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## **Board of Trustees Meeting Agenda**

	<u>Page</u>
1. Call to Order/Roll/Declaration of a Quorum (8:45am) <i>Chair Jessica Gomez</i>	
2. Reports – none	
3. Consent Agenda (8:50am) (5 min) <i>Chair Jessica Gomez</i>	
3.1 <a href="#">Approval of the Minutes of the May 27, 2021 Meeting</a>	1
4. Action Items	
4.1 <a href="#">Approval of the 2022 Meeting Calendar</a> (8:55am) (10 min) <i>Chair Jessica Gomez</i>	7
4.2 <a href="#">Approval of Peer Comparators for Accreditation</a> (9:05am) (15 min) <i>President Naganathan</i>	8
4.3 <a href="#">Approval of a Resolution on Bond Issuance for a Student Residence Hall</a> (9:20am) (10 min) <i>President Naganathan</i>	13
5. Discussion Items	
5.1 <b>Trustee Recruitment</b> (9:30am) (10 min) <i>Chair Jessica Gomez</i>	
6. Other Matters	
7. Public Comment (9:40am) (10 min)	
8. Adjournment (9:50am)	

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## **Retreat Schedule**

10:15am	<b>WELCOME AND OVERVIEW</b> <i>Chair Jessica Gomez</i>
11:00am	<b>AGB WEBINAR</b> <a href="#">Public Institutions: Is It Time for a Strategy “Refresh”?</a>
Noon	<b>LUNCH</b>
2:00pm	<b>ANNUAL ETHICS AND TITLE IX TRAINING</b> <i>Counselor David Groff</i>

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### **3:15pm – 5:30pm EXECUTIVE SESSION OF THE BOARD**

The Board will meet in Executive Session per ORS 192.660(2)(f) and ORS 40.225 Rule 503 to consider information or records that are exempt by law from public inspection and to have confidential communication subject to attorney-client privilege.

### **6:00pm DINNER**



**Meeting of the  
Oregon Tech Board of Trustees  
Sunset Room, Klamath Falls Campus  
And virtually via Microsoft Teams  
May 27, 2021  
1:15pm – 4:10pm**

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**EXECUTIVE SESSION OF THE BOARD – less faculty, staff, and student (12:15pm – 12:30pm)**

The Board met in Executive Session per ORS 192.660(2)(f) and ORS 40.225 Rule 503 to consider information or records that are exempt by law from public inspection and to have confidential communication subject to attorney-client privilege.

## **Board of Trustees Meeting DRAFT MINUTES**

### **Trustees Present:**

Jessica Gomez, Chair	Vince Jones, Vice Chair	Nagi Naganathan, President
Jeremy Brown	Rose McClure (in person)	(in person)
Lisa Graham	Kelley Minty Morris (in person)	Mike Starr
Tim Hasty (in person)		Michele Vitali
Kathleen Hill		

### **Trustees Unable to Attend:**

Jill Mason	Paul Stewart	Fred Ziari
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### **University Staff and Faculty Present:**

Abdy Afjeh, Vice Provost Research and Academic Affairs  
Jolyn Dahlvig, Associate Dean of Students  
Ken Fincher, VP Institutional Advancement  
Erin Foley, VP Student Affairs and Dean of Students (in person)  
David Groff, General Counsel (in person)  
John Harman, VP Finance and Administration (in person)  
Zach Jones, TOP Program Director  
Don McDonnell, Medical Imaging Technology Professor (in person)  
Travis Miller, Information Technology Consultant (in person)  
Joanna Mott, Provost and VP Academic Affairs and Strategic Enrollment Management (in person)

### **Students Present:**

Peter Wantuck	Mason Wichmann	Isaac Shephard
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### **Others Present:**

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

Chair Gomez called the meeting to order at 1:16pm. The Board Secretary called roll and a quorum was declared.

#### **2. Reports**

##### **2.1 President**

**President Naganathan** reviewed the PowerPoint presentation included in the agenda report. He stated the collective bargaining agreement with Oregon Tech's faculty union was ratified on May 17, 2021. He reviewed the purpose of the campus culture assessment: to ensure our organizational culture is aligned with stakeholders' expectations and needs and that it positions the university to meet its objectives. He explained a committee representing campus and community stakeholders is working on the procurement process. The goal is to have the assessment work, which could include surveys, focus groups, interviews, analysis of policies and procedures and review of archival data, occur during fall term with a presentation of the consultant's report to the Board during winter term, and implementation immediately following. He noted House Bill 2472 (Oregon's Polytechnic University designation) was approved by the Senate and is moving back to the House. He gave updates on student programs, Green Zone training, and facility and capital projects. He reviewed student accomplishments, faculty accomplishments, and athletic highlights.

## 2.2 ASOIT

**President Wichmann** reported that KF ASOIT approved changes to the election bylaws, upgraded the website, and are working on annual officer transitions. He stated all positions except the Clubs Officer are filled and that Bries Landis is the incoming president.

**President Wantuck** reported PM ASOIT is finishing up answering questions that were asked during the strike in addition to working with KF ASOIT to unify internal documents to create an overall constitution. Each ASOIT would then have individual detailed documents addressing the uniqueness of each campus. He noted that the group is wrapping up the hiring for its vacant positions. This is the last meeting for both presidents.

## 2.3 Administrative Council

**Co-Chair Jones** listed the elected leaders of the Council and reviewed recommendations and feedback, included in the written agenda report, from the pulse-check survey that the administrative council administered. He noted 94 of 130 administrative employees responded to the survey. The purpose of the report is to identify issues that the administration and board might not see or be aware of.

