Oregon TECH
Oregon Institute of Technology

Meeting of the
Oregon Tech Board of Trustees
Finance and Facilities Committee
virtually via Microsoft Teams
Wednesday, April 9, 2025
10:00 am – 12:20 pm

Finance and Facilities Committee
Agenda

1. **Call to Order/Roll/Declaration of a Quorum** (10:00 am) (5 min) *Chair Vince Jones*

2. **Consent Agenda** (10:05 am) (5 min) *Chair Jones*
    2.1 **Approve Minutes of the January 15, 2025, meeting.**

3. **Reports**
    3.1 **Fiscal Operations Advisory Council** (FOAC) Report (10:10 am) (10 min) *Assistant Professor Don DaSaro*
    3.2 **FY 2024-25 YTD February Management Report** (10:20 am) (10 min) *VP Harman*
    3.3 **Q-2 FY 2024-25 Financial Dashboard** (10:30 am) (10 min) *VP Harman*
    3.4 **Q -2 FY 2024-25 Investment Report** (10:40 am) (10 min) VP *Harman*
    3.5 **Q-3 FY 2024-25 Facilities Report** (10:50 am) (10 min) *Director of Facilities and Property Management, Thom Darrah*
    3.6 **Utilities Expense Growth Report** (11:00 am) (Written report)
    3.7 **Employees and Salary Expense: Peer Benchmark Insight** (11:00 am) (20 min) *VP Harman*
    3.8 **Eide Bailly, LLP Internal Audit Report** (11:20 am) (10 min*) Eide Bailly reps Kristin Diggs, Audrey Donovan, and Douglas Sluky*

4. **Action Items**
    4.1 **CliftonLarsonAllen, LLP Annual Financial Statement Audit and Opinion** (11:30 am) (15 min) *CLA reps Bryan Simkanich and Devin Holmes*
    4.2 **CliftonLarsonAllen, LLP- Annual Single Audit and Opinion (Federal Funds)** (11:45 am) (10 min) *CLA reps Bryan Simkanich and Devin Holmes*
    4.3 **Tuition Recommendation Committee Report and President's Recommendation** (11:55 am) (15 min) *VP Harman*

5. **Discussion Items** (12:10 pm) (5 min) *Chair Jones*

6. **Other Business/New Business** (12:15 pm) (5 min) *Chair Jones*

7. **Adjournment** (12:20 pm) *Chair Jones*

All times are approximate

**Meeting of the
Oregon Tech Board of Trustees
Finance and Facilities Committee
Virtually via Microsoft Teams
January 15, 2025
10:00 am – 12:00 pm**

Finance and Facilities Committee
DRAFT Minutes

Member Trustees Present:

Chair Vince Jones   Stefan Bird
Kanth Gopalpur   Mike Starr
David Cauble   Michele Vitali
President Nagi Naganathan (*ex officio*)

Member Trustee(s) not present:

Dr. Vijay Dhir

Other Trustees in Attendance:

Board Chair John Davis, Esq
Aaron Hill
Dr. Mark Neupert
Dr. Johnnie Early
Cecelia Amuchastegui
Keegan Dentinger *(non-voting student member)*

University Staff and Faculty Present in person:

Dr. Abdy Afjeh, Senior Vice Provost for Research and Academic Affairs,
Dr. Neslihan Alp, Dean, Engineering, Technology & Management
Diana Angeli, Executive Assistant, Office of the President
Dr. Mandi Clark, Vice President, Student Affairs
Thom Darrah, Director-Facilities Management Services
Professor Don DaSaro, Chair, Fiscal Operations Advisory Council
Kristin Diggs, Eide Bailly
Alicia Dillion, CPA, AVP Finance and Administration
Audrey Donovan, Eide Bailly
Dr. Ken Fincher, Vice President of University Advancement, Executive Director,
Oregon Tech Foundation, & Board Secretary
Dr. Hesham El-Rewini, Interim Provost and VP for Academic Affairs and Strategic
Enrollment Management
David Groff, Esq, General Counsel
John Harman, Vice President, Finance & Administration
Devon Holmes, Clifton Larson Allen
Brian Simkanich, Clifton Larson Allen
Bryan Wada, Information Technology Consultant 2

- **Call to Order/Roll/Declaration of a Quorum** *Chair Vince Jones*
  Chair Jones called the meeting to order at 10:01 a.m. The Board Secretary called the roll, and a quorum was declared.

- **Consent Agenda** *Chair Vince Jones*
  2.1 Minutes of the October 16, 2024, meeting.
  - No changes to the minutes were made. Minutes were approved as submitted, and all members present voting voted aye.

- **Reports:**
  3.1 Fiscal Operations Advisory Council (FOAC): *Assistant Professor Don DaSaro*
  - Professor DaSaro provided an overview of the second FOAC meeting of the year, which included comments related to the 2024-25 fiscal management report and the FY 2025-26 budget build-out. He mentioned revenue sources, the increase in student hours, and the net increase over the prior year in student enrollment. He mentioned the TRC tuition recommendation committee and the process taken to discuss tuition rates. He closed with a call to lobby for increased state support for higher education and the introduction of new academic programs, specifically construction management.

  3.2 FY 2024-25 YTD November Management Report: *Vice President of Finance and Administration, John Harman*
  - VP Harman provided a budget performance review for FY 2024-25. He reviewed direct expense and net operations data points. VP Harman specifically noted the university's utilities cost increase. He concluded with the FY 2024-25 YTD comparison bottom line. President Naganathan noted the favorable impact on revenue from the state sustainability allocation and indirect costs received through federal projects. VP Harman addressed questions from the trustees. Trustee Starr requested a review of utility costs and a presentation on growth and forecast of cost(s). President Naganathan added the importance of academic needs forecasting as it relates to fiscal operations. Board Chair Davis recognized the university's fiscal prudence and responsibility.

  3.3 Q-1 FY 2024-25 Financial Dashboard: *Vice President Harman*
  - VP Harman reviewed the quarterly financial dashboard as of September 30, 2024. He identified trends and data points related to key financial indicators. He noted E&G funds and their trends.

  3.4 FY 2024-25 YTD November Investment Report: *Vice President Harman*
  - VP Harman reviewed the market highlights for the 1st quarter. He reviewed the past history of the quasi-endowment and how the balance of this fund has grown. He reviewed the investment data points as well as the market value balances in investments.

  3.5 Q-2 FY 2024-25 Facilities Report: *Director of Facilities, Management Services and Capital Planning, Thom Darrah*
  - Director Darrah presented on capital projects, including new student housing, the geothermal systems emergency renovation, the ABA clinic, and the on-campus (Klamath Falls) security camera project. All projects are tracking on schedule and on budget. He highlighted the mass timber project related to student housing. Chair Jones remarked on the progress of facilities and how relationships with civic leadership are commendable. Trustee Bird added his compliments to Thom and his team.

3.6 CliftonLarsonAllen, LLP – Update on Yearend Financial Statement Audit and Annual Report: *CLA reps Bryan Simkanich and Devin Holmes*

- Simkanich provided a report on the June 30, 2024, External Audit Update. He provided a slide deck that highlighted the scope of the engagement between CLA and Oregon Tech, audit roles and responsibilities, a financial statement audit update, and the single audit (compliance) update, and addressed questions from the trustees. He noted the challenges faced during the external audit process but that he expects the March 31, 2025, deadline to be reached. Simkanich noted his work with management to complete the single audit

- Regarding the compliance audit, Simkanich noted the process being made and thanked the staff for their participation and support with audit materials. Meetings are ongoing toward completion and assurance. President Naganathan added his thanks to the CLA team and the university staff for their dedication. Chair Jones summarized the presentation and asked questions related to timing, reporting, and support. He and Simkanich noted that no material or significant deficiencies have occurred.

3.7 Eide Bailly, LLP Internal Audit Report: EB reps. *Audrey Donovan & Kristin Diggs*

- Eide Bailly staff reported on the status of the internal audit including the sponsored programs and grants program (SPGA) review. They noted that there had been some delays in the process and that they have finished testing and are in the process of finishing their DRAFT report, which they hope to present at the April Trustee meetings. Chair Jones inquired about the delays, and Diggs answered the timing of the start of the process (over the summer), employees out (medical leave and other reasons), and conflicting staff priorities. Donovan added that currently, there are no other delays in place, and the process is moving forward. Chair Jones asked what the impact of the delays would mean. Diggs answered the plan was to have the report presented at the January board meeting, but it would now be presented in April.

- Diggs and Donovan reported on the OMIC R&D operations. This review is on track to be completed on time, and a report will be made to the board in April.

- Donovan reported an update on the internal audit, including previous report follow-up, risk assessment and management, an HR internal audit, student enrollment internal audit, and the possibility of internal audit functions.

- Donovan shared an ethics line status update; three cases were identified and closed. She concluded her presentation with a thank-you to the BAO staff. Chair Jones and President Naganathan also added their gratitude to the team.

3.8 Banner Finance Implementation Update: *AVP of Finance and Administration, Alicia Dillon*

- AVP Dillon reported on the project to replace the current financial software (FENXT) and revert to Banner Finance. Additionally, the university will be implementing Millenium FAST as its budget and reporting software. Expectations are that this change will increase the speed of reporting and operations, reduce time demands on human resources, and improve business operations. Dillon also shared a project timeline.

4.0 Action Items
- None

5.0 Discussion Items
- None

6.0 Other Business/New Business *Chair Vince Jones*
- None

7.0 Adjournment: 11:41 a.m.

This meeting can be viewed in its entirety at:
https://www.oit.edu/trustees/meetings-events/recordings
Finance and Facilities Meeting
January 15, 2025

REPORT

Agenda Item No. 3.0

Finance, Facilities and Audit: Quarterly Update

Background

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

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

Staff Recommendation

No action required. For information and discussion purposes only.

Reports/Attachments

Due to the timing of the April 2025 Board meeting and the related document submission deadline, some financial data through the end of the third quarter (March 2025) is not yet available. Finance, Facilities and Audit Status Reports include the following Attachments:

    3.1- Fiscal Operations Advisory Council (FOAC) Report- v*erbal*
    3.2- FY 2024-25 YTD February Management Report
    3.3- Q-2 FY 2024-25 Financial Dashboard
    3.4- Q-2 FY 2024-25 Investment Report
    3.5- Q-3 Capital Projects Report
    3.6- Utilities Expense Growth Report
    3.7- Employees and Salary Expense: Peer Benchmark Insight
    3.8- Eide Bailly, LLP- Internal Audit Report with Attachments A&B
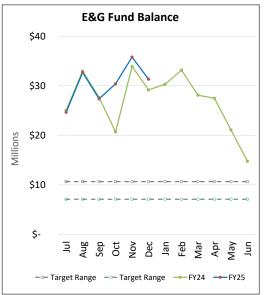
General Fund Monthly Report
FY 2024-25 February (in thousands)

	YTD Comparison		FY 2024-25 Budget & Forecast					
	FY 2023-24 February Actuals	FY 2024-25 February Actuals	FY 2023-24 Year End Actuals	FY 2024-25 Board Adopted Budget (BAB)	FY 2024-25 Adjusted Budget	FY 2024-25 Forecast	Forecast to Budget Variance	Notes
Revenue								
State Appropriations	$31,068	$32,149	$36,813	$37,446	$38,113	$38,160	$714	(1)
Tuition & Fees	35,835	29,218	38,691	38,056	38,056	41,459	3,403	(2)
Remissions	(5,031)	(5,494)	(7,318)	(7,520)	(7,520)	(7,907)	(387)	
Other	2,375	2,634	3,774	3,136	3,140	3,947	811	(3)
Total Revenue	**$64,246**	**$58,508**	**$71,961**	**$71,118**	**$71,788**	**$75,659**	**$4,542**	
Expenses								
Administrative Staff Salary	$5,806	$6,443	$8,723	$10,190	$10,326	$9,538	($652)	
Faculty Salary	8,160	7,494	14,129	13,916	13,929	12,950	(966)	(4)
Adjunct and Admin/Faculty Other Pay	2,111	2,178	3,009	3,829	3,872	3,826	(3)	
Classified	4,286	4,591	6,691	6,951	6,898	6,884	(67)	
Student	667	572	1,105	932	999	1,022	90	
GTA	51	54	82	121	121	108	(14)	
OPE	11,780	11,139	17,657	19,136	19,188	18,060	(1,076)	
Total Labor Expense	**$32,860**	**$32,471**	**$51,396**	**$55,074**	**$55,333**	**$52,387**	**($2,687)**	(5)
Service & Supplies	12,089	11,797	16,992	15,633	16,104	17,061	1,428	(6)
Internal Sales	(855)	(859)	(1,256)	(1,363)	(1,363)	(1,281)	81	
Debt/Investment	1,298	1,004	1,719	1,317	1,317	1,317	-	
Capital	546	276	465	484	525	525	42	
Utilities	944	1,177	1,657	1,292	1,292	1,830	538	(7)
Transfers In	-	-	-	-	-	-	-	
Transfers Out	709	1,017	1,406	1,351	1,351	1,351	-	
Total Direct Expense	**$14,730**	**$14,411**	**$20,982**	**$18,714**	**$19,227**	**$20,804**	**$2,090**	
Total All Expense	**$47,590**	**$46,882**	**$72,378**	**$73,788**	**$74,561**	**$73,191**	**($598)**	
Net from Operations before Other Resources (Uses)	**$16,656**	**$11,626**	**($418)**	**($2,671)**	**($2,772)**	**$2,468**	**$5,139**	
Other Resources (Uses)								
Transfers In	$397	$25	$278	$171	$179	$569	$398	(8)
Transfers Out	(522)	-	(1,705)	-	-	(2,232)	(2,232)	(9)
Use of Reserve	-	-	1,845	2,500	2,500	-	(2,500)	(10)
Total Other Resources (Uses)	**($125)**	**$25**	**$418**	**$2,671**	**$2,679**	**($1,664)**	**($4,335)**	
Total from Operations and Other Resources (Uses)	**$16,531**	**$11,650**	**$ -**	**$ -**	**($93)**	**$805**	**$805**	
Beginning Fund Balance	$16,613	$14,789	$16,613	$14,789	$14,789	$14,789	$-	
Fund Balance Adjustment	21	-	(1,824)	(2,500)	(2,500)	-	2,500	
Ending Fund Balance	**$33,165**	**$26,440**	**$14,789**	**$12,289**	**$12,196**	**$15,594**	**$3,305**	
Fund Balance as % Operating Revenues	51.6%	45.2%	20.6%	17.3%	17.0%	20.6%		
Ending Cash Balance	$25,008	$27,226	$17,944					

Notes:

(1) **FY 2024-25 State Appropriations Forecast -** The increase in state appropriations reflects a minimal increase in Public University Support Fund appropriations from the October true-up, and the addition of a special line item appropriation for behavioral health received in quarter one.

(2) **FY 2024-25 Tuition & Fees Forecast -** Reflects the projected 4.5% increase in student credit hours over Board Adopted Budget assumptions.

(3) **FY 2024-25 Other Revenue Forecast -** Reflects a projected increase in budgeted indirect grant recovery and investment earnings.

(4) **FY 2023-24 Actuals -** Faculty overload was paid from the incorrect account code in FY 2023-24 – *Faculty Salary* is overstated by $500k and *Adjunct and Admin/Faculty Other Pay* is understated by $500k.

(5) **FY 2024-25 Labor Expense Forecast -** Reflects budgeted positions remaining unfilled for all or part of the year (mostly in administrative staff and faculty), and associated savings in other payroll expenses.

(6) **FY 2024-25 Services and Supplies Forecast -** Reflects the projected spend of the remainder of the FY 2023-24 TRU+PSU Sustainability state appropriation (offset with transfers in), the FY 2024-25 state appropriation for behavioral health (offset with increased revenue), and new investments.

(7) **FY 2024-25 Utilities Forecast -** Reflects the growing structural budget deficit in utilities.

(8) **FY 2024-25 Transfers In Forecast -** The increase in transfers in reflects the offset for the projected spend of the FY 2023-24 TRU+PSU Sustainability state appropriation.

(9) **FY 2024-25 Transfers Out Forecast -** The increase in transfers out reflects the city water connection project expenses, projected transfer out of unspent behavioral health state appropriations (for use in future fiscal years), and funding for miscellaneous capital projects.

(10) **FY 2024-25 Use of Reserve Forecast -** Forecasted use of reserve is lower than budgeted due to increased tuition revenue and unspent salary budget due to vacant positions.

Oregon TECH

Quarterly Financial Dashboard

As of December 31, 2024

E&G Fund Balance

Target Range — Target Range — FY24 — FY25

Revenue Earn Rate

67% 68%

Q2 FY24 | Q2 FY25

Expense Burn Rate

49% 47%

Q2 FY24 | Q2 FY25

E&G YTD Revenues & Expenses

$71.12 $73.87
$51.20 $34.67

Actual ● Budget

Key Financial Indicators

E&G Fund Balance:	$31,326	As of Dec 31, 2024
Debt Burden Ratio:	5.88%	As of June 30, 2024
Quasi Endowment:	$7,011	As of Dec 31, 2024
Foundation Assets:	$45,088	As of June 30, 2024
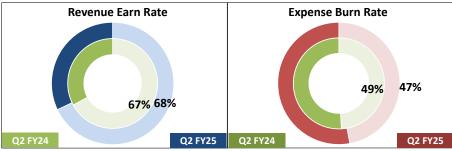
Student Tuition

Undergraduate Tuition
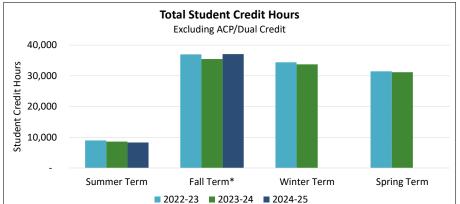
	2023-24	2024-25
Resident:	$10,492	$10,964
Non-Resident:	$33,397	$34,900
WUE:	$15,738	$16,447
Online:	$13,860	$14,490
Differential:	37%	37%

Graduate Tuition

	2023-24	2024-25
Resident:	$19,306	$20,174
Non-Resident:	$32,409	$33,868
Online (MS-AH):	$15,768	$16,488
Online (MS-ET):	$22,968	$24,012
Resident (DPT):	$21,848	$22,831
Non-Resident(DPT):	$36,677	$38,327
Differential:	37%	37%

Total Student Credit Hours
Excluding ACP/Dual Credit

■ 2022-23 ■ 2023-24 ■ 2024-25

Degree Completions

	2023-24	2022-23	2021-22	3 Year Δ
Undergraduate				
Resident:	477	470	528	-9.7%
Non-Resident:	207	193	237	-12.7%
Graduate				
Resident:	20	17	25	-20.0%
Non-Resident:	19	20	16	18.8%

Undergraduate Student Pipeline
Excluding ACP/Dual Credit

■ Fall 2022 ■ Fall 2023 ■ Fall 2024

Notes:

(1) Student tuition rates are shown at 15 credits per term for undergraduates and 12 credits per term for graduates.
(2) Note: Student Data for Fall 2024 is final 4th week data.

FY2025 Q2 Investment Report

BACKGROUND

The Oregon Tech (university) investment report for the second quarter (Q2) of FY2025 is presented in the following sections:

- **FY2025 Q2 Oregon Tech Investment Report** – This section includes a report on the investments of the operating and endowment assets of the university. This report reflects the university's operating assets that are invested in short and intermediate-term fixed income funds and the university's endowment assets managed by the Oregon State Treasury.

- **FY2025 Q2 Market Commentary** – This section provides a general discussion of the investment markets and related performance data for the second quarter of FY2025 (i.e., October 1 – December 31, 2024).

FY2025 Q2 OREGON TECH INVESTMENT REPORT

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

Oregon Tech Operating Assets
(Prepared by the Public University Fund Administrator)
The Oregon Short Term Fund (OSTF) increased 1.3% for the quarter and rose 2.6% fiscal year-to-date, outperforming its benchmark by 10 basis points for the quarter and matching the benchmark performance fiscal-year-to-date. The Public University Fund Core Bond Fund (PUF) declined 1.4% for the quarter and rose 2.5% fiscal year-to-date, outperforming its benchmark by 20 basis points for the quarter and performing in line fiscal year-to-date. The PUF investment yield was 1.1% for the quarter and 2.2% fiscal year-to-date. As of December 31, 2024, OIT had $16.8 million on deposit in the OSTF and $20.2 million invested in the PUF.

In anticipation of continued interest rate and fixed income market volatility, the Oregon State Treasury investment officers are maintaining conservative positioning with the Oregon Short-Term Fund and PUF. The PUF ended the period with an underweight in Treasury (52.9% vs. 64.4%) and corporate bonds (25.7% vs. 29.5%) versus the PUF's benchmark and a large overweight to securitized product (19.5%) for yield enhancement.

Oregon Tech Quasi-Endowment Fund

The Oregon Tech Quasi-Endowment assets declined 1.5% for the quarter and rose 2.5% fiscal year-to-date. The Oregon Intermediate-Term Pool outperformed its benchmark for the quarter by 10 basis points. The Endowment assets were valued at $7.0 million, as of December 31, 2024.

Oregon Tech
Investment Summary
as of December 31, 2024
(Net of Fees)

	Quarter Ended 12/31/2024	Current Fiscal YTD	Prior Fiscal YTD	3 Yr Avg	5 Yr Avg	10 Yr Avg	Market Value	Actual Asset Allocation[1]
OIT Operating Assets								
Oregon Short - Term Fund	1.3%	2.6%	2.4%	3.6%	2.5%	2.0%	$ 16,785,474	45.3%
Benchmark - 91 day T-Bill	1.2%	2.6%	2.7%	3.9%	2.5%	1.8%		
PUF Core Bond Fund	-1.4%	2.5%	3.8%	0.3%	1.7%	N/A	20,263,950	54.7%
Benchmark - Bloomberg Barclays Intermediate U.S. Gov't./Credit Index[2]	-1.6%	2.5%	3.7%	-0.2%	0.8%	1.8%		
Investment Yield[3]	1.1%	2.2%	2.3%	4.0%	3.5%	N/A		
Total Operating Assets							$ 37,049,424	100.0%
OIT Endowment Assets								
Oregon Intermediate-Term Pool	-1.5%	2.5%	3.8%	0.2%	1.5%	N/A	$ 7,010,631	100.0%
Benchmark - Bloomberg Barclays Intermediate U.S. Gov't./Credit Index[4]	-1.6%	2.5%	3.7%	-0.2%	0.7%	1.5%		

[1] University operating asset allocations based upon liquidity needs as determined by rolling 12-month cash flow forecasts. Operating assets in excess of liquidity requirements are available for investment in the PUF Core Bond Fund and other long-term investments.
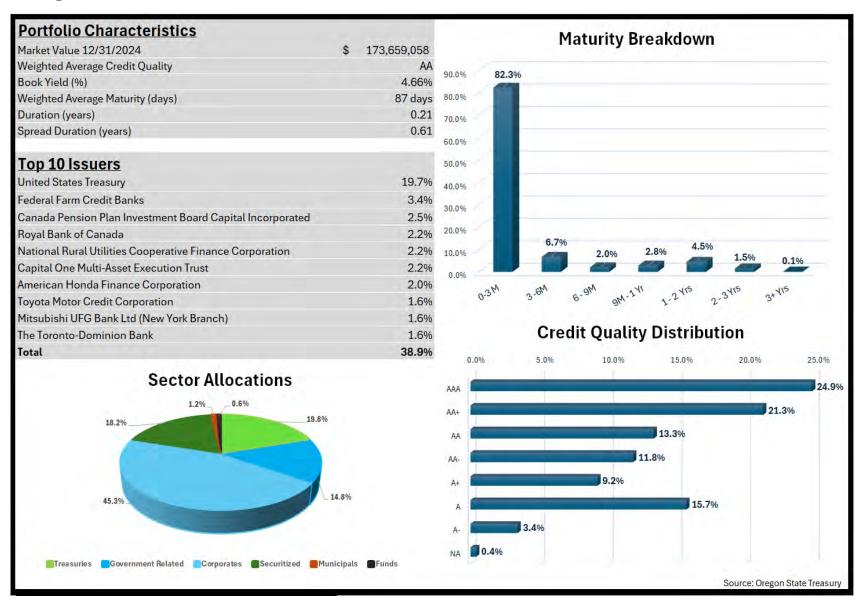
[2] 100% Bloomberg Barclays Intermediate U.S. Gov't./Credit Index as of February 1, 2021. From April 1, 2017 to January 31, 2021, the benchmark was 75% Bloomberg Barclay's Aggregate 3-5 Years Index, 25% Bloomberg Barclay's Aggregate 5-7 Years Index.

[3] The reported investment yields for the quarter and fiscal year-to-date represent earned yields for the period and are not annualized rates.

[4] 100% Bloomberg Barclays Intermediate U.S. Gov't./Credit Index as of January 1, 2021. From June 1, 2015 to December 31, 2020 the benchmark was Bloomberg Barclays 3-5 Year U.S. Aggregate Index.
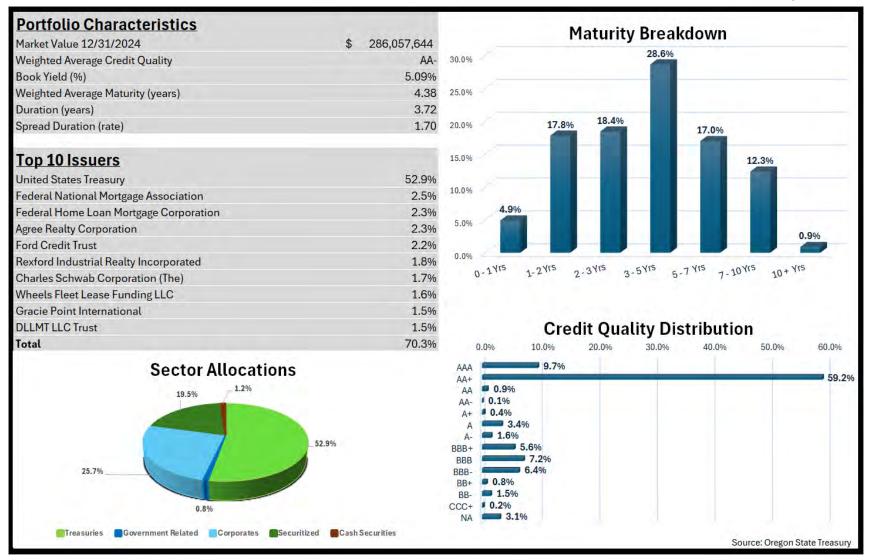
Note: Outlined returns underperfomed their benchmark.

