

ACTION ITEM

Agenda Item 3.1

2021-22 President Evaluation Report and Approval of 2022-23 Goals

Summary

The Board of Trustees is charged with the supervision of the President, including annually assessing his performance to inform and support his successful leadership and the strategic directions of the University. Chair Davis and Vice Chair Jones reviewed President Naganathan's self-assessment report and have issued this report to the Board for their review. Per Board Policy, the board is to review the report, draw conclusions, develop feedback for the President, and approve goals for the 2022-23 academic year.

Background – 2021-2022 Goals

The Board Policy on Presidential Evaluation Process requires the Board to conduct an annual evaluation of the President. The Board approved the President's 2021-22 goals on November 18, 2021. The Executive Committee completed its comprehensive evaluation of the President in July, 2022. In addition, on October 15, 2022, as part of the annual evaluation process, President Naganathan submitted to the Chair and Vice Chair his self-assessment report describing progress toward his 2021-22 goals and proposing goals for the 2022-23 year. On October 26, 2022 and December 2, 2022, Chair Davis and Vice Chair Jones met with the President to share feedback on the self-assessment report and proposed goals for the 2022-23 year.

Additionally, the Board met in executive session on July 20, 2022 and October 18, 2022 to discuss and provide general feedback on President Naganathan's evaluation and discuss progress towards the 2021-2022 goals.

Attached is a Summary Assessment of the 2021-22 Goals.

Proposed 2022-23 Goals

Newly proposed goals for 2022-23 are:

1. Complete a successful Year-7 Comprehensive Review and site visit by the Northwest Commission of Colleges and Universities.
2. Increase degree-seeking undergraduate enrollment overall with a goal to achieve at least a 2% growth in new students and a 2% growth in the retention of continuing students.
3. Stabilize enrollment at Portland-Metro Campus with at least a 2% growth.

4. Increase engagement with industry and other funding agencies. To this end, increase faculty and staff research and innovation proposal submissions by over 30%, from the 2021-22 submissions of 34 to 45 in the new fiscal year.
5. Develop the Facilities Master Plan for presentation for final approval by the Board by December 2023.
6. Develop at least two new academic degree programs and present them to the Board for final approval by December 2023.
7. Examine the current organization of academic units and departments and reorganize as necessary to include an innovative integration of academic degree programs in applied computing and related areas, with an objective to achieve increased enrollment and applied research.
8. Continue to work with the Oregon Tech Foundation and Advancement staff on development of a comprehensive capital campaign for Oregon Tech. Measurable goals including raising an additional \$2.5 million by Fall 2023 and presenting the Board, by December 2023, with a timeline and steps for implementation of a comprehensive campaign.

The above goals are to be pursued while giving continued attention to implementing the University's Strategic Plan and Academic Master Plan, elevating a healthier and thriving campus culture by implementing the ongoing action steps, building strong leadership at all levels, and continuing campus-wide engagement among faculty, staff, and students through implementation of shared governance initiatives and collaboration.

Recommendation

The Chair and Vice Chair request the Board review, discuss, and approve the submitted report, and newly established goals for 2022-23.

A Summary Assessment of 2021-22 goals is included below.

Summary Assessment of 2021-22 Presidential Goals

During the academic year 2021-22, the leadership team continued to stay focused on institutional priorities and did so in partnership with the university community. As a result, the good work of the university continued and the university continued to implement the goals and initiatives contained in our Strategic Plan. Some of the key accomplishments include:

