
**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 Approve Minutes of the November 18, 2022 Meeting | 1 |
| 3. Reports | |
| 3.1 Quarterly Finance, Facilities & Audit Update <i>VP John Harman</i> (8:05am) (45 min) | 3 |
| 3.2 FY 2021-22 Internal Audit Update (8:50am) (10 min) <i>VP John Harman</i> | 5 |
| 3.3 Tuition Setting Process Preview <i>VP John Harman</i> (9:00am) (15 min) | 7 |
| 4. Action Items - <i>none</i> | |
| 5. Discussion Items | |
| 5.1 Student Housing <i>VP John Harman</i> (9:15am) (15 min) | 25 |
| 5.2 Preliminary External Audit <i>VP John Harman</i> (9:30am) (10 min) | # |
| 6. Other Business/New Business (9:40am) (5 min) <i>Chair Vince Jones</i> | |
| Adjournment (9:45am) | |

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

Trustees Present:

| | | |
|------------------------------|----------------------------|----------------|
| Vince Jones, Committee Chair | Nagi Naganathan, President | Paul Stewart |
| Jessica Gomez, Board Chair | Mike Starr | Michele Vitali |

Other Trustees present in person:

| | |
|-----------|--------------|
| Tim Hasty | Rose McClure |
|-----------|--------------|

University Faculty and Staff Present in person

Carl Agrifoglio, Operations Manager & Systems Administrator-Information Technology Services
Rebecca Burkeen, Administrative Council
Erin Foley, Vice President & Dean of Students
Ken Fincher, Vice President-Institutional Advancement
Andria Fultz, Associate Professor Communication
David Groff, General Counsel & Interim Board Secretary
Pam Grove, Assistant to University General Counsel & Interim Board Secretary
John Harman, Vice President Finance & Administration
Jay Headley, Director Veterans Services
Tom Keyser, Dean College of Engineering, Technology & Management
Billy Kimmel, ASOIT Officer, Portland-Metro
Brie Landis, ASOIT President, Klamath Falls
Kelsey McCauley, Government Relations
Joel McPherson, Administrative Council
Joanna Mott, Provost & VP of Academic Affairs
Adria Paschal, Senior Executive Assistant to the President
Dan Peterson, Dean College of Health, Arts & Sciences
Terri Torres, Faculty Senate President
Bryan Wada, Consultant 2-Information Technology Services
Jack Zoucha, ASOIT President, Portland-Metro

Others Present:

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

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

Chair Jones called the meeting to order at 8:01am. The Board Secretary called roll and a quorum was declared.

8. Consent Agenda

2.1 Approve Minutes of the July 15, 2021 Meeting

No changes voiced. Minutes approved as submitted.

9. Reports

3.1 Fiscal Operations Advisory Council

FOAC President noted that FOAC met on November 10, 2021; discussed agenda topics including management reports and Covid Relief Funds.

3.2 Finance, Facilities Quarterly Update: 1st Quarter FY 2021-22

VP Harman reviewed the quarterly report, budget performance, revenue and enrollment indicators, facilities, equipment, capital projects, investment report and the financial dashboard included in the agenda report.

3.3 FY 2021-22 Internal Audit Update

Trever Campbell reported the Clery Act Audit was completed in August 2021. Of the three current audits, Capital Projects Management and Title IX are underway with no significant issues noted to date. Procurement and Contracting audit has been started but is on hold. KernuttStokes is assisting Oregon Tech with organizational advice for the office of Special Programs & Grants Administration (SPGA), following completion of its audit last year. Fixed Assets and Inventory audit is scheduled for Spring. There was one new fraud, Waste & Abuse Ethics Hotline case opened and resolved since the last Board meeting. There were nine total cases during 2021 that were opened and resolved, and no new cases have been submitted since the start of the 2022 fiscal year.

10. Action Items - none

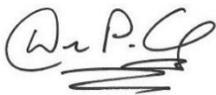
11. Discussion Items - none

12. Other Business/New Business - none

13. Adjournment

Meeting adjourned at 9:22am.

Respectfully submitted,



David P. Groff
Board Secretary

BOARD OF TRUSTEES | JANUARY 27, 2022



Report to Finance, Facilities and Audit Committee

John A. Harman, MBA, CGMA, CMPE | VP Finance & Administration

Click image above (or control+click) to follow the link.