Oregon Short-Term Fund   December 31, 2024

Portfolio Characteristics

Market Value 12/31/2024	$ 173,659,058
Weighted Average Credit Quality	AA
Book Yield (%)	4.66%
Weighted Average Maturity (days)	87 days
Duration (years)	0.21
Spread Duration (years)	0.61

Top 10 Issuers

United States Treasury	19.7%
Federal Farm Credit Banks	3.4%
Canada Pension Plan Investment Board Capital Incorporated	2.5%
Royal Bank of Canada	2.2%
National Rural Utilities Cooperative Finance Corporation	2.2%
Capital One Multi-Asset Execution Trust	2.2%
American Honda Finance Corporation	2.0%
Toyota Motor Credit Corporation	1.6%
Mitsubishi UFG Bank Ltd (New York Branch)	1.6%
The Toronto-Dominion Bank	1.6%
Total	**38.9%**

Maturity Breakdown

Bucket	Percent
0-3 M	82.3%
3-6M	6.7%
6-9M	2.0%
9M-1 Yr	2.8%
1-2 Yrs	4.5%
2-3 Yrs	1.5%
3+ Yrs	0.1%

Credit Quality Distribution

Rating	Percent
AAA	24.9%
AA+	21.3%
AA	13.3%
AA-	11.8%
A+	9.2%
A	15.7%
A-	3.4%
NA	0.4%

Sector Allocations

Sector	Percent
Treasuries	19.8%
Government Related	14.8%
Corporates	45.3%
Securitized	18.2%
Municipals	1.2%
Funds	0.6%

Source: Oregon State Treasury

Core Bond Fund   December 31, 2024

Portfolio Characteristics

Market Value 12/31/2024	$ 286,057,644
Weighted Average Credit Quality	AA-
Book Yield (%)	5.09
Weighted Average Maturity (years)	4.38
Duration (years)	3.72
Spread Duration (rate)	1.70

Top 10 Issuers

United States Treasury	52.9%
Federal National Mortgage Association	2.5%
Federal Home Loan Mortgage Corporation	2.3%
Agree Realty Corporation	2.3%
Ford Credit Trust	2.2%
Rexford Industrial Realty Incorporated	1.8%
Charles Schwab Corporation (The)	1.7%
Wheels Fleet Lease Funding LLC	1.6%
Gracie Point International	1.5%
DLLMT LLC Trust	1.5%
Total	**70.3%**

Maturity Breakdown

Maturity	Percent
0 - 1 Yrs	4.9%
1 - 2 Yrs	17.8%
2 - 3 Yrs	18.4%
3 - 5 Yrs	28.6%
5 - 7 Yrs	17.0%
7 - 10 Yrs	12.3%
10 + Yrs	0.9%

Sector Allocations

Sector	Percent
Treasuries	52.9%
Government Related	0.8%
Corporates	25.7%
Securitized	19.5%
Cash Securities	1.2%

Credit Quality Distribution

Rating	Percent
AAA	9.7%
AA+	59.2%
AA	0.9%
AA-	0.1%
A+	0.4%
A	3.4%
A-	1.6%
BBB+	5.6%
BBB	7.2%
BBB-	6.4%
BB+	0.8%
BB-	1.5%
CCC+	0.2%
NA	3.1%

Source: Oregon State Treasury

FY2025 Q2 MARKET COMMENTARY

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

Report on Investments – as of December 31, 2024

Economic and Market Update

In the fourth calendar quarter, U.S. equities rose on optimism while inflation concerns and a strong dollar, respectively, weighed on bonds and international equities.

- Trump's victory along with a now Republican controlled Congress, supported U.S. equity markets in the fourth calendar quarter on anticipation of pro-growth policies.

- In the fourth calendar quarter, U.S. equities (S&P 500) rose 2.4% and an impressive 25.0% for the calendar year. The U.S. equity rally narrowed, with value and small cap stocks underperforming large cap technology stocks.

- Emerging market stocks fell (-8.0%) mirroring non-U.S. developed market stocks declining (-8.1%) in the fourth calendar quarter. This was driven by the strong dollar and concerns about U.S. tariffs.

- The Federal Reserve cut its policy rate another 0.25% in December, but its Summary of Economic Projections and hawkish comments provoked a repricing of future rate cuts and their timing.

- Most fixed income markets fell for the quarter with interest rates rising due to fears of inflation resulting from the proposed policies of the incoming U.S. administration. The broad U.S. bond market (Bloomberg U.S. Aggregate) declined 3.1% for the quarter, reducing its calendar year 2024 gain to 1.3%. For the year, most major bond markets delivered positive returns on cooling global inflation.

- Looking ahead, uncertainty related to the policies of the new Trump Administration and its impact on the economy, inflation, and Federal Reserve policy will be key. The path of China's economy and concerns over elevated valuations and technology driven concentration in the U.S. equity market will also be important focuses of calendar year 2025.

Market Returns[1]
December 31, 2024

	Month	Quarter	YTD	1-Year	3-Year	5-Year	7-Year	10-Year
S&P 500	-2.4%	2.4%	25.0%	25.0%	8.9%	14.5%	13.8%	13.1%
MSCI EAFE-ND	-2.3%	-8.1%	3.8%	3.8%	1.6%	4.7%	4.1%	5.2%
MSCI EM-ND	-0.1%	-8.0%	7.5%	7.5%	-1.9%	1.7%	1.4%	3.6%
MSCI China-ND	2.7%	-7.7%	19.4%	19.4%	-6.1%	-3.4%	-2.5%	1.9%
Bloomberg US Aggregate	-1.6%	-3.1%	1.3%	1.3%	-2.4%	-0.3%	1.0%	1.3%
Bloomberg US TIPS	-1.6%	-2.9%	1.8%	1.8%	-2.3%	1.9%	2.3%	2.2%
Bloomberg US Corporate High Yield	-0.4%	0.2%	8.2%	8.2%	2.9%	4.2%	4.7%	5.2%
ICE BofAML US 3-Month Treasury Bill	0.4%	1.2%	5.3%	5.3%	3.9%	2.5%	2.4%	1.8%
ICE BofAML 1-3 Year US Treasury	0.2%	-0.1%	4.1%	4.1%	1.5%	1.4%	1.7%	1.4%
ICE BofAML 10+ Year US Treasury	-5.3%	-8.5%	-5.8%	-5.8%	-11.4%	-4.9%	-1.9%	-0.5%

[1] Source: Oregon State Treasury

U.S. Equities: The S&P 500 rose +2.4% in the fourth calendar quarter, bringing the calendar year-to-date results to +25.0%. In the fourth calendar quarter, U.S. stocks rose broadly fueled by a post-election rally. However, value stocks did not participate and ended the quarter lower. NVIDIA was the leading contributor among all stocks in the Russell 3000 index. The stock appreciated 171% during the year and was responsible for 20% of total index gains. The "Magnificent 7" stocks contributed just under 50% of the calendar year 2024 index gains. Growth stocks outperformed value stocks across the market cap spectrum in calendar year 2024, which was more pronounced in the large cap space. Larger companies (Russell 1000) produced more than double the returns of smaller companies (Russell 2000) for the calendar year.

U.S. equity sectors experienced mixed results in the final quarter of the calendar year but all sectors except materials, experienced gains in calendar year 2024. Technology stocks rose 37.1% last year, which led all sectors. Within technology, NVIDIA and Broadcom accounted for more than half of the sector's contribution to overall index gains. After technology, consumer discretionary (+28.3%) and financials (+28.0%) were next driven by Amazon and Tesla and a steepening yield curve/strong economy, respectively.

Foreign Equity: Developed international equities (Morgan Stanley Capital International (MSCI) Europe, Australasia, Far East (EAFE)) fell -8.1% in the fourth calendar quarter, while emerging market equities (MSCI Emerging Markets) declined -8.0%. Continued strength in the U.S. dollar weighed on developed market shares, with declines in local terms significantly lower (-0.6% versus -8.1%). An unstable political environment, potential tariffs from the U.S., and weak growth all weighed on eurozone equities. Japan was a bright spot, outperforming the U.S. for the quarter, with renewed yen weakness boosting the outlook for exporters.

Emerging markets reacted poorly to Mr. Trump's win in the fourth calendar quarter, due largely to tariff fears and the Federal Reserve's decreased likelihood of reducing rates in calendar year 2025. A strong dollar also weighed on results but not as much as in developed markets. China declined less than the broader index for the quarter (-7.7% versus -8.0%). Over the full 2024 calendar year, international equities significantly trailed U.S. equities.

Valuations in U.S. stocks continued to move higher over the quarter while valuations for international equities fell. U.S. stocks, priced at 38.1 times earnings, continue to trade well above their long run price/earnings average of 28.2. Non-U.S. developed market valuations are trading at their long-term average. Emerging market stock valuations declined the most over the quarter (16.1 o 14.8) and remain below their long-term average.

Fixed Income: Fixed income indexes mostly declined over the quarter due to rising interest rates as investors considered proposed policies like tariffs and deportations and their respective risks to inflation. The broad U.S. bond market (Bloomberg U.S. Aggregate) fell 3.1% over the quarter, with Treasury Inflation Protected Securities performing similarly at longer maturities. Long-term Treasury bonds experienced the largest declines, with a drop of 8.6%. High yield bonds outperformed as investor risk appetite remained robust, while emerging market debt weakened on uncertainty about the path of proposed U.S. tariffs by the incoming administration as well as by higher U.S. interest rates.

US Yield Curve[1]

━━ 8/31/2024   ━━ 12/31/2024

[1] Source: Bloomberg. Data is as of December 31, 2024. The August 2024 Treasury yields are shown as a reference before the first interest rate cut.

With the exception of the very shortest maturities, U.S. Treasury yields rose in the fourth calendar quarter driven by resilient growth and increased inflation expectations. Term premium (a measure of interest rate uncertainty) spiking over the quarter was a key driver of higher rates. Over the quarter, the more policy sensitive 2-year Treasury yield rose from 3.64% to 4.24%, while the 10-year Treasury yield rose from 3.78% to 4.57%. The yield curve was no longer inverted (short-term interest rates higher than long-term interest rates) at year-end given expectations for the Federal Reserve to continue to reduce rates and resilient economic growth.

Year-over-year inflation increased from 2.4% to 2.9% over the quarter mainly driven by base year effects. In the December reading, shelter (+4.6%), transportation (+7.3%), and medical care (+3.4%) contributed to the annual gain while energy prices (-0.5%) fell over the past calendar year despite the December (+2.6%) gains. Calendar year-over-year core inflation (excluding food and energy) fell slightly over the quarter (3.3% to 3.2%). In December, inflation rose 0.4% month-over-month with energy prices accounting for 40% of the monthly increase. Inflation expectations (breakevens) rose over the quarter from the September lows of 2.0%, on continued uncertainty regarding the likelihood and magnitude of potential policies of the next U.S. president.

US Dollar vs. Broad Currencies[1]

¹ Source: Bloomberg. Data as of December 31, 2024

Over the quarter, the U.S. dollar sharply strengthened (+8.0%) versus other currencies. A rise in interest rates driven by potential inflationary impacts of proposed higher tariffs, lower taxes, and immigration policies from candidate, and now president-elect Trump, drove the dollar's gains.

Summary-Key Trends:

- According to the International Monetary Fund's October report, global growth in calendar year 2025 is expected to be similar to calendar year 2024 at around 3.2% with most major economies predicted to avoid a recession.

- Questions remain about what policies will be implemented by the new administration in the U.S. Although deregulation and tax cuts could support growth, these policies, along with higher tariffs and restrictive immigration, could fan inflation. This will likely lead to additional uncertainty regarding the timing and pace of interest rate cuts in the coming year.

- U.S. consumers could feel pressure as certain components of inflation (e.g., shelter) remain high, borrowing costs stay elevated, and the job market may weaken further.

- A focus for U.S. equities going forward will be whether earnings can remain resilient if growth slows. Also, the future paths of the large technology companies that have driven market gains will be important.

- We have started to see divergences in monetary policy. Some central banks, such as the Federal Reserve, European Central Bank, and the Bank of England, have started to cut interest rates and others, like the Bank of Japan, have increased interest rates. This disparity will likely influence capital flows and currencies.

- China appears to have shifted focus to more policy support for the economy/asset prices with a suite of fiscal and financial policy stimulus measures. Thus far, these efforts have not increased weak consumer spending or helped the lingering trouble in the real estate sector. It is still not clear what the long-term impact of these policies will be on the economy and if policy makers will remain committed to these efforts.

FF&A Item 3.5

Oregon Tech's - Capital Projects Update

Thom Darrah | Director of Facilities & Capital Planning

Presentation Outline

Capital Projects – Upcoming and Underway

- New Student Housing
- Geothermal Systems Emergency Renovation
- ABA Clinic Renovation
- Campus Security Cameras
- *Project status updates reflect progress through 11.30.24*

New Student Housing
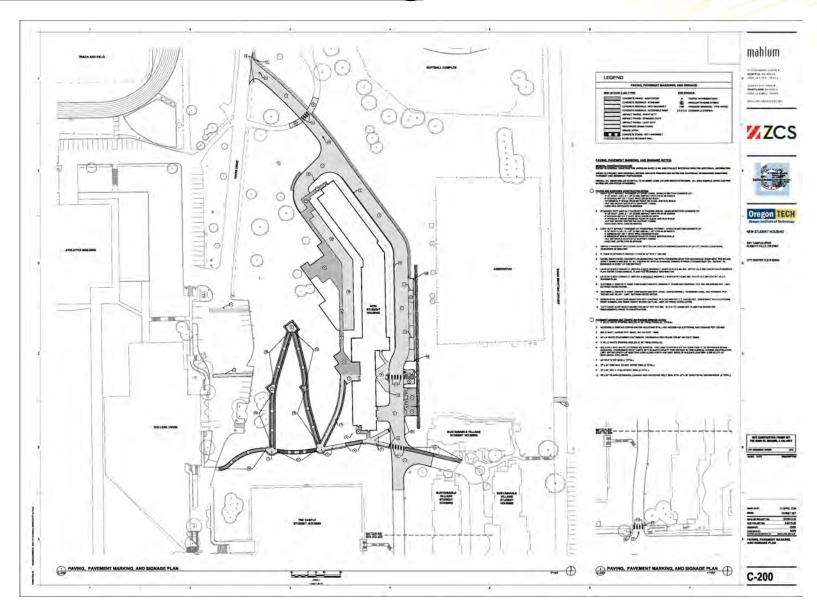
New Student Housing (85,000 sq ft)							
Project Start: 4.01.2023			Project Completion: 12.01.2025				
Project	Progress Highlights	Cost Breakdown	Orig. Budget	Rev. Budget	Cost To Date	%	Balance
UPE 822 / FNRESH	Visioning: January 2023 - February 2023						
Bond Type: XI-F 2022	Design: March 2023 - April 2024						
	Construction: May 2024 - Dec. 2025	Visioning/Design (7%):	$ 2,231,400	$ 2,299,000	$ 2,027,135	88%	$ 271,865
	Project underway.	Construction (82%):	$ 28,000,000	$ 28,572,645	$ 12,526,174	44%	$ 16,046,471
Design: Mahlum Architects		Other (11%):	$ 4,768,600	$ 4,128,355	$ 553,260	13%	$ 3,575,095
CM/GC: Bogatay Const.	Plan / Design / Bid / **Build** / Closeout	Project Totals:	$ 35,000,000	$ 35,000,000	$ 15,106,569	43%	$ 19,893,431

Budget Breakdown

$2,299,000 $28,572,645 $4,128,355

Design — Construction — Other/Cont

CO's / Amendments

MA: Amd. 1	$	32,500
MA: Amd. 2	$	35,100
BCI: Amd. 5	$	72,645
	$	-
	$	-
	$	-
	$	-
	$	-
	$	-
	$	-
Total:	$	140,245

Percent Complete (%)

- Complete — 43%
- Remaining — 57%

New Student Housing

Extended Project Highlights

- Early Work: 4.08.24 through 6.07.2024

- Project Construction: 6.10.2024 through 11.01.2025

- Project Closeout: 11.02.2025 through 12.01.2025

- Project GMP of $28,500,000 approved on 5.23.2024

- Project Scope: New 85,000 sqft, four story building with 511 beds.

- 89% of work by firms within 100-mile radius of project. (57% Klamath Falls / 32% Southern Oregon)

- Project Camera: https://app.truelook.cloud/?code=cnpi13lm080mqpqm2fupahbuj

New Student Housing

New Student Housing

New Student Housing

New Student Housing

Geothermal Systems Emergency Renovation

Geothermal Systems Emergency Renovation							
Project Start: 11.06.23			**Project Completion: 11.14.2026**				
Project	**Progress Highlights**	**Cost Breakdown**	**Orig. Budget**	**Rev. Budget**	**Cost To Date**	**%**	**Balance**
UPE 830	Design: Underway						
Bond Type: XI-Q 2023K	Construction: Pending						
		Design (7%): $ 1,295,615	$ 1,175,000	$ 587,330	50%	$ 587,670	
	Project underway.	Construction (84%): $ 14,467,115	$ 15,096,150	$ 1,655,853	11%	$ 13,440,297	
Design: AES		Other (9%): $ 2,193,420	$ 1,685,000	$ 14,862	1%	$ 1,670,138	
CM/GC: Bogatay const.	Plan / Design / Bid / **Build** / Closeout	Project Totals: $ 17,956,150	$ 17,956,150	$ 2,258,045	13%	$ 15,698,105	

Budget Breakdown

$1,175,000 $15,096,150 $1,685,000

■ Design   ■ Construction   ■ Other/Cont

CO's / Amendments

$	-
$	-
$	-
$	-
$	-
$	-
$	-
$	-
$	-
$	-
Total: $	-

Percent Complete (%)

13%

■ Complete
■ Remaining

87%

Geothermal Systems Emergency Renovation

Extended Project Highlights

- Project is made up of five phases.
- Phase 1 - Geo HX Building Renovation
  - New 20,000 gal. geo storage tank in place.
  - HX Renovation design complete.
  - HX Renovation underway.
- Phase 2 - Geo Distribution Piping
  - Direct bury geo piping design complete.
  - Early procurement of direct bury geo piping completed.
  - Tunnel geo piping design underway.

Geothermal Systems Emergency Renovation

Geothermal Systems Emergency Renovation

Geothermal Systems Emergency Renovation

ABA Clinic Renovation

ABA Clinic Renovation (5,000 sq ft)							
Project Start: 10.02.23			**Project Completion: 5.31.25**				
Project	**Progress Highlights**	**Cost Breakdown**	**Orig. Budget**	**Rev. Budget**	**Cost To Date**	**%**	**Balance**
UPE 824	Design: Underway						
UPE 805	Construction: Pending						
		Design (0%):	$ -	$ -	$ -		$ -
	Project underway.	Construction (90%):	$ 1,040,190	$ 1,264,960	$ 1,063,620	84%	$ 201,340
Design: SDRA		Other (10%):	$ 114,810	$ 85,040	$ 18,795	22%	$ 66,245
Build: Modoc	Plan / Design / Bid / **Build** / Closeout	Project Totals:	$ 1,155,000	$ 1,350,000	$ 1,082,415	80%	$ 267,585

Budget Breakdown

$- | $1,264,960 | $85,040

Legend: ■ Design ■ Construction ■ Other/Cont

CO's / Amendments	
Modoc: CO 1	$ 18,060
Modoc: CO 2	$ 7,502
Modoc: CO 3	$ 14,389
Modoc: CO 4	$ 38,829
Modoc: CO 5	$ 87,939
Modoc: CO 6	$ 20,225
Modoc: CO 7	$ 37,825
	$ -
	$ -
Total:	$ 224,769

Percent Complete (%)

- ■ Complete
- ■ Remaining

20%

80%

ABA Clinic Renovation

Extended Project Highlights

- All design services provided pro bono by Soderstrom Architects , ZCS Engineering (Structural) and Interface Engineering (MEP).
- Project Scope: Full interior renovation and some exterior improvements.
- Project Schedule: June 18, 2024 through May 31, 2025
- Interior demolition complete.

ABA Clinic Renovation

OREGON TECH
APPLIED BEHAVIOR ANALYSIS
CLINIC

① FLOOR PLAN

Soderstrom Architects | A1
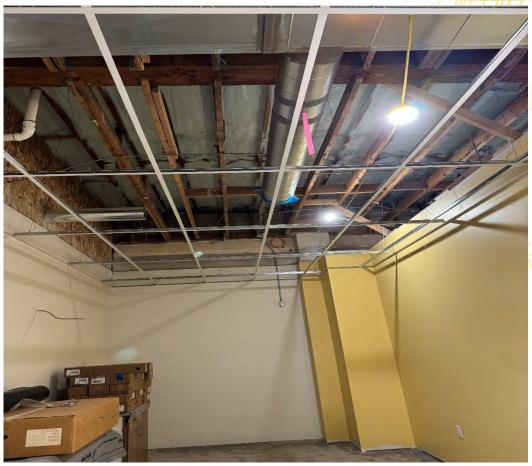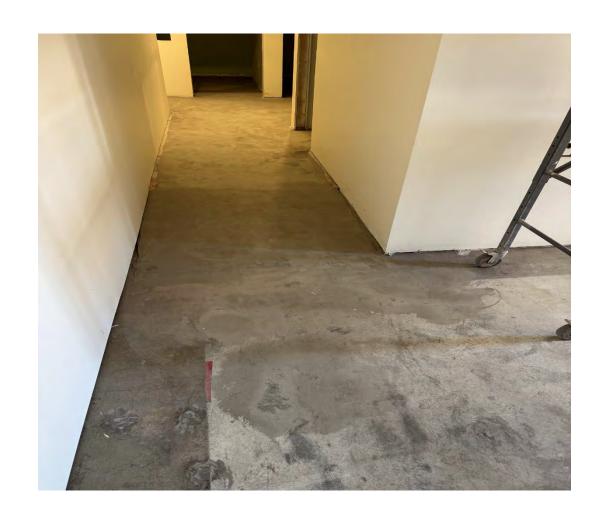
10/25/23

ABA Clinic Renovation

ABA Clinic Renovation

ABA Clinic Renovation

Campus Security Cameras

Campus Security Cameras							
Project Start: 4.10.24			**Project Completion: 12.31.25**				
Project	**Progress Highlights**		**Cost Breakdown**	**Orig. Budget**	**Rev. Budget**	**Cost To Date**	**%**	**Balance**
UPE 805	Construction: April 2024 - Dec. 2024						
UPE 831							
			Design:	$ -	$ -	$ -		$ -
	Project underway.		Construction (90%):	$ 949,535	$ 1,059,060	$ 720,920	68%	$ 338,140
Design: NA			Other (10%):	$ 94,965	$ 25,940	$ -	0%	$ 25,940
Build: IronClad Security	Plan / Design / Bid / **Build** / Closeout		Project Totals:	$ 1,044,500	$ 1,085,000	$ 720,920	66%	$ 364,080

Budget Breakdown

$- $1,059,060 $25,940

■ Design ■ Construction ■ Other/Cont

CO's / Amendments	
IC: Amend 3	$ 7,701
IC: Amend 4	$ 19,883
IC; Amend 5	$ 69,644
IC: Amend 6	$ 12,297
IC: Amend 7	$ -
	$ -
	$ -
	$ -
	$ -
	$ -
Total:	$ 109,525

Percent Complete (%)

34% 66%

■ Complete
■ Remaining

Campus Security Cameras
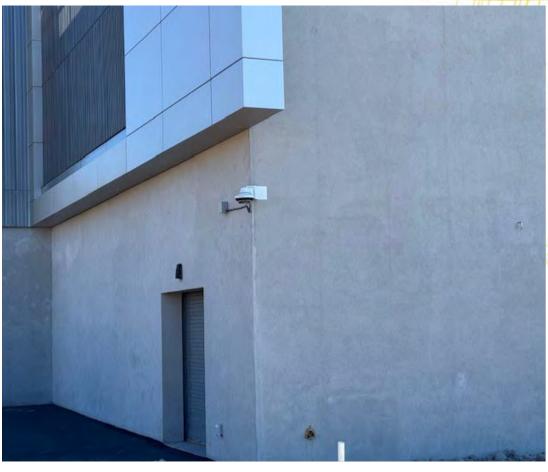
- **Extended Project Highlights**
  - Project Scope: Installation of campus security cameras on both the Klamath Falls and Portland=Metro campuses.
  - Substantial Completion: November 30,2025
  - Final Completion: December 31, 2025

Campus Security Cameras

Campus Security Cameras

Contact Information

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Oregon TECH

Oregon Tech FY 2020-21 to FY 2024-25 (forecast) General Fund Utilities Expenses
Budget and Planning Office
Prepared for OT Board of Trustees, January 21st, 2025

Utility expenses at Oregon Tech are predominantly driven by electricity, which consistently accounts for approximately 71% of total utility costs. Between FY 2020–21 and FY 2023–24, actual general fund utility expenses rose significantly, increasing by 31.2% (Table 1 and Figure 1). While electricity expenses are forecast to decrease slightly in FY 2024–25, the fiscal year is only halfway complete, leaving room for variability as more data becomes available and confidence in the forecast is firmly supported.

Over the past five years, several operational changes have notably influenced utility expenditures:

- **FY 2020–21**: The COVID-19 pandemic significantly reduced campus operations, leading to lower utility usage. The Center for Excellence in Engineering Technology (CEET) was not yet online. A new city wastewater meter was installed, but the dramatic increase in expenses due to faulty metering were not fully realized until the subsequent fiscal year. Oregon Tech conversations with the City to recalibrate the new meter were not successful.

- **FY 2021–22**: A gradual return to campus activities, with freshmen on campus and labs conducted in person, drove utility demand up. The CEET building was brought online, while Boivin Hall was taken offline from February 2022 onward. The faulty city wastewater meter led to substantially higher sewage bills, while the administration worked with a consultant to install a second meter and perform comparative testing.

- **FY 2022–23**: Academic operations were fully restored. However, the Boivin building was offline, partially offsetting increased demand. The wastewater issue persisted, continuing to inflate costs early in the fiscal year until a settlement was reached with the City on using the meter installed by Oregon Tech.

- **FY 2023–24**: All buildings returned to full operation. Even with the wastewater issue resolved, associated costs remained higher than historical levels.

- **FY 2024–25 Forecast**: Utility costs are projected to decline slightly, pending changes in the remainder of the year.
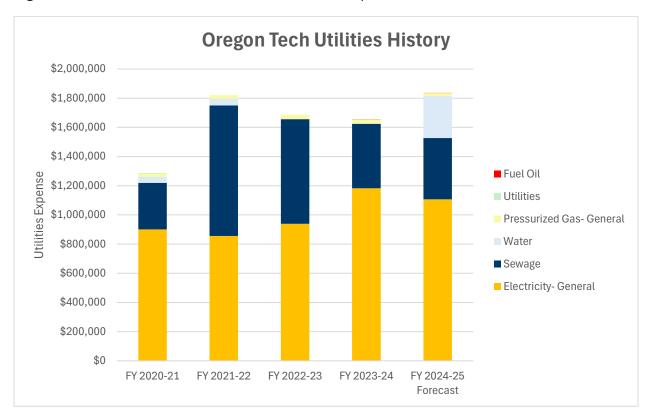
The gap between the forecasted utility expenses and the budget at Oregon Tech is not the result of inaccurate forecasting or a lack of understanding of actual utility costs. Instead, it stems from a structural deficit in the utilities budget, which has consistently failed to keep pace with rising expenses. This issue is further exacerbated by a significant decline in enrollment over the prior three years, which has reduced the availability of budget surpluses to address the shortfall.