1. Finished a successful academic school year for our students, with more than 800 degrees awarded for a second consecutive year (809 in 2020-21 and 805 in 2021-22) – the highest two years in the last 36 years that is trackable.
2. Emphasized new freshman enrollment to reverse the decline in Fall 2021, resulting in a record new first-year class size of 463 in fall 2022. This is the highest cohort in the last 30 years. This result is also the fourth increase in the last five years since a strategic enrollment management process was implemented in Fall 2018.
3. Achieved a successful review of the Year Six report to the Northwest Council of Colleges and Universities.
4. Facilitated the needed build-up of programs and facilities and personnel recruitment in preparation for the DPT program's final approval.
5. Implemented the new faculty contract.
6. Launched the Diversity, Inclusion, and Cultural Engagement (DICE) office.
7. Completed the Climate Assessment Survey through an inclusive process on campus.
8. Collaboratively worked with HECC to alleviate the impact of the funding formula revisions at HECC, resulting in at least \$1M more in PUSF dollars than anticipated from the earlier formula implementation. This enabled the Board of Trustees to limit the tuition increase to 5% for our students.
9. Completed the construction of the CEET building with occupancy in January 2022 and pursued additional construction funds for Boivin (secured an additional ~\$1.2M in October 2022). Boivin construction is on schedule.
10. Successfully pursued a funding opportunity by mobilizing a federal process to secure \$1M to support faculty research.
11. Built a community coalition to pursue planning for a regional innovation hub and secured a planning grant of \$140K.
12. Raised more than \$4M during the fiscal year in partnership with the Oregon Tech Foundation.
13. Stewarded resources and processes to end the fiscal year with a net positive margin of \$1.9M net of transfers on the Board approved budget of \$70.8M for FY2021-22, despite a significant tuition revenue shortfall.

At a time when the sustainability of smaller universities is being threatened, Oregon Tech has demonstrated the ability to graduate students successfully and manage our finances proactively. The successful institutional outcomes listed above are a credit to leadership at many levels at Oregon Tech and the contributions of many faculty, staff, and students.

Following is a brief report on each of the goals.

Goal #1: Complete the university climate assessment project as directed by the BOT and present the results to the BOT by the April 2022 meeting to include ways to address perceived and real challenges and additional measures to improve communication across the university.

The development and administration of the climate assessment survey were completed at the university level in January through April 2022 by ModernThink. The final report was released to the Board and the University community in July 2022. The administration immediately developed a set of meaningful Climate Assessment Action Steps, which are being implemented.

Goal #2 Continue to maintain momentum in new freshmen student growth and focus additional efforts through Admissions, Academic Advising and Retention, Educational Partnerships, and Outreach, the Deans' Offices, and the various university departments to improve recruitment and retention for robust enrollment management. We will strive to increase our new freshmen by at least another 3% and stabilize the overall enrollment in Fall 2022.

University recorded the 4th increase in the new freshmen cohort in the last five years. Our fall 2022 new freshman cohort of 463 (a 4.5% increase over last year) is the highest in the previous 30 years at Oregon Tech. Retention of full-time new freshmen, a metric monitored by HECC, also increased from the last fall (67.9% to 72.2%).

Goal #3 Create and implement a strategic faculty hiring plan with a goal for them to intentionally engage industry in innovation and applied research, both at OMIC and beyond.

Academic Affairs implemented a strategic hiring process to prioritize filling vacancies in areas of identified need or to staff identified initiatives. For the latter, these included supporting areas where Oregon Tech can excel and will evolve with time and new opportunities in alignment with the Academic Master Plan.

Goal #4 Develop an education and research center with an emphasis on applied computing and data analytics

Several new faculty members in various fields related to applied computing have been hired to start this fall at Oregon Tech. Faculty representatives from data science, MMET, CSET, and cybersecurity met with Dean Keyser to discuss the qualifications of a successful center director. The Director (search in progress) will be expected to develop a vision and direction for the Center and identify faculty to serve as affiliates, contributing to center activities.

Goal #5 Continue the development of the academic and facilities master plans

Development of both plans have been through an inclusive, shared-governance process.

The **Academic Master Plan** is ready to be implemented. Following comments by board members at their retreat, the plan now has a metric for each goal in addition to a timeline and responsible party/office.

The **Facilities Master Plan** RFP process (RFP #2022-08) was completed through the shared-governance process with the selection of Soderstrom Architects, Ltd. as the vendor, and the contract was finalized on September 13, 2022.

Goal #6 In close partnership with the Oregon Tech Foundation, begin to explore the feasibility and scope of a capital campaign for Oregon Tech. A measurable goal in this area is raising an additional \$2M before the end of Fall 2022.