Attachment A

General Fund Monthly Report FY 2022 November (in thousands)

| Acct | YTD Comparison | | FY 2022 Budget & Forecast | | | | | Forecast to Budget Variance | Notes |
|-------------------------------------|------------------|------------------|---------------------------|------------------------------|-------------------------|------------------|------------------|-----------------------------|-------|
| | FY 2021 November | FY 2022 November | FY 2021 Year End | FY 2022 Board Adopted Budget | FY 2022 Adjusted Budget | FY 2022 Forecast | | | |
| State Allocations | \$19,255 | \$24,631 | \$32,117 | \$32,215 | \$32,215 | \$37,407 | \$5,192 | (1) | |
| Tuition & Fees | 26,578 | 25,361 | 39,575 | 41,882 | 41,882 | 37,412 | (4,470) | (2) | |
| Remissions | (1,879) | (2,067) | (5,296) | (6,039) | (6,039) | (5,238) | 802 | | |
| Other | 1,276 | 825 | 2,699 | 2,746 | 2,746 | 2,024 | (721) | | |
| Total Revenue | \$45,230 | \$48,750 | \$69,094 | \$70,804 | \$70,804 | \$71,606 | \$802 | | |
| Administrative Staff Salary | 2,492 | 3,320 | 6,776 | 9,046 | 9,046 | 9,211 | 165 | | |
| Faculty Salary | 3,640 | 3,597 | 13,122 | 13,104 | 13,104 | 12,242 | (862) | | |
| Adjunct and Admin/Faculty Other Pay | 1,681 | 1,375 | 4,797 | 3,945 | 3,945 | 4,760 | 815 | | |
| Classified | 2,037 | 2,320 | 5,481 | 6,270 | 6,270 | 6,239 | (31) | | |
| Student | 224 | 233 | 656 | 980 | 980 | 980 | - | | |
| GTA | 20 | 25 | 68 | 121 | 121 | 121 | - | | |
| OPE | 6,001 | 6,721 | 16,756 | 18,260 | 18,260 | 17,476 | (784) | | |
| Total Labor Expense | \$16,094 | \$17,590 | \$47,656 | \$51,727 | \$51,727 | \$51,030 | (\$697) | (3) | |
| Service & Supplies | 6,392 | 5,753 | 11,887 | 17,483 | 16,033 | 12,365 | (5,118) | | |
| Internal Sales | (883) | (528) | (1,267) | (1,317) | (1,317) | (1,267) | 49 | | |
| Debt Service | 378 | 98 | 2,212 | 1,219 | 1,301 | 300 | (919) | (4) | |
| Capital | 10 | 479 | 717 | 253 | 253 | 253 | - | | |
| Utilities | 344 | 505 | 1,285 | - | 1,368 | 1,968 | 1,968 | (5) | |
| Transfers In | (1) | () | (57) | - | - | () | () | | |
| Transfers Out | - | - | 4,849 | 1,433 | 1,433 | 1,433 | - | | |
| Total Direct Expense | \$6,240 | \$6,307 | \$19,626 | \$19,072 | \$19,072 | \$15,052 | (\$4,020) | | |
| Total All Expense | \$22,334 | \$23,897 | \$67,282 | \$70,799 | \$70,799 | \$66,082 | (\$4,717) | | |
| Net From Operations | \$22,896 | \$24,852 | \$1,813 | \$4 | \$4 | \$5,523 | \$5,519 | | |
| Fund Additions/(Deductions) | - | - | (170) | | | | | | |
| Change in Fund Balance | \$22,896 | \$24,852 | \$1,642 | \$4 | \$4 | \$5,523 | \$5,519 | (6) | |
| Beginning Fund Balance | 13,593 | 15,235 | 13,593 | 15,235 | 15,235 | 15,235 | | | |
| Ending Fund Balance | \$36,489 | \$40,087 | \$15,235 | \$15,239 | \$15,239 | \$20,758 | \$5,519 | | |
| Ending Cash Balance | 22,147 | \$30,379 | \$17,397 | | | | | | |
| % Operating Revenues | 80.7% | 82.2% | 22.0% | 21.5% | | 29.0% | | | |