The gap between budget and actuals has historically been covered annually by underspending in other budget categories. Efforts to close this utilities budgetary gap in a sustainable manner would require a realignment of budgeted revenue from other areas of the University which would cause the financial burden to be transferred disproportionately on other critical functions of the institution.

Table 1. 5-Year Historical General Fund Utilities Expenses

Account Description	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25 Forecast
Electricity- General	$ 900,961	$ 855,953	$ 938,879	$ 1,182,749	$ 1,106,884
Sewage	318,815	894,164	717,340	441,450	419,824
Water	42,039	45,792	1,537	1,436	288,000
Pressurized Gas- General	21,409	24,299	28,506	29,909	20,437
Utilities	2,491	-	-	-	-
Miscellaneous Utilities	1,302	-	-	-	-
Fuel Oil	-	-	-	1,008	219
Chilled Water	-	-	-	500	-
Pressurized Gas- Supply and Usage	-	33	-	-	-
Electricity- Distrib & Delivery	19	-	-	-	-
Pressurized Gas- Other Costs	-	-	-	-	-
Grand Total	**$ 1,287,037**	**$ 1,820,240**	**$ 1,686,263**	**$ 1,657,052**	**$ 1,835,364**

Figure 1. 5-Year Historical General Fund Utilities Expenses

Oregon Tech Utilities History

FF&A Item 3.7

Full-time Employees and Salary Expense: Peer Benchmark Insights

April 9, 2025

Oregon TECH
Oregon Institute of Technology

Presentation Outline

- Introduction to Benchmarking
- Best Practice Benchmarking
- Data Source Defined
- Recognized Oregon Tech Peer Universities
- Oregon Tech Data
- Full-time Employees and Salary Expense vs. Peer Benchmarks
- Summary

Introduction to Benchmarking

- Benchmarking using AI generated queries or other imprecise methods can lead to ambiguous or misleading relational data conclusions resulting from:
  - Blended data from multiple non-correlated sources without consistent terminology and data definitions.
  - Benchmark data not selected or filtered to isolate to peer universities as identified by Institutional Research.
  - Undifferentiated benchmark data blended from both private and public universities.
  - Mixed reporting methodologies (e.g.; accrual vs. cash basis) and fiscal periods (e.g.; FY 2022-23 vs. FY 2023-24).

Best Practice Benchmarking

- For comparability, benchmark data must be gathered using a consistent methodology to support relevant data relationships when reporting from the database.

- The Integrated Postsecondary Education Data System (IPEDS) is a system of 12 interrelated survey components conducted annually that gathers data from every college, university, and technical and vocational institution that participates in federal student financial aid programs.

- Our benchmarked comparison will use those universities traditionally identified by Institutional Research as Oregon Tech peers.

- Benchmark data includes stand-alone universities and those in systems.

Oregon Tech Peer Universities

Below are Oregon Tech's peer institutions as identified by Institutional Research

Institution	City	State	Cost of Living Index (by state)
Bemidji State University	Bemidji	MN	95.1
Fairmont State University	Fairmont	WV	84.1
Midwestern State University	Wichita Falls	TX	92.7
Missouri Western State University	Saint Joseph	MO	88.7
Montana Tech of the University of Montana	Butte	MT	90.4
Nicholls State University	Thibodaux	LA	92.2
Rogers State University	Claremore	OK	85.7
Shawnee State University	Portsmouth	OH	94.2
Oregon Institute of Technology	Klamath Falls	OR	112.0
Southwestern Oklahoma State University	Weatherford	OK	85.7
University of South Carolina-Upstate	Spartanburg	SC	95.9

Oregon TECH
Oregon Institute of Technology

Data Source Defined

- **2023 IPEDS Data**
  - Occupational category: "Management" and "Instructional".
  - IPEDS classifies management as "*fulltime involved in management of the institution, planning, directing, or coordinating policies and programs*" (i.e., managers and above).
  - IPEDS classifies instructional as "*full-time instructional faculty*".
  - IPEDS does not report by classified or non-classified employee categories.
  - Management is not synonymous with administrative staff or unclassified.
- **Full-time Employees (<u>not FTEs</u>)**
  - Does not include adjunct or other part-time positions.
- **Human Resources Survey Component:**
  - Salary expense of full-time employees, does not include benefits.
- **Finance Survey Component:**
  - All university operating expenses, including labor and benefits.
- **Oregon Tech Full-time Employee Count and Expense includes all Locations.**

Full-time Management Count and Salary Expense to Peers (not FTEs)

Management Count Percent	
Oregon Tech	Peer Avg.
50 Mgmt.	41 Mgmt.
447 Total	435 Total
11%	10%

Mgmt. Salary Expense Percent	
Oregon Tech	Peer Avg.
$ 6.0M Mgmt.	$ 3.9M Mgmt.
102.4M Total	78.1M Total
6%	5%

Oregon TECH
Oregon Institute of Technology

Full-time Faculty Count & Salary Expense to Peers (not FTEs)

Faculty Percent	
Oregon Tech*	**Peer Avg.**
166 Fac.	165 Fac.
447 Total	435 Total
37%	38%

Faculty Salary Expense Percent	
Oregon Tech*	**Peer Avg.**
$ 13.1M Fac.	$ 11.9M Fac.
102.4M Total	78.1M Total
13%	15%

Impacted by vacant budgeted positions

Oregon TECH
Oregon Institute of Technology

All <u>Other</u> Full-time Employees & Salary Expense to Peers (not FTEs)

Other Percent			
<u>Oregon Tech</u>		<u>Peer Avg.</u>	
231 Other		228 Other	
<u>447</u> Total		<u>435</u> Total	
52%		53%	

Other Salary Expense Percent			
<u>Oregon Tech</u>		<u>Peer Avg.</u>	
$ 13.5M Other		$ 10.7M Other	
<u>102.4M</u> Total		<u>78.1M</u> Total	
13%		14%	

Oregon TECH
Oregon Institute of Technology

Questions

INTERNAL AUDIT STATUS UPDATE

April 9, 2025

SPONSORED PROJECTS AND GRANT ADMINISTRATION

Objective & Scope

The **Objective** of the Grant Management Internal Audit was to evaluate the effectiveness and efficiency of the University's grant management processes. The audit focused on evaluating compliance with grant provisions and applicable federal, state, local, and University regulations, as well as best practices. Additionally, to identify opportunities for the University to enhance and optimize its grant management activities.

The **Scope** of the engagement was from July 1, 2023, through June 30, 2024.

EideBailly®

FINDING VS OBSERVATION

FINDING

Findings are issues that represent a deviation from established policies, procedures, regulatory requirements, or best practices. These issues may pose risks to the University, such as noncompliance, financial inaccuracies, security vulnerabilities, or operational inefficiencies. Findings require management's attention and corrective action to mitigate potential impacts. Each finding includes a description of the issue, the criteria or standard that was not met, the root cause, the potential effect or risk, and a recommendation for resolution.

OBSERVATION

Observations are not necessarily violations of policies or regulations but represent areas where processes or controls could be enhanced to improve efficiency, effectiveness, or risk management. While observations do not require immediate corrective action, addressing them may lead to operational improvements, cost savings, or risk reduction. Observations are provided for management's awareness and consideration, with recommendations for potential enhancements where applicable.

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SPGA

Findings

1. Grant Management Staffing and Operational Delays
2. Support for Principal Investigators
3. Grant Administration Policies
4. Proposal Approval Forms
5. Pre and Post Award Checklist
6. Effort Reporting
7. Close Out Procedures

Observation

1. Indirect Cost Rates

Management is in agreement with the recommendations and provided detailed responses to address the identified risks.

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Objective & Scope

The **Objective** of the OMIC R&D Internal Audit was to evaluate the internal controls over fees, contracting, fiscal management processes, and grant management to ensure effective and efficient operations. Additionally, to assess the OMIC R&D business plan, including capital and equipment replacements and revenue initiatives, as well as, evaluating OMIC R&D operations for compliance with University provisions and regulations at the local, state, and federal levels.

The **Scope** of the engagement was from July 1, 2023, through October 31, 2024.

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OMIC

Findings

Finding #1:
    Capital and Equipment Replacement Plan
Finding #2:
    Project Monitoring and Progress Tracking
Finding #3:
    Policies and Procedures

Observations

Observation #1:
    Inconsistent Mission Statement
Observation #2:
    Strategic and Business Plan
Observation #3:
    Asset Management
Observation #4:
    Membership Dues and In-Kind Contributions
Observation #5:
    Centralized Administrative Functions

Management is in agreement with the recommendations and provided detailed responses to address the identified risks.

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THANK YOU!

Sponsored Projects and Grants Administration – Grant Management Assessment

March 2025

OREGON INSTITUTE OF TECHNOLOGY

Submitted By:

Eide Bailly LLP

EideBailly®

TABLE OF CONTENTS

Executive Summary

Eide Bailly LLP (referred to as "we," "our," or "us") performed a grant management internal audit of Oregon Institute of Technology ("OT," "Oregon Tech," "University") Sponsored Projects and Grants Administration ("SPGA") Office. This engagement was identified from the 2023 University-wide Risk Assessment and Audit Plan, which highlighted the important nature of the University's grant management function in supporting the overall effectiveness and reputation of OT.

The primary focus of this internal audit was to assess the effectiveness and efficiency of the University's grant management processes, compliance with relevant regulations, and adherence to best practices. Lastly, to identify opportunities for the University to enhance and optimize its grant management activities.

Overall, this engagement revealed strengths within the University's existing grant management framework, particularly SPGA's commitment to continuous improvement and process enhancement. SPGA has made efforts to support Principal Investigators (PIs) by providing resources on its website to assist in the development of competitive grant proposals. Additionally, SPGA has implemented processes to help ensure compliance with grant requirements and facilitate effective monitoring of grant activities. These initiatives reflect SPGA's proactive approach to strengthening grant administration and supporting faculty in securing and managing external funding.

The assessment also identified several areas for improvement. Specifically, there remains a lack of comprehensive oversight and consistency in grant management processes across different colleges and departments. Our review revealed inefficiencies in monitoring usage, and instances of non-compliance that could pose risks to fiscal accountability and operational efficiency.

We identified seven (7) findings and one (1) observation, all with actionable recommendations to enhance the University's grant management processes, improve compliance, and mitigate risks associated with misuse or inefficiency. Addressing these findings and observations would directly and positively add value to the overall efficiency and effectiveness of the grant management process.
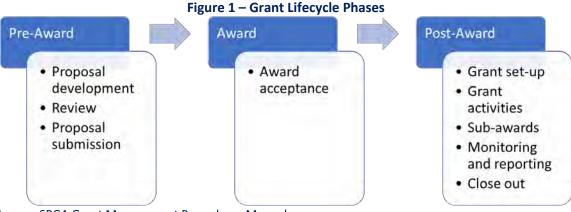
We extend our gratitude to the Vice Provost for Research and Academic Affairs and Interim Director/Director of Academic Affairs from SPGA; the Associate Vice President-Controller and Assistant Director from the Business Affairs Office (BAO); and lastly to the Director of Audit and Compliance who was also our main point of contact. Their insights significantly enhanced our understanding of the University's grant management processes and provided a foundation for the recommendations designed to strengthen operational controls.

Background Information

The Oregon Institute of Technology is a public university with campuses located in Klamath Falls and the Portland metropolitan area, and a presence throughout the Pacific Northwest. As Oregon's only polytechnic university, OT specializes in technical subjects and applied sciences. To support these specialized programs and drive forward innovation, grants play a crucial role. They provide essential financial resources for funding innovative research, developing innovative technologies, and advancing scientific discoveries. They also support specialized laboratories, equipment, and facilities needed for technical and applied science programs. Grant funding allows the University to pursue high-impact projects that may not be possible through tuition revenue or endowments alone.

The Office of Sponsored Projects and Grants Administration serves as a critical resource for faculty and students seeking external funding for research and scholarly activities. SPGA supports the entire grant lifecycle, from identifying funding opportunities to managing post-award administration. They help develop grant proposals and ensure compliance with grant requirements.

Sponsored projects and grants include project and grant activity funded by external sources at the federal, state, and local level. This includes direct funding from government agencies or pass-through entities[1]. Grant administration typically involves three phases: Pre-Award, Award, and Post-Award (see *Figure 1* below).

Figure 1 – Grant Lifecycle Phases

Source: SPGA Grant Management Procedures Manual

Principal Investigators (PIs) are responsible for identifying grant opportunities and preparing proposals with SPGA's help. SPGA assists with budget development and compliance. PIs submit the final proposal, including the statement of work, deliverables, and budget to SPGA for review and approval. SPGA submits the proposal to the funding agency and accepts the terms and conditions when grants are awarded. SPGA also oversees post-award grant activities, ensures compliance with requirements, and manages the grant closeout process.

From July 1, 2023, to June 30, 2024, SPGA submitted a total of seventy-six (76) grant applications. Out of these, forty-one (41) grants were awarded, fifteen (15) were pending, and twenty (20) were not awarded, highlighting areas where proposal development and submission processes could be improved. (see *Table 1* below). During the same period, SPGA managed a total of eighty (80) active grants, with funding sources ranging from federal and state agencies to local sources, which included industry and foundations, with the state being the largest granting agency. This diversity helps mitigate the risk of over-reliance on a single funding stream. (see *Table 2* below).

Table 1 – Grants Applied For
(7/1/2023 to 6/30/2024)

Grant Status	Number of Grants
Awarded	41
Pending	15
Not Awarded	20
Total:	**76**

Source: Dr. Lara Pracht, SPGA Interim Executive Director

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[1] A pass-through entity receives government funds and subsequently distributes them to other recipients.

**Table 2 – Total Number of Active Grants
(7/1/2023 to 6/30/2024)**

Funding Source	Number of Grants
Federal	15
State	26
Local	39
City/County	1
Industry	8
Institution of Higher Education	12
Foundation	18
Total:	**80**

Source: Dr. Lara Pracht, SPGA Interim Executive Director

Objective & Scope

The **Objective** of the Grant Management Internal Audit was to evaluate the effectiveness and efficiency of the University's grant management processes. The audit focused on evaluating compliance with grant provisions and applicable federal, state, local, and University regulations, as well as best practices. Additionally, to identify opportunities for the University to enhance and optimize its grant management activities.

The **Scope** of the engagement included all grant activities from July 1, 2023, through June 30, 2024.

This engagement was performed in accordance with the Statements on Standards for Consulting Services issued by the American Institute of Certified Public Accountants (AICPA).

Methodology

In alignment with the stated objective, the assessment involved several key activities:

1. Held a meeting with the Finance and Administration and SPGA teams to introduce the audit team, discuss the audit objectives, scope, timeline, and establish communication channels. Participants included:
   - Vice President for Finance and Administration
   - Director of Audit and Compliance
   - Associate Vice President-Finance & Controller
   - Assistant Director of Business Affairs
   - Vice Provost for Research and Academic Affairs
   - Director of Academic Affairs – Portland-Metro, Interim Director of Operations – Portland-Metro, and Interim Executive Director of Sponsored Projects and Grants Administration

2. Reviewed policies, procedures, financial data, and monitoring reports related to grant management and administration to understand the processes involved.

3. Reviewed the University's most recent organizational chart and roles and responsibilities related to grant management to understand the structure of the grants management function.

4. Reviewed the previous Grant Management Internal Audit Report to identify previously noted risk areas.

5. Conducted walkthroughs and interviews with key personnel to assess internal controls and processes over pre-award and post-award activities. Interviewees included:
   - Vice Provost for Research and Academic Affairs

- Director of Academic Affairs – Portland-Metro, Interim Director of Operations – Portland-Metro, and Interim Executive Director of Sponsored Projects and Grants Administration
- Associate Vice President – Finance & Controller
- Assistant Director of Business Affairs
- Provost and Vice President for Academic Affairs
- Vice President of University Advancement and Executive Director of Oregon Tech Foundation

6. Conducted interviews and distributed a survey to various Principal Investigators to identify their roles and responsibilities in the grant management processes.

7. Obtained and reviewed training materials related to grant application, administration, and reporting.

8. Obtained a listing of all active grants from SPGA and the Business Affairs Office (BAO) for the period of July 1, 2023, through June 30, 2024.

9. Compared and reconciled all active grants from SPGA and BAO to ensure a complete population of grants, with no discrepancies noted.

10. Performed sample testing on grant applications to verify submission and approved by SPGA, ensuring review for compliance, and meeting all requirements prior to submission.

11. Performed attribute testing on a sample of grant transactions to ensure proper support and approval, compliance with program requirements, and accurate reporting.

12. Reviewed grant closeout procedures to ensure timely project closure and issuance of monitoring and/or financial reports in accordance with grant requirements.

13. Identified best practices for grant management key performance indicators, monitoring protocols, and other metrics used to govern the grant management processes.

14. Assessed the current grant administration structure for operational efficiencies and capabilities in providing appropriate oversight, comparing it to best practices used by other entities.[2]

Results of the Grants Management Assessment

The Grant Management assessment identified that the University has made significant efforts to optimize the grant management process. For example, SPGA has implemented the Proposal Approval Form, which documents approvals, statement of work, budget, and grant deliverables to ensure compliance with grant requirements. Additionally, SPGA has implemented Pre- and Post-Award Checklists to facilitate effective monitoring of grant activities and ensure completeness and timeliness of required deliverables.

However, the assessment also highlighted several areas needing improvement:

1. **Staffing and Resource Constraints**: Limited resources have led to delays in documentation, personnel managing multiple competing responsibilities, and insufficient support for Principal Investigators (PIs). Addressing these issues is crucial for efficient grant administration and compliance.

2. **Policies and Procedures**: Gaps in current policies and procedures have resulted in incomplete documentation, inconsistent practices, and potential non-compliance. Enhancing and standardizing these guidelines is essential for effective grant management.

3. **Financial Management and Compliance**: Challenges such as inadequate effort reporting, lack of proper expenditure approval documentation, untimely submission of expenses, inconsistent application of indirect costs, and unclear closeout procedures need to be addressed to ensure accurate financial

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[2] Entities reviewed include neighboring universities and other polytechnic universities: Western Oregon University, Portland State University, Oregon State University, California Institute of Technology, Florida Polytechnic University, and Michigan Technological University.

oversight and compliance with grant regulations.

This assessment identified seven (7) findings and one (1) observation, each with recommendations for further enhancement. Addressing these findings and observations will improve operational efficiency, promote accountability and consistency, and facilitate greater alignment with best practices.

As part of this internal audit, we have categorized identified issues into Findings and Observations to differentiate between matters requiring corrective action and those representing opportunities for improvement. By distinguishing between findings and observations, this report provides clear and actionable insights to support continuous improvement within the University.

Findings

Findings are issues that represent a deviation from established policies, procedures, regulatory requirements, or best practices. These issues may pose risks to the University, such as noncompliance, financial inaccuracies, security vulnerabilities, or operational inefficiencies. Findings require management's attention and corrective action to mitigate potential impacts. Each finding includes a description of the issue, the criteria or standard that was not met, the root cause, the potential effect or risk, and a recommendation for resolution.

Observations

Observations are not necessarily violations of policies or regulations but represent areas where processes or controls could be enhanced to improve efficiency, effectiveness, or risk management. While observations do not require immediate corrective action, addressing them may lead to operational improvements, cost savings, or risk reduction. Observations are provided for management's awareness and consideration, with recommendations for potential enhancements where applicable.

In conclusion, while SPGA has made proactive efforts to enhance the grant management processes, it is important for the University and SPGA to continue their efforts over the grant management process. By addressing the identified areas for improvement, the University can strengthen the effectiveness and efficiency of their grant management processes, improve operational outcomes, and build greater confidence in SPGA's processes.

Group 1: Staffing and Resource Constraints

The effectiveness of grant management at the University is significantly impacted by staffing and resource constraints. These constraints manifest in several ways, including delays in providing necessary documentation, personnel managing multiple competing responsibilities, and insufficient support for Principal Investigators (PIs). Addressing these issues is crucial to ensure efficient grant administration, compliance with regulations, and the successful management of grant-funded projects.

The following findings highlight specific areas where staffing and resource limitations have led to operational inefficiencies and increased risks:
- **Finding #1 – Grant Management Staffing and Operational Delays**
- **Finding #2 – Support for Principal Investigators**

By tackling these staffing and resource challenges, the University can enhance its grant management processes, reduce the risk of non-compliance, and improve overall efficiency.

FINDING #1 – Grant Management Staffing and Operational Delays

Significant delays in providing requested documentation and information to the internal audit team were noted. Additionally, SPGA has only one individual, the Interim Executive Director of SPGA, responsible for overseeing both pre-award and post-award grant activities as well as being the Director of Academic Affairs-

Portland-Metro and Interim Director of Operations-Portland-Metro. These roles, combined with limited staff availability and competing priorities, led to the delays, and can lead to operational inefficiencies, affecting the overall effectiveness of grant management.

Effective grant management requires timely and accurate documentation and information sharing. Centralized documentation and adequate staffing are essential to meet audit requests promptly and ensure compliance with grant requirements. Responsibilities should be distributed among multiple personnel to avoid overburdening any single individual.

During the audit, it was noted that the original grant agreement for two (2) grants could not be located. A prior internal audit from 2021 recommended that SPGA maintain complete documents for all grants. While this recommendation has been implemented, these grants predate the prior audit, emphasizing the continuous need for diligent document management practices. The delays and fragmented submissions suggest potential weaknesses in grant record-keeping and compliance.

Limited staff availability and competing priorities can lead to operational inefficiencies, affecting the overall effectiveness of grant management. The heavy workload may lead to errors in grant administration, untimely submissions, and difficulties in monitoring grant expenditures and reporting requirements. Additionally, inefficiencies in record-keeping and compliance tracking may result in non-compliance with grant requirements, risking future funding and regulatory penalties. This resource limitation could also impact the University's ability to secure and effectively manage grant funding, and potentially compromise future funding opportunities.

Recognizing these challenges, the University hired a new Grants Business Manager during summer 2024, who will assist primarily with post-award grant management and financial administration, which may help alleviate some of the existing constraints and improve overall grant management efficiency.

Recommendation
We recommend that the University implement the following corrective actions:
a) Assess the current staffing levels within SPGA and consider hiring additional personnel to ensure adequate support for grant management activities and timely responses to audit requests.
b) Clearly define roles and responsibilities within SPGA to ensure that critical tasks are not concentrated on a single individual. Delegate responsibilities to other qualified staff members to balance the workload.
c) Implement a prioritization system to manage competing priorities effectively, ensuring that audit requests are addressed promptly.
d) Enhance the centralization of grant-related documents and ensure that SPGA have complete and timely documentation for all projects to facilitate quicker access and reduce delays in providing information.
e) Improve communication channels and protocols to ensure that all team members are aware of audit requests and their urgency.
f) Conduct periodic internal reviews to ensure that grant documentation is complete, organized, and readily accessible for future audits.
g) Develop a backup plan and cross-train staff for critical roles to prevent disruption due to absences or turnover.
h) Conduct a thorough review of SPGA workload to identify inefficiencies. This should include a workload analysis to identify where workload is particularly high, identify critical grant management functions, prioritize tasks, and determine the most effective means to allocate resources or redistribute tasks among existing staff.
i) Categorize grants into distinct groups, such as research and non-research, based on complexity. This will help ensure that grant reviewers and administrators have a clear understanding of the specific requirements and expectations for each type of grant, allowing for more effective allocation of resources and support.

By implementing these measures, the University can enhance its grant management processes, reduce the risk of non-compliance, and improve overall efficiency. Additionally, by structuring SPGA to effectively manage the grants process, the University will be better positioned to pursue and secure additional grant opportunities, further expanding its research and funding potential.

Management Response

The SPGA Office welcomes feedback on opportunities for improved, more efficient processes and agrees with the identified need for additional resources.

Management respectfully agrees with this finding. The Senior Vice Provost for Research and Executive Director of SPGA are responsible for its successful resolution by meeting various milestone dates during the period of June 30, 2025, through January 31, 2026.

A summary table of Management's Responses for this finding is included as Appendix A, listing a calendar of milestone implementation dates for the respective recommendations, as well as the position responsible for completion.

Recommendations will be implemented in the following timeframe, listed in chronological order.
 Completion Dates:
- *June 30, 2023 - COMPLETE: e*
- *July 31, 2025: c*
- *August 31, 2025: b, e, i*
- *December 31, 2025: a, f*
- *January 31, 2026: g*

Management respectfully agrees with the auditor's assessment of the need for increased staffing in the SPGA office. In recognition of this need, SPGA began efforts to increase staffing in April 2023, by working to hire a permanent Director. That role has been advertised multiple times and HR searches were conducted to fill the position over the period April 20, 2023, through February 28, 2025; those efforts have unfortunately been unsuccessful (the most recent search concluded in February 2025). The Senior Vice Provost for Research and Academic Affairs will again repost the position for recruitment by April 30, 2025, with the goal to fill the position no later than December 31, 2025.

Additional SPGA staffing efforts include the successful hiring of the SPGA Grants Business Manager position in June 2025. Oregon Tech invested in this position for the SPGA, expanding the office and its capacity. This new position primarily assists with grant budget development in the pre-award phase and provides overall post-award financial management of grant projects.

Recognizing the importance of complete and centralized documentation, SPGA began implementation of these efforts after the last internal audit, conducted in March 2021. As of June 30, 2023, and as acknowledged by the current internal auditors in this report, that recommendation has been completed. SPGA is committed to continuous improvement of grants management and remains open to further guidance from our internal auditors on specific areas related to document storage that can be improved. While SPGA reviews grant documentation on an ongoing basis, we will implement a more formalized review of grant documentation to ensure continued compliance. That review will be performed annually and is anticipated to take place at the end of each calendar year.

FINDING #2 – Support for Principal Investigators
Principal Investigators (PIs) are currently not receiving sufficient support from SPGA in managing their grants, particularly in critical areas such as proposal development and budget preparation. Additionally, PIs lack adequate training on their grants management responsibilities, including compliance requirements, financial oversight, and reporting obligations. This has led to inconsistent grant management practices

across the University.

A survey conducted among fourteen (14) PIs, with nine (9) responses, revealed that 44% of respondents expressed dissatisfaction with the training provided by SPGA. The summarized responses[3] are as follows:

Very Satisfied:	2 respondents	22%
Satisfied:	1 respondent	11%
Neutral:	2 respondents	22%
Dissatisfied:	3 respondents	33%
Very Dissatisfied:	1 respondent	11%

While SPGA provides resources to support faculty and staff in effective grant management, there does not appear to be a structured program for continuous training specifically tailored for PIs. The resources SPGA currently offers include an overview for department heads and new faculty, as well as specific guidance on proposal writing and application processes for major funding agencies, see below:

- An overview of SPGA for department heads and new faculty.
- National Science Foundation (NSF) Proposal Writing, accessible via the website.
- National Institute of Health (NIH) Application Guidance, available online.
- NIH Grant Samples, provided on the website.
- NIH Peer Review Process, detailed on the website.