By fiscal year end (June 30, 2022), the university, in partnership with the Foundation, had raised **\$4,372,667** against a goal of **\$2M** by the end of Fall 2022. The Advancement Team worked very hard to raise these funds and deserves much appreciation. It is to be noted that some significant one-time funding was also secured that may not be replicated in the future. American Rescue Plan Act (ARPA) grants and an estate gift of \$1.2M are examples of these one-time funds.

Two very successful "Giving Days" raised the most money per day since these events began. The Giving Tuesday tradition was started at Oregon Tech in 2018, and the Foundation raised about \$24K that year. In Fall 2021, about \$120K was raised. In addition, the Give a Hoot Day tradition (which was started in the spring of 2020 during the pandemic) raised about \$200K this year. This was a notable increase from the \$75K raised in CY2020.

The Foundation Board has also begun its efforts toward a Comprehensive Capital Campaign. As part of this process, the Foundation Board and Advancement team are now crafting a strategic plan.

ACTION ITEM

Agenda Item 3.2

President's Contract



BOARD OF TRUSTEES – PRESIDENTIAL CONTRACT REVIEW

1. **Background:** At the October 2022 Board of Trustees Executive Committee Meeting, the Executive Committee voted to direct the Board Chair and Vice Chair to review the President's compensation package. Dr. Naganathan joined Oregon Tech on March 31, 2017 and his revised employment contract extends through June 30, 2027. He is now the longest-serving President among Oregon's eight public universities (including OHSU). Changes in Dr. Naganathan's compensation are subject to the Board's sole discretion to be reviewed in conjunction with his Presidential Evaluations. His current compensation package consists of:

- (a) Base salary.
- (b) Housing allowance (since Oregon Tech does not have a President's house).
- (c) Vehicle allowance, in lieu of vehicle expense reimbursements.
- (d) Club membership as approved by the Board Chair to further the interests of the University.
- (e) Normal University-provided benefits that the University provides to all administrative officers, including health insurance and retirement matching.

Other factors for consideration include:

- Dr. Naganathan took a pay reduction in 2017 to join the University as President, compared with his University of Toledo salary.
- Dr. Naganathan's base salary, benefits, and vehicle allowance remain unchanged since his start as President in 2017. His housing allowance was increased by 20% in 2021.
- Since Dr. Nagi started in 2017, unclassified staff and faculty at Oregon Tech have been allocated a base compensation increase pool each year totaling approximately 12.5% through 2022 and approximately 15% as of 2023.
- During 2020, in the midst of the uncertainty of the Pandemic, Dr. Naganathan also took a self-imposed 10% reduction in salary.
- Dr. Nagi and his wife have been generous donors to the University over the last five years.
- Dr. Nagi is now the longest-serving President among Oregon's eight public universities.

In short, Dr. Naganathan has now served as the University's President for almost six years without any base compensation increase or review.

2. **Presidential Evaluations:** The Board’s Executive Committee has conducted annual evaluations of the President each year. In July 2022, the Executive Committee completed its Comprehensive Evaluation. The Comprehensive Evaluation points to the following Presidential accomplishments:
- (a) Dr. Naganathan consistently delivers each year on the Board-approved annual General Fund Budget.
 - (b) Successful 2022 on-campus commencement with graduates at the Klamath Falls, Portland-Metro, and Seattle campuses. In 2022 more than 800 degrees were awarded for a second consecutive year (809 in 2020-21 and 805 in 2021-22) – the highest two years in the last 36 years that are trackable.
 - (c) Legislative adoption and official recognition of Oregon Tech as “Oregon’s Polytechnic University.”
 - (d) Dr. Naganathan is now Oregon’s most senior and seasoned University President and has consistently built strong relationships with donors, legislators, other Oregon Universities, business leaders, and the Higher Education Coordinating Commission (HECC).
 - (e) Successful fundraising, legislative approval, and delivery of the new Center for Excellence in Engineering and Technology Building (CEET), on budget.
 - (f) Over \$110 million in successfully completed capital improvement projects during Dr. Naganathan’s tenure, on-budget and with significant outside fundraising efforts. These include Cornett Hall, Student Rec Center, Remodeled Softball Field and Stadium, Track and Field Stadium, Soccer Field, Gymnasium Exterior, and medical imaging laboratory improvements.
 - (g) Strategic planning for future improvements and Capital projects:
 - a. Successfully securing \$55 million in bond authorization to build the new residence hall for on-campus student housing and, after considerable due diligence by staff, the Board approved the administration’s recommendation to accept only \$35 million of the authorized amount.
 - b. Klamath Falls Complete renovation of Boivin Hall (in progress)
 - c. Klamath Falls campus utility infrastructure improvements
 - d. Future Student Services building
 - e. Creation of new Doctorate of Physical Therapy degree
 - f. Development of a facilities master plan.