Notes:

Education & General

- (1) **FY 2022 YTD Actuals** - Received full one-time special item biennial allocation for Center of Excellence in Applied Computing and Rural Health Initiatives in Q1
- (2) **FY 2022 Forecast** - Fall SCH enrollment is down 8.3% (12/17/2021) over last academic year. We budgeted a 1% increase in enrollment for FY2022
- (3) **FY 2022 Forecast** - Net salary savings projected at \$3.2M (\$2.5M in salary savings was budgeted)
- (4) **FY 2022 Forecast** - One-year reduction in debt service principal due to May 2021 bond refunding
- (5) **FY 2022 Adjusted Budget** - Utilities moved from S&S to separate line item
- (6) **FY 2022 Forecast** - Includes impact from unexpended one-time funding for Center of Excellence in Applied Computing and Rural Health Initiatives

ATTACHMENT C
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 Activities | Status |
| Capital Projects Management | In-progress: Anticipated completion February 2022 |
| Title IX | In-progress |
| Fixed Assets and Inventory | Scheduled for Spring 2022 |
| Procurement and Contracting | On hold: tentatively plans are to reschedule for Winter/Spring 2022 |
| Monitor Fraud, Waste, and Abuse Ethics Hotline | Summary below for Board review |

Internal audit of Capital Projects Management is well under way and audit testing work is nearing completion. Once the audit testing work is completed IA will be working with the OIT management team to develop a report and action plan for any issues identified. We anticipate this report will be final and presented for Board review at the next Board meeting in April 2022.

The Title IX internal audit in the beginning phase and IA is working with OIT human resources and Title IX management to obtain the necessary information to scope the audit and schedule fieldwork. This project is anticipated to be completed Spring 2022.

Fixed Assets and Inventory is scheduled for Spring of 2022.

The Procurement and Contracting audit is currently still on hold while other audit projects are being prioritized.

IA is also engaged to assist with the organization of grants and resolving the issues noted in the SPGA audit while the University searches for a new SPGA Director. That work is currently underway and will be completed by the end of January 2022.

Fraud, Waste, and Abuse Ethics Line Update:

| Fraud, Waste, and Abuse Ethics Line Report Log (Fiscal-year) | | | | | |
|--|------|------|------|------|------|
| Complaint Source | 2018 | 2019 | 2020 | 2021 | 2022 |
| Hotline | 5 | 6 | 8 | 9 | 0 |
| Direct to IA | 0 | 0 | 0 | 0 | 0 |
| Oregon State Audits Division | 0 | 0 | 1 | 0 | 0 |
| Total | 5 | 6 | 9 | 9 | 0 |
| Issues Resolved | | | | | |
| Resolved | 5 | 6 | 9 | 9 | 0 |
| Monitoring | 0 | 0 | 0 | 0 | 0 |
| Open | 0 | 0 | 0 | 0 | 0 |

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.

There have been no new case submissions since the start of fiscal year 2022, and there are currently no outstanding cases under review.

DISCUSSION

Agenda Item No. 3.3

Tuition Development Process Update

Summary

To support the annual collaborative tuition development and recommendation process, the Board of Trustees approved the *Policy on Resident Undergraduate Tuition and Mandatory Enrollment Fee Process*, amended January 24, 2019 (see Attachment A). The policy requires establishment of an annual Tuition Recommendation Committee (TRC). The Committee's 2021-22 work plan is designed to conform to university policy, meet the process requirements of HB 4141 (see Attachment B) and satisfy the criteria established by the Higher Education Coordinating Commission (HECC) if requesting a tuition increase above five percent (see Attachment C). The procedure is designed to provide for a collaborative and inclusive tuition setting process focused on supporting student affordability, long-term financial stability of the university and ensuring high-quality degree programs.

The first in a series of meetings of the TRC is scheduled for January 21, 2022. Additional meetings will be held through the beginning of March 2022. The meetings are collaborative and include the presentation and discussion of information and materials used by the Associated Students of the Oregon Institution of Technology (ASOIT) and the TRC to develop and forward a tuition and fees recommendation to the President. A formal recommendation by the President will be presented at the April 7, 2022 meeting of the Board of Trustees. The timeline includes hosting open student forums led by ASOIT. Open forums provide the opportunity for students at-large to participate in the tuition recommendation process and to provide feedback for the TRC and ASOIT regarding their priorities during the tuition setting process. These events also provide an opportunity to updates and feedback from the university community regarding the university and state budgets. The TRC is expected to conclude its process during March.