Without ongoing training and sufficient support, PIs may struggle to manage grants effectively, increasing the risk of non-compliance with grant provisions, delayed reporting, and financial mismanagement. These issues could lead to audit findings, reputational damage, and even potential loss of future funding opportunities for the University. Additionally, inefficiencies in grant management can lead to missed deadlines, unallowable costs, and difficulties in meeting grant deliverables.

Recommendation:

a) **Training Programs** – To address these challenges, SPGA should collaborate with PIs to identify specific areas were additional support and training is needed. Key training areas to consider are related to proposal development, budget preparation, allowable costs, effort reporting, the Grant Management Procedures Manual, Proposal Application Form (PAF), and checklists. Developing comprehensive training programs that cover compliance requirements, financial oversight, and reporting obligations is essential. These programs should include workshops, online tutorials, and easily accessible reference materials. Making more training resources available on the SPGA website and providing ongoing support to PIs through the grant lifecycle, including one-on-one consultations and regular check-ins, will also be beneficial.

b) **Training Effectiveness** – Regularly assess the effectiveness of the training programs and support services. This can be achieved through various methods, such as conducting surveys and gathering feedback from PIs, tracking key performance indicators (KPIs) related to grant management, monitoring training attendance and completion rates, evaluating grant management outcomes, and reviewing compliance and audit results. Implementing peer review processes and conducting follow-up assessments after training sessions or support interventions can further help gauge the effectiveness of support and identify areas for improvement.

Management Response

Management respectfully agrees with this finding. The Executive Director of SPGA is responsible for its successful resolution by August 31, 2025.

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[3] The total percentages add up to 99% due to rounding adjustments.

A summary table of Management's Responses for this finding is included as Appendix A, listing a calendar of milestone implementation dates for the respective recommendations.

SPGA shares the belief that training and support for faculty and staff interested in pursuing and managing grants is critical to an effective university-wide grant program.

In recognition of the need for grant support and training, SPGA currently provides resources and training opportunities to faculty and staff – a comprehensive list is provided in Appendix C.

SPGA will continue to review current training offerings and will develop a schedule for additional offerings as well as a communication protocol for how those trainings and resources are available on the SPGA internal website.

Group 2: Policies and Procedures

Effective grant management relies heavily on well-defined and enforced policies and procedures. These guidelines ensure consistency, proper financial management, and compliance with grant requirements. However, gaps in the current policies and procedures at the University have led to various issues, including incomplete documentation, inconsistent practices, and potential non-compliance. Addressing these gaps is essential to strengthen the University's grant management framework and mitigate associated risks.

The following findings highlight specific areas where improvements in policies and procedures are needed:

Finding #3 – Grant Administration Policies, Finding #4 – Proposal Approval Form, and Finding #5 – Pre and Post Award Checklist.

By enhancing and standardizing these policies and procedures, the University can improve oversight, ensure compliance, and support effective grant management practices.

FINDING #3 – Grant Administration Policies

SPGA does not have finalized and formally approved policies and procedures governing grant management. The current *Grant Management Procedures Manual* is still in the process of being finalized, leaving gaps in standardized guidance for managing pre-award and post-award activities.

Clear and documented processes ensure consistency, proper financial management, internal controls, and compliance with grant requirements. Additionally, documented policies and procedures are typically required to comply with federal grant requirements. When an organization receives a federal grant, it must follow specific rules and regulations outlined by the granting agency. To comply with federal grant requirements, organizations such as the University must develop and implement a set of policies and procedures that address various aspects of grant management. These policies and procedures should be documented and easily accessible to all staff members who participate in managing the grant, such as financial management, program management, and reporting.

Failure to have documented policies and procedures that all individuals are aware of to ensure grants are administered in accordance with federal grant requirements increases the risk of mismanagement of grant funds, inadequate project monitoring, non-compliance with grant regulations and requirements. This could potentially lead to reputational damage to the University, loss of grant funding, and potential legal liability.

Recommendation

We recommend that SPGA finalize and formally approve the *Grant Management Procedures Manual,* ensuring specific guidelines on grant activities and responsibilities for tasks are clearly outlined. A timeline should be established to complete and implement the P&Ps, ensuring they align with relevant federal, state, and local regulations and best practices. Additionally, SPGA should provide training to the PIs and relevant staff on the new policies to ensure consistent application, see **Finding #2**. Regular reviews and updates

should also be conducted to maintain compliance and address any emerging grant management challenges.

Management Response

Management respectfully agrees with this finding. The Executive Director of SPGA is responsible for its successful resolution by August 31, 2025.

The Grant Management Procedures Manual (Manual) is an internal-use document for SPGA staff. Its focus is on processing grants and meeting grant requirements. The current version will be memorialized as final. Additionally, looking forward the Manual will be reviewed annually with document updates noted within the version history of the Manual itself, ensuring users are referencing the same, most current, version of process and procedures.

Lastly, recognizing that the Grant Management Procedures Manual is an internal document and not intended for PI's, SPGA will continue to ensure that internal management and processing procedures are aligned with the guidance and training provided to PIs via formalized training and other resources available on the SPGA internal website.

FINDING #4 – Proposal Approval Form

During our testing procedures, we noted that three (3) out of the fifteen (15) grants evaluated either lacked a Proposal Approval Form (PAF) or had an outdated version, indicating that no new PAF was submitted when the grant was renewed. Additionally, seven (7) of the fifteen (15) grants evaluated did not have the required SPGA signatures on the PAF.

The primary cause is the lack of an effective process in place to ensure that signed PAFs for all grant submissions, including new proposals, amendments, or renewals are obtained in adherence to the *Grant Management Procedures Manual.* This may be due to insufficient oversight and enforcement of the PAF submission process.

According to the *Grant Management Procedures Manual*, a completed and signed PAF is required for all grant submissions. The PAF serves as an internal approval mechanism to document institutional support, statement of work, and budget. It also includes a listing of grant deliverables, allowing SPGA to effectively monitor and enforce the University's commitment and responsibility to the funding agency. Best practices in grant administration emphasize the importance of maintaining complete and up-to-date documentation for all awarded grants to ensure proper oversight and accountability.

Incomplete or outdated PAFs increase the risk of unapproved grant submissions, financial mismanagement, and non-compliance with university policies and sponsor requirements. Missing signatures or outdated approvals may indicate a lack of formal review, which could lead to funding discrepancies, unapproved commitments, or challenges in grant administration. Additionally, the absence of proper documentation could negatively impact future funding opportunities and audit compliance.

Recommendation
a) **Reinforce PAF Requirements** – SPGA should reinforce and enforce policies for PAF requirements, ensuring that all necessary SPGA approvals are documented.
b) **Implement Tracking Mechanism** – Implement a tracking mechanism to monitor PAF completion, current use of form, and signature compliance before grant submission.
c) **Training for PAFs** – Provide training and guidance to PIs to ensure they understand the requirements and importance of maintaining up-to-date grant documentation.
d) **Conduct Regular Compliance Reviews** – Perform regular compliance reviews conducted to prevent future occurrences of incomplete or outdated PAFs.

Management Response

The SPGA Office welcomes the feedback on opportunities for improved, more efficient processes and agrees with the identified need for improved proposal approval mechanisms.

Management respectfully agrees with this finding. The Executive Director is responsible for its successful resolution by meeting various milestone dates during the period of June 30, 2025, through June 30, 2026.

A summary table of Management's Responses for this finding is included as Appendix A, listing a calendar of milestone implementation dates for the respective recommendations.

Recommendations will be implemented in the following timeframe, listed in chronological order.
Completion Dates:
- *August 30, 2025: c, d*
- *December 31, 2025: a, b*

Recognizing the need to minimize versioning inconsistency and to reduce duplicative, manual effort, starting in January 2025, SPGA commenced development of an electronic version of the PAF form utilizing current university software systems. The electronic PAF will connect to the SPGA database and include data validation and automation of approvals. This will eliminate the possibility of older versions of forms being used by PIs, and improve rates of forms being fully executed. Implementation of the electronic form within our current automation software system will not only include automated approval queues, but also reporting on PAF completion and status, allowing SPGA to easily track PAF status.

Additionally, SPGA will implement periodic audits of PAFs, to be conducted no less than semi-annually.

FINDING #5 – Pre and Post Award Checklist
During our testing procedures, we noted several issues with the post-award checklist:
- Inconsistent versions of the checklist were being used across different grants.
- The checklist did not document the timing of when required documentation was submitted, preventing verification of whether the necessary documentation was submitted in a timely manner.
- There was no evidence of review or sign off on the checklists.
- Seven (7) out of the fifteen (15) grants evaluated lacked a completed post-award checklist.

The primary cause of these issues is the lack of standardization and enforcement of the post-award checklist process within SPGA.

SPGA uses the pre- and post-award checklists as a key performance indicator (KPI) for grant management. Best practices in grant administration emphasize the importance of maintaining standardized and complete documentation to ensure proper oversight and accountability.

The inconsistent and incomplete use of the post-award checklist can lead to compliance risks, delays in grant reporting, and missed deadlines for required submissions. Without proper tracking of when documents are submitted, the University may fail to meet grant requirements and compromise future funding opportunities. Additionally, the lack of review and sign-off increases the risk of undetected errors or non-compliance, potentially leading to financial penalties or audit findings.

Recommendation
a) **Update and Standardize the Checklist** - SPGA should update and standardize the current post-award checklist to ensure a consistent version is used across all grants.
b) **Include Project Milestones and Deadlines** – The checklists should include project requirement milestones, deadlines, and report submission dates to document the timing of when documentation is submitted.
c) **Designated a Reviewer and Required Sign-Off** – SPGA to assign a designated reviewer and require sign-

off on the checklist to ensure accountability.

d) **Implement Training Program** – SPGA should implement a training program for PIs on the importance of completing and reviewing the checklist. See **Finding #2** above**.**

e) **Conduct Regular Compliance Checks** – Perform regular compliance checks to ensure adherence to the checklist process, and SPGA should monitor checklist completion as a KPI for grant management effectiveness.

Management Response

Management respectfully agrees with this finding. The Executive Director of SPGA is responsible for its successful resolution by meeting various milestone dates during the period of August 31ˢᵗ, 2025, through December 31, 2025.

A summary table of Management's Responses for this finding is included as Appendix A, listing a calendar of milestone implementation dates for the respective recommendations.

Recommendations will be implemented in the following timeframe, listed in chronological order.
   Completion Dates:
   - *August 30, 2025: e*
   - *December 31, 2025: a, b, c, d*

Recognizing that these checklists are internal tracking documents for use by SPGA staff for grant management, SPGA began efforts in October 2024, to integrate the tracked criteria into its current database software, with the goals of minimizing versioning inconsistency and reducing duplicative, manual effort. Completion of these efforts, along with incorporating the internal auditor's improvement suggestions, is anticipated by December 31, 2025. Moving forward, SPGA will periodically review pre- and post-award checklists on a no less than a semi-annual basis.

Group 3: Financial Management and Compliance

Robust financial management and strict compliance with grant regulations are critical to the successful administration of grant-funded projects. The University faces several challenges in these areas, including inadequate effort reporting, lack of proper expenditure approval documentation, untimely submission of expenses, inconsistent application of indirect costs, and unclear closeout procedures. Addressing these issues is essential to ensure accurate financial oversight, compliance with grant requirements, and the effective use of grant funds.

The following findings highlight specific areas where improvements in financial management and compliance are needed: **Finding #6 – Effort Reporting, Finding #7 – Close Out Procedures, and Observation #1 – Indirect Cost Rates.**

By implementing the recommended measures, the University can enhance financial controls, ensure compliance with grant regulations, and improve overall grant management efficiency.

FINDING #6 – Effort Reporting

The University does not have a formalized effort reporting process to document and verify the time and effort spent on a grant-funded projects. During testing, it was noted that the five (5) federal grants and one (1) federal pass-through grant did not have documented effort reporting in place. This process is essential to ensure that the salaries and wages charged to the project are reasonable and reflect the actual effort expended by individuals involved.

The absence of a formal effort reporting process is likely due to a lack of established policies and procedures for documenting personnel expenses related to grant activities. Compounding this issue, the University's

current system, FENXT, lacks the capability to effectively track and report effort hours. Additionally, there may be insufficient training and awareness among PIs and grant funded personnel regarding effort reporting requirements.

According to the Uniform Guidance[4], institutions receiving federal funds must maintain a system for documenting personnel expenses related to grant activities. Effort reporting for grants is required to ensure that salaries and wages charged to grants are reasonable, allocable, and properly documented in accordance with federal and grantor requirements.

Failure to implement effort reporting increases the risk of non-compliance with federal, state, and local sponsor regulations. This non-compliance may lead to audit findings, questioned costs, and financial penalties. Additionally, the absence of proper documentation could result in grant funds being disallowed, reputational damage, and compromise the University's eligibility for future funding opportunities.

Recommendation
a) **Develop and Implement a Formal Effort Reporting System** – Oregon Tech should develop and implement a formal effort reporting system that aligns with federal and grantor requirements. This system should include clear policies, standardized reporting templates, and periodic certification of effort by employees and their supervisors.
b) **Provide Mandatory Training** – SPGA should provide mandatory training for PIs and grant-funded employees on effort reporting requirements.
c) **Regular Monitoring and Audits** – SPGA should conduct regular monitoring and audits to ensure compliance and accuracy in effort tracking.

Management Response
Management respectfully agrees with this finding. The Executive Director of SPGA is responsible for its successful resolution of this finding, in collaboration with the AVP for Finance and Controller, by meeting various milestone dates during the period of June 30, 2025, through August 31, 2026.

A summary table of Management's Responses for this finding is included as Appendix A, listing a calendar of milestone implementation dates for the respective recommendations, as well as position(s) responsible for completion.

Recommendations will be implemented in the following timeframe, listed in chronological order.
    Completion Dates:
- *June 30, 2025: a (Phase I), b*
- *August 31, 2025: c*
- *August 31, 2026: a (Phase II)*

Recognizing the importance of Effort Reporting for Federal grants, SPGA will continue to follow and communicate its currently published Effort Reporting procedures (published on the OT Internal Website - SPGA). SPGA will continue to proactively reach out to PIs on impacted grants to best ensure awareness of the process and requirement. This effort began full implementation in Fall 2024 and will be completed by June 30, 2025.

With the understanding that we have a process in place, Management respectfully agrees that an improved, more automated process would be a significant improvement. While the current financial accounting system, FENXT, does not have Effort Reporting capabilities, we anticipate positive changes with the re-implementation of the upcoming Banner finance system. With the University's return to Banner finance, the system's grants module will be optimized to ensure the university is able to fully utilize the module's

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[4] Uniform Guidance 2 CFR 200.430 – Time and effort must be aligned to a particular cost objective and accurately charged.

functionality. The optimized grant module will include Effort Reporting functionality – making the Effort Reporting process more streamlined, and easier for PI's, support staff, and SPGA to implement and track these certifications. The re-implementation of Banner finance is underway and managed by the Finance and Administration Division and it is expected to fully launch in summer 2026.

SPGA will continue to include information on Effort Reporting during general training sessions, as well as incorporate more detailed information to faculty paid on relevant grants. SPGA will conduct periodic audits on submitted Effort Reports, no less than semi-annually. These efforts will be completed by August 31, 2025.

FINDING #7 – Close Out Procedures

During our testing procedures, we observed that one grant[5] did not receive its final payment from the funding agency. Although, the University submitted the reimbursement request within the required timeframe, the payment was not issued. As the grant period ended, the funding agency inquired whether the University would be billing for any additional expenses. Since no new expenses had been incurred in the last billing period, SPGA informed the agency that no further billing was necessary. Consequently, the funding agency de-obligated the remaining funds. However, during SPGA's submission of the final reports, outstanding expenses had been identified. Upon Follow up, the University was informed by the funding agency that the funds had already been de-obligated[6] and could no longer be recovered.

The grant closeout process outlined in the *Grant Management Procedures Manual* does not clearly define the process for reimbursements when grants are closed. The *University's Grant Management Procedures Manual* should clearly define the process for reimbursements to ensure timely and accurate financial management.

The lack of a standardized and enforced grant closeout process increases the risk of financial loss due to missed deadlines. This may impact the University's ability to fund ongoing projects and operational expenses.

Recommendation

We recommend that the University revise and strengthen the grant closeout procedures outlined in the *Grant Management Procedures Manual*, ensuring that all required steps are clearly outlined, assigned to responsible personnel, and monitored for completion. This should include:

a) A timeline for completing and submitting all final financial and programmatic reporting.
b) A structured follow-up process to confirm receipt of final payments.
c) A tracking mechanism to monitor pending reimbursements before grant closeout deadlines.
d) Periodic internal reviews to ensure compliance with the established closeout process.

By implementing these measures, the University can minimize the risk of financial loss, enhance compliance, and improve overall grant management efficiency.

Management Response

Management respectfully agrees with this finding. The Executive Director of SPGA is responsible for its successful resolution, in collaboration with the AVP for Finance and Controller, by meeting milestone dates through December 31, 2025.

A summary table of Management's Responses for this finding is included as Appendix A, listing a calendar of milestone implementation dates for the respective recommendations, as well as position(s) responsible for

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[5] United States Department of Agriculture Renewable Energy Development Assistance (USDA REDA) grant – final reimbursement request amount was $7,320.
[6] In this context, "de-obligated" means that the funds initially allocated for the grant were withdrawn or canceled by the funding agency, making them no longer available for disbursement.

successful completion.

SPGA will continue collaborations with the BAO to develop a structured process, documenting collection and monitoring activities of grant billing reimbursements. SPGA will utilize the university's SmartSheet software and/or a similar automated tool using software already in place at the university, to assist with monitoring grant accounts receivable (A/R) aging, including billing and collections. BAO will formally inform SPGA when the final invoice payment has been received. SPGA and the BAO will determine a reasonable implementation date given staff availability and capacity, with the goal to complete no later than December 31, 2025.

Lastly, SPGA will periodically review internal compliance with closeout procedures on a no less than a semi-annual basis.

OBSERVATION #1– Indirect Cost Rates

During our testing procedures, we noted that the University does not have a formal process for determining a consistent indirect cost (IDC) rate when a grant's terms and conditions do not specify one. Specifically, two (2) of the ten (10) indirect cost reimbursement transactions that we reviewed did not have proper documentation supporting the IDC rate applied. One transaction utilized an outdated IDC rate, and the other applied a 10% IDC rate when a higher rated could have been used, potentially maximizing cost recovery if the budget permitted.

The primary cause of this issue is due to the absence of a defined process for determining and applying IDC rates when not specified in the grant terms and conditions. This lack of standardization leads to inconsistent IDC application across grants, increasing the risk of leaving funds unclaimed with the granting agency, as cost recovery is not maximized.

Best practices in grant management require a standardized methodology for determining and applying indirect cost rates to ensure consistency and compliance with regulatory requirements. This includes guidelines for applying either the federally negotiated rate or the de minimis rate.

The absence of a defined process for IDC application may result in inconsistent IDC rates across grants, potentially leading to incomplete recovery of overhead costs. Additionally, without periodic review, the University may fail to maximize reimbursement for indirect costs, impacting financial recovery and compliance with grant regulations.

Recommendation
a) **Establish a Formal IDC Policy** – The University should establish a formal Indirect Cost Rate Policy that includes a standardized methodology for determining the IDC rate when a grant does not specify one.
b) **Develop Guidelines for IDC Application** – Create guidelines for applying either the federally negotiated F&A indirect rate or the de minimis rate, ensuring alignment with regulatory requirements.
c) **Implement Periodic Review Process** – Establish a periodic review process to evaluate and update the IDC rate based on current federal guidance, institutional costs, and financial needs.
d) **Training on IDC Policies** – Offer training for grant administrators and PIs on IDC policies to ensure proper application and understanding.

By implementing these measures, the University can enhance consistency in IDC application, improve financial recovery for indirect costs, and ensure compliance with grant regulations.

Management Response
Management respectfully agrees with this finding. The Executive Director is responsible for its successful resolution by meeting various milestone dates during the period of June 30, 2025, through August 31, 2025.

A summary table of Management's Responses for this finding is included as Appendix A, listing a calendar of milestone implementation dates for the respective recommendations.

Recommendations will be implemented in the following timeframe, listed in chronological order.
  Completion Dates:
- *June 30, 2025: a, b*
- *August 31, 2025: c, d*

Recognizing the importance of well documented and communicated procedures, SPGA will expand upon the currently provided description of OT's IDC procedures and guidelines on its internal website and Grants Management Procedures Manual. The Office will continue to discuss OT's IDC rate procedure as part of training sessions with faculty and staff. These efforts will be implemented by June 30, 2025.

Additionally, SPGA will review annually its process regarding applying IDC rates to grant applications and agreements. The University's federally negotiated rate is negotiated by the Finance & Administration Division; negotiated typically at five and ten-year intervals. If out of SPGA's annual review cycle proposed here, SPGA will update the areas of documented process, as needed. These efforts will be implemented by August 31, 2025.

Appendix A: Summary of Implementation Dates

Table A1: Implementation Details of Report Recommendations – Finding/Observation Order

Finding or Observation (# and Description)		Recommendation	Position Responsible	Status (as of 3/21/2025)	Period of Implementation	
					Start Date	Actual or Projected End Date
1	Grant Management Staffing and Operational Delays	a	SVP of Research	In Progress	4/20/2023	12/31/2025
		b	Executive Director of SPGA	In Progress	6/10/2024	8/31/2025
		c	Executive Director of SPGA	Not Started		7/31/2025
		d	Executive Director of SPGA	Complete	3/24/2021	6/30/2023
		e	Executive Director of SPGA	Not Started		8/31/2025
		f	Executive Director of SPGA	In Progress	3/24/2021	12/31/2025
		g	Executive Director of SPGA	In Progress	6/10/2024	1/31/2026
		h	Executive Director of SPGA	In Progress	3/24/2021	6/30/2026
		i	Executive Director of SPGA	Not Started		8/31/2025
2	Support for Principal Investigators	a	Executive Director of SPGA	In Progress	3/24/2021	8/31/2025
		b	Executive Director of SPGA	Not Started		8/31/2025
3	Grant Administration Policies	a	Executive Director of SPGA	In Progress	3/21/2025	12/31/2025
4	Proposal Approval Form	a	Executive Director of SPGA	Not Started		12/31/2025
		b	Executive Director of SPGA	In Progress	1/1/2025	12/31/2025
		c	Executive Director of SPGA	Not Started		8/31/2025
		d	Executive Director of SPGA	Not Started		8/31/2025
5	Pre and Post Award Checklist	a	Executive Director of SPGA	Not Started		12/31/2025
		b	Executive Director of SPGA	Not Started		12/31/2025
		c	Executive Director of SPGA	Not Started		12/31/2025
		d	Executive Director of SPGA	Not Started		12/31/2025
		e	Executive Director of SPGA	Not Started		8/31/2025
6	Effort Reporting	a: Phase I	Executive Director of SPGA	In Progress	3/24/2021	6/30/2025
		a: Phase II	AVP Finance & Controller	In Progress		8/31/2026
		b	Executive Director of SPGA	In Progress	9/15/2024	6/30/2025
		c	Executive Director of SPGA	Not Started		8/31/2025
7	Indirect Cost Rates (will change to OBS)	a	Executive Director of SPGA	Not Started		6/30/2025
		b	Executive Director of SPGA	Not Started		6/30/2025
		c	Executive Director of SPGA	Not Started		8/31/2025
		d	Executive Director of SPGA	In Progress	9/15/2024	8/31/2025
8	Close Out Procedures (# will change)	a	Executive Director of SPGA	Not Started		12/31/2025
		b	Executive Director of SPGA; AVP Finance & Controller	In Progress	2/1/2025	12/31/2025
		c	Executive Director of SPGA; AVP Finance & Controller	In Progress	2/1/2025	12/31/2025
		d	Executive Director of SPGA	Not Started		12/31/2025

Table A2: Implementation Details of Report Recommendations - Chronological Order

#	Finding or Observation (Description)	Recommendation	Position Responsible	Status (as of 3/21/2025)	Start Date	Actual or Projected End Date
1	Grant Management Staffing and Operational Delays	d	Executive Director of SPGA	Complete	3/24/2021	6/30/2023
6	Effort Reporting	a: Phase I	Executive Director of SPGA	In Progress	3/24/2021	6/30/2025
6	Effort Reporting	b	Executive Director of SPGA	In Progress	9/15/2024	6/30/2025
7	Indirect Cost Rates (will change to OBS)	a	Executive Director of SPGA	Not Started		6/30/2025
7	Indirect Cost Rates (will change to OBS)	b	Executive Director of SPGA	Not Started		6/30/2025
1	Grant Management Staffing and Operational Delays	c	Executive Director of SPGA	Not Started		7/31/2025
1	Grant Management Staffing and Operational Delays	b	Executive Director of SPGA	In Progress	6/10/2024	8/31/2025
1	Grant Management Staffing and Operational Delays	e	Executive Director of SPGA	Not Started		8/31/2025
1	Grant Management Staffing and Operational Delays	i	Executive Director of SPGA	Not Started		8/31/2025
2	Support for Principal Investigators	a	Executive Director of SPGA	In Progress	3/24/2021	8/31/2025
2	Support for Principal Investigators	b	Executive Director of SPGA	Not Started		8/31/2025
4	Proposal Approval Form	c	Executive Director of SPGA	Not Started		8/31/2025
4	Proposal Approval Form	d	Executive Director of SPGA	Not Started		8/31/2025
5	Pre and Post Award Checklist	e	Executive Director of SPGA	Not Started		8/31/2025
6	Effort Reporting	c	Executive Director of SPGA	Not Started		8/31/2025
7	Indirect Cost Rates (will change to OBS)	c	Executive Director of SPGA	Not Started		8/31/2025
7	Indirect Cost Rates (will change to OBS)	d	Executive Director of SPGA	In Progress	9/15/2024	8/31/2025
1	Grant Management Staffing and Operational Delays	a	SVP of Research	In Progress	4/20/2023	12/31/2025
1	Grant Management Staffing and Operational Delays	f	Executive Director of SPGA	In Progress	3/24/2021	12/31/2025
3	Grant Administration Policies	a	Executive Director of SPGA	In Progress	3/21/2025	12/31/2025
4	Proposal Approval Form	a	Executive Director of SPGA	Not Started		12/31/2025
4	Proposal Approval Form	b	Executive Director of SPGA	In Progress	1/1/2025	12/31/2025
5	Pre and Post Award Checklist	a	Executive Director of SPGA	Not Started		12/31/2025
5	Pre and Post Award Checklist	b	Executive Director of SPGA	Not Started		12/31/2025
5	Pre and Post Award Checklist	c	Executive Director of SPGA	Not Started		12/31/2025
5	Pre and Post Award Checklist	d	Executive Director of SPGA	Not Started		12/31/2025
8	Close Out Procedures (# will change)	a	Executive Director of SPGA	Not Started		12/31/2025
8	Close Out Procedures (# will change)	b	Executive Director of SPGA; AVP Finance & Controller	In Progress	2/1/2025	12/31/2025
8	Close Out Procedures (# will change)	c	Executive Director of SPGA; AVP Finance & Controller	In Progress	2/1/2025	12/31/2025
8	Close Out Procedures (# will change)	d	Executive Director of SPGA	Not Started		12/31/2025
1	Grant Management Staffing and Operational Delays	g	Executive Director of SPGA	In Progress	6/10/2024	1/31/2026
1	Grant Management Staffing and Operational Delays	h	Executive Director of SPGA	In Progress	3/24/2021	6/30/2026
6	Effort Reporting	a: Phase II	AVP Finance & Controller	In Progress		8/31/2026

Appendix B: Improvements to Process Efficiencies To-Date

The following list includes some of the efficiency improvements made to SPGA processes since the last internal audit, in 2021.

