

Finance and Facilities Committee Agenda

1. **Call to Order/Roll/Declaration of a Quorum** (9:30 AM) (5 min) *Chair Vince Jones*
2. **Consent Agenda** (9:35 AM) (5 min) *Chair Jones*
 - 2.1 **Approve Minutes of the October 15, 2025, meeting** (9:40 AM) (5 min) *Chair Jones*
3. **Reports** (9:40 AM)
 - 3.1 **FOAC Report- (9:45 AM)** (10 Min) *Professor Don Desaro (Chair)*
 - 3.2 **FY 2025-26 YTD November Management Report- (9:55 AM)** (10 min) *Sr. VP for Finance and Administration, John Harman*
 - 3.3 **Q-1 FY 2025-26 Financial Dashboard- (10:05 AM)** (10 min) *Sr. VP Harman*
 - 3.4 **Q-1 FY 2025-26 Investments Report- (10:15 AM)** (10 min) *Sr. VP Harman*
 - 3.5 **State Funding Outlook- (10:25 AM)** (10 min) *Sr. VP Harman and AVP Alicia Dillon*
 - 3.6 **Q-2 FY 2025-26 Facilities Report- (10:35 AM)** (15 min) *Director of Facilities and Capital Planning, Dana Miller*
 - 3.7 **Eide Bailly, LLP- Internal Audit Update** (10:50 AM) (15 min) *Eide Bailly- Audrey Donovan and/or Kristin Diggs*
 - 3.8 **Gramm, Leach, Bliley Act (GLBA) Letter- informational only**
4. **Action Items**
 - 4.1 **Review and Approval of FY 2024-25 Financial Statement Audit- (11:05 AM)** (20 min) *Bryan Simkanich- CliftonLarsonAllen, LLP*
 - 4.2 **Review and Approval of FY 2024-25 Single Audit- (11:25 AM)** (10 min) *Bryan Simkanich- CliftonLarsonAllen, LLP*
 - 4.3 **Review and Approval of Equipment Purchase in Excess of \$1 Million- (11:35 AM)** (10 min) *Sr. VP Harman*
5. **Discussion Items** (11:45 AM) (5 min) *Chair Jones*
6. **Other Business/New Business** (11:50 AM) (5 min) *Chair Jones*
7. **Adjournment** (11:55 AM) *Chair Jones*

**Executive Committee
DRAFT Minutes**

Executive Committee Member Trustees present:

Chair John Davis, Esq
Vice Chair Vince Jones
David Cauble
Cecelia Amuchastegui
Kanth Gopalpur (joined at 8:35 am)
President Nagi Naganathan (*Ex-Officio*)

Executive Committee Trustee(s) not present:

Celia Nuñez-Flores
Johnnie Early

Other Trustees in attendance:

Mike Starr
Kim Faks
Dr. Vijay Dhir
Keegan Dentinger

University Staff and Faculty Present:

Dr. Ken Fincher, Vice President of University Advancement, Executive Director, Oregon Tech Foundation, & Board Secretary
David Groff, Esq, General Counsel
Dr. Beverly McCreary, Associate Vice Provost, Faculty Relations

1. **Call to Order/Roll/Declaration of a Quorum** *Chair John Davis*
Chair Davis called the meeting to order at 8:04 AM. The Board Secretary called the roll, and a quorum was declared.
2. **Consent Agenda** *Chair, John Davis*
 - o **Approval of the minutes of June 12 and September 9, 2025, meetings.**
No changes were made. The minutes were approved as submitted, with all members present voting in favor.

3. Progress Report; 2024-25 Institutional Goals: Chair Davis and President, Dr. Nagi Naganathan

- President, Dr. Nagi Naganath, shared a report and slide deck on the 5 Institutional Goals and provided data and results for each goal. The goals related to: (1) New freshman growth, (2) 1% retention rate increase, (3) Raise \$5 million in the annual and capital campaign, (4) Conduct a space utilization plan, (5) Develop and launch a Health & Wellness initiative.
- Dr. Naganathan provided a narrative on the goals' achievement and provided a draft of the proposed 2025-26 Institutional Goals. Discussion occurred and it was decided that the eight proposed goals would be revisited, updated as needed, and brought back for consideration at a later date.

Executive Session called by Chair Davis, who read the following Executive Session Language. The executive session concluded.

Executive Session— The Committee will meet in Executive Session per ORS 192.660(2)(f) to consider information or records that are exempt by law from public inspection, and ORS 192.660(2)(i) to review and evaluate the employment-related performance of the chief executive officer.

4. Other Business/New Business - None

5. Adjournment at 9:14 AM

A recording of this portion of the meeting is available here:
<https://www.oit.edu/trustees/meetings-events/recordings>

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 January 2026 Board meeting and the related document submission deadline, some financial data through the end of the second quarter (December 2025) is not yet available. Finance, Facilities and Audit Status Reports include the following Attachments:

- 3.1- Fiscal Operations Advisory Council (FOAC) Report- *verbal*
- 3.2- FY 2025-26 YTD November Management Report
- 3.3- Q-1 FY 2025-26 Financial Dashboard
- 3.4- Q-1 FY 2025-26 Investments Report
- 3.5- State Funding Outlook- *verbal*
- 3.6- Q-2 FY 2025-26 Facilities and Capital Projects Report
- 3.7- Eide Bailly, LLP- Internal Audit Report
- 3.8- Gramm, Leach Bliley Act (GLBA) Letter- *informational only*

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General Fund Monthly Report

FY 2025-26 November (in thousands)