Tuition Recommendation Committee is composed of:

| <u>Members for 2021-22</u> | <u>Role</u> | <u>Location</u> |
|----------------------------|-------------------------------------|-----------------|
| John Harman- Chair | VP for Finance and Administration | Klamath Falls |
| Anna Clark- Co-Chair | Asst. Director for Budget | Klamath Falls |
| Dr. Erin Foley- Ex-Officio | Vice President for Student Affairs | Klamath Falls |
| Don DaSaro | FOAC Chair and Asst. Professor | Klamath Falls |
| Feng Shi | Assistant Professor | Klamath Falls |
| Mason Wichmann | Student Representative | Klamath Falls |
| Sasha Rabich | ASOIT Officer | Klamath Falls |
| Graeme Wilttrout | Student Representative | Klamath Falls |
| Justin Echternacht | ASOIT Officer Grad Student | Klamath Falls |
| Billy Kimmel | ASOIT Officer | Portland Metro |
| Jamie Penner | Student Representative | Portland Metro |
| Dr. Joanna Mott | Provost and VP for Academic Affairs | Klamath Falls |

Kendal Marks

Registrar

Portland Metro

Support Staff

Role

Location

Celia Green

Interim Executive Assistant to the VPFA

Klamath Falls

Process Guidelines and Principles

To facilitate the tuition setting process, the President has established a Committee Charter for the TRC. This charter is included in the annual catalog of Standing Committees, Commissions and Councils (see Attachment D, page 13). At the TRC's first meeting it will establish a schedule of meetings as well as guiding principles and a process framework to ensure that the Committee has a reference point by which to measure their deliberative process and outcomes.

2021-22 Tuition Recommendation Committee Charter

The Tuition Recommendation Committee is responsible for recommending the tuition and mandatory fee rates to the President who will then report and recommend mandatory tuition and fees to the Board of Trustees for academic year 2022-23 in accordance with ORS 352.102. The Board of Trustees shall request that the President transmit to the Board the joint tuition recommendation of the President and the recognized student government.

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

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

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

Guiding Principles (to be updated/approved by this year's TRC)

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

Process Framework (to be updated/approved by this year's TRC)

- Communicate openly and transparently with all stakeholders at an appropriate level of detail.
- The Committee will utilize data and information throughout the process.
- Communicate respectfully and ask questions.

Deliberative Process

Throughout the two-month long tuition setting process the TRC will meet multiple times, host campus forums open to the public and anyone from any campus location, hear from university teams including, Budget and Planning, Enrollment Management, Student Affairs, and Institutional Research. This process will include training on the major components of and pressures affecting both Oregon Tech and the state's budget, as well as historical data on tuition and fees. Staff will outline for the TRC how the university is managing its costs and continues to evaluate scenarios which include reductions in tuition if additional state support is available.

HB 4141 (2018) outlines the requirements for public universities during the tuition setting process. This codifies many of the practices Oregon Tech has consistently undertaken to ensure broad engagement and inclusion throughout the tuition setting process. In 2018-19, HECC further clarified its evaluative focus if a tuition increase of more than 5% is proposed by a university. These include three specific criteria:

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

Staff Recommendation

No action necessary, for discussion purposes only.

Attachments

- Attachment A- Board Policy on Resident Undergraduate Tuition and Mandatory Fees
- Attachment B- HB- 4141 (ORS 352.025)
- Attachment C- HECC Tuition Increase Criteria
- Attachment D- Standing Committees, Commissions and Councils

Board Policy on Resident Undergraduate Tuition and Mandatory Enrollment Fee Process
Board of Trustees of Oregon Institute of Technology

1. Purpose

It is the policy of Oregon Institute of Technology that tuition, fees, fines and other charges are to be developed, approved, issued and communicated in a transparent and consistent manner, with the engagement of appropriate University stakeholders. The purpose of this policy is to outline and clarify the process for setting tuition, fees, fines and other charges at the University.