Process	Change
Grants Database Management	Database shifted from Excel document to cloud-based, Enterprise software, Smartsheet.
Proposal Approval Form (PAF)	Signatures acquired by digital signature software, DocuSign, rather than manual printing/scanning and/or email approvals. Submission of PAF pdf documents via an online form hosted by Smartsheet that creates a documented submission entry in a central location, with file attachment, rather than one individual's email inbox.
Grant-Funded Employee Contracts	Requested by PIs via an online form – ensures all required information is submitted at time of request (previously was requested via email)
Issuance of Subawards	Requested by PIs via an online form – ensures all required information is submitted at time of request (previously was requested via email)
FCOI Training[7]	Submission via an online form hosted by Smartsheet that creates a documented submission entry in a central location, with file attachment, rather than one individual's email inbox. Programmed automation into database to notify SPGA when FCOI training for an individual is expiring and needs renewal.
FCOI Disclosure Forms	Submission of FCOI disclosure form pdf documents via an online form hosted by Smartsheet that creates a documented submission entry in a central location, with file attachment, rather than one individual's email inbox.
Communication of OIT Grant Processes	Processes for PIs documented on internal SPGA website (SharePoint site). Reduces need for individual, personalized instruction by SPGA for each application submission or grant management request.

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[7] FCOI: Financial Conflict of Interest

Appendix C: Training, Support Services, and Resources Provided to Faculty and Staff

The following lists include training and resources that have been provided and will continue to be provided to Principal Investigators (PIs) and Project Directors (PDs).

Training Opportunities Currently Provided by SPGA:

Topics / Titles	Timing
OIT Grants Processes & Resources, Faculty	Annual - Fall, September - Convocation
OIT Grants Processes & Resources, Staff (for PIs/PDs and support staff)	Annual - Fall, September - Convocation
OIT Grants Processes & Resources, New Faculty	Annual, as requested by Office of Academic Excellence
ETM Research Dialogues, Collaboration with College of ETM - Processes, Q&A, Connecting research faculty	At least quarterly - starting Fall 2024
Searching for Grant Opportunities, Utilizing OIT Subscription to Grants Database, SPINPlus - Collaboration with University Research Council (URC)	Fall 2024, recording link posted to OIT Internal Website - SPGA
Grant writing workshop - in collaboration with other Oregon universities (SPGA paid for attendance for interested faculty)	May 25, 2023

Process Resources and Support Services Currently Provided by SPGA:

Topics / Titles	Location/How Communicated
Developing Budgets	OIT Internal Website - SPGA
1:1 Meetings are scheduled with faculty, as needed/requested.	Contact information posted on external website, internal website, all training presentations
Specific guidance for NSF has been added to the SPGA SharePoint site (March 2025)	OIT Internal Website - SPGA
Specific guidance on common application documents and required account registrations has been added to the site (March 2025)	OIT Internal Website - SPGA
URC created a list of Research Resources for OIT Faculty/ Staff – this list has been shared by SPGA.	URC Website: www.oit.edu/faculty-staff/committees/university-research-committee/research-resources
	OIT Internal Website - SPGA

Oregon Manufacturing Innovation Center Research & Development Assessment

March 2025

OREGON INSTITUTE OF TECHNOLOGY

Submitted By:

Eide Bailly LLP

eidebailly.com

TABLE OF CONTENTS

Executive Summary

Eide Bailly LLP (referred to as "we," "our," or "us") performed a grant management internal audit of the Oregon Manufacturing Innovation Center Research and Development ("OMIC R&D") to evaluate internal controls over fees, contracting, fiscal management, and grant management to ensure effective and efficient operations. Additionally, this included an assessment of the OMIC R&D business plan, including capital and equipment replacements and revenue initiatives as well as evaluating OMIC R&D operations for compliance with university provisions and regulations at the local, state, and federal level.

This engagement was identified from Oregon Institute of Technology's ("OT," "Oregon Tech," "University") 2023 University-wide Risk Assessment and Audit Plan, which highlighted the critical role of OMIC R&D in supporting the overall effectiveness and reputation of OT. OMIC R&D is instrumental in maintaining OT's status as a premier institution renowned for its technical, engineering, and applied sciences programs.

Overall, this engagement revealed several positives within the existing framework, including OMIC R&D's commitment to sound governance, financial integrity, and operational efficiency. The assessment also identified several areas for improvement. Specifically, there remains a lack of formalized processes over asset management, project monitoring and tracking, and membership dues.

We identified three (3) findings and five (5) observations with actionable recommendations to enhance OMIC R&D's existing operations, improve compliance, and mitigate risks associated with inefficiency. Addressing these findings and observations is important for operational effectiveness and ensuring that OMIC R&D is in full alignment with the University's guidelines.

We extend our gratitude to OMIC R&D's Business Operations Manager, Research Administrative Manager, Facilities Manager, Director of Research Operations, and Interim Executive Director for their valuable contributions throughout this assessment. Their insights significantly enhanced our understanding of OMIC R&D's operations and processes and provided a foundation for the recommendations designed to strengthen operational controls.

Background Information

OMIC R&D is a research facility located in Scappoose, Oregon, focused on applied research and advanced manufacturing. OMIC R&D brings together industry, higher education, and government partners to develop new tools, techniques, and technologies to address near-term manufacturing challenges through applied research and advanced technical training. With a mission to support industry growth and competitiveness, OMIC R&D brings together industry leaders, higher education institutions, and government partners to address complex manufacturing challenges. Overseen by a Board of Governors (BOG) and made up of industry and higher education members, OMIC R&D specializes in applied research, including concept design, prototyping, third-party testing, and the development of innovative manufacturing methods. By helping industries leverage existing technologies and adopt emerging advancements, OMIC R&D plays a significant role in driving manufacturing excellence.[1]

A key aspect of OMIC R&D's mission is to bridge the gap between academia and industry. Faculty and students engage in real-world applied research projects with a growing network of local, national, and international industry partners. OMIC R&D is committed to developing and applying advanced metals manufacturing technologies to enhance industrial competitiveness while inspiring and training the next generation of the manufacturing workforce.

Oregon Tech serves as the host university, and OMIC R&D operates under the University's administrative framework. As part of Oregon Tech, OMIC R&D relies on the University for legal, finance, human resources (HR), procurement and grant management functions. OMIC R&D's two 30,000 square foot facilities house advanced

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[1] **About OMIC R&D**. OMIC R&D website. **Source**: https://OMIC R&D.us/about/

manufacturing equipment and research laboratories, including a dedicated center for additive manufacturing, one of the most transformative technologies shaping the future of manufacturing.

Beyond research, OMIC R&D is deeply engaged in workforce development. It collaborates with schools, community colleges, and universities to create education pathways that equip both students and incumbent workers with critical skills for competitive manufacturing careers.

OMIC R&D receives significant funding from the State of Oregon's economic development agency, Business Oregon, and is also supported by membership dues from national and international corporations, as well as Oregon universities. OMIC R&D currently has thirty-six (36) members, including Oregon Tech, and is currently involved in a variety of innovative general and specific projects.

Through its collaborative efforts, OMIC R&D strengthens Oregon's manufacturing sector, attracts global investment, and drives technological innovation, ensuring long-term industry growth and economic impact.

Objective & Scope

The **Objective** of the OMIC R&D Internal Audit was to evaluate the internal controls over fees, contracting, fiscal management processes, and grant management to ensure effective and efficient operations. Additionally, to assess the OMIC R&D business plan, including capital and equipment replacements and revenue initiatives, as well as, evaluating OMIC R&D operations for compliance with University provisions and regulations at the local, state, and federal levels.

The **Scope** of the engagement was from the period July 1, 2023, to current operations as of October 31, 2024.

This engagement was performed in accordance with the Statements on Standards for Consulting Services issued by the American Institute of Certified Public Accountants (AICPA).

Methodology

To achieve the stated objective, the assessment included several key activities:

1. Held a kick-off meeting and entrance conference with OMIC R&D Leadership to introduce the audit team, discuss the audit objectives, scope, timeline, and establish communication channels. Attendees included:
   - Interim Executive Director
   - Business Operations Manager
   - Research Administrative Manager

2. Obtained and reviewed OMIC R&D policies and procedures (P&Ps), and financial reports to understand their operations and processes.

3. Obtained and reviewed OMIC R&D's most recent organizational chart.

4. Reviewed OMIC R&D's Strategic and Business Plans, Capital and Equipment Replacement Plan, and performance metrics and key performance indicators (KPIs) to assess the adequacy of the information for business operations.

5. Obtained and reviewed Collaboration Agreement and current listing of members.

6. Obtained and reviewed the list of equipment and the preventive maintenance schedule.

7. We conducted an onsite visit and individual process walkthroughs with key personnel to assess internal controls and processes within OMIC R&D operations. Key personnel included:
   - Interim Executive Director
   - Director of Research Operations
   - Business Operations Manager

- Research Administrative Manager
- Facilities Manager

8. Conducted interviews with Oregon Tech personnel involved in OMIC R&D operations. Key personnel included:
   - Provost and Vice President for Academic Affairs
   - Senior Vice Provost for Research and Academic Affairs
   - Director of Audit and Compliance
   - Business Affairs Office

9. Performed testing on a sample of member fees to ensure they were consistent with supporting documentation and Collaboration Agreement.

10. Obtained and reviewed the list of aged accounts receivables to verify collection efforts and appropriate accounting.

11. Performed testing on a sample of grants to ensure they were properly approved, complied with University P&Ps, and verified the completeness and timeliness of grant reporting and other deliverables.

12. Performed testing on a sample of grant expenditures to verify transactions are processed accurately, completely, and compliance with grant agreements, applicable regulations, and University P&Ps.

13. Performed testing on procurement card (P-card) users and transactions to verify that current spending aligns with assigned spend limits, that the limits are appropriate for current business needs, and that transactions comply with University P&Ps.

14. Performed testing on a sample of member projects to verify project governance, monitoring effectiveness, and resource allocation.

15. Performed testing on a sample of contracts to verify compliance, effective governance, and alignment with institutional policies.

Results of the OMIC R&D Assessment

The assessment revealed that OMIC R&D has made significant efforts to align its operations with Oregon Tech's policies and procedures, ensuring adherence to established guidelines while maintaining the flexibility necessary for its unique operations. OMIC R&D has effective internal controls over key operational areas, including contracting, fiscal management, and grant administration. These controls are complemented by well-developed processes for monitoring and tracking expenditures and transactions, thereby promoting transparency, accountability, and efficiency in financial processes.

Furthermore, OMIC R&D fosters a positive and collaborative working environment. The leadership has established a culture of professionalism, continuous improvement, and teamwork, which contributes to high employee engagement and operational efficiency. This is evident in the team's open communications, regular cross-functional meetings that encourage knowledge sharing, and supportive leadership and mentorship of junior researchers. This strong internal culture enhances OMIC R&D's ability to attract and retain top talent, further strengthening its research and development capabilities.

However, the assessment also identified areas for improvement. We noted three (3) findings and five (5) observations, each accompanied by recommendations that highlight opportunities for further enhancement. Addressing these findings and observations will not only improve operational efficiency and promote accountability but also facilitate greater alignment with the University's regulations, as well as federal, state, and local regulations, and best practices. Additionally, OMIC R&D can further strengthen its operational framework, ensuring sustained excellence in its research and development endeavors.

As part of this internal audit, we have categorized identified issues into Findings and Observations to differentiate between matters requiring corrective action and those representing opportunities for improvement.

Findings

Findings are issues that represent a deviation from established policies, procedures, regulatory requirements, or best practices. These issues may pose risks to OMIC R&D, such as noncompliance, financial inaccuracies, security vulnerabilities, or operational inefficiencies. Findings require management's attention and corrective action to mitigate potential impacts. Each finding includes a description of the issue, the criteria or standard that was not met, the root cause, the potential effect or risk, and a recommendation for resolution.

Observations

Observations are not necessarily violations of policies or regulations but represent areas where processes or controls could be enhanced to improve efficiency, effectiveness, or risk management. While observations do not require immediate corrective action, addressing them may lead to operational improvements, cost savings, or risk reduction. Observations are provided for management's awareness and consideration, with recommendations for potential enhancements where applicable.

By distinguishing between findings and observations, this report provides clear and actionable insights to support continuous improvement within OMIC R&D.

FINDING #1 – Capital and Equipment Replacement Plan

OMIC R&D currently does not have a formal capital and equipment replacement plan to ensure the timely renewal of critical research assets. There is no structured process to assess the lifecycle of existing equipment, forecast future replacement needs, or allocate funding for capital investments. The majority of equipment does not exceed five years of age. However, as the equipment starts to age, it is essential to have a plan in place to ensure adequate resources are available for timely replacements. Additionally, consideration should be given to identifying future equipment needs that align with OMIC R&D's evolving research projects and strategic objectives.

OMIC R&D relies heavily on their equipment to perform their research and member projects. However, they lack a well-defined equipment replacement strategy, which would help mitigate the risk of unexpected equipment failure, budget shortfalls, and research disruptions.

Best practice in research facility management recommends a structured capital and equipment replacement plan. [2] Such a plan is essential to ensure the sustainability and reliability of research operations. By having a well-defined strategy, research facilities can better manage their resources, anticipate equipment needs, and avoid disruptions caused by equipment failures.

Without a Capital and Equipment Replacement Plan, there is an increased risk of operational disruptions due to aging or malfunctioning equipment. Additionally, potential research delays or failures may occur due to the lack of reliable and up-to-date equipment. Lastly, there is an increased risk of unexpected financial strain and higher long-term costs due to unplanned equipment purchases or emergency repairs.

Recommendation

We recommend that OMIC R&D implement the following corrective actions:

a) **Establish a Capital Reserve Fund** – Create a dedicated fund for capital and equipment replacement. This fund should be regularly reviewed and adjusted based on the lifecycle assessments and future needs.

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[2] **Strategies for Establishing Capital Asset Renewal and Replacement Reserve Policies.** Government Finance Officers Association. **Source:** https://www.gfoa.org/materials/strategies-for-establishing-capital-asset-renewal-and

b) **Develop a Multi-Year Capital Plan** – Implement a multi-year capital planning process that includes detailed budgeting for anticipated equipment replacements. This helps in spreading out the financial burden and avoiding sudden large expenditures.

c) **Regular Equipment Audits** – Conduct regular audits to assess the condition and performance of all equipment. This should include a detailed inventory and periodic updates on the physical condition and usage of each asset.

d) **Preventive Maintenance Program** – Continue developing and implementing a more formalized and structured preventive maintenance program to extend the lifespan of equipment and reduce the likelihood of unexpected failures. This includes regular servicing, calibration, and performance checks.

e) **Utilize Technology for Asset Management** – Leverage technology such as asset management software to track equipment usage, maintenance schedules, and performance metrics. This can help in making data-driven decisions about equipment replacement.

By incorporating these steps, OMIC R&D can create a robust and proactive approach to managing their capital and equipment, ensuring the sustainability and reliability of their research operations.

Management Response

Management respectfully agrees with this finding. OMIC R&D's Executive Director is responsible for its successful resolution by September 30, 2025.

OMIC R&D's capital replacement plan and preventative maintenance program will be individualized to the unique needs of a research facility, recognizing the utilization of its equipment is very low compared to traditional manufacturing environments, and most of its machines will last for 10-20 years. Therefore, OMIC R&D does not consider this a high risk.

Collaborating with the University Finance & Administration Division, OMIC R&D will develop a funding schedule to allocate funds from its recovered indirect funds to a capital reserve fund similar to other university capital replacement plan practices, being cognizant of applicable compliance requirements associated with OMIC R&D's indirect funds. OMIC R&D will also adopt the use of any additional capital asset tracking software that is used by the university and believes university-wide software will meet the department's needs, alleviating the need to purchase and maintain separate, department-specific software.

The Facilities Manager and Business Operations Manager have performed a complete review of OMIC R&D inventory comparing capital asset records and membership consignment records. That work was completed in January 2025.

Looking forward, the Facilities Manager and Business will continue their collaborative efforts and will be responsible for keeping that data updated as well as tracking preventative maintenance schedules for each machine. OMIC R&Ds equipment database will also be updated with three new machine acquisitions anticipated to occur in May through August 2025, once the respective acquisitions have been completed.

FINDING #2 – Project Monitoring and Progress Tracking

OMIC R&D does not currently track actual amounts including labor and research hours spent on projects. Project cost and time allocations are trued up to the budgeted amounts and hours established at the beginning of each project. OMIC R&D General and Specific Projects are contractually required to be Fixed Price Contracts. As a result, resource utilization is not systematically monitored beyond the initial budget estimates.

There is no established system or process in place to systematically capture and report actual costs and labor hours on an ongoing basis. While this system may be manageable at present, implementing a process for tracking actual costs and labor hours will be necessary to ensure efficient resource allocation as their operations grow.

To ensure reliable cost projections for future projects, it is essential to track costs on an actual basis. This will

help determine whether the appropriate charges are being applied and future job scopes are accurately estimated. The inability to analyze actual time and cost data could lead to inefficiencies, potential workload imbalances, and challenges in demonstrating operational efficiency. Additionally, improved tracking would support better decision-making regarding staffing, project timelines, and overall capacity planning.

Recommendation

We recommend that OMIC R&D implement the following corrective actions:

a) **Implement Actual Cost and Time Tracking** – Establish a formal process and system to record actual labor hours and expenses incurred for each project.

b) **Develop Internal Monitoring Controls** – Reconcile budgeted versus actual labor usage to identify and address potential inefficiencies.

c) **Enhance Project Planning** – Leverage historical and tracked data to improve accuracy in budgeting and future project estimates.

d) **Explore Project Management or Financial Software Solutions** – Facilitate real-time tracking of expenditures and labor hours.

By implementing a process for tracking actual costs and labor hours, OMIC R&D will gain better insight into project performance, supporting sustainable growth and operational efficiency.

Management Response

Management respectfully agrees with this finding. OMIC R&D's Executive Director is responsible for its successful resolution by September 30, 2025.

OMIC R&D General and Specific projects are fixed price contracts and require OMIC R&D staff or University faculty to complete a series of processes in a specific timeframe with specific deliverables, usually in the form of a report. OMIC R&D currently tracks the purchase of supplies necessary for all projects. The Research Administration Manager will review OMIC R&D's reconciliation process for supplies purchased for projects and will assist with documenting any updates to those processes by September 30, 2025.

Management has considered the costs and benefits of implementing a time tracking program. In recognizing the fixed price nature of OMIC R&D's work, Management believes it is not practical for staff to do an overly formal time recording activity. Rather, Management believes continuation of its current process, consisting of regular project reviews, and monitoring the timeline for each project, is the best indicator if the project is progressing to plan. Additionally, OMIC R&D will implement a project timeline KPI as an alternative to detailed time tracking. Most of OMIC R&D's researchers work on multiple projects throughout the day. Current monitoring efforts support early identification of timelines that may not be met. Timeline changes due to unanticipated delays are communicated with industry sponsors, or the entire membership when a general project, and formally amended with no-cost extensions when required. The timelines are only successful if properly forecasted, so significant attention is put into scoping the expected hours for each project.

As mentioned in Observation #4, OMIC R&D is in the process of hiring a Research Project Manager to bring more rigor to time estimating and tracking processes. OMIC R&D's Director of Research Operations will oversee the implementation of the project management approach.

FINDING #3 – Policies and Procedures

OMIC R&D currently does not have formalized policies and procedures (P&Ps) specific to its operations. While most administrative and financial functions are processed through Oregon Tech, OMIC R&D lacks documented guidelines tailored to its unique operational needs. Without its own established P&Ps, OMIC R&D relies on informal practices and ad hoc decision-making. Although OMIC R&D can defer to Oregon Tech's P&Ps for areas managed by the University, it needs formalized policies for its internal processes to ensure consistency,

efficiency, and accountability.

The absence of clear procedures may lead to inconsistent practices, miscommunication, and inefficiencies in daily operations. Employees and stakeholders may not have clear guidance on roles, responsibilities, and processes, increasing the risk of errors and mismanagement. As OMIC R&D grows, the lack of standardized procedures could hinder effective decision-making, resource management, and overall operational sustainability.

Recommendation

a) **Identify Key Operational Areas** – Determine critical processes that require formal documentation, such as membership dues and in-kind contributions (see **Observation #4 below**), progress tracking (see **Finding #2** above), and other relevant areas.

b) **Develop Formalized P&Ps** – Create policies and procedures tailored to OMIC R&D's key operational areas, outlining where OMIC R&D will follow University policies and where deviations or additional procedures are necessary (see **Appendix A** below).

c) **Assign Ownership and Review Responsibilities** – Designate individuals responsible for drafting, updating, and maintaining the P&Ps.

d) **Implement a Structured Review Process** – Regularly review and update P&Ps to ensure they remain relevant as OMIC R&D evolves.

e) **Engage Stakeholders in Policy Development** – Involve employees and key stakeholders in the development of P&Ps to ensure they are practical and comprehensive.

f) **Provide Training and Communication** – Offer training sessions and clear communication to ensure all staff understand and adhere to the new P&Ps.

g) **Monitor Compliance** – Establish mechanisms to monitor compliance with the new P&Ps and address any deviations promptly.

h) **Leverage Technology** – Use technology solutions to document, distribute, and track adherence to P&Ps.

i) **Benchmark Against Industry Standards** – consider benchmarking P&Ps against industry standards to ensure they remain current and effective.

By formalizing policies and procedures, OMIC R&D will improve operational efficiency, strengthen compliance, and establish a structured framework to support future growth and sustainability.

Management Response

Management respectfully agrees with this finding. OMIC R&D's Executive Director is responsible for its successful resolution by September 30, 2025.

OMIC R&D staff shall continue to follow Oregon Tech's policies, without deviation, which include those that cover the safety, environmental, security, computers, accounting, procurement, risk, hiring and employee matters. If the time comes that site specific policies are needed, such as those related to NIST or ITAR compliance, OMIC R&D will collaborate with the Sponsored Projects and Grants Administration Office (SPGA) or the Finance & Administration Division for a specific policy exemption.

OMIC R&D has developed some department-specific procedures to create efficient workflows prior to handoff with its liaisons at Oregon Tech. Some of these internal procedures are not fully documented. OMIC R&D's Business Operations Manager and Research Administrative Manager will document the internal processes developed to meet the requirements of the established university procedures with completion by September 30, 2025.

OMIC R&D has analyzed the cost and benefits of implementing an additional, new software solution specific to department P&Ps and there does not appear to be the return on investment necessary to implement such a solution when considering the inherent limitations of the relatively small size of the department's

administrative staff. Management's evaluation also resulted in lack of unique items (demand) to support the purchase and on-going maintenance of specific P&P technology. Should OMIC R&D's operations significantly change and/or the university purchases P&P software, this will be re-evaluated.

OBSERVATION #1 – Inconsistent Mission Statement

OMIC R&D's mission statement is worded differently across various sources, including OMIC R&D's website, the draft strategic plan, and other affiliated websites. These variations create a lack of uniformity in how OMIC R&D's purpose and objectives are presented. The mission statement has not been standardized across all platforms and documents, leading to different versions being used.

See variations of OMIC R&D's mission statement below:

1. <u>Draft Strategic Plan</u>: "Advancing industry by providing manufacturing solutions while empowering and educating the workforce."

2. <u>OMIC R&D website</u>[3]: "To help manufacturers grow, advance, and prosper."

3. <u>OMIC R&D website</u>[4]: "To develop new ways to make use of existing technology and pave the way for industry to use new and emerging technologies."

4. <u>Pettyjohn and Campbell (P&C) Construction website</u>[5]: "OMIC's mission is to develop and apply advanced metals manufacturing technologies and processes for industrial competitive advantage and academic growth, while inspiring and educating the next generation's manufacturing workforce."

5. <u>Oregon Manufacturing Extension Partnership (OMEP) website</u>[6]: "Its mission is to bring together manufacturing companies and higher education in an innovative environment to solve the advanced manufacturing challenges facing the industry."

6. <u>CNC West website</u>[7]: "To provide solutions to metals and other manufacturing challenges while preparing the industry's workforce through on-the-job learning and serving as a catalyst for regional economic prosperity."

A clear, consistent, and publicly available mission statement is essential. It should be uniformly communicated across all official platforms to ensure clarity, alignment, and credibility. The lack of uniformity in the mission statement may cause confusion to stakeholders about OMIC R&D's actual mission and objectives. Additionally, differences in wording may create inconsistencies in funding proposals, agreements, and communications.

Recommendation

We recommend that OMIC R&D finalize a single, approved version of the mission statement to be used across all official documents and platforms. OMIC R&D's strategic plan and website should reflect the standardized mission statement. OMIC R&D should also establish a formal review and approval process for updates to the mission statement to prevent future inconsistencies.

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[3] **About OMIC R&D**. OMIC R&D website. **Source**: https://OMIC R&D.us/about/

[4] **OMIC R&D Success Stories.** OMIC R&D website. **Source:** https://OMIC R&D.us/success-stories/2025/bridging-the-gap-between-academia-and-industry/

[5] **Higher Education Projects**. P&C Construction website. **Source:** https://builtbypandc.com/projects/oregon-manufacturing-innovation-center-OMIC R&D-r-d-additive-center

[6] **OMEP Joins Oregon Manufacturing Innovation Center, R&D post.** OMEP website. **Source:** https://omep.org/omep-joins-oregon-manufacturing-innovation-center-rd/

[7] **Oregon Manufacturing Innovation Center for Research and Development article.** CNC West website. **Source:** https://www.cnc-west.com/oregon-manufacturing-innovation-center-for-research-and-development/

Management Response

Management respectfully agrees with this observation. OMIC R&D's Executive Director is responsible for its successful resolution by April 30, 2025.

In addressing this observation and related recommendations, OMIC R&D's Director of Marketing & Communication will synchronize OMIC R&D's mission statement clearly and concisely across all media and communications. Additionally, they will also be responsible for reviewing all future uses of the mission for correctness and consistency.

As of mid-March 2025, OMIC R&D started its mission statement synchronization efforts and continues to make progress towards successful completion of these efforts by April 30, 2025.

OBSERVATION #2 – Strategic and Business Plan

OMIC R&D's draft strategic and business plan reflects the center's strategic vision for the next five years and aligns well with the broader organizational goals. It includes a clear strategy for resource allocation and risk management, as well as milestones and KPIs. However, these milestones and KPIs need further refinement to be more specific, measurable, and actionable. Additionally, the current business plan supports OMIC R&D's immediate needs during its growth stage but does not comprehensively outline the broader operational, financial, and strategic components necessary to sustain long-term expansion.