## 2.4 Strategic Enrollment Management

**Provost Mott** reviewed the figures in the agenda report. She is hopeful there will be a 5-10% increase in freshmen and transfer students. She noted high school freshman GPA is the highest it has been in 5 years.

## 2.5 Faculty Senate

**Faculty Senate President McDonnell** stated faculty senate is looking to get its differences behind it and focusing on the recommendations of the Academic Standards Committee for the transition of Senate now that the union exists. The transition discussions will be important to determine future Senate duties and its purview. The bylaws, charter and constitution will also be reviewed. The last time the documents were reviewed it took approximately one academic year to complete. Faculty have been making good use of the high-flex classrooms; the rooms have enhanced the student learning experience. He acknowledged the chemistry professors who have taken the lead on planning the move of chemistry lab equipment and chemicals to the temporary lab in CEET. He noted that he would not apologize for the remainder of the report and that he is not a confrontational person and had to edit the report because he was confrontational

the first time he wrote it. He stated course coverage during the strike was not as seamless as students were assured by senior administration. Many students found themselves without faculty for a few days and some had no professors at all. In some cases, the adjuncts were not qualified to teach the material. He gave examples of issues that occurred: a marine ecologist was hired to teach a computed tomography course; major Canvas shell disruption created confusion for students causing them to perform tasks that were not intended; opening of all quizzes and exams exposed faculty test-question banks; using faculty intellectual property in other faculty shells (administration took videos from one shell and put them into other shells; this was faculty work that was not done on the clock; it was off-contract work that this faculty did); changing quiz/test/assignment scores; and changed canvas dashboard pictures – creating confusion for the students and extra work for faculty to clean up the incompetence of the adjunct instructors. At this point the union contract is ratified and he is sad to say that faculty are angrier than ever due to the slanderous messaging from the president's office put out to the students and the community during the strike. The messaging that went out left some community members wary of faculty leading to some faculty feeling uncomfortable when they are in public. We are beyond the point of reconciliation. Faculty's trust of senior administration is non-existent due to their lack of trust, collaboration, communication, transparency, inclusiveness, honesty, and integrity. He stated during the 2018 academic year, Casa Grande Consulting, LLC was contracted by the Provost at the time to summarize observations and recommendations of the academic shared governance at Oregon Tech. The number one recommendation was: "continue work to nurture an institutional culture of effective shared governance that manifests in a two-way symmetric fashion: trust, collaboration, communication, transparency, inclusiveness, honesty, and integrity." The results of this study were not shared with the university community and the poor shared governance practices continue. Over the past two years faculty senate conducted two faculty surveys that resulted in matching data points. Faculty senate then conducted a vote of no confidence with an 8% approval rating of the president. Simultaneously, faculty senate made multiple attempts to work with the president, to no avail. Faculty senate also expressed concerns to the board regarding the lack of shared governance and deteriorating faculty morale, neither has been looked into by the board. Now faculty find the university spending more money for a third-party independent study on campus climate. The RFP for the study will not be completed until the last day of school which indicates that the study will not be conducted until fall term as most faculty will not be under contract for the summer. This means that this uncomfortable relationship will be carried into next academic year. As a heads up, many faculty and unclassified staff, have developed plans for leaving Oregon Tech should this hostile environment not be resolved. The university has already hemorrhaged good faculty and staff due to the loss of job satisfaction. He stated he loves and has been dedicated to the university. He is an alum, a donor to the foundation, and a professor. He has donated his time, labor and experience to Oregon tech and is saddened to say that he, too, has developed an exit plan despite his strong desire to retire from the university. Faculty have expressed their level of confidence in the president and have lost faith in the board of trustees due to the apparent lack of effort to address any of the faculty concerns over the past years. In attempt to carry a message back to faculty he stated he had a few questions that are not rhetorical. He asked, "With the lack of past results how can faculty trust that the board will do anything different?" **Secretary Fox** explained there is no discourse with the Board at this time as they simply listen to the reports. **Faculty Senate President McDonnell** requested, but did not demand, the board

provide a written response to the questions that he will provide to the Board Secretary. He asked, “Should you proceed with the third-party evaluation what will you do with the results? At what level of dissatisfaction will you take action? What type of action are you considering? What is your estimated timeline?” He stated right now faculty is in the dark. He noted the Senate Executive Committee drafted and sent a letter to offices of Governor Brown and Senator Dembrow to request their input regarding this situation. **Faculty Senate President McDonnell** stated Senator Dembrow did not endorse a third-party consultant; however, he stated if the university chooses to do so he recommends getting a strong firm with university experience. **Faculty Senate President McDonnell** asked how faculty can be confident that this will happen being that Dr. Naganathan will be selecting the firm.

**2.6 COVID-19** – written report in the agenda packet

**2.7 Legislative** – written report in the agenda packet

**2.8 Foundation** – written report in the agenda packet

**2.9 Academic Quality and Student Success Committee**

**Trustee Brown** summarized the reports and presentations made at the meeting. He reviewed the two items on the consent agenda requesting the board make recommendations to the Provost’s Council for an online offering for surveying and a graduate certificate in medical family therapy.

**2.10 Finance and Facilities Committee**

**Vice Chair Jones** summarized the FOAC and VPFA reports including updates on capital projects. He noted the committee approved the Internal Audit Plan for fiscal year 2021-22.

**2.11 Executive Committee**

**Chair Gomez** shared that the committee recommended the Governor reappoint Trustee Vitali for a full term to the Board.