2. Background

2.1 Tuition and Mandatory Enrollment Fees. ORS 352.102(2) requires the Board of Trustees to establish a process for determining tuition and mandatory enrollment fees. Some of these fees will be different between Klamath Falls and Wilsonville due to the availability and extent of services provided at each campus.

2.1.1 Incidental Fees. ORS 352.102(3) requires the institutional president to submit the joint recommendation of the president and the Associated Students of Oregon Institute of Technology (ASOIT) prior to the Board taking action on incidental fees. ORS 352.105 requires the Board to collect mandatory incidental fees upon the request of ASOIT, except in certain circumstances. ORS 352.105(1) requires that ASOIT consult with the Board in the establishment of a process for requesting mandatory student incidental fees.

2.1.2 Health Service Fees. Set each year upon recommendation by the Health Service Advisory Committee to the presidents of both ASOIT the recognized student government and OIT. Assessed to enrolled students who are eligible for health services.

2.1.3 Building Fees. Set each year by the Board upon recommendation by the institutional president. This fee is used to pay for bond debt service associated with projects for auxiliary or education and general facilities or athletic facilities.

2.1.4 Other Mandatory Fees. Set based on the recommendation of the ASOIT or a successful referendum vote of the student body, and upon recommendation of the institutional president with approval by the Board. These fees are used to pay for activities, assessments or needs to support the mission of the university.

3. Definitions

3.1 Associated Students of Oregon Institute of Technology (ASOIT) The recognized student government of the University.

3.2 Incidental Fee Committee The ASOIT committee responsible for recommending the amount and allocation of the Incidental Fee to ASOIT and the President and for developing Student Fee Guidelines which are subject to review and approval by the President and are to be provided at least annually to the Board's Finance and Facilities Committee.

3.3 Tuition Recommendation Committee This committee is responsible for recommending the undergraduate tuition and mandatory fee rates to the institutional president.

Comprised of six students representing both campuses appointed by the ASOIT president(s), two of which represent ASOIT and two of which represent historically underserved students of the university, as defined by the university; two faculty members, one of which is the chair of the Fiscal Operations Advisory Council (FOAC); and two senior administrators.

- 3.4 Fiscal Operations Advisory Council (FOAC) The Fiscal Operations Advisory Council is a faculty/administrative council for the purpose of advising the President on budget and financial matters.
- 3.5 Historically Underserved Students This is defined as “Targeted Student Populations” as identified by the Higher Education Coordinating Commission in Oregon Administrative Rules related to the administration of the Student Success and Completion Model (OAR 715-013-0025(1)(bb)).
- 3.6 Resident Tuition and Mandatory Enrollment Fees The tuition and mandatory enrollment fees for degree-seeking, undergraduate students who have established residency in Oregon.

4. Roles and Responsibilities

- 4.1 The Board of Trustees retains authority and responsibility to annually establish Tuition and Mandatory Student Fees.
- 4.2 The Board delegates to the President, who may further delegate to the Vice President for Finance and Administration, authority and responsibility to annually establish other fines, fees, and charges, as provided in Section 6.0 of this policy.

5. Setting of Tuition and Mandatory Student Fees, and Incidental Fees

Tuition and Mandatory Enrollment Fees, and Incidental Fees, are established annually by the Board, generally at the Board’s meeting in spring prior to the applicable academic year in accordance with the requirements of ORS 352.102 and ORS 352.105.

- 5.1 Process for Setting of Tuition and Mandatory Enrollment Fees. The Tuition Recommendation Committee shall meet at least twice between January and February prior to providing the President written recommendations on proposed tuition and mandatory fee rates for resident undergraduate students the upcoming academic year; these meetings shall be open to the student body. A minimum of one public forum shall be held at the Klamath Falls campus and a minimum of one at the Portland-Metro campus to discuss and obtain input on the proposed tuition and mandatory fees; and broad notification of the forum shall be made to the university community.

To assist in making its recommendations, the Tuition Recommendation Committee shall receive a plan for how the Board of Trustees and Administration are managing costs on an ongoing basis and a plan for how resident tuition and mandatory enrollment fees could be decreased if the university receives more moneys from the state than anticipated.

