report of breach to regulator with immediate corrective action implemented. Regulatory investigation.	Financial cost or lost opportunity between \$100K - \$1M	Minor local media coverage. Likely temporary and remediable. Potential harm to market share.	Minor injury
Minor	Loss of confidence by one stakeholder group. Refinements or adjustments to University's strategic plan and/or execution.	Minor interruptions to University operations. General staff morale problems and increasing turnover.	Management unaffected. Minimal liabilities. Reportable incident to regulator with no follow-up required. Increased regulatory attention.	Financial cost or lost opportunity between \$25K - \$100K.	Local media coverage easily remedied. No harm to market share.	Chance of injury and perception of danger.
Incidental	Minor concern by 1 or more stakeholder groups. Minimal or no changes to University plans.	Minimal or no interruption to University operations. Isolated staff dissatisfaction.	Minimal or no liabilities. Not reportable to regulator. No regulatory impact.	Financial cost or lost opportunity less than \$25K.	No impact.	No injuries, perception of safety.