### **3. Consent Agenda**

**3.1 Approval of the Minutes of the April 8 and April 20, 2021 Meeting**

**3.2 Recommendation of Approval to the Provost’s Council to Offer a BS in Surveying Online**

**3.3 Recommendation of Approval to the Provost’s Council to Offer a Graduate Certificate in Integrated Behavioral Healthcare and Medical Family Therapy**

**Trustee Minty Morris** moved to approve the consent agenda. **Trustee Graham** seconded the motion. With all trustees present voting aye, the motion passed unanimously.

### **4. Discussion Items**

**4.1 July 15-16, 2021 Board Retreat**

**Secretary Fox** explained that the 2020 board retreat was cancelled due to COVID and prohibitions on gathering in-person. Staff is requesting direction on the preferred modality of the 2021 retreat. Discussion regarding benefits of meeting in-person and concern for

traveling and meeting in-person. **Consensus to plan the July 15-16 board meeting and retreat as in-person events.**

## 5. Action Items

### 5.1 Approval of the 2021-22 Fiscal Year All Funds Budget

**VPFA Harman** reviewed the PowerPoint presentation included in the agenda report. He explained the Oregon Higher Education Funding model, FY 2022 higher education funding, funds not included in the FY 2022 operating budget, budget assumptions, budget development principles, budget development process, and the budget summary. He confirmed the budget was developed with the collective bargaining agreement in mind.

**Trustee McClure** voiced her concern that additional funding might be needed for additional adjuncts given the workload changes in the CBA. **VPFA Harman** stated two weeks ago we had 47 positions advertised but we do not have an exact count for people looking to retire this year. He noted auxiliary budgets, which are usually cost-recovered, were not reduced based on the information received from student affairs and academic affairs. There was discussion regarding the estimated dollar amount for salary recapture. A request was made to have future Discussion occurred regarding increasing revenues from sources other than tuition and looking for opportunities as a result of the pandemic.

**Vice Chair Jones moved to adopt the proposed Fiscal Year 2021-22 budget, including all fund types, as recommended by the President and as outlined in the agenda report. Trustee Starr seconded the motion. With all trustees present voting aye, the motion passed unanimously.**

## 6. Other Matters

**Trustee Starr** noted there seems to be a disconnect and he is looking for constructive ways for the university to be more aligned. He stated it seems like the university is doing amazing things and the students are succeeding but something is amiss given the report from the senate president.

**Vice Chair Jones** stated he appreciates the positive financial situation and the amount of progress and improvements made on the campus.

**Trustee Graham** is optimistic that we can build on the innovative classrooms to benefit faculty and students, she appreciates the balanced budget conversations and is impressed with the students' performance in spite of the hurdles of last year.

**Trustee McClure** stated there are wonderful people and things happening at the university and she is proud of her students. She explained that the elephant in the room is the board now has a data set from administrative council that is similar to faculty senate's information, and we have a lot of work to do to fix the divide.

**Trustee Hill** stated change always brings a negative reaction. She noted Oregon Tech has been around for a long time, with a certain culture, and people were used to doing things a certain way and there has been a lot of change in the last several years. She feels badly that so many people are disappointed in the trustees but she feels good about the commitment the trustees

have and how thoughtful the trustees are about students, faculty and staff and where the university is headed. She appreciates the different opinions and noted being aware of them is the only way to address issues.

**Trustee Vitali** stated she is pleased with the financial health and audit plan for the university. She was surprised by the faculty senate report and understands there are still some things that need to be addressed and she is trusting of the process that it will be resolved through increased communication.

**Trustee Minty Morris** suggested the Chair reach out directly and have one-on-one conversations to discuss the role of the trustees and the commitment of the trustees.

**Trustee Brown** noted we need to be mindful of patching the wounds from the negotiations and recommended the trustees talk introspectively about why there are people who think specific things about the board and what the trustees can do to combat those thoughts rather than just say “they don’t understand what we do.” He suggested looking more toward the future and should ask how we can be more successful and bolder because of the pandemic and the change in enrollment patterns, and how can we be more successful and capitalize on our position to take better advantage of the things we have to offer on a larger scale.

**Chair Gomez** stated part of the job of trustees is to be strategic and guide the university into the future. There is a lot of uncertainty, but she is excited to get to a point where we can move forward and heal. She acknowledged that negotiating was a difficult time and it will take time to decompress and determine how to move forward in a healthy way. She has ideas on what might be helpful and will start working with the president to see what the opportunities are to improve communication and our culture. She stated that this is a collective responsibility – of faculty and staff - to help heal the rift. She explained that we need to recalibrate and acknowledge that we are all working hard and trying to do the best thing for Oregon Tech. She encouraged everyone to remember that we are in this together, there is a lot of work to do but there are opportunities and we are in a position to take advantage of them

**President Naganathan** is committed to do as many right things as possible. He believes the board’s direction to conduct an assessment will facilitate constructive conversations.

7. **Public Comment** - none

8. **Adjournment**

**Meeting was adjourned at 3:58pm.**

Respectfully submitted,



Sandra Fox  
Board Secretary

## ACTION

### Agenda Item No. 4.1

## Request for Approval of the 2022 Board Meeting Calendar

#### Summary:

Proposed Board of Trustees meeting dates for calendar year 2022:

- January 27 (Thursday) – Wilsonville
- April 7 (Thursday) – Klamath Falls
- June 2 (Thursday) – Klamath Falls
- July 21 and 22 (Thursday and Friday) – BOARD RETREAT Location TBD
- November 17 (Thursday) - Wilsonville

# 2022

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#### Recommendation:

Staff recommends that the Board of Trustees adopt the proposed 2022 calendar year meeting dates as outlined above or as amended.