When advising the president, the Tuition Recommendation Committee shall include input received at the public forum and considerations regarding the mechanisms by which moneys are appropriated by the Legislative Assembly to the Higher Education Coordinating Commission for allocation to universities, historical tuition and fee trends, comparative data for peer institutions, the University's budget and projected cost increases, and anticipated state appropriation levels. In addition to the recommendations, the report shall convey deliberations and observations of the Tuition Recommendation Committee, and must include any minority report requested by a Tuition Recommendation Committee member and any documents produced or received by the Tuition Recommendation Committee. The President shall bring the recommendations report and all associated documents to the Board for approval.

If the Tuition Recommendation Committee recommends to the president that resident tuition and mandatory enrollment fees should be increased by more than five percent annually, it must document its consideration of the impact of the recommended increase on (a) students at the public university, with an emphasis on historically underserved students, as defined by the university, (b) the mission of the university; and its consideration of: alternative scenarios that involve smaller increases in resident tuition and mandatory enrollment fees than the advisory body intends to recommend to the president.

When setting tuition and fees, the Board may consider a number of factors, including the intent to (a) create affordable access to degree programs, (b) create a diverse student body, (c) maintain strong degree programs at every level, (d) develop and maintain the human and physical infrastructure necessary to support the university's educational outcome goals, and (e) maintain the fiscal integrity of the institution over the long-term.

- 5.2 Process for Setting of Incidental Fees. An incidental fee is assessed each term to support institutional student programs that are advantageous to the cultural or physical development of students. Funds generated by the incidental fee are used to fund college union operations, student clubs and programs, and athletics, among other programs.

The Incidental Fee Committee is responsible for recommending the amount and allocation of the incidental fee to the ASOIT and the President, pursuant to the Incidental Fees Policy (OIT 40-090).

ASOIT and the President are to work together to reach agreement on a joint recommendation regarding the incidental fee. Once approved, the President shall bring the joint recommendation to the Board for consideration.

- 5.3 Limits on Tuition and Mandatory Student Fees Increases. When setting Tuition and Mandatory Student Fees, the Board shall consider the following limits:
- 5.3.1 The Board may not increase the total of Tuition and Mandatory Student Fees by more than five percent annually unless the Board first receives approval from the Higher Education Coordinating Commission or the Legislative Assembly (ORS 352.102(4)(a)).
- 5.3.2 If the Board requests an increase in the total amount of tuition and mandatory enrollment fees of more than five percent, the university shall provide the Higher Education Coordinating Commission the full report and all associated documents submitted to the President from the Tuition Recommendation Committee; and any other information or materials the Higher Education Coordinating Commission determines are necessary to determine whether to approve the proposed increase in the total amount of tuition and mandatory enrollment fees.
- 5.3.3 The Board will attempt to limit the annual increases in Tuition and Mandatory Student Fees for undergraduate students who are enrolled in a degree program and have established residency in Oregon to a percentage that is not greater than the percentage increase in the Higher Education Price Index, as compiled by the Commonfund Institute (ORS 352.102(4)(b)).
- 5.4 Fee Remissions. Tuition rates set by the Board shall also include an allowance for fee remissions to be used for access, affordability, athletic and merit purposes.

6. Setting of Other Tuitions, Fees, Fines, and Charges

- 6.1 Process for Setting Other Fees, Fines, and Charges. The President is authorized to establish other fees, fines, and charges to cover specified costs of the University or for other purposes. Such other fees, fines, and charges are to be reconsidered annually.
- 6.2 Process for Setting Other Tuitions. The President will recommend all proposed tuition rates including, but not limited to, non-residential, differential, and other programs, to the board for approval annually after a transparent and collaborative campus process.

7. Website Posting

- The process of establishing resident tuition and mandatory enrollment fees must be described on the university website.
- 7.1 Material posted must include this policy or another written document describing the role of the Tuition Recommendation Committee and the relationship of the Tuition Recommendation Committee to the public university, university president, and the board of trustees; and all relevant documents, agendas and data that are considered by the Tuition Advisory Committee during its deliberations.

Provided for reference only – Statutory guidance on tuition and mandatory fees:

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

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

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

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

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

(A) The Higher Education Coordinating Commission; or

(B) The Legislative Assembly.