The strategic and business plans have not been fully developed to include detailed and specific milestones, KPIs, and comprehensive long-term strategies. This lack of detail can hinder OMIC R&D's ability to measure progress accurately, make data-driven adjustments, and ensure long-term sustainability. A more comprehensive approach is needed to outline the broader operational, financial, and strategic components necessary for sustained growth and success.

Best practices in strategic planning emphasize the need for measurable goals, defined milestones, and performance indicators to ensure effective implementation and tracking.[8] A robust business plan should provide a framework for financial sustainability, long-term resource allocation, revenue growth, and operational efficiency. Detailed strategic and business plans are often required to support decision-making, justify funding requests, and demonstrate long-term viability.

Without more refined and specific milestones and KPIs, along with an incomplete business plan, there is a risk of operational inefficiencies, financial instability, and constrained growth. For OMIC R&D, this can lead to difficulties in securing long-term funding, managing financial risks, and planning for future expansion. For Oregon Tech, this can impact the institution's ability to support and sustain OMIC R&D's growth, potentially affecting its reputation and ability to attract funding and partnerships.

By expanding its existing strategic and business plans to support sustainability, OMIC R&D will be better positioned for growth, operational efficiency, and financial stability. This comprehensive approach will enable OMIC R&D to outline detailed strategies for financial sustainability, resource allocation, and long-term expansion as OMIC R&D moves past its inception stage. As a result, OMIC R&D can ensure that its operations remain scalable and adaptable to future growth, ultimately enhancing its ability to achieve its strategic objectives and maintain a competitive edge.

Recommendation

We recommend that OMIC R&D implement the following corrective actions:

a) **Specificity and Measurability** – Ensure that each milestone and KPI is specific, measurable, achievable, relevant, and time-bound (SMART). This will provide a clear framework for tracking progress and achieving long-term goals.

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[8] **3.2 Best Practices for Strategic Planning | ERC Program**. National Science Foundation. **Source**: https://erc-assoc.org/best-practices/32-best-practices-strategic-planning

b) **Alignment with Strategic Goals** – Verify that all KPIs and milestones are directly aligned with OMIC R&D's strategic goals and objective.

c) **Financial Sustainability Strategies** – Include detailed financial projections, funding strategies, and cost management plans to ensure long-term financial stability.

d) **Capital and Equipment Replacement Planning** – Outline plans for capital investments and equipment replacement to support ongoing operations and growth.

e) **Revenue Generation Models** – Develop diverse revenue streams and models to ensure consistent income and financial health.

f) **Resource Allocation Frameworks** – Create detailed plans for resource allocation to optimize operational efficiency and support strategic initiatives.

g) **Adaptation for Growth** – Ensure that the strategic and business plans are flexible and scalable to accommodate projected growth and changing market conditions.

h) **Technology and Infrastructure** – Assess the scalability of current technology and infrastructure to support future expansion.

i) **Regular Review Schedule** – Establish a schedule for periodic reviews of the strategic and business plans (e.g., quarterly, or annually) to assess progress and make necessary adjustments.

j) **Stakeholder Involvement** – Involve key stakeholders in the review process to ensure alignment and buy-in from all relevant parties.

k) **Performance Metrics** – Continuously monitor and evaluate performance metrics to identify areas for improvement and ensure alignment with strategic objectives.

Management Response

Management respectfully agrees with this observation. OMIC R&D's Executive Director is responsible for its successful resolution by meeting the respective milestones by July 1, 2025, and December 15, 2025.

At the end of fiscal year 2024, OMIC R&D underwent a change in leadership and re-initiated its strategy and focus. The formal output of this work is in development and was not complete at the time of this audit. While OMIC R&D has produced measurable KPIs to report to the state (Business Oregon) as part of its biennial state funding, these are being closely reviewed to be more measurable and meaningful to the state as OMIC R&D heads into its 5th biennium of state funding.

Milestone 1: Business Oregon has provided OMIC R&D with a new template to use to update the business plan for the next biennial funding allocation. The updated business plan and KPIs for the state will be completed by OMIC R&D's Executive Director by July 1, 2025. Efforts on this milestone commenced in March 2025.

Milestone 2: Completing a more comprehensive business plan as identified above will take additional time due to the small administrative team at OMIC R&D and will be finalized by December 15, 2025.

OBSERVATION #3 – Asset Management

OMIC R&D currently utilizes a manual asset management system in an excel spreadsheet and lacks a formal system to track, monitor, and account for high-value equipment. There is no structured process to track assets and maintain accurate inventory records. Additionally, preventative maintenance for critical research equipment is not formally documented or tracked. While maintenance tracking is currently managed through an excel spreadsheet, establishing a comprehensive program with defined schedules, documented protocols, and performance monitoring will ensure consistency and effectiveness.

The absence of a structured asset management system and preventative maintenance tracking can lead to increased risks of operational disruptions and inaccurate financial reporting. Best practices in asset management recommend a formal system to ensure accountability, compliance with financial and grant reporting

requirements, and to extend equipment lifespan through scheduled maintenance.[9]

As OMIC R&D expands and the number of assets increases, managing them in excel can become cumbersome and prone to errors. The lack of a formal process or system to track and monitor equipment increases the risk of operational disruptions due to equipment failures. It also heightens the risk of inaccurate financial reporting and budgeting due to missing or outdated inventory records that could have been prevented with scheduled maintenance.

Recommendation
We recommend that OMIC R&D implement the following corrective actions:
a) **Optimize the Current Asset Tracking System** – Enhance the existing tracking system by implementing standardized data entry protocols and creating unique asset IDs to prevent duplicate records and improve searchability. Additionally, include current assigned personnel and maintenance history. Consider transitioning to a dedicated asset management software to help streamline asset management processes as the number of assets grow.
b) **Formalize Preventive Maintenance Tracking** – Create and enforce a maintenance schedule for research equipment, ensuring regular servicing is documented and tracked in the asset management system.
c) **Conduct Periodic Inventory Checks** – Perform regular inventory checks and reconcile asset records with financial statements.

Management Response
Management respectfully agrees with this observation. OMIC R&D's Executive Director is responsible for its successful resolution by September 30, 2025.

As part of OMIC R&D's efforts in addressing Finding #1, OMIC R&D will utilize the capital equipment tracking system used by the university for capital assets. Additionally, OMIC R&D is in the process of hiring a Project Manager who will be involved in maintaining and enhancing the equipment data.

OBSERVATION #4 – Membership Dues and In-Kind Contributions
OMIC R&D currently does not have a formalized process for collecting delayed membership dues or for tracking in-kind contributions provided in lieu of membership dues. Follow-up efforts for outstanding payments are managed on an ad hoc basis, and in-kind contributions are not formally tracked. During our testing, two (2) out of the eighteen (18) members reviewed, had an outstanding payment for membership dues.

IA was able to verify that in-kind contributions align with terms specified in the collaboration agreement, however, these contributions should be formally and consistently documented, valued, and tracked.

The lack of a formalized process may result in potential financial risk, impacting OMIC R&D's ability to fund operations and research initiatives. There is also a reputational risk if members perceive inconsistencies in payment enforcement or valuation of in-kind contributions. Additionally, there is a compliance risk if revenue recognition and in-kind contributions are not properly recorded in accordance with University policies and accounting standards.

Recommendation
a) **Establish Formal Procedures for Invoicing and Tracking Membership Dues** – Implement a system to record and follow up on outstanding membership dues, including defined timelines and escalation steps for non-payment.
b) **Define Clear Guidelines for Valuing and Documenting In-Kind Contributions** – OMIC R&D should

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[9] **Capital Asset Management Best Practices.** Government Finance Officers Association (GFOA) website. **Source:** https://www.gfoa.org/materials/capital-asset-management

define clear guidelines for valuing, documenting, and tracking in-kind contributions to ensure consistency and alignment with collaboration agreements and university policies.

c) **Conduct Periodic Reviews** – Regularly review and reconcile membership dues and in-kind contributions to ensure accuracy and compliance.

d) **Implement Training Programs** – Provide training for staff on the new procedures and guidelines to ensure proper implementation and adherence.

e) **Utilize Technology Solutions** – Leverage software solutions to automate and streamline the tracking and documentation processes.

By implementing these corrective actions, OMIC R&D can improve financial oversight, enhance transparency, and reduce the risk of uncollected revenues, strengthening its financial sustainability and operational effectiveness.

Management Response
Management respectfully agrees with this observation. OMIC R&D's Executive Director is responsible for its successful resolution by July 30, 2025.

Starting November 2024, OMIC R&D collaborated with the university's Business Affairs Office (BAO) to incorporate its membership invoices into the BAO's shared Smartsheet where all outstanding invoices are logged and then reconciled when the payment is centrally received by the university's Cashier's Office. These efforts were completed by December 2024. Additionally, all outstanding membership dues invoices for fiscal year 2025 have since been collected. OMIC R&D's Business Operations Manager will formally document their procedures by July 30, 2025.

OBSERVATION #5 – Centralized Administrative Functions
OMIC R&D relies on Oregon Tech for most administrative and financial functions, including legal, finance, human resources (HR), procurement, and grant management functions. This centralized structure provides oversight and compliance with institutional policies but introduces delays and can impact OMIC R&D operations. For example, we noted a high-priority request for grant management activities taking 16 days to resolve, based on a ticket for a new index creation. High-priority tickets are expected to be addressed and resolved within a designated timeframe, typically 24-48 hours, based on the University's service-level agreements (SLAs). Additionally, we reviewed the timing of all six positions posted between January and December 2024 and found that the average duration from job posting to hiring is 60 days. Some positions took even longer, with the longest taking up to 79 days. Delays in job approval, posting, and hiring processes also cause delays in critical staffing decisions, affecting research activities and project timelines. These delays hinder OMIC R&D's ability to operate efficiently and meet project deadlines.

Delays in administrative and financial processes can impede OMIC R&D operations, research progress, and project execution. Hiring delays may result in lost opportunities to recruit top talent, impacting research quality and output. Additionally, prolonged administrative processes may cause frustration to OMIC R&D personnel.

Recommendation
We recommend that OMIC R&D work with Oregon Tech administration to identify areas where workflow enhancements could reduce delays, establish service-level agreements to define expected response times for critical processes, and develop clear escalation pathways to address urgent administrative issues. Additionally, OMIC R&D could advocate for dedicated University personnel to support their operational needs, funded by OMIC R&D.

a) **Identify Workflow Enhancements** – Work with Oregon Tech administration to identify areas where workflow enhancements could reduce delays.

b) **Establish Service-Level Agreements (SLAs)** – Enforce defined expected response times for critical processes to ensure timely support.

c) **Performance Metrics** – Implement performance metrics to monitor the responsiveness and efficiency of administrative support services.
d) **Develop Escalation Pathways** – Create clear escalation pathways to address urgent administrative issues promptly.
e) **Resource Allocation** – Ensure adequate resources are allocated to support OMIC R&D's administrative and financial functions, reducing bottlenecks and delays.

By securing more responsive administrative support, OMIC R&D can minimize operational disruptions, improve research efficiency, and ensure compliance with grant and institutional requirements.

Management Response

Management respectfully agrees with this observation. OMIC R&D's Executive Director is responsible for its successful resolution by June 30, 2026.

OMIC R&D defers to the University departments with which we collaborate on how support levels for OMIC R&D compared to other departments or how workflows could be improved. OMIC R&D is very thankful for the support received and often adjusts expectations to the supporting department's available capacity and timeline. OMIC R&D's Executive Director meets regularly with the Senior Vice Provost for Research and Academic Affairs and the Vice President for Finance and Administration. Additionally, OMIC R&D's administrative team communicates daily with university support staff and has existing pathways to escalate when required.

OMIC R&D will work with University leadership to review OMIC R&D's indirect rate distribution schedule and will defer to the University on what it believes is the best allocation to the respective areas that provide significant assistance to OMIC R&D. We anticipate that work will be completed by June 30, 2026, coinciding with the re-implementation of Banner Finance. As such, the ultimate date of resolution may adjust, depending on how the implementation schedule may evolve over the duration of that project.

APPENDIX A
Key Areas to Consider for OMIC R&D P&Ps Development:

1. **Risk Management Policy -** A comprehensive risk management policy to identify, assess, and mitigate risks specific to OMIC R&D's research and operational activities.

2. **Data Security and Privacy Policy -** A robust data security and privacy policy is essential to protect sensitive research data, including guidelines for data protection, access controls, data encryptions, and compliance with relevant regulations.

3. **Research Ethics and Compliance Policy -** A research ethics and compliance policy are necessary to ensure all research activities comply with ethical standards and regulatory requirements, covering procedures for obtaining ethical approvals, managing conflict of interest, and ensuring compliance with funding agency requirements.

4. **Laboratory and Equipment Maintenance Procedure -** A laboratory and equipment maintenance policy to ensure regular maintenance and calibration of OMIC R&D's research equipment, including schedules for preventative maintenance, performance checks, and proper documentation of activities.

5. **Intellectual Property (IP) Policy -** An intellectual property policy is needed to manage the creation, protection, and commercialization of intellectual property generated from research activities, including guidelines for IP disclosure, patent filing, and licensing agreements.

6. **Health, Safety, and Environmental Compliance Policy -** A health, safety and environmental compliance policy is vital to ensure the wellbeing of OMIC R&D staff and researchers, covering procedures for hazard identification, safety training, emergency response, and incident reporting. Additionally, compliance with environmental regulations related to waste disposal and lab safety must be addressed.

7. **Membership Fees and In-Kind Contributions Procedure-** A formal membership fees and in-kind contributions policy is necessary to ensure transparency, accountability, and compliance in financial and non-financial contributions from members and stakeholders. This should include but not limited to:
   - Process for fee collection and payment.
   - Criteria for acceptable in-kind contributions.
   - Valuation method for in-kind contributions to ensure fair market value.
   - Tracking and documentation of fee and all in-kind documentation.

8. **Project and Resource Allocation Policy -** A structured policy for project prioritization, resource allocation, and reporting mechanisms ensures that research efforts align with strategic goals. This should define criteria for internal funding, shared facility access, project monitoring, and accountability measures. This policy can serve as a formalized framework during road mapping meetings with members, helping to identify and prioritize projects based on industry needs, technological advancements, and funding opportunities. By providing a structured approach, the policy enables informed decision-making, enhances collaboration, and ensures that research initiatives support long-term innovation and institutional objectives.

9. **Asset Management Policy -** An asset management policy to cover equipment acquisition, consignment, lease agreements, inventory tracking, and asset disposal to optimize resource utilization.

Oregon Institute of Technology

Audit Exit Presentation

Year ended June 30, 2024

Agenda

- Introductions
- Audit Scope and Process
- Unique Audit Items in 2024
- Results of Financial Statement and Single Audit
- Communications to Management and Governance
- Presentation of Financial Statements
- Questions/Conclusion
- Appendix:
  - Upcoming Accounting Standard Changes
  - Industry Insights and Emerging Issues

Audit Scope

Report on Oregon Tech's group financial statements

Report on internal control over compliance with major program requirements (Single Audit)

Internal control/ management letter

Required governance communications letter

Audit Process

RISK-BASED APPROACH

Internal controls

Revenue recognition

Significant estimates

Debt and covenants

Payroll Expense and Accruals

Investments

Receivables (Grant and Tuition and Fee)

Capital Assets

Unique Audit Items

CHANGES IN AUDIT STANDARDS

What changed

Auditing standards (SAS 143-145) were updated for evolving business environment

Effective for 2024 fiscal year-end audits

New requirements

Enhanced risk assessment and understanding of estimates

Deeper IT understanding; more inquiries; data requests and testing. Need to be able to rely on the information from the University's financial reporting information systems.

Audit impact

More time evaluating controls; more use of IT specialists

Potential for additional recommendations

Greater impact on complex IT systems

AUDIT OPINIONS

Financial statement

Financial statement audit opinion is **unmodified**.

Single Audit

Federal awards audit opinion is **unmodified**.

AUDIT RESULTS

Financial statement
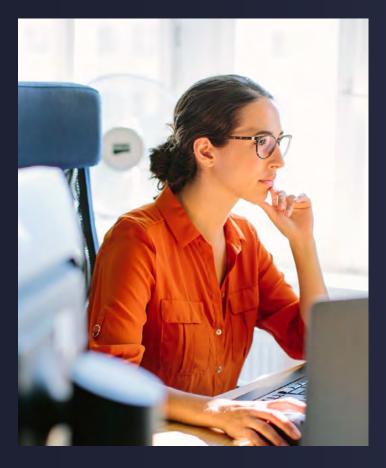
No material weaknesses noted.
No significant deficiencies noted.

Single Audit

No material weaknesses noted.
No significant deficiencies noted.
No other matters noted.

Management Letter Recommendations

Timely Financial Reporting

Verbal IT Best Practices

Governance Communications

Overall
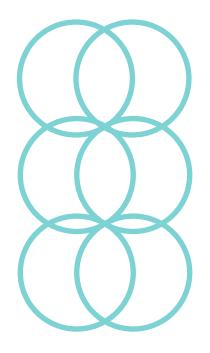
- No changes in accounting policies
- No change in GASB or GAAS standards
- Delays related to completion of audit

Difficulties

- No difficulties encountered
- No disagreements encountered
- No other findings to report

Adjustments

- Two immaterial corrected entries
- One immaterial uncorrected entry

Estimates

- Allowance for receivables; pension & OPEB, compensated absences; fair value
- No substantial judgement by management

Other

- Separate management letter & internal control letter
- Management representations completed
- Consultations with other accountants - None
- Significant issues discussed with management prior to engagement – None
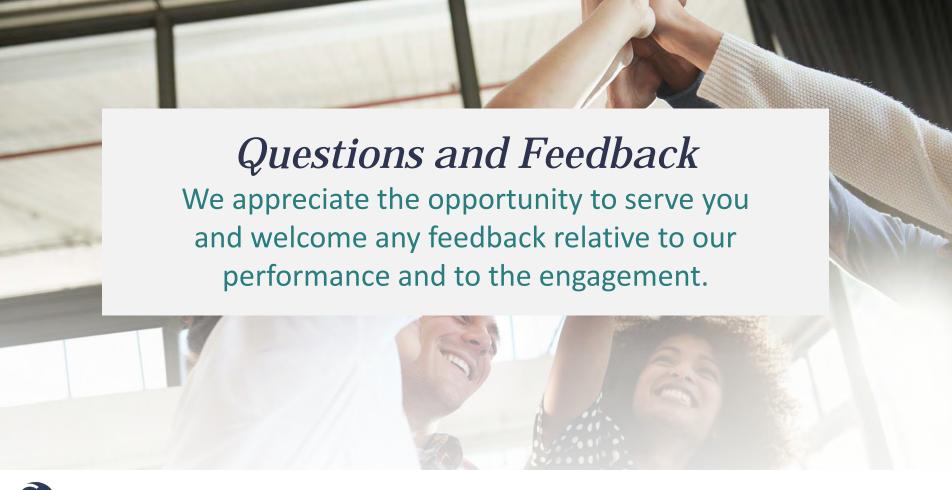
Presentation of Financial Statements

OREGON INSTITUTE OF TECHNOLOGY
2024 ANNUAL FINANCIAL REPORT
Table of Contents

Questions and Feedback

We appreciate the opportunity to serve you and welcome any feedback relative to our performance and to the engagement.

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CPAs | CONSULTANTS | WEALTH ADVISORS

Appendix – Industry Updates and Upcoming GASB Accounting Standards

GASB 101 Compensated Absences

Effective date
December 31, 2024

Updated framework

- Revaluate leave policies
- Liability must include any accumulated leave that is unused or used but unpaid
- Footnote disclosures will be enhanced

Examples include

- Sick leave not paid at termination
- Parental leave
- Military leave and jury duty that has commenced

CLA can help by evaluating the standard related to compensated absences and assisting with or evaluating in financial statement disclosures

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GASB 102 Certain Risk Disclosures

CLA can help by assisting with or evaluating financial statement disclosure updates

Effective date
June 30, 2025

Increased footnote disclosures surrounding risk:

- Limitations on raising revenues
- Concentrations related to tax revenue or vendors
- Debt or mandated spending — especially unfunded mandates
- Impact of major employer leaving the community
- Collective bargaining agreements

GASB 103 Financial Reporting Module

CLA can help by assisting with or evaluating financial statement disclosure updates

Effective date
June 30, 2026

Impacts financial statement presentation

Updated disclosure guidance for:

- MD&A consistency

- Clearer definition of unusual or infrequent items

- Presentation of proprietary fund statements

- Major component unit information

- Budgetary comparison information

GASB 104 – Disclosure of Certain Capital Assets

Likely effective date
June 30, 2026

Will clarify how capital assets are disclosed in financials:

- Capital assets held for sale and related pledged debt
- Leased assets
- Subscription assets
- Right to use PPP assets
- Other intangible assets

CLA can help by assisting with or evaluating financial statement disclosure updates

Industry Insights

1 Economic conditions and volatile markets	**2** Labor shortages, turnover and retention
3 Cybersecurity and technology costs	**4** Cash management
5 Political and legislative uncertainty	

Higher Education

Insights

Stay informed and prepare for what's next.

ACTION

Agenda Item No. 4.1
FY 2024 Annual Financial Report

Background

The Oregon Tech FY 2024 Annual Financial Report was prepared by Oregon Tech staff.. The audit opinion issued by CliftonLarsonAllen LLP (CLA) is an unmodified (clean) opinion. This audit opinion is attached via link below.

CLA has prepared a Governance Communication Letter to communicate certain matters related to the conduct of the audit to those who have responsibility for oversight of the financial reporting process. The Governance Communication Letter (Attachment A) and Management Representation Letter (Attachment B) are attached below.

CLA has issued an unmodified (clean) opinion on Oregon Tech's FY 2024 Annual Financial Report.

The FY 2024 Annual Financial Report can be found at the following link [Oregon Tech's FY 2024 Annual Financial Report](). Printed copies will be provided to all members of the Board of Trustees.

Staff Recommendation

After review of the FY 2024 Annual Financial Report, staff requests a **Motion recommending Approval by the full Board of the Oregon Tech FY 2024 Annual Financial Report and Audit.**

Attachments

Attachment A- Oregon Tech FY 2024 Governance Communication Letter
Attachment B- Oregon Tech FY 2024 Management Representation Letter

Members of the Board
Oregon Institute of Technology
Klamath Falls, Oregon

We have audited the financial statements of the business-type activities and the discretely presented component unit of Oregon Institute of Technology as of and for the year ended June 30, 2024, and have issued our report thereon dated March 18, 2025. Our report made reference to other auditors who audited the discretely presented component unit. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as well as certain information related to the planned scope and timing of our audit in our Engagement Agreement dated June 19, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings or issues
Qualitative aspects of accounting practices
Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Oregon Institute of Technology are described in Note 1 to the financial statements.

No new accounting policies were adopted, and the application of existing policies was not changed during 2024.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no accounting estimates affecting the financial statements which were particularly sensitive or required substantial judgments by management.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear

Significant unusual transactions

We identified no significant unusual transactions.

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has determined that the effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The following summarizes uncorrected misstatements of the financial statements:

1. *Oregon Tech Foundation (Discretely Presented Component Unit) prior period adjustment:* During the year ended June 30, 2024 the Oregon Tech Foundation's audit noted a correction of an error in the amount of $200,000 related to a conditional gift incorrectly recorded as revenue during the prior year ended June 30, 2023. The passed audit adjustment during the year-end June 30, 2024, is a decrease to Donor restricted contribution and grant revenue by $200,000.

Uncorrected misstatements or the matters underlying uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even if management has concluded that the uncorrected misstatements are immaterial to the financial statements under audit.

Corrected misstatements

None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

The following immaterial misstatements detected as a result of audit procedures were corrected by management:

- Pension expense at June 30, 2024 was over expensed by $974,345 due to an error related to the deferred outflow and deferred inflow calculations. An entry was booked to decrease pension expense by $974,345, increase deferred outflows of resources by $1,714,644 and increase deferred inflows of resources by $740,299.

- A lessor renewal with an outside third party was not remeasured and recorded upon renewal in January 2024 for a term beginning September 2024 through August 2029. An entry was booked to increase lease receivable by $4,242,077 and increase deferred inflows of resources by $4,242,077.

Disagreements with management

For purposes of this communication, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the management representation letter dated March 18, 2025.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Other audit findings or issues

We have provided a separate communication to you dated March 18, 2025, communicating internal control related matters identified during the audit.

Audits of group financial statements

We noted no matters related to the group audit that we consider to be significant to the responsibilities of those charged with governance of the group.

Limitations on the group audit

There were no restrictions on our access to information of components or other limitations on the group audit.

Required supplementary information

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

Supplementary information in relation to the financial statements as a whole

With respect to the schedule of expenditures of federal awards (SEFA) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the SEFA to determine that the SEFA complies with the requirements of the Uniform Guidance, the method of preparing it has not changed from the prior period or the reasons for such changes, and the SEFA is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the SEFA to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated March 18, 2025.

Other information included in annual reports

Other information (financial or nonfinancial information other than the financial statements and our auditors' report thereon) is being included in your annual report and is comprised of Oregon Tech Board of Trustees and Oregon Tech Executive Officers and the Message from the President. Our responsibility for other information included in your annual report does not extend beyond the financial information identified in our opinion on the financial statements. We have no responsibility for determining whether such other information is properly stated and do not have an obligation to perform any procedures to corroborate other information contained in your annual report. We are required by professional standards to read the other information included in your annual report and consider whether a material inconsistency exists between the other information and the financial statements because the credibility of the financial statements and our auditors' report thereon may be undermined by material inconsistencies between the audited financial statements and other information. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report. Our auditors' report on the financial statements includes a separate section, "Other Information," which states we do not express an opinion or any form of assurance on the other information included in the annual report. We did not identify any material inconsistencies between the other information and the audited financial statements.

* * *

This communication is intended solely for the information and use of the Members of the Board and management of Oregon Institute of Technology and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Lake Oswego, Oregon
March 18, 2025

Members of the Board and Management
Oregon Institute of Technology
Klamath Falls, Oregon

In planning and performing our audit of the financial statements of Oregon Institute of Technology as of and for the year ended June 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the entity's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control.

However, during our audit we became aware of deficiencies in internal control other than significant deficiencies and material weaknesses and other matters that are opportunities to strengthen your internal control and improve the efficiency of your operations. Our comments and suggestions regarding those matters are summarized below. We previously provided a written communication dated March 18, 2025, on the entity's internal control. This letter does not affect our report on the financial statements dated March 18, 2025, nor our internal control communication dated March 18, 2025.