## **ACTION**

### **Agenda Item No. 4.2**

## **Request for Approval of Peer Comparators for Accreditation**

### **Background**

The Office of Institutional Research was tasked with conducting a study to develop an updated list of peer institutions for use in institutional benchmarking. The previous Oregon University System list was developed in 2010. A comparator list is required for purposes including NWCCU accreditation reports and other data reporting. Salary criteria were not included in this study.

The study was initiated in late 2019 and included a literature review to identify the most appropriate methodology. The method and criteria developed to identify comparator institutions and outcomes has been reviewed by numerous groups. Modifications have been made over the course of the last 14 months based on comments from each group presentation.

A threshold group of institutions was identified using iPeds data with the specific criteria. Filtering universities using threshold criteria resulted in 28 potential comparator universities. A set of variables with different weights was then used to further refine the list. Using these variables/weights the comparable institutions that were most closely related to Oregon Tech are as follows:

Fairmont State University	Fairmont	WV
Southwestern Oklahoma State University	Weatherford	OK
University of South Carolina-Upstate	Spartanburg	SC
Midwestern State University	Wichita Falls	TX
Montana Tech of the University of Montana	Butte	MT
Shawnee State University	Portsmouth	OH
Bemidji State University	Bemidji	MN
Nicholls State University	Thibodaux	LA
Missouri Western State University	Saint Joseph	MO
Rogers State University	Claremore	OK

### **Recommendation**

The President recommends the Board review and approve the list of comparator institutions for accreditation and reporting purposes, as shown in the agenda report.

### **Attachments**

Memo from the President

Memo from the Provost



## Memo from the President

Date: July 8, 2021  
 To: Oregon Tech Board of Trustees  
 From: Nagi G. Naganathan, President *Nagi G. Naganathan*  
 Re.: Recommendation for Peer Institutional Comparators for Accreditation purposes

I am pleased to endorse the attached request of our Provost and recommend to the board to approve the list of institutions below as our new peer institutions. It is anticipated that this list will be updated using refreshed data every 3 to 5 years.

Fairmont State University	Fairmont	WV
Southwestern Oklahoma State University	Weatherford	OK
University of South Carolina-Upstate	Spartanburg	SC
Midwestern State University	Wichita Falls	TX
Montana Tech of the University of Montana	Butte	MT
Shawnee State University	Portsmouth	OH
Bemidji State University	Bemidji	MN
Nicholls State University	Thibodaux	LA
Missouri Western State University	Saint Joseph	MO
Rogers State University	Claremore	OK

As background, a comparator list of peer institutions is required for purposes including NWCCU accreditation reports and other data reporting. The previous OUS list was developed in 2010. In 2019, the Office of Institutional Research was tasked with conducting a study to develop an updated list of peer institutions for use in institutional benchmarking. It is important to note that salary criteria were not included in this study. Additional details are included in the attached Provost's memo.

I request your review and approval of the above list of peer institutions Thank you.



## OFFICE OF THE PROVOST

# Memo

**DATE:** July 5, 2021

**TO:** Nagi Naganathan, President

**FROM:** Joanna Mott, Provost

**SUBJECT:** Comparator Institutions - recommendation

This memo constitutes a request for approval of a new peer institutions list as shown in the table below. It is anticipated that this list will be updated using current data every 3-5 years.

Fairmont State University	Fairmont	WV
Southwestern Oklahoma State University	Weatherford	OK
University of South Carolina-Upstate	Spartanburg	SC
Midwestern State University	Wichita Falls	TX
Montana Tech of the University of Montana	Butte	MT
Shawnee State University	Portsmouth	OH
Bemidji State University	Bemidji	MN
Nicholls State University	Thibodaux	LA
Missouri Western State University	Saint Joseph	MO
Rogers State University	Claremore	OK

## Background:

The Office of Institutional Research was tasked with conducting a study to develop an updated list of peer institutions for use in institutional benchmarking. The previous OUS list was developed in 2010. A comparator list is required for purposes including NWCCU accreditation reports and other data reporting. Note: salary criteria were not included in this study.

The study was initiated in late 2019 and included a literature review to identify the most appropriate methodology. The method and criteria developed to identify comparator institutions and outcomes has been reviewed by numerous groups. Modifications have been made based on comments from each presentation:

*April 24, 2020 – Senior Leadership meeting*

*Sept. 28, 2020 – Dr. Nagi, Senior Academic Leadership*

*Oct. 8, 2020 - Dr. Nagi, Provost and Institutional Research*

*Oct 20, 2020 – Accreditation Leadership*

*March 4, 2021 – Provost, Vice Provost and Institutional Research*

*March 16, 2021 – OT Bargaining Team*

*April 5, 2021 – Video and questions for OT and OT-AAUP Bargaining Team*

*June 8, 2021 – Faculty Senate*

Briefly, a threshold group of institutions was identified using iPeds data with the following criteria:

- 4 yr. Public University, omitting institutions labelled as HBCU, MEDICAL, HOSPITAL, TRIBAL
- Total Degrees = 1500 or fewer
- Confer > 10 BS Degrees in CIP 51 and in CIP 14 or CIP 15 (80%+ OIT degrees) These CIP codes are engineering, engineering technology and allied health.
- BS conferred > 0
- MS conferred > 0

Filtering universities using these threshold criteria resulted in 28 potential comparator universities.