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

(5) The governing board may not delegate authority to determine tuition and mandatory enrollment fees for undergraduate students who are enrolled in a degree program and are qualified to pay resident tuition. [2013 c.768 §10]

Enrolled House Bill 4141

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

CHAPTER

AN ACT

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

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

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

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

(2) The public university shall:

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

- (A) Two administrators of the university;
- (B) Two faculty members of the university;
- (C) Two students representing the recognized student government of the university; and
- (D) Two students representing historically underserved students of the university, as defined by the public university.

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

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

- (a) The budget of the public university;
- (b) The mechanisms by which moneys are appropriated by the Legislative Assembly to the Higher Education Coordinating Commission for allocation to public universities; and
- (c) Historical data regarding the relationship between the amount of resident tuition and mandatory enrollment fees charged by the public university and the amount of state appropriations that the commission allocates to the public university.

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

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

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

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

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

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

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

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

(6) The advisory body shall:

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

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

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

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

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

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

SECTION 3. ORS 352.102 is amended to read:

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

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

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

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

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

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

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

(A) The Higher Education Coordinating Commission; or

(B) The Legislative Assembly.

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

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

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

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

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

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

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

Passed by House February 20, 2018

Repassed by House March 3, 2018

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

.....
Tina Kotek, Speaker of House

Passed by Senate March 1, 2018

.....
Peter Courtney, President of Senate

Received by Governor:

.....M.,, 2018

Approved:

.....M.,, 2018

.....
Kate Brown, Governor

Filed in Office of Secretary of State:

.....M.,, 2018

.....
Dennis Richardson, Secretary of State



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Tuition Increase Criteria

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

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

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

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

Goals: Inclusion, Transparency

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

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

Criteria for this Focus Area:

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

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

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

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

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

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

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

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

Criteria for this Focus Area:

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

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

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

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

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

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

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

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

Criteria for this Focus Area:

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

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

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

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



Standing Committees, Commissions, and Councils 2021-22

Revised 12/7/21

Preamble

Education requires the oversight and management of a multitude of tasks and assignments. Shared governance at an educational institution offers the opportunity for faculty and staff to assist administrators with those tasks by providing input, recommending outcomes, and participating in operational decisions. In addition to committees appointed directly by the Faculty Senate and *ad hoc* committees created for special purposes, the Oregon Institute of Technology recognizes a number of standing committees, commissions, and councils that provide continuous support for institutional or academic leadership. Each assembly reports to one of the University's Vice Presidents or to the President. These administrators recommend membership and service on the committees reporting to them to the President for approval. Recommendations for membership and service on the committees reporting to Faculty Senate are made to the President of the Faculty Senate for approval. Oregon Tech is committed to diversity, equity, and inclusion in committee representation.

Two types of committee appointments are recognized:

- Appointment to a committee because of job title or position (e.g., Vice Provost on President's Council).
- Appointment for a rotating term.

The term of service varies according to appointment type:

- Committee members appointed because of job title or position typically serve while holding the position, dependent on the purpose for the position to serve on the committee.
- Student appointments serve for one-year renewable terms.
- Committee members appointed for rotating terms typically serve three years, unless otherwise specified within the committee description.
- Committee members appointed for rotating terms in elected positions (e.g., Faculty Senate) serve according to their elected term within the assembly.
- Members may be reappointed for an additional three-year term (six years total), but it is the intention of this process to encourage broad participation and to allow faculty and staff to bring fresh perspectives and skills to their committee assignments. This is deemed especially critical for high profile assignments that impact promotion and tenure decisions. Members can be reappointed after a term off the committee.
- Appointed members have staggered terms so that some membership continuity is present.

Individuals can request consideration for membership on a particular committee at any time by petitioning the Provost or President of the Faculty Senate, for the committees reporting to administrators and Faculty Senate, respectively. The Office of the Provost will affirm membership and notify appointees for the succeeding academic year before the start of the fall term.

The academic community recognizes the importance of committee assignments and the role it plays in shared governance. However, committees that are unwieldy in size often have difficulty in meeting

or reaching a quorum. Members who are regularly absent can be removed from a committee, at the request of the committee Chair, to the appropriate reporting Vice President. Likewise, a Chair who is deemed inefficient and unable to organize committee business can be removed at the request of committee members, to the appropriate reporting Vice President. Assignment to a committee should be regarded as a privilege and responsibility.