Timely Financial Reporting

During our audit we experienced delays receiving the final trial balance and financial statements. Final reports were provided in February 2025, which is over seven months after the fiscal year end. These delays can impact compliance with regulatory reporting requirements and potentially limit visibility of timely financial results to the public, members of the board, management, and other users. We acknowledge the various challenges faced by management including but not limited to financial system transitions and staffing that have led to these delays. Continued delays in reporting could result in difficulties making prudent operational decisions, potential errors, and missed deadlines. During our audit there were also immaterial adjustments related to Pension expense and Leases which may be attributed to staffing transitions. We recommend that management evaluate the financial reporting process as a whole to understand how the processes and procedures can be improved in order to provide financial reporting in a timely manner. We recommend that both the systems in place be evaluated along with workflow to ensure all personnel involved in the process are utilized effectively.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various entity personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

* * *

This communication is intended solely for the information and use of management, Members of the Board, and others within the entity and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Lake Oswego, Oregon
March 18, 2025

ACTION

Agenda Item No. 4.2
FY 2024 Single Audit Report

<u>Background</u>

Oregon Tech receives federal funds through financial aid programs, grants, awards and more recently through Higher Education Emergency Relief Funds (HEERF) related to the COVID-19 pandemic.

Nonprofit and governmental organizations with federal expenditures in excess of $750,000 annually are required by law to have an annual Single Audit. This includes an audit of financial statements and a compliance audit of federal awards. The Single Audit reviews internal controls and whether federal funds were managed in compliance with applicable federal requirements for grants and awards.

A Single Audit is often referred to as a *Uniform Guidance Single Audit* because provisions applicable to most federal awards are contained in Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

The Single Audit for the fiscal year (FY) ended June 30, 2024 was performed by CliftonLarsonAllen LLP (CLA) in conjunction with Oregon Tech staff. The FY 2024 Single Audit Report can be found at the following link FY 2024 Single Audit Report and includes CLA's independent auditors' reports on (a) Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, and (b) Compliance for Each Major Federal Program, Report on Internal Control Over Compliance and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance.

CLA has issued an unmodified (clean) opinion with regard to financial statements and federal awards as outlined in the Oregon Tech Fiscal Year 2024 Single Audit Report. Copies will be provided to all members of the Board of Trustees.

<u>Staff Recommendation</u>

After review of the Fiscal Year 2024 Single Audit Report for federal funds compliance, staff requests a **Motion recommending Approval by the full Board of the Oregon Tech FY 2024 Single Audit Report.**

ACTION ITEM

Agenda Item No. 4.3
Request for Approval: Academic Year 2025-26 Tuition & Fees

Legislative and HECC Background

A primary responsibility of the Oregon Tech Board of Trustees is to establish tuition and mandatory enrollment fees each year. Oregon Revised Statute (ORS) 352.102 outlines the Board's responsibilities relative to tuition and mandatory enrollment fees. The statute stipulates that the Governing Board shall:

- *establish a collaborative and inclusive process for determining tuition and mandatory enrollment fees,*
- *require the university to establish a written process describing the role of an advisory board and its relationship to the president and the university,*
- *outline specific information and analysis which must be presented to the advisory board,*
- *request the president transmit a joint tuition and fee recommendation, including both the president's and the recognized student government's tuition and fee recommendations orany minority report,*
- *stipulate limitations on authority to adjust tuition and mandatory enrollment fees to increases at or below 5% without prior authorization from the HECC or legislature, and*
- *limit its ability to delegate the responsibility to set tuition and mandatory enrollment fees.*

The Oregon Tech Board of Trustees established its Policy on Resident Undergraduate Tuition and Mandatory Enrollment Fee Process in compliance with ORS 352.102. This policy designates the Tuition Recommendation Committee (TRC) as the University's advisory body for developing tuition recommendations, as well as a tuition setting process and policy framework as required by ORS 352.102, Section 5.1, which specifically states:

> *The Tuition Recommendation Committee shall meet at least twice between Januaryand February prior to providing the president with written recommendations on proposed tuition and mandatory fee rates for resident undergraduate students for 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 solicit 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.

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.

The Higher Education Coordinating Commission (HECC), in an effort to increase transparency and predictability for universities during the tuition setting process, approved a Permanent Administrative Rule, effective February 14, 2023, entitled, *"Tuition Increase Process and Criteria"* to be utilized in determining whether or not a proposed tuition increase of greater than five percent (5%) is "appropriate," as is required by Oregon Law. Although the Committee did not recommend an increase in excess of five percent (5%), these criteria were folded into the TRC discussions and include three focus areas:

Focus Area One: Fostering an Inclusive and Transparent Tuition-Setting Process. Specifically, the institution must demonstrate that students had multiple opportunities to engage in the tuition-setting process, and that information about the tuition-setting process was easily accessible and in compliance with ORS 352.102.

Focus Area Two: Safeguarding Access and Support for Degree Completion by Historically Underrepresented Students. Specifically, the institution must demonstrate the impact of tuition increases above and below five percent (5%) on remission programs and support services for underrepresented students; and that the university has a plan for reducing tuition if there is additional state funding available.

Focus Area Three: Financial Conditions Demonstrating the Need for Resident, Undergraduate Tuition to be Increased More than 5%. Specifically, the university is required to explain the cost drivers and revenue dynamics that are causing tuition to increase above five percent (5%) and the impact on the university's mission; and that the university is implementing cost containment efforts.

Committee Principles

The TRC established a set of guiding principles to inform the deliberation and recommendation process. The Committee also read and reviewed the statutory and policy requirements of the group at its first and subsequent meetings. These guiding principles were referenced during meetings and forums.

Guiding Principles:
- Consider long-term factors when recommending the single-year decisions.
- Recognize the importance of affordability for students.
- Tuition levels should be developed using data and information, including internal budget, comparative institutions, and external cost indices.
- Maintain the service level, quality and support that Oregon Tech currently provides students.

Process Requirements:
- Transparent communication with stakeholders with an appropriate level of detail
- Committee will utilize data and information throughout the process (see Attachment E)
- Respectful communications and ask questions

TRC and ASOIT Recommendations

The TRC is comprised of students, faculty, staff and the chair of the Fiscal Operations Advisory Council (FOAC) and met four times, between January and March 2025. The Committee also held two in-person/virtual public forums in conjunction with the Associated Students of Oregon Institute of Technology (ASOIT) through in-person and virtual media conferencing with the Klamath Falls and Portland-Metro campuses. These forums were held in February to educate the campus community on the tuition setting process and budget dynamics impacting the university, as well as to solicit feedback from students on a range of tuition scenarios developed by the TRC. Feedback from the forums was incorporated into the TRC recommendation.

TRC acted by consensus and reviewed financial projections, current tuition, and fee rates at other Oregon public universities and competitor institutions outside the state as well as other information and background materials in arriving at a tuition and fees recommendation for Academic Year (AY) 2025-26.

Following completion of the TRC process the Staff Report, dated March 18, 2025, was finalized after review by the committee (see Attachment B). Later in the month, the Klamath Falls and Portland Metro Incidental Fee Committees, led by their respective campus ASOIT groups, met to determine AY 2025-26 Incidental Fees recommendations (see Attachment C and D). These recommendations are provided below:

TRC Academic Year 2025-26 Tuition and Mandatory Fees Recommendation:

- Increase AY 2025-26 base tuition by four percent (4%), unless legislative approved funding for the Public Universities Support Fund (PUSF) for 2025-27 biennium is less than the amount in the Governor's 2025-27 Recommended Budget (GRB), in which case base tuition may be increased by an amount not to exceed 4.5 percent (4.5%).
- Differential tuition related to Health and Engineering Technology programs shall remain at the current thirty-seven percent (37%) premium on base tuition.
- The mandatory Health Service fee for AY 2025-26 is recommended to increase by 7 percent (7%) for Klamath Falls and 12 percent (12%) for Wilsonville. No change in the mandatory

Building fee or Student Rec Center fee is recommended for AY 2025-26, and;

- Finally, the President or his designee is delegated such authority as available under policy and law to make minor and technical adjustments to these proposed rates as necessary to correct mathematical rounding, errors, inconsistencies, or omissions and execute the Board's directives (see Attachment B).

ASOIT IFC Academic Year 2025-26 Incidental Fees Recommendation:

The Klamath Falls (KF) campus Incidental Fee Commission (IFC), led by the KF ASOIT has made recommendations related to changes in incidental fees (see Attachment C). The Commission recommended incidental fees at the Klamath Falls campus increase by one and one-half percent (1.5%) to $463.14 from $456.30 for students with six or more credit hours. For students with less than six credit hours, at every credit hour from 1 to 5, the fee will be increased by one and one-half percent (1.5%). Summer incidental fees for Klamath Falls are recommended to remain at $75 regardless of the number of credit hours enrolled.

For the Portland-Metro (PM) campus, the IFC led by PM ASOIT recommended incidental fees for the Portland-Metro campus to increase by twelve percent (12%) to $112 from $100 for students enrolled for six credit hours or more. For students enrolled in less than 6 credit hours or enrolled for summer, it was recommended the fee remain at $50 (see Attachment D).

The Tables below summarize the AY 2025-26 Tuition at the level of a four (4.0%) and four and one-half percent (4.5%) increase. Also reflected are the TRC recommended AY 2025-26 mandatory fees for Health Services, Buildings and Rec Center. Finally, the Table also reflects the respective IFC recommended AY 2025-26 incidental fee increases for the Klamath Falls and Portland-Metro campuses. With these revised tuition and fees rates, Oregon Tech tuition will continue to be competitive with other institutions featuring similar programs both within and outside the state.

Table-4% Increase to Oregon Tech Tuition and Fees				
		AY 2024-25 Rate/SCH	AY 2025-26 Rate/SCH	Net % Change
Undergraduate	Resident	$243.65	$253.40	4.0%
	WUE	$365.48	$380.10	4.0%
	Non-Resident	$775.56	$806.58	4.0%
	Differential	37%	37%	
Special Programs	Medical Lab Sciences (R)	$333.80	$347.15	4.0%
	Medical Lab Sciences (NR)	$603.56	$627.70	4.0%
	Paramedic (R)	$266.49	$277.15	4.0%
	Paramedic (NR)	$382.14	$397.43	4.0%
	Chemeketa Dental Hygiene (R)	$266.49	$277.15	4.0%
	Chemeketa Dental Hygiene (NR)	$865.45	$900.07	4.0%
Graduate	Resident	$560.40	$582.82	4.0%
	Non-Resident	$940.77	$978.40	4.0%
	Differential	37%	37%	
		AY 2024-25 Rate/Term	AY 2025-26 Rate/Term	Net % Change
Doctoral Physical Therapy	Resident	$ 7,610.26	$ 7,914.67	4.0%
	Non-Resident	$ 12,775.71	$ 13,286.74	4.0%
Fees				
		AY 2024-25 Rate/Term	AY 2025-26 Rate/Term	% Change
Klamath Falls	Building	$45.00	$45.00	0.0%
	Incidental[1]	$456.30	$463.14	1.5%
	Health Services[1]	$195.00	$208.65	7.0%
	Student Rec Center	$69.00	$69.00	0.0%
Portland Metro	Building	$45.00	$45.00	0.0%
	Incidental[1]	$100.00	$112.00	12.0%
	Health Services	$63.00	$70.56	12.0%

Notes:

(1) Incidental fees are reduced for summer term and prorated for students taking less than six credits for fall, winter, and spring terms. Klamath Falls health service fee is waived for summer term and is not charged for students with less than six credits for fall, winter and spring terms.

Table-4.5% Increase to Oregon Tech Tuition and Fees				
		AY 2024-25 Rate/SCH	**AY 2025-26 Rate/SCH**	**Net % Change**
Undergraduate	Resident	$243.65	$254.61	4.5%
	WUE	$365.48	$381.92	4.5%
	Non-Resident	$775.56	$810.46	4.5%
	Differential	37%	37%	
Special Programs	Medical Lab Sciences (R)	$333.80	$348.82	4.5%
	Medical Lab Sciences (NR)	$603.56	$630.72	4.5%
	Paramedic (R)	$266.49	$278.48	4.5%
	Paramedic (NR)	$382.14	$399.34	4.5%
	Chemeketa Dental Hygiene (R)	$266.49	$278.48	4.5%
	Chemeketa Dental Hygiene (NR)	$865.45	$904.40	4.5%
Graduate	Resident	$560.40	$585.62	4.5%
	Non-Resident	$940.77	$983.10	4.5%
	Differential	37%	37%	
		AY 2024-25 Rate/Term	**AY 2025-26 Rate/Term**	**Net % Change**
Doctoral Physical Therapy	Resident	$ 7,610.26	$ 7,952.72	4.5%
	Non-Resident	$ 12,775.71	$ 13,350.62	4.5%
Fees				
		AY 2024-25 Rate/Term	**AY 2025-26 Rate/Term**	**% Change**
Klamath Falls	Building	$45.00	$45.00	0.0%
	Incidental[1]	$456.30	$463.14	1.5%
	Health Services[1]	$195.00	$208.65	7.0%
	Student Rec Center	$69.00	$69.00	0.0%
Portland Metro	Building	$45.00	$45.00	0.0%
	Incidental[1]	$100.00	$112.00	12.0%
	Health Services	$63.00	$70.56	12.0%

Notes:

(1) Incidental fees are reduced for summer term and prorated for students taking less than six credits for fall, winter, and spring terms. Klamath Falls health service fee is waived for summer term and is not charged for students with less than six credits for fall, winter and spring terms.

Table- Miscellaneous Rates with 4% increase

AY 2025-26 ONLINE TUITION AND FEES RATES

TUITION	RATES
Online Undergraduate Tuition	$335.00/Credit
Online Graduate Tuition	$476.00/Credit
Online Graduate Allied Health Tuition	$476.00/Credit
Online Graduate Engineering & Technology Tuition	$694.00/Credit

FEES	RATES
Online Tech Fee *no increase*	$65.00/Online Course
Matriculation Distance Ed Fee *no increase*	One-time fee of $50 for Online Students

AY 2025-26 STAFF & STAFF DEPENDENT FEE PRIVILEGES

TUITION	RATES
OIT Staff Undergraduate and Graduate Tuition **(on-campus & online credits)**	$76.00/Credit (up to 12 credits)
OIT Staff Undergraduate and Graduate Dependent Tuition **(on-campus & online credits)**	$76.00/Credit (up to 12 credits)
Other Institution Staff Undergraduate and Graduate Tuition **(on-campus credits only)**	$76.00/Credit (up to 12 credits)
Other Institution Staff Undergraduate and Graduate Dependent Tuition **(on-campus credits only)**	$76.00/Credit (up to 12 credits)

FEES	RATES
OIT and Other Institution Staff Fees	Staff do not pay Building, Incidental, Student Rec Center and Health Service Fees but they do pay extra class fees.
OIT and Other Institution Staff Dependent Fees	Staff Dependents pay all on-campus fees and extra class fees.

AY 2025-26 DUAL CREDIT PROGRAM (HST) & ADVANCED CREDIT PROGRAM (ACP)

TUITION	RATES
Dual Credit Program (HST) *no increase*	$25.00/Credit
Advanced Credit Program (ACP) *no increase*	$100.00/Course

AY 2025-26 BOEING RATES

TUITION	RATES
Undergraduate Tuition	$635.04/Credit
Graduate Tuition	$811.87/Credit

Table- Miscellaneous Rates with 4.5% increase

AY 2025-26 ONLINE TUITION AND FEES RATES

TUITION	RATES
Online Undergraduate Tuition	$336.00/Credit
Online Graduate Tuition	$479.00/Credit
Online Graduate Allied Health Tuition	$479.00/Credit
Online Graduate Engineering & Technology Tuition	$697.00/Credit

FEES	RATES
Online Tech Fee *no increase*	$65.00/Online Course
Matriculation Distance Ed Fee *no increase*	One-time fee of $50 for Online Students

AY 2025-26 STAFF & STAFF DEPENDENT FEE PRIVILEGES

TUITION	RATES
OIT Staff Undergraduate and Graduate Tuition **(on-campus & online credits)**	$76.50/Credit (up to 12 credits)
OIT Staff Undergraduate and Graduate Dependent Tuition **(on-campus & online credits)**	$76.50/Credit (up to 12 credits)
Other Institution Staff Undergraduate and Graduate Tuition **(on-campus credits only)**	$76.50/Credit (up to 12 credits)
Other Institution Staff Undergraduate and Graduate Dependent Tuition **(on-campus credits only)**	$76.50/Credit (up to 12 credits)

FEES	RATES
OIT and Other Institution Staff Fees	Staff do not pay Building, Incidental, Student Rec Center and Health Service Fees but they do pay extra class fees.
OIT and Other Institution Staff Dependent Fees	Staff Dependents pay all on-campus fees and extra class fees.

AY 2025-26 DUAL CREDIT PROGRAM (HST) & ADVANCED CREDIT PROGRAM (ACP)

TUITION	RATES
Dual Credit Program (HST) *no increase*	$25.00/Credit
Advanced Credit Program (ACP) *no increase*	$100.00/Course

AY 2025-26 BOEING RATES

TUITION	RATES
Undergraduate Tuition	$638.10/Credit
Graduate Tuition	$815.77/Credit

Attachments and Additional Information

Attachment A- Tuition and Fees Recommendation Memo- President Naganathan
Attachment B- Tuition Recommendation Committee Staff Report
Attachment C- Incidental Fee Recommendation KF ASOIT
Attachment D- Incidental Fee Recommendation PM ASOIT
Attachment E- Tuition Recommendation Committee Material

Board 6.4- ATTACHMENT A

OFFICE OF THE PRESIDENT
Nagi G. Naganathan, Ph.D., ASME Fellow

To: Oregon Tech Board of Trustees

From: Nagi G. Naganathan   *Nagi G. Naganathan*
            President

Re: **President's Recommendation for Academic Year 2025-26 Tuition and Fees**

Date: April 3, 2025

As required by statute, through this memorandum, I submit my recommendation for tuition and fees for the 2025-26 academic year to the Oregon Tech Board of Trustees. This recommendation was developed through an open and consensus-driven process led by the Tuition Recommendation Committee (TRC), a dedicated group of students, faculty, and administrators from both major campuses.

The TRC met four times beginning in January of this year and concluded their process in March after two campus forums. I sincerely appreciate their dedication to the University and the engagement of students during this process. The Committee's responsibilities, process, and guiding principles are more fully outlined in the Tuition Recommendation Committee Staff Report (See Attachment B). At the conclusion of the process, the TRC recommended a four percent (4%) increase in base tuition unless legislative approved funding for the Public Universities Support Fund (PUSF) for the 2025-27 biennium is less than the amount in the Governor's 2025-27 Recommended Budget (GRB), in which case base tuition may be increased by an amount not to exceed 4.5 percent (4.5%). The TRC also recommended that mandatory fees increase for Health Services at both campuses, but that Building and Rec Center fees remain unchanged. There was no minority report.

I also received separate recommendations from the Klamath Falls and Portland-Metro Incidental Fee Committees (IFC), led by the respective ASOIT groups at both campuses. (see Attachments C and D).

It is important to note that the TRC and University administration considered tuition options both above and below the final recommended amounts. When reflecting on the principles articulated by the students, faculty, and staff of the Committee, evaluating comparator university tuition, internal budget projections, salary data for graduates, and many other data points, the group agreed the best interest of students is served by adequately supporting quality programs and continuing the investment in our recognized professional programs.

I want to convey my sincere appreciation to the members of the TRC, IFC work groups, and ASOIT for conducting a thorough and collaborative process through open and supportive deliberations. These deliberations engaged stakeholders at all levels in reaching a recommendation in

a challenging state budget environment. However, as discussed during the TRC proceedings, the University is also pressured to pursue a tuition increase to raise revenue sufficient to meet expenses in a challenging budget environment.

In consideration of the recommendations of the TRC, ASOIT and IFC (see Attachments B, C and D), and in recognition of the collaborative conclusion of the process, I am recommending the following for the Board's consideration.

Presidential Recommendation for Academic Year 2025-26 Tuition and Fees

- Increase academic year 2025-26 base tuition by four percent (4%), unless legislatively approved funding for the Public Universities Support Fund (PUSF) for 2025-27 biennium is less than the amount in the Governor's 2025-27 Recommended Budget (GRB), in which case base tuition to be increased by an amount not to exceed 4.5 percent (4.5%).
- Differential tuition related to Health and Engineering Technology programs is recommended to remain at the current thirty-seven percent (37%) premium on base tuition.
- The mandatory Health Service fee for AY 2025-26 to increase by 7 percent (7%) for Klamath Falls and 12 percent (12%) for Wilsonville. No change in the mandatory Building fee or Student Rec Center fee for AY 2025-26.
- Tuition remissions to be moderated to approximately fourteen percent (14%) of gross tuition revenue.
- Incidental fees at the Klamath Falls campus to increase by one and one-half percent (1.5%) from $456.30 to $463.14 for students with six or more credit hours. For students with less than six credit hours, at every credit hour from 1-5, the fee is to be increased by one and one-half percent (1.5%). Summer incidental fees for Klamath Falls to remain at $75 regardless of the number of credit hours enrolled (see Attachment C).
- Incidental fees for the Portland-Metro campus to increase by twelve percent (12%) from $100 to $112 for students enrolled for six credit hours or more. For students enrolled in less than six credit hours, or enrolled for summer, the fee to remain at $50 (see Attachment D).
- Finally, the President or his designee be delegated such authority as available under policy and law to make minor and technical adjustments to these proposed rates as necessary to correct mathematical rounding, errors, inconsistencies, or omissions and execute the Board's directives.

The University is committed to continuously improving operational efficiencies to offset cost increases and unpredictable levels of state funding, which is further compounded by the current economic climate and lingering effects of the pandemic.

Specific tuition and fee recommendations are outlined in the tables included in the following two pages.

I thank you for your consideration of this recommendation. ∎

Table-4% Increase to Oregon Tech Tuition and Fees		AY 2024-25 Rate/SCH	AY 2025-26 Rate/SCH	Net % Change
Undergraduate	Resident	$243.65	$253.40	4.0%
	WUE	$365.48	$380.10	4.0%
	Non-Resident	$775.56	$806.58	4.0%
	Differential	37%	37%	
Special Programs	Medical Lab Sciences (R)	$333.80	$347.15	4.0%
	Medical Lab Sciences (NR)	$603.56	$627.70	4.0%
	Paramedic (R)	$266.49	$277.15	4.0%
	Paramedic (NR)	$382.14	$397.43	4.0%
	Chemeketa Dental Hygiene (R)	$266.49	$277.15	4.0%
	Chemeketa Dental Hygiene (NR)	$865.45	$900.07	4.0%
Graduate	Resident	$560.40	$582.82	4.0%
	Non-Resident	$940.77	$978.40	4.0%
	Differential	37%	37%	
		AY 2024-25 Rate/Term	AY 2025-26 Rate/Term	Net % Change
Doctoral Physical Therapy	Resident	$ 7,610.26	$ 7,914.67	4.0%
	Non-Resident	$ 12,775.71	$ 13,286.74	4.0%
Fees				
		AY 2024-25 Rate/Term	AY 2025-26 Rate/Term	% Change
Klamath Falls	Building	$45.00	$45.00	0.0%
	Incidental[1]	$456.30	$463.14	1.5%
	Health Services[1]	$195.00	$208.65	7.0%
	Student Rec Center	$69.00	$69.00	0.0%
Portland Metro	Building	$45.00	$45.00	0.0%
	Incidental[1]	$100.00	$112.00	12.0%
	Health Services	$63.00	$70.56	12.0%

Notes:

(1) Incidental fees are reduced for summer term and prorated for students taking less than six credits for fall, winter, and spring terms. Klamath Falls health service fee is waived for summer term and is not charged for students with less than six credits for fall, winter and spring terms.

Table-4.5% Increase to Oregon Tech Tuition and Fees

		AY 2024-25 Rate/SCH	AY 2025-26 Rate/SCH	Net % Change
Undergraduate	Resident	$243.65	$254.61	4.5%
	WUE	$365.48	$381.92	4.5%
	Non-Resident	$775.56	$810.46	4.5%
	Differential	37%	37%	
Special Programs	Medical Lab Sciences (R)	$333.80	$348.82	4.5%
	Medical Lab Sciences (NR)	$603.56	$630.72	4.5%
	Paramedic (R)	$266.49	$278.48	4.5%
	Paramedic (NR)	$382.14	$399.34	4.5%
	Chemeketa Dental Hygiene (R)	$266.49	$278.48	4.5%
	Chemeketa Dental Hygiene (NR)	$865.45	$904.40	4.5%
Graduate	Resident	$560.40	$585.62	4.5%
	Non-Resident	$940.77	$983.10	4.5%
	Differential	37%	37%	

		AY 2024-25 Rate/Term	AY 2025-26 Rate/Term	Net % Change
Doctoral Physical Therapy	Resident	$ 7,610.26	$ 7,952.72	4.5%
	Non-Resident	$ 12,775.71	$ 13,350.62	4.5%

Fees

		AY 2024-25 Rate/Term	AY 2025-26 Rate/Term	% Change
Klamath Falls	Building	$45.00	$45.00	0.0%
	Incidental[1]	$456.30	$463.14	1.5%
	Health Services[1]	$195.00	$208.65	7.0%
	Student Rec Center	$69.00	$69.00	0.0%
Portland Metro	Building	$45.00	$45.00	0.0%
	Incidental[1]	$100.00	$112.00	12.0%
	Health Services	$63.00	$70.56	12.0%

Notes:

(1) Incidental fees are reduced for summer term and prorated for students taking less than six credits for fall, winter, and spring terms. Klamath Falls health service fee is waived for summer term and is not charged for students with less than six credits for fall, winter and spring terms.

Table- Miscellaneous Rates with 4% increase

AY 2025-26 ONLINE TUITION AND FEES RATES

TUITION	RATES
Online Undergraduate Tuition	$335.00/Credit
Online Graduate Tuition	$476.00/Credit
Online Graduate Allied Health Tuition	$476.00/Credit
Online Graduate Engineering & Technology Tuition	$694.00/Credit

FEES	RATES
Online Tech Fee *no increase*	$65.00/Online Course
Matriculation Distance Ed Fee *no increase*	One-time fee of $50 for Online Students

AY 2025-26 STAFF & STAFF DEPENDENT FEE PRIVILEGES

TUITION	RATES
OIT Staff Undergraduate and Graduate Tuition **(on-campus & online credits)**	$76.00/Credit (up to 12 credits)
OIT Staff Undergraduate and Graduate Dependent Tuition **(on-campus & online credits)**	$76.00/Credit (up to 12 credits)
Other Institution Staff Undergraduate and Graduate Tuition **(on-campus credits only)**	$76.00/Credit (up to 12 credits)
Other Institution Staff Undergraduate and Graduate Dependent Tuition **(on-campus credits only)**	$76.00/Credit (up to 12 credits)

FEES	RATES
OIT and Other Institution Staff Fees	Staff do not pay Building, Incidental, Student Rec Center and Health Service Fees but they do pay extra class fees.
OIT and Other Institution Staff Dependent Fees	Staff Dependents pay all on-campus fees and extra class fees.