A set of variables with different weights was then used to further refine the list. These variables and weights are shown in the following table:

<i>Characteristic</i>	<i>Variable</i>	<i>Characteristic</i>	<i>Variable</i>	<i>Characteristic</i>	<i>Variable</i>
<b>Enrollment (10%)</b>	12-Mo. Headcount	<b>Academic Offerings (30%)</b>	% Major conferred in OIT CIP	<b>Instructional FTE (2.5%)</b>	Instructional FTE as % of total FTE
	%UG		CIP 03		
	12-Mo. FTE		CIP 09	<b>Faculty Tenure (5%)</b>	FT Instructional Faculty
	Headcount/FTE		CIP 11		Tenured Faculty
	% of UG that are degree-seeking		CIP 14		Tenured Track Faculty
			CIP 15		Non-tenured track Faculty
<b>Degree Type (10%)</b>	Total Conferred		CIP 26		
	%AAS		CIP 27	<b>Faculty Education (15%)</b>	% with Phd or Terminal Degree
	%BS		CIP 42		% with MS
	%MS		CIP 51		Total FT Faculty
	%PHD		CIP 52		Total FT with PhD or Terminal Degree
			CIP not offered at OIT		Total FT with Masters
<b>Student Success (5%)</b>	6 year BS grad rate				
	Retention rate	<b>Student Profile (7.5%)</b>	% White	<b>Financials (5%)</b>	Instruction expense per FTE
	Student-Faculty Ratio		% Female		Tuition Revenue per FTE

			% UG Awarded Pell		
<b>Research Expense (5%)</b>	Research expense as % of core		%FT-FT UG Awarded Pell		
<b>Institution Locale (5%)</b>	Locale – Remote Town (per IPEDS)		% Exclusively Distance Ed.		

Using these variables/weights the comparable institutions that were most closely related to Oregon Tech and had the following characteristics are as follows:

<b>Institution</b>	<b>Total Headcount</b>	<b>UG Enrl</b>	<b>Grad Enrl</b>	<b>FTE</b>	<b>Degrees Conferred</b>
<b>Oregon Institute of Technology</b>	<b>5,313</b>	<b>5,172</b>	<b>141</b>	<b>3,577</b>	<b>761</b>
Fairmont State University	3,803	3,563	240	3,351	866
Southwestern Oklahoma State University	4,961	4,123	838	4,265	1,326
University of South Carolina-Upstate	6,308	5,853	455	5,308	1,293
Midwestern State University	5,969	5,226	743	4,969	1,474
Montana Tech of the University of Montana	1,714	1,493	221	1,540	546
Shawnee State University	3,641	3,466	175	3,146	733
Bemidji State University	4,897	4,490	407	3,821	1,104
Nicholls State University	6,491	5,906	585	5,712	1,358
Missouri Western State University	5,608	5,367	241	4,313	842
Rogers State University	3,585	3,549	36	2,811	581
<b>GROUP AVERAGE 2019-20 IPEDS Data</b>	<b>4,754</b>	<b>4,383</b>	<b>371</b>	<b>3,892</b>	<b>989</b>

## **ACTION**

### **Agenda Item 4.3**

## **Recommendation to Approve a Resolution on Bond Issuance for a New Student Residence Hall Project**

### **Background**

At its April 2021 meeting, the Board approved a request authorizing Oregon Tech to participate in the Oregon public bonds program and to request \$55 million in Article XI-F bonds to support the construction of a student residence hall project on the Klamath Falls campus.

The need for additional campus housing has become increasingly urgent as Oregon Tech has seen significant growth in freshman enrollment in recent years and will soon experience a student housing shortage. Existing housing was constructed decades ago, and although there have been some renovations over the years, the facilities are worn and outdated. Prospective freshmen visiting our campus often remark about the age of the housing units and the lack of modern features such as climate control. These 50-year-old facilities and their sub systems are deteriorating and would be very expensive and disruptive to renovate into anything comparable to new construction.

Having secured the Board's approval, Oregon Tech requested \$55.0 million in net proceeds from Article XI-F bonds for construction of a student residence hall project on the Klamath Falls campus during the 2021 Legislative Session. The request was routed through the Higher Education Coordinating Commission (HECC). The Legislature subsequently approved \$55.6 million in Article XI-F bonds for Oregon Tech, including the capitalized cost of issuance under SB 5505. The bonds are expected to be sold in the spring of 2022.

Article XI-F bonds utilize the state's credit rating and bond capacity but are fully financed, including the cost of issuance, by the university on whose behalf they are issued. Oregon Tech will enter into a grant agreement with the State of Oregon to access the proceeds of the bonds and will repay the debt service on the bonds until they are retired.

The university will engage residence life and similar student groups as well as other stakeholders from across the campus to participate in planning. An architectural firm will be selected to design the new student residence hall project and will utilize input from faculty, staff and students in designing the facility. It is expected that construction of the student residence hall will begin sometime in FY 2022-23.

The initial pro-forma shared with the Board in April contemplated an 850-bed facility constructed using the bond financing model referenced above and predicted strong student demand along with a projected financial breakeven for the project within two years of opening. It is possible that after the student residence hall project is completed, excess bond proceeds may remain. If this is the case, remaining proceeds will either be used to invest in other projects permitted under the scope of the bond or will be used to defease a portion of the bonds, thus reducing the annual debt payments.

In order for the state to issue Article XI-F bonds for the benefit of a university, that university must determine that the bonds are “fully self-financing and self-liquidating” by establishing that there is sufficient institutional revenue to support debt service on the bond.

The attached financial pro forma was shared with The Board at its April meeting and uses projected enrollment growth from the Office of Strategic Enrollment Management and correlated demand for on-campus housing in deriving the revenue used in the pro forma. The pro-forma utilizes university housing rates lower than the benchmark median for the region along with a moderate 2.5% annual inflation factor. Known and estimated residence hall operating and staffing costs were incorporated into the pro-forma and are based on institutional actuals and regional industry benchmarks. Given these assumptions there is and will be sufficient revenue to support the ongoing operation of the facility and bond payments associated with the Article XI-F bonds. Debt Service on these bonds is expected to be just under \$3.5 million annually. The pro-forma is included as Attachment B.