In addition, the Board Chair and Vice Chair point to the following additional factors:

- Record new first-year class size of 463 in fall 2022 - the highest cohort in the last 30 years. This is an increase of 4.5% over the fall 2021 new freshman class. This result is also the fourth increase in the last five years since the new strategic enrollment management efforts were implemented in Fall 2018. The new freshman cohort in fall 2022 is 39% higher than the Fall 2017 cohort (463 v. 334), and the credit hours enrolled also increased 39% (6,192 v. 4,460).
- Fall 2022 enrollment was maintained with stability, amidst a declining national and regional population of college students, and precipitous declines in our transfer partner schools (community colleges). This fall, 4,913 students enrolled at Oregon Tech compared to last year’s 4,910 students, with first-year students increasing by 4.5%. In Fall 2022, Oregon Tech’s dual credit program increased by 16%.

- Dr. Nagi serves as Chair of the Oregon Council of Presidents (OCOP) and led the process to (i) create and present the Presidents' 2023-2025 Consolidated Funding Request to HECC, and (ii) prepare the delivery of the Oregon Higher Education Landscape Study for OCOP and Oregon Community College Association. Dr. Nagi has been active in the Oregon higher education community as an advocate not just for Oregon Tech, but for all Oregon institutions of higher education.
- In November 2022, The Boeing Company and Oregon Tech signed an agreement to develop a Collaboration Lab at the Klamath Falls campus, which will provide a secure environment for Oregon Tech students completing projects for Boeing as paid interns, while also guided and mentored by Boeing engineers. Oregon Tech will be the pilot university for Boeing Commercial Airplanes in this type of collaboration.
- Dr. Naganathan has played an active fundraising role with the Oregon Tech Foundation, consistently pushing staff and its board to have him involved in fundraising efforts. As part of these good efforts, in 2022, the Oregon Tech Foundation surpassed a historic milestone this year, awarding \$1,030,000 in scholarships to Oregon Tech students.
- Dr. Naganathan also worked with other university presidents in securing line-item funding for the Oregon Renewable Research Center (OREC). Although approved as a state program in the early 2000's, the Center did not receive any state funding until Dr. Nagi's first year as President and has since been approved to be funded as a line item by the state.
- In FY2021-22, Dr. Nagi also initiated a federal lobbying effort to secure federal funding for applied research at Oregon Tech, and the University received \$1 million in FY 2022, now supporting active faculty and student research projects. Additional federal dollars for FY2023 projects at Oregon Tech are under active consideration by Congress at this time.

3. Compensation Recommendations:

- (a) In light of a history of successfully meeting board-approved goals, the University will provide retirement-plan reimbursements and/or contributions for Dr. Naganathan's 457(OSGP) and 403(b) plans for calendar years 2022 and 2023, up to the IRS maximum amounts for each of these years. Reimbursement of 2022 contribution amounts would be provided in a lump sum, and 2023 amounts would be contributed/reimbursed on a monthly basis.
- (b) Retirement contributions/reimbursements for Dr. Naganathan's 457(OSGP) and 403(b) retirement plan contributions for 2024 and future years for the IRS maximum amounts are approved, subject to the discretion and prior approval of the Board Chair and Vice Chair upon review of the Presidential Evaluation and fiscal state of the University. For example, approval of retirement contributions/reimbursements in 2024 would be based on the fall 2023 Presidential Evaluation and review of the University's budget.
- (c) Base salary increase of 12% effective January 1, 2023, with 2% annual increases on January 1 each year thereafter (matching generally planned unclassified staff increases).