DISCUSSION

Agenda Item No. 5.1

Construction of a New Student Housing Facility Update

Background

Oregon Tech received approval from the Board of Trustees at its April 8, 2021 meeting to pursue Article XI-F bond financing to construct a new student housing facility. The scope, justification and draft financial proforma were shared with the Board and outlined in Board Agenda Item No. 4.3 entitled, “*Request for Approval to Pursue Bond Financing for Construction of a New Student Housing Project*”. (see Attachment A)

Oregon Tech subsequently submitted its request, through the Higher Education Coordinating Commission (HECC), to be included in the legislative capital project funding process for consideration by the 82nd Oregon Legislature in the spring of 2021. In June of 2021, the Legislature approved \$55 million in bonding authority through Article XI-F bonds for Oregon Tech to construct a student housing facility. Agenda Item No. 4.4 entitled, “*Recommendation to Approve a Resolution on Bond Issuance for a New Student Residence Hall Project*”, was presented to the Board of Trustees at its July 15, 2021 meeting requesting authorization for Oregon Tech to accept the \$55 million in bonding authority. (see Attachment B) The Board approved Resolution No. 21-01 entitled:

A RESOLUTION THAT SUFFICIENT REVENUE EXISTS TO SUPPORT FULLY SELF-FINANCING AND SELF-LIQUIDATING ARTICLE XI-F(1) BONDS, TOTTALLING 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

Since that time, several key assumptions relied upon in developing the scope, justification and financial proforma for the original Student Housing proposal have materially changed, including:

- Construction costs have increased on average between 25-30 percent. This has increased original estimated construction costs by an additional \$14-15 million. To maintain the original project scope, Oregon Tech would have to fund the escalation out of existing funds or seek additional bonding authority through the legislature.
- State appropriations were reduced because of the reconfiguration of the Student Success and Completion Model (SSCM) allocation formula. This uniquely and negatively impacted Oregon Tech and will result in at least \$1.1 million less in annual state appropriations in FY 2023 and

between \$1.2-1.4 million less in subsequent years compared to FY 2021. Thus, there is no expectation for growth in state appropriations through FY 2025.

- Like publicly funded universities across the state, Oregon Tech experienced declining tuition revenues related to the enrollment shortfall during Fall term FY 2022. These are attributable to the continued impact from COVID and associated economic factors. Enrollment numbers are expected to recover and continue to grow in the near-term.

As a result of material changes in these key assumptions, the new student housing facility, as originally envisioned and approved by the Board, is no longer financially viable.

Oregon Tech remains committed to constructing new modern student housing on the Klamath Falls campus. The University has seen significant growth in freshman enrollment in recent years. This is due in large part to several popular degree programs and the success graduates have in finding careers in their chosen field of study once they complete their education. Current on-campus housing is at near capacity, while off-campus housing alternatives in Klamath Falls are severely constrained or non-existent. Expanded student housing is integral to support anticipated enrollment growth and student retention, enhance student safety and enrich the overall student experience.

Because evolving market and related economic conditions have materially impacted key assumptions integral to the financial and operational viability of the previous Board approved student housing project, Oregon Tech will pause the original proposal to allow more time for additional due diligence in evaluating alternative options for configuring and constructing new student housing on the Klamath Falls campus. The objective is to identify other opportunities or models that will provide more value, financial viability, reduce risk and improve flexibility for growth. Additional options will be presented to the April 2022 Finance, Facilities and Audit Committee meeting of the Board.

Staff Recommendation

No action necessary, for discussion purposes only.

Attachments

Attachment A- Board Agenda Item 4.4, ***“Request for Approval to Pursue Bond Financing for Construction of a New Student Housing Project”***, including its Attachments A & B via link below: https://www.oit.edu/sites/default/files/2021/documents/2021.04.08%20FF%20Agenda%20reduced_0.pdf

Attachment B- Board Agenda Item No. 4.3, ***“Recommendation to Approve a Resolution on Bond Issuance for a New Student Residence Hall Project”*** via link below: https://www.oit.edu/sites/default/files/2021/documents/2021.07.15%20Schedule%20and%20Agenda_1.pdf