### **Staff Recommendation**

Staff recommends the Board:

1. approve Resolution 21-01 attesting that sufficient revenue exists to support repayment of Article XI-F(1) Bonds for the construction of a new student housing facility on the Klamath Falls campus, and
2. authorize the President or his designee to utilize funds in excess of \$1 million from reserves or the Quasi-Endowment to fund initial project planning and related capital costs prior to bond issuance, if necessary; acknowledging those funds would be repaid when bonds are sold and the State of Oregon reimburses Oregon Tech.

### **Attachments**

- A. Resolution 21-01
- B. Student Residence Hall Financial Pro-Form

**RESOLUTION NO. 21-01**

**BOARD OF TRUSTEES OF OREGON INSTITUTE OF TECHNOLOGY**

**A RESOLUTION THAT SUFFICIENT REVENUE EXISTS TO SUPPORT  
FULLY SELF-FINANCING AND SELF-LIQUIDATING ARTICLE XI-F(1) BONDS,  
TOTALLING FIFTY-FIVE MILLION DOLLARS IN NET PROCEEDS  
THROUGH ARTICLE XI-F(1) BONDS TO BE ISSUED BY  
THE STATE OF OREGON FOR THE BENEFIT OF OREGON TECH  
TO CONSTRUCT A NEW STUDENT RESIDENCE HALL PROJECT ON THE  
KLAMATH FALLS CAMPUS**

**WHEREAS**, the 2021 Oregon Legislative Assembly has authorized the issuance of State of Oregon (“State”) general obligation bonds for the benefit of Oregon Institute of Technology (the “University”) under Article XI-F(1) of the Oregon Constitution through Senate Bill 5505 (2021) or “Bond Bill;” and

**WHEREAS**, the 2021-2023 Bond Bill authorized \$55,650,000 dollars, including estimated issuance costs of \$650,000 dollars, for constructing a new student residence hall project on the Klamath Falls campus; and

**WHEREAS**, this University Board of Trustees desires that the University receive the fully authorized funds, exclusive of issuance costs, for purposes as allowed by the authorizing, and that issuance of the necessary Article XI-F(1) bonds proceed as authorized by the 2021-23 Bond Bill for the benefit of the University, and as may be provided by law and as otherwise required by law for the 2021-23 biennium without requiring further action of this Board; and

**WHEREAS**, Article XI-F(1) of the Oregon Constitution requires the University shall not incur the indebtedness of Article XI-F(1) bonds unless it conservatively estimates that it shall have sufficient revenues to pay the indebtedness and operate the projects financed with the proceeds of such bonds; and

**WHEREAS**, for these purposes, this Board desires that the State of Oregon take any steps necessary for the timely issuance of such bonds on or about May 2022, this motion having been made and seconded;

**Now, therefore**, the Board of Trustees resolves as follows:

**Section 1**

There are moneys available to the University to pay the indebtedness of the proposed Article XI-F(1) bonds using constitutionally allowed University sources for the specific use and purpose of providing sufficient revenues to pay the indebtedness of the new Student Residence Hall project.



## **Section 2**

Article XI-F(1) Projects. Bonds are authorized to be sold under the Act for the benefit of the University and consistent with the authorization of the 2021-2023 Bond Bill. The University hereby approves and requests that the State of Oregon take such steps as necessary to ensure the issuance and sale of such bonds on or about May 2022, in an aggregate principal amount sufficient to provide \$55,000,000 dollars in net bond proceeds, and to pay costs of issuance, for construction of a new student residence hall project on the Klamath Falls campus. In so doing, this Board acknowledges that it will be necessary to provide specific University funding from constitutionally allowed sources.

## **Section 3**

Terms, Sale and Issuance. The XI-F(1) bonds authorized by this resolution (the “Bonds”), shall be issued in such series and principal amounts as the State Treasurer, after consultation with the applicable related and/or project agency/agencies, shall determine are required to pay or reimburse costs of the projects referenced in this resolution. The Bonds shall mature, bear interest and otherwise be structured, sold and issued as the State Treasurer determines after such consultation.

## **Section 4**

Maintenance of Tax-Exempt Status. The Vice President of Finance and Administration of the University or his or her designee (the “Authorized University Representative”) is hereby authorized to covenant, on behalf of the University, to comply with the provisions of the Internal Revenue Code of 1986, as amended, that are required for interest on tax-exempt bonds to be excluded from gross income for federal income taxation purposes, for Bonds issued on a tax-exempt basis and to execute and deliver such agreements, documents or certificates required for such Bonds to be issued on a tax-exempt basis.

## **Section 5**

Ratification and Approval of Actions. The Board hereby ratifies and approves all prior actions taken on behalf of the University related to the Bonds. The Board hereby authorizes, empowers, and directs the Authorized University Representative to take further actions as may be necessary or desirable related to the Bonds, including, without limitation, (i) covenanting to perform on behalf of the University, and performing, any actions necessary to comply with requests from the State Treasurer authorized under ORS chapter 286A to administer the Bonds, (ii) the execution and delivery of any agreements, documents or certificates, including any loan, grant or trust agreements with the State Treasurer and any other party, if necessary, as may be necessary or desirable to carry out such actions or arrangements, and (iii) to take such other actions as are necessary or desirable for the purposes and intent of this resolution

## **Section 6**

This Resolution shall take effect immediately upon approval by the Board.