AY 2025-26 DUAL CREDIT PROGRAM (HST) & ADVANCED CREDIT PROGRAM (ACP)

TUITION	RATES
Dual Credit Program (HST) *no increase*	$25.00/Credit
Advanced Credit Program (ACP) *no increase*	$100.00/Course

AY 2025-26 BOEING RATES

TUITION	RATES
Undergraduate Tuition	$635.04/Credit
Graduate Tuition	$811.87/Credit

Table- Miscellaneous Rates with 4.5% increase

AY 2025-26 ONLINE TUITION AND FEES RATES

TUITION	RATES
Online Undergraduate Tuition	$336.00/Credit
Online Graduate Tuition	$479.00/Credit
Online Graduate Allied Health Tuition	$479.00/Credit
Online Graduate Engineering & Technology Tuition	$697.00/Credit

FEES	RATES
Online Tech Fee *no increase*	$65.00/Online Course
Matriculation Distance Ed Fee *no increase*	One-time fee of $50 for Online Students

AY 2025-26 STAFF & STAFF DEPENDENT FEE PRIVILEGES

TUITION	RATES
OIT Staff Undergraduate and Graduate Tuition **(on-campus & online credits)**	$76.50/Credit (up to 12 credits)
OIT Staff Undergraduate and Graduate Dependent Tuition **(on-campus & online credits)**	$76.50/Credit (up to 12 credits)
Other Institution Staff Undergraduate and Graduate Tuition **(on-campus credits only)**	$76.50/Credit (up to 12 credits)
Other Institution Staff Undergraduate and Graduate Dependent Tuition **(on-campus credits only)**	$76.50/Credit (up to 12 credits)

FEES	RATES
OIT and Other Institution Staff Fees	Staff do not pay Building, Incidental, Student Rec Center and Health Service Fees but they do pay extra class fees.
OIT and Other Institution Staff Dependent Fees	Staff Dependents pay all on-campus fees and extra class fees.

AY 2025-26 DUAL CREDIT PROGRAM (HST) & ADVANCED CREDIT PROGRAM (ACP)

TUITION	RATES
Dual Credit Program (HST) *no increase*	$25.00/Credit
Advanced Credit Program (ACP) *no increase*	$100.00/Course

AY 2025-26 BOEING RATES

TUITION	RATES
Undergraduate Tuition	$638.10/Credit
Graduate Tuition	$815.77/Credit

TUITION RECOMMENDATION COMMITTEE STAFF REPORT

Tuition Recommendation Committee

Staff Report for

Academic Year 2025-26

Tuition Setting Process Report

March 18, 2025

Academic Year 2025-26 Tuition Recommendation

The Tuition Recommendation Committee (TRC), through an inclusive and consensus-driven process, has recommended a tuition increase for Academic Year (AY) 2025-26. The Oregon Tech academic year begins with Fall and continues through Winter, Spring and Summer terms. The recommendation assumes the Higher Education Coordinating Commission (HECC) Student Success and Completion Model (SSCM) distribution methodology remains unchanged. FY 2025-26 is the first year in the 2025-27 biennium. The TRC discussed the dynamics impacting the University's budget in the short-term and long-term as well as the state's funding allocation methodology. The deliberations were guided by a set of principles established by the Committee with a particular focus on balancing the quality and return on investment of an Oregon Tech degree while minimizing the impact to students, especially those most sensitive to tuition increases, necessitated by the unfortunate budget realities faced by the University.

In order to maintain academic program quality and return on investment of an Oregon Tech education and to ensure continued investments in equipment intensive programs and adequate levels of financial aid to support student affordability and completion, the TRC recommended to the President an increase in the resident undergraduate base tuition rate for AY 2025 -26. Specifically, the base tuition and rate increase for AY 2025-26 is recommended at four percent (4%), unless legislative approved funding for the Public Universities Support Fund (PUSF) for 2025-27 biennium is less than the amount in the Governor's 2025-27 Recommended Budget (GRB), in which case base tuition may be increased by an amount not to exceed 4.5 percent (4.5%). The differential rate is recommended to remain unchanged at a thirty-seven percent (37%) premium on base tuition. Additionally, the mandatory Health Service fee for AY 2025-26 is recommended to increase by 7 percent (7%) for Klamath Falls and 12 percent (12%) for Wilsonville. No change in the mandatory Building fee or Student Rec Center fee is recommended for AY 2025-26.

TRC Charter, Principles, and Membership

The TRC is established by Board of Trustees policy and is operationalized through a charter and Committee membership approved annually by the President.

The Board Policy on Resident Undergraduate Tuition and Mandatory Enrollment Fee Process establishes a minimum number of meetings, public forums and notification requirements to the student body. The policy also outlines the President's, or their designee's, responsibility to support and provide information to the TRC related to the budget of the University and impact of state funding. The Board Policy further assigns the TRC the role of recommending to the President,changes in tuition and conveying the substance of the group's deliberations and feedback provided at campus open forums.

Oregon Tech's President annually approves charters and membership of University standing committees, commissions, and councils. Administrative members of the TRC are appointed by the President and student members are appointed by the Vice President of Student Affairs in consultation with the Associated Students of Oregon Institute of Technology (ASOIT). There are certain membership requirements established by ORS 352.102. These are incorporated into University policy by the Board of Trustees and were followed in establishing the composition of the Committee. The

TRC Charter, as approved by the President, is as follows:

The Tuition Recommendation Committee is responsible for recommending the tuition and mandatory fee rates to the President who must in turn report and recommend mandatory tuition and fees to the Board of Trustees 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.

This Committee is comprised of six students representing both the Klamath Falls and Portland-Metro campuses and is 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, one of which is 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 shall designate one member to chair the Committee.

Before making any recommendation to increase tuition and mandatory fees, but especially when the 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 shall provide meaningful 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 shall be open to the public and broad notification of the meetings shall be 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 shall seem appropriate.

The membership and affiliation of the TRC is listed below: Revise Table

2024-25 TRC Membership	Committee Capacity	Organizational Role	Year
John Harman	Finance and Administration	Chair, Vice President	2024-25
Mandi Clark	Student Affairs	Vice President Of Student Affairs	2024-25
Alicia Dillon	Finance and Administration	Associate Vice President - Controller	2024-25
Hesham El-Rewini	Academic Affairs	Interim Provost	2024-25
Greg Stringer	Strategic Enrollment	Associate Vice Provost of SEM	2024-25
Kendal Marks	Strategic Enrollment	Financial Aid & Registration Coordinator	2024-25
Anna Clark	Finance and Administration	Associate Director of Budget and Planning	2024-25
Don DaSaro	Faculty	FOAC Chair	2024-27
Ryan Madden	Faculty	General Education Program Coordinator	2024-27
Uriel Aguilar Torres	Student Government	ASOIT President, Klamath Falls	2024-25
Bryce Wilson	Student Government	ASOIT Rep., Portland Metro	2024-25
Julia Ketcham	Student	Klamath Falls Student	2024-25
Ronny Ryno	Student	Klamath Falls Student	2024-25
Keora O'Meara	Student	Klamath Falls Student	2024-25
Jessica Armenta	Student	Portland Metro Student	2024-25

The Committee was supported by, and is grateful to staff members, from various units across the University, tasked with providing information to the Committee.

At the TRC's first meeting on January 22, 2025, the Committee discussed and adopted a set of governing principles and process guidelines for the tuition development process. These guidelines established both how the group would conduct its meetings and engagements with students throughout the development and decision-making process and the priorities it had to balance in recommending tuition levels to the President for AY 2025-26. These principles were discussed at TRC meetings and in campus forums, as these were integral to the TRC's deliberations. The TRC Guiding Principles and Process Guidelines are as follows:

Guiding Principles:

- Consider long-term factors when recommending the single year decisions.
- 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:

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

ORS 352.102 Process Requirements & HECC Tuition Increase Criteria

ORS 352.102 outlines certain requirements for the composition of each University's tuition advisory body and the process by which it operates.

Oregon Tech has a long and successful history of an inclusive tuition setting process, including students, faculty, and administrative staff. The Oregon Tech Board of Trustees' policy on tuition setting and the Presidential charge of the TRC included in the Oregon Tech Committees, Commissions, and Councils (2025-26) are in alignment with the requirements of ORS 352.102. Below is an analysis of the requirements outlined by ORS 352.102, and the steps taken by the TRC to meet these requirements.

Section 2(1) requires that each public University establish "…an advisory body to advise the President of the University on the President's recommendation to the governing board regarding tuition and mandatory enrollment fees for the upcoming academic year."

o The TRC is the "advisory body," as required by ORS 352.102 for Oregon Tech.

Section 2(2) outlines certain requirements regarding Committee membership and "…establish a written document describing the role of the advisory body[.]"

o This was accomplished through the distribution of membership as agreed to between the Vice President of Student Affairs and ASOIT for student members, and as assigned by the President for faculty and administrative members of the Committee. The President's charge for the Committee and the Oregon Tech Board of Trustees' Policy on Resident Undergraduate Tuition

and Mandatory Enrollment Fee Process outlines the role and relationships of the advisory body, the University, the President and the Board of Trustees in the tuition setting process.

Section 2(3) includes training requirements regarding the University's budget, state appropriations and mechanisms of their distribution, historical relationships between state appropriations and tuition for Committee members.

o Training requirements under this section were accomplished through a series of meetings at the outset of the TRC process spanning from January through March 2025 when tuition setting deliberations were conducted. High level information regarding these topics were provided to the student body during the two in person/virtual tuition forums held to ensure participants had sufficient background information to meaningfully participate in the deliberation and recommendation process. Material presented is available at www.oit.edu/trc.

Section 2(4) requires the University provide "[a] plan for how the University is managing its costs on an ongoing basis and how resident tuition and mandatory enrollment fees may be decreased if the public University receives more moneys from the state than anticipated."

o Information on how the University is managing and its cost structure was incorporated into the TRC's deliberations through modeling the medium-term impact of different tuition levels in relation to known and anticipated cost drivers and then identifying required use of reserves or budget cuts necessary to maintain the financial integrity of the University. This task is challenged by the need for consistent replacement of high-cost equipment in the University's technology focused programs and the University's recent three year enrollment decline that only subsided in FY 2024-25. FY 2025-26 is the first year of the 2025-27 biennium.

Section 2(5) requires the advisory body, if its recommendation is to increase tuition and mandatory enrollment fees greater than five percent (5%), to document the impact on historically underserved students and the mission of the University.

o Although the TRC recommended increase does not exceed five percent (5%), the TRC facilitated student engagement and discussion of factors impacting the University's budget, including lack of sufficient increases in state funding allocations, enrollment shortfalls and increasing organized labor costs and how continued tuition remissions would help offset these impacts.

Section 2(6) requires that the TRC "provide meaningful opportunities" for the student government and students more broadly to participate in the TRC process and deliberations and report such deliberations in writing to the President. The written report must provide any minority report requested by a member of the advisory body.

o ASOIT officers from the Portland-Metro and Klamath Falls campuses were members of the TRC. During the deliberation process, the TRC held four meetings that were open to the campus community and public generally, as well as in-person/virtual student forums for both campuses, specifically designed to elicit student feedback and incorporate it into Committee deliberations.

As a further step to involve ASOIT, the student government was requested to provide a final tuition recommendation to the President outside of the TRC's recommendation to ensure that students are highly involved in the process. This document constitutes a staff summary of the TRC's deliberations as required by ORS 352.102. No member of the advisory body has requested the inclusion of, or submitted, a minority report.

Section 2(7) requires the University establish a website including all material provided by the University and utilized by the advisory body during its deliberations.

o   The University hosted and advertised a website for the TRC – www.oit.edu/trc – and ensured that it was easy and simple for students to find the website. This website includes all material, meeting minutes and tuition setting calendars.

The Committee acted with the necessary due diligence in performing its responsibilities and in meeting the requirements outlined under ORS 352.102 as evidenced in the shared meeting materials, minutes and interactive dialogue of the group.

Conclusion and Recommendation

After significant deliberation and discussion, the TRC completed its charge as outlined by the President, and as embodied in ORS 352.102. Through this document, the TRC outlines its recommendation for tuition and fees levels at Oregon Tech for AY 2025-26.

The TRC found it important when discussing any tuition recommendation to acknowledge the value of maintaining, if not increasing, the quality and strong return on investment an Oregon Tech education provides. This is one of the major reasons why students enroll in Oregon Tech as their institution of choice.

Finally, in order to maintain the quality and strong return on investment an Oregon Tech education provides, the TRC emphasized the need to continue investments to support academic program quality. The TRC recommends the following tuition and fee increase to President Naganathan for AY 2025-26:

TRC AY 2025-26 Tuition and Fees Recommendation: (see summary Tuition and Fees Tables below)

- Increase academic year 2025-26 base tuition by four percent (4%), unless legislative approved funding for the Public Universities Support Fund (PUSF) for 2025-27 biennium is less than the amount in the Governor's 2025-27 Recommended Budget (GRB), in which case base tuition may be increased by an amount not to exceed 4.5 percent (4.5%).
- Differential tuition related to Health and Engineering Technology programs shall remain at the current thirty-seven percent (37%) premium on base tuition.
- The mandatory Health Service fee for AY 2025-26 is recommended to increase by 7 percent (7%) for Klamath Falls and 12 percent (12%) for Wilsonville. No change in the mandatory Building fee or Student Rec Center fee is recommended for AY 2025-26, and;
- Finally, the President or his designee is delegated such authority as available under policy and law to make minor and technical adjustments to these proposed rates as necessary to correct

mathematical rounding, errors, inconsistencies, or omissions and execute the Board's directives.

<u>TRC AY 2025-26 Service Recommendation</u>:

- Actively work to retain or improve academic program quality.
- Improve access and consistent availability of courses.
- Recruit faculty in key programs impacted by faculty shortage.

Table-4% Increase to Oregon Tech Tuition and Fees			
	AY 2024-25 Rate/SCH	**AY 2025-26 Rate/SCH**	**Net % Change**
Undergraduate Resident	$243.65	$253.40	4.0%
WUE	$365.48	$380.10	4.0%
Non-Resident	$775.56	$806.58	4.0%
Differential	37%	37%	
Special Programs Medical Lab Sciences (R)	$333.80	$347.15	4.0%
Medical Lab Sciences (NR)	$603.56	$627.70	4.0%
Paramedic (R)	$266.49	$277.15	4.0%
Paramedic (NR)	$382.14	$397.43	4.0%
Chemeketa Dental Hygiene (R)	$266.49	$277.15	4.0%
Chemeketa Dental Hygiene (NR)	$865.45	$900.07	4.0%
Graduate Resident	$560.40	$582.82	4.0%
Non-Resident	$940.77	$978.40	4.0%
Differential	37%	37%	
	AY 2024-25 Rate/Term	**AY 2025-26 Rate/Term**	**Net % Change**
Doctoral Physical Therapy Resident	$ 7,610.26	$ 7,914.67	4.0%
Non-Resident	$ 12,775.71	$ 13,286.74	4.0%
Fees			
	AY 2024-25 Rate/Term	**AY 2025-26 Rate/Term**	**% Change**
Klamath Falls Building	$45.00	$45.00	0.0%
Health Services*	$195.00	$208.65	7.0%
Student Rec Center	$69.00	$69.00	0.0%
Portland Metro Building	$45.00	$45.00	0.0%
Health Services	$63.00	$70.56	12.0%

(*) Klamath Falls health service fee is waived for summer term and is not charged for students with less than six credits for fall, winter and spring terms.

Table-4.5% Increase to Oregon Tech Tuition and Fees				
		AY 2024-25 Rate/SCH	AY 2025-26 Rate/SCH	Net % Change
Undergraduate	Resident	$243.65	$254.61	4.5%
	WUE	$365.48	$381.92	4.5%
	Non-Resident	$775.56	$810.46	4.5%
	Differential	37%	37%	
Special Programs	Medical Lab Sciences (R)	$333.80	$348.82	4.5%
	Medical Lab Sciences (NR)	$603.56	$630.72	4.5%
	Paramedic (R)	$266.49	$278.48	4.5%
	Paramedic (NR)	$382.14	$399.34	4.5%
	Chemeketa Dental Hygiene (R)	$266.49	$278.48	4.5%
	Chemeketa Dental Hygiene (NR)	$865.45	$904.40	4.5%
Graduate	Resident	$560.40	$585.62	4.5%
	Non-Resident	$940.77	$983.10	4.5%
	Differential	37%	37%	
		AY 2024-25 Rate/Term	AY 2025-26 Rate/Term	Net % Change
Doctoral Physical Therapy	Resident	$ 7,610.26	$ 7,952.72	4.5%
	Non-Resident	$ 12,775.71	$ 13,350.62	4.5%
Fees				
		AY 2024-25 Rate/Term	AY 2025-26 Rate/Term	% Change
Klamath Falls	Building	$45.00	$45.00	0.0%
	Health Services*	$195.00	$208.65	7.0%
	Student Rec Center	$69.00	$69.00	0.0%
Portland Metro	Building	$45.00	$45.00	0.0%
	Health Services	$63.00	$70.56	12.0%

(*) Klamath Falls health service fee is waived for summer term and is not charged for students with less than six credits for fall, winter and spring terms.

Oregon Tech Tuition Recommendation Committee

Date: Friday, April 4, 2025
To: Dr. Nagi Naganathan, President, Oregon Institute of Technology
CC: Dr. Mandi Clark, Shawni Cayetano-Ramos, John VanDyke
From: Uriel Aguilar Torres, ASOIT-KF President and Incidental Fee Commission Chair
Re: Incidental Fee Recommendation for the 2025-2026 Academic Year

Dear Dr. Naganathan,

The Incidental Fee Commission held two public meetings on Wednesday, March 5, 2025, and Monday, March 31, 2025.

During the first meeting, we reviewed the historical incidental fee and examined the current academic year's fee distribution among the three departments currently receiving funding from the commission. Following this review, we received budget proposals from department leadership, including:

- **Shawni Cayetano-Ramos**, Interim Director of Student Involvement & Belonging

- **Josh Winter**, College Union Manager

- **Justin Parnell**, Men's Head Basketball Coach, and **Greg Stewart**, Assistant Director of Athletics and Head Softball Coach (presenting on behalf of the Athletics Department)

Additionally, we welcomed public commentary from students, ensuring their perspectives and concerns were heard.

In our second meeting, we carefully reviewed all submitted materials, including budget proposals, presentations, and public feedback. We also considered student input received through direct conversations in our office and informal discussions around campus. After a thorough evaluation, we began deliberations on the incidental fee structure and its allocation.

Decision and Recommendations

Following these discussions, the IFC voted to **increase** the incidental fee rate for Fall through Spring term to be:

- **$463.14 per term (Fall through Spring)**

- **$75.00 for Summer Term (remains the same)**

The recommended funding distribution for 2025-2026 is outlined below:

IFC Funded Department	Approved 2024-2025 Academic Year		2025-2026 Academic Year Recommendation		
	Budgeted	% of Total	Budgeted	% Inc./(Dec.)	New Allocation %
Athletics	$806,727	36.59%	$921,825	0.96%	37.55%
College Union	$620,419	28.13%	$679,524	(0.45%)	27.68%
Student Involvement & Belonging	$777,910	35.28%	$853,578	(0.51%)	34.77%
Total	$2,205,056	100%	$2,454,926		100%

Majority Opinion:

The final decision of the 2025 Incidental Fee Commission (IFC) allocates the incidental fee funds as follows: 37.55% to the Athletics Department, 27.68% to the College Union, and 34.77% to Student Involvement and Belonging (SIB). Additionally, the Commission voted to increase the incidental fee by 1.5% for the Fall, Winter, and Spring terms. This increase will generate approximately $36,280 in additional funding, which was fully allocated to the Athletics Department.

This year's allocation closely mirrors the previous year's distribution, maintaining consistent funding for the College Union and SIB while adjusting Athletics funding upward. Specifically, with enrollment assumed to remain flat, SIB will continue receiving approximately $853,824, and the College Union will maintain a budget of $679,524. The Athletics Department's allocation increases from $806,727 to $921,824, reflecting the additional funds generated by the fee increase.

The decision to direct the entire increase toward Athletics stems from several considerations:

1. Demonstrated Financial Need: The Athletics Department has experienced recent financial strain and, during the first IFC meeting, advocated strongly for increased support to address these challenges. In comparison, the College Union and SIB did not request additional funding.
2. Projected Budget Gaps: Athletics is facing a significant projected deficit in labor funding, while both the College Union and SIB are expected to have labor fund surpluses.

Although this allocation may be seen as unbalanced, it reflects a rational response to the financial realities within the Athletics Department. However, we acknowledge the importance of examining whether this decision aligns with the fundamental purpose of the incidental fee: to serve and enhance the student experience.

It is important to recognize that the Athletics Department, while valuable, may not impact as broad of the student body as SIB and the College Union do. These two departments provide consistent, campus-wide benefits that directly engage a larger portion of the student population. Many students may not directly participate in Athletics programs, whereas nearly all interact with the College Union or SIB in their daily campus life.

However, the indirect benefits of Athletics, including campus spirit, community cohesion, and institutional pride, should not be underestimated. A strong Athletics program can strengthen the university's identity, attract positive attention, and create a sense of belonging that benefits all students, not just athletes. These outcomes, while less immediate or tangible, contribute meaningfully to the overall student experience.

In conclusion, while we recognize that allocating the full increase to Athletics may not be ideal from an equity standpoint, it was a decision made to address urgent financial needs and long-term institutional goals. Going forward, we recommend ongoing review and transparency to ensure that all departments receiving incidental funds continue to equitably and effectively serve the student body.

Minority Opinion:

The minority opinion regarding our concerns for both the decision to increase the Incidental Fee to $463.14 per term and the distribution of funds. We do not support the approved allocation, nor do we believe the fee increase was necessary or equitable given the current student needs and departmental impact.

We did not support increasing the Incidental Fee for the 2025–2026 academic year. Oregon Tech students are already facing numerous financial challenges, including:

- A scheduled tuition increase for the upcoming year.
- Continued rises in grocery prices and basic necessities.
- Ongoing increases in local cost of living, including housing and transportation.

In this financial climate, we feel strongly that any increase to the Incidental Fee must be justified by an overwhelming and clearly demonstrated need across departments, particularly in ways that directly and broadly benefit the student body. In our opinion, that threshold was not met this year.

Athletics Department

While we value the presence and dedication of student-athletes on campus, we believe the Athletics Department's programming and mission do not adequately serve the majority of the student population at Oregon Tech's Klamath Falls campus. During their presentation, department representatives focused primarily on the benefits to approximately 200 student-athletes, rather than demonstrating meaningful engagement with the broader student body.

When asked to clarify how Athletics serves the wider student population, representatives emphasized the academic rigor of student-athletes and their influence on peers. However, they offered few solid examples of broader campus impact or initiatives that foster inclusive student engagement.

Furthermore, available data suggests low student attendance at athletic events, showing the limited reach of Athletics beyond its student-athletes. We recommend that the department begin tracking student attendance at all home games using Oregon Tech's engagement platform, The Roost (theroost.oit.edu). This will provide essential data for evaluating student engagement in future funding cycles.

College Union

The College Union remains a central and accessible hub for the entire student body, supporting daily needs through event spaces, study areas, and communal resources. In the 2024–2025 academic year, the Union faced unforeseen expenses that delayed long-planned renovations and improvements. At the same time, student usage of the space has increased, particularly among Recognized Student Organizations (RSOs), informal study groups, and event-goers.

Given its critical role on campus, we believe the College Union merits additional investment to ensure it remains a vibrant and functional space. We recommend the following initiatives be supported in future cycles:

- Active promotion of room reservations at the start and end of each term to boost awareness of free meeting space availability.
- Visual and structural enhancements, such as:
    - Wall painting to create a more inviting environment.
    - Installation of mobile "power towers" to meet technology needs
    - Furniture upgrades for improved comfort and usability.
    - Replacement of worn flooring to maintain a professional and appealing space.

Student Involvement & Belonging (SIB)

SIB continues to demonstrate significant growth in student engagement, particularly through increased activity by RSOs and a rise in the number of new clubs formed this year. Student interest in programming and campus involvement is rising, yet current staffing levels and funding are insufficient to meet this demand.

Due to limited staffing, the department was unable to deliver its normal leadership development programs, important opportunities for RSO leaders to gain skills in management, collaboration, and event planning. These missed opportunities represent a gap in student development that must be addressed.

We recommend the following:

- Increased funding for RSOs to accommodate the expanding number of student-led initiatives.
- Additional staffing to support the operational needs of the growing RSO community.
- Restoration of leadership development programming to ensure that student leaders are equipped with the training and tools they need to succeed.

Conclusion

We opposed the increase in the Incidental Fee to $463.14 per term and believe the additional revenue generated, allocated mostly to Athletics, does not reflect a balanced or equitable approach to student funding. The College Union and SIB demonstrate a broader, daily impact on student life and have shown increasing demand, while Athletics, though valuable in its own way, has not provided sufficient justification for receiving the full benefit of the fee increase.

We urge future commissions to re-evaluate funding priorities with a sharper focus on student engagement, inclusivity, and data-driven decision-making, ensuring that every dollar of the Incidental Fee truly supports the collective student experience.

Respectfully submitted,

Uriel Aguilar Torres
ASOIT-KF President and IFC Chair

MEMORANDUM

Date:	February 20, 2025
To:	Dr. Nagi Naganathan, President, Oregon Institute of Technology
From:	Ryland White, President, ASOIT-PM
CC:	Dr. Mandi Clark, Josie Hudspeth, Kim Faks
RE:	**2025-2026 Incidental Fee Commission Recommendations**

ASOIT PM held an open Parliament Meeting on February 20, 2025, Student Services presented four options for the PM Incidental Fee for 2025-2026. Meeting minutes available upon request.

There were 15 students present when a vote was presented to increase the **PM Incidental Fee** for the 2025-2026 academic year. The recommendation is that the Portland-Metro Incidental Fee increases from $100 to **$112 per term** for every student **enrolled in six or more credits** and that the fee structure remains the same for students with **1 to 5 credit hours at $50 per term**.

We recommend that the fall, winter, and spring term **Health Fee be increased by 12% for all enrolled students**. This is with the understanding that the fee will need to increase incrementally over time to cover rising labor costs and that 5% of the revenue can fund counseling services for two additional months per year at 0.5 FTE.

Summer 2025 Fees
The summer 2025 Incidental Fee for Portland-Metro students will remain $50, regardless of the number of credit hours enrolled.

The summer Health Fee will be charged at 60% of the standard health fee, regardless of the number of credit hours enrolled.

Financial Data[1] :

	2024-2025 Allocation		2025-2026 Recommended		
IFC Funding Areas	**$ Budgeted**	**% of Total**	**$ Inc./(Dec.)**	**$ Budgeted**	**New % of Allocation**
ASOIT-PM	**$38,300**	30%	$3,700	**$42,000**	26%
Registered Student Organizations	**$6,000**	5%	$21,784	**$27,784**	17%
Student Involvement & Belonging	**$81,000**	65%	$10,000	**$91,000**	57%
Totals	**$125,300**	**100%**	**28%**	**$160,784**	**100%**

We appreciate your consideration, and I welcome all questions you may have.
Thank you for your time.

Ryland White

Ryland White
President
ASOIT, Portland-Metro

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[1] Budget based on projected enrollment of 1435 students (over 3 terms) enrolled in 6+ credits.

Associated Students of Oregon Institute of Technology