Moved by \_\_\_\_\_

Seconded by \_\_\_\_\_

Trustee	Yes	No
Jeremy Brown		
Jessica Gomez		
Lisa Graham	absent	absent
Tim Hasty		
Kathleen Hill		
Vincent Jones	absent	absent
Rose McClure		
Jill Mason		
Kelley Minty Morris		
Mike Starr	absent	absent
Paul Stewart	absent	absent
Michelle Vitali		
Fred Ziari		
Vacant		

Approved and dated this 15th day of July, 2021.

\_\_\_\_\_  
 Jessica Gomez  
 Board Chair

ATTEST:

\_\_\_\_\_  
 Sandra Fox  
 Board Secretary

I, \_\_\_\_\_, Secretary of the Board, do hereby certify that the foregoing is a true and correct copy of a Resolution duly adopted by the Oregon Institute of Technology Board of Trustees at the meeting held on the 15th day of July, 2021, and thereafter approved and signed by the Chair and attested by the Secretary of the Board.

\_\_\_\_\_  
 Secretary of the Board

## ATTACHMENT B

## Oregon Tech - New Student Residence Hall to Support Enrollment Growth

Facility Assumptions	Oregon Tech Project	Benchmark Median <sup>(1)</sup>
Number of Beds	850	800
Sq Ft Per Room	100	142
Sq Ft Common Space per bed	33	60
Total Gross sq ft per bed	133	202
Revenue per bed	\$7,000	\$7,710
Avg. Occupancy Rate	95%	95%
Construction Project Cost per Bed	\$64,706	\$84,373
Total Sq. Footage	113,305	96,772
Cost per Sq. Foot	\$485.42	\$360.08
Construction Cost (inc. contingency)	\$55,000,000	\$ 65,000,000
Series XI-F Series Bond Interest Rate	4.50%	
Bond Repayment Period (years)	30	
Annual Debt Repayment	\$3,493,644	
Occupancy (excl. RA)	100%	
Base Year Max Revenue at 100%	\$5,950,000	

<sup>(1)</sup> Median Numbers are not Relational

Peer Institution Student Housing Rates		
Comparison	Term	Annual
SOU Greensprings (double)	\$2,562	\$7,686
SOU Shasta (quad)	\$2,893	\$8,679
SOU McLaughlin (quad)	\$3,047	\$9,141
OIT Village (quad)	\$2,150	\$6,450
Average	\$2,663	\$7,989

Pro Forma Assumptions	
Revenue Inflation	2.5%
Expense Inflation	2.5%
Staff Inflation	5.0%
Utilities (per SF)	\$2.00
Professional Staff Total FTE	1.0
Staff Salary	\$60,000
Staff OPE Rate	53%
Resident Assistant Pay + Board	\$4,500
Resident Assistants per Resident	28
Resident Assistants	30

Series F- Bond Retirement Schedule					
Year	Fiscal Year	Bond Balance	Principle	Interest	Tot Debt Svc
1	2022-23	\$55,000,000	\$0	\$2,475,000	\$2,475,000
2	2023-24	\$55,000,000	\$1,018,644	\$2,475,000	\$3,493,644
3	2024-25	\$53,981,356	\$1,064,483	\$2,429,161	\$3,493,644
4	2025-26	\$52,916,872	\$1,112,385	\$2,381,259	\$3,493,644
5	2026-27	\$51,804,487	\$1,162,442	\$2,331,202	\$3,493,644
6	2027-28	\$50,642,045	\$1,214,752	\$2,278,892	\$3,493,644
7	2028-29	\$49,427,293	\$1,269,416	\$2,224,228	\$3,493,644
8	2029-30	\$48,157,877	\$1,326,540	\$2,167,104	\$3,493,644
9	2030-31	\$46,831,337	\$1,386,234	\$2,107,410	\$3,493,644
10	2031-32	\$45,445,103	\$1,448,615	\$2,045,030	\$3,493,644
11	2032-33	\$43,996,488	\$1,513,802	\$1,979,842	\$3,493,644
12	2033-34	\$42,482,686	\$1,581,923	\$1,911,721	\$3,493,644
13	2034-35	\$40,900,762	\$1,653,110	\$1,840,534	\$3,493,644
14	2035-36	\$39,247,652	\$1,727,500	\$1,766,144	\$3,493,644
15	2036-37	\$37,520,152	\$1,805,237	\$1,688,407	\$3,493,644
16	2037-38	\$35,714,915	\$1,886,473	\$1,607,171	\$3,493,644
17	2038-39	\$33,828,442	\$1,971,364	\$1,522,280	\$3,493,644
18	2039-40	\$31,857,078	\$2,060,076	\$1,433,568	\$3,493,644
19	2040-41	\$29,797,002	\$2,152,779	\$1,340,865	\$3,493,644
20	2041-42	\$27,644,223	\$2,249,654	\$1,243,990	\$3,493,644
21	2042-43	\$25,394,568	\$2,350,889	\$1,142,756	\$3,493,644
22	2043-44	\$23,043,680	\$2,456,679	\$1,036,966	\$3,493,644
23	2044-45	\$20,587,001	\$2,567,229	\$926,415	\$3,493,644
24	2045-46	\$18,019,772	\$2,682,755	\$810,890	\$3,493,644
25	2046-47	\$15,337,017	\$2,803,479	\$690,166	\$3,493,644
26	2047-48	\$12,533,539	\$2,929,635	\$564,009	\$3,493,644
27	2048-49	\$9,603,904	\$3,061,469	\$432,176	\$3,493,644
28	2049-50	\$6,542,435	\$3,199,235	\$294,410	\$3,493,644
29	2050-51	\$3,343,200	\$3,343,200	\$150,444	\$3,493,644
30	2051-52	(\$0)	\$3,493,644	(\$0)	\$3,493,644

Student Residence Hall Financial Pro Forma													
Description	Projected 2022-23	Projected 2023-24	Projected 2024-25	Projected 2025-26	Projected 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30	Projected 2030-31	Projected 2031-32	Projected 2032-33	Projected 2033-34	Projected 2034-35
Students In Residence Hall		680	723	748	782	808	808	808	816	816	816	816	816
Relevant Occupancy Rate		80%	85%	88%	92%	95%	95%	95%	96%	96%	96%	96%	96%
Annual Room Rate		\$ 7,000	\$ 7,175	\$ 7,354	\$ 7,538	\$ 7,727	\$ 7,920	\$ 8,118	\$ 8,321	\$ 8,529	\$ 8,742	\$ 8,961	\$ 9,185
<b>Housing Revenues</b>		<b>\$ 4,760,000</b>	<b>\$ 5,183,938</b>	<b>\$ 5,501,073</b>	<b>\$ 5,894,899</b>	<b>\$ 6,239,302</b>	<b>\$ 6,395,285</b>	<b>\$ 6,555,167</b>	<b>\$ 6,789,773</b>	<b>\$ 6,959,517</b>	<b>\$ 7,133,505</b>	<b>\$ 7,311,843</b>	<b>\$ 7,494,639</b>
Events and Supplies		\$127,500	\$130,688	\$133,955	\$137,304	\$140,736	\$144,255	\$147,861	\$151,557	\$155,346	\$159,230	\$163,211	\$167,291
Utilities		\$226,610	\$232,275	\$238,082	\$244,034	\$250,135	\$256,388	\$262,798	\$269,368	\$276,102	\$283,005	\$290,080	\$297,332
O&M		\$825,000	\$845,625	\$866,766	\$888,435	\$910,646	\$933,412	\$956,747	\$980,666	\$1,005,182	\$1,030,312	\$1,056,070	\$1,082,471
Professional Staffing		\$91,800	\$96,390	\$101,210	\$106,270	\$111,583	\$117,163	\$123,021	\$129,172	\$135,630	\$142,412	\$149,533	\$157,009
Resident Assistants		\$135,000	\$140,636	\$146,508	\$152,625	\$158,997	\$165,635	\$172,550	\$179,754	\$187,259	\$195,077	\$203,221	\$211,706
Debt Service	\$2,475,000	\$3,493,644	\$3,493,644	\$3,493,644	\$3,493,644	\$3,493,644	\$3,493,644	\$3,493,644	\$3,493,644	\$3,493,644	\$3,493,644	\$3,493,644	\$3,493,644
<b>Housing Project Expenses</b>	<b>\$2,475,000</b>	<b>\$4,899,554</b>	<b>\$4,939,258</b>	<b>\$4,980,164</b>	<b>\$5,022,311</b>	<b>\$5,065,741</b>	<b>\$5,110,496</b>	<b>\$5,156,621</b>	<b>\$5,204,161</b>	<b>\$5,253,164</b>	<b>\$5,303,680</b>	<b>\$5,355,758</b>	<b>\$5,409,454</b>
Net Revenue from New Project	-	\$ (139,554)	\$ 244,679	\$ 520,908	\$ 872,588	\$ 1,173,561	\$ 1,284,789	\$ 1,398,546	\$ 1,585,612	\$ 1,706,353	\$ 1,829,826	\$ 1,956,084	\$ 2,085,185
<b>Other Related Expenditures</b>													
Debt on The Village (Ret. FY 2039)		\$ (1,002,266)	\$ (982,194)	\$ (980,721)	\$ (950,960)	\$ (906,321)	\$ (763,449)	\$ (765,021)	\$ (788,050)	\$ (781,350)	\$ (774,050)	\$ (763,250)	\$ (763,500)
Net Revenue After Old Debt Payment	-	\$1,141,820	\$737,515	\$459,812	\$78,372	\$267,240	\$521,340	\$633,525	\$797,562	\$925,003	\$1,055,776	\$1,192,834	\$1,321,685

Footnotes and Assumptions													
<ol style="list-style-type: none"> <li>Oregon Tech's enrollment growth strategy is designed to capture a larger share of the total student pipeline of residents and a larger segment of non-residents because of its high-demand STEM/Health programs.</li> <li>Oregon Tech used a market basket approach from similar institutions and current pricing to get to a base-year revenue per bed of \$7000K. This is conservatively priced.</li> <li>Oregon Tech has positioned its academic strategy on workforce needs in computer science, engineering, business and health related fields which are industry growth segments with strong student demand.</li> <li>Oregon Tech has redirected its enrollment strategy in a new direction focusing on key markets in high schools, community colleges and in non-resident markets of inter-mountain west, PNW and mid-west.</li> <li>Oregon Tech's objective is to retain existing student dorms for repurposing at a later date for other student centric support services or institutional and academic support services.</li> <li>Approximately 650 students are currently housed in the residence halls at Oregon Tech. Demand for on-campus housing in increasing year over year and is expected to reach over 750 students within the next 2 to 4 years.</li> <li>Duration of bond retirement is 30 years and is priced at prevailing interest rates. Bond offering is expected as early as the May-June sale of 2022.</li> <li>Oregon Tech has consulted with contractors to explore a Public-Private development. However, these projects typically feature wood-framing with less steel/concrete than traditional residence halls which is preferred.</li> </ol>													