	YTD Comparison		FY 2025-26 Budget & Forecast					
	FY 2024-25 November Actuals	FY 2025-26 November Actuals	FY 2024-25 Year End Actuals	FY 2025-26 Board Adopted Budget (BAB)	FY 2025-26 Adjusted Budget	FY 2025-26 Forecast	Forecast to Budget Variance	Notes
Revenue								
State Appropriations	\$23,150	\$23,230	\$38,160	\$38,573	\$38,573	\$38,331	(\$242)	(1)
Tuition & Fees	27,618	28,722	41,833	43,368	43,368	44,165	\$797	(2)
Remissions	(2,900)	(3,217)	(8,031)	(7,907)	(7,907)	(8,616)	(\$709)	
Other	1,673	1,736	4,067	3,912	3,912	4,002	\$90	
Total Revenue	\$49,540	\$50,471	\$76,029	\$77,946	\$77,946	\$77,882	(\$64)	
Expenses								
Administrative Staff Salary	\$3,959	\$4,402	\$9,724	\$11,463	\$11,508	\$10,713	(\$750)	
Faculty Salary	3,498	4,103	12,926	14,660	14,720	14,720	\$60	
Adjunct and Admin/Faculty Other Pay	1,503	1,425	3,797	3,338	3,364	3,561	\$224	
Classified	2,840	3,018	6,906	7,313	7,240	7,240	(\$73)	
Student	362	427	1,004	809	847	1,076	\$268	
GTA	20	44	113	121	121	116	(\$5)	
OPE	6,320	7,190	17,745	20,547	20,571	20,153	(\$394)	
Total Labor Expense	\$18,502	\$20,609	\$52,215	\$58,252	\$58,373	\$57,581	(\$671)	(3)
Service & Supplies	\$8,060	\$8,310	\$17,423	\$16,375	\$16,732	\$16,642	\$267	(4)
Internal Sales	(539)	(529)	(1,283)	(1,243)	(1,243)	(1,243)	\$ -	
Debt/Investment	965	1,100	1,207	1,318	1,318	1,318	\$ -	
Capital	245	70	379	472	451	451	(\$21)	
Utilities	631	690	1,910	1,292	1,292	2,049	\$757	(5)
Transfers In	-	-	-	-	-	-	\$ -	
Transfers Out	682	335	1,351	1,481	1,481	1,481	\$ -	
Total Direct Expense	\$10,043	\$9,975	\$20,988	\$19,694	\$20,031	\$20,698	\$1,003	
Total All Expense	\$28,545	\$30,584	\$73,203	\$77,946	\$78,403	\$78,279	\$332	
Net from Operations before Other Resources (Uses)	\$20,995	\$19,887	\$2,827	\$ -	(\$457)	(\$396)	(\$396)	
Other Resources (Uses)								
Transfers In	\$8	\$0	\$802	\$ -	\$377	\$377	\$377	(6)
Transfers Out	-	(113)	(3,050)	-	(126)	(126)	(\$126)	(7)
Use of Reserve	-	-	-	-	-	-	\$ -	
Total Other Resources (Uses)	\$8	(\$113)	(\$2,249)	\$ -	\$250	\$250	\$250	
Total from Operations and Other Resources (Uses)	\$21,003	\$19,774	\$578	\$ -	(\$207)	(\$146)	(\$146)	
Beginning Fund Balance	\$14,789	\$15,388	\$14,789	\$15,388	\$15,388	\$15,388		
Fund Balance Adjustment	-	-	21	-	-	-		
Ending Fund Balance	\$35,792	\$35,162	\$15,388	\$15,388	\$15,181	\$15,242	(\$146)	
Fund Balance as % Operating Revenues	72.2%	69.7%	20.2%	19.7%	19.5%			
Ending Cash Balance	\$24,911	\$24,599	\$18,603					

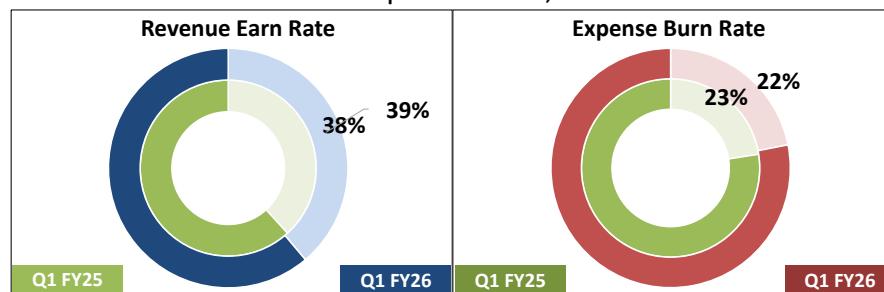
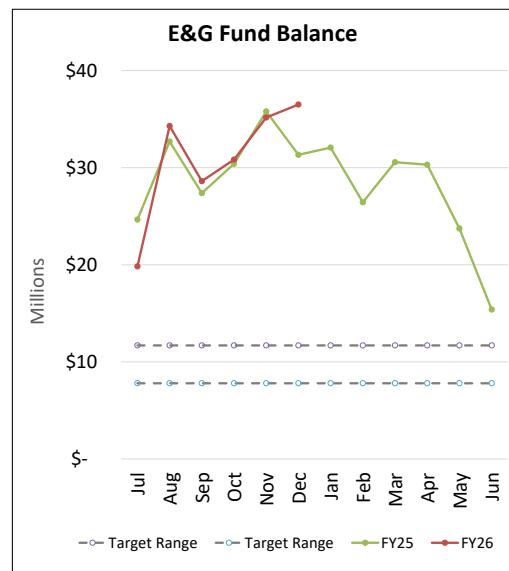
Notes:

- (1) **FY 2025-26 State Appropriation Actuals** - The decrease in state appropriations reflects the true-up.
- (2) **FY 2025-26 Tuition & Fees Forecast** - Reflects the projected 1.6% increase in credit hours over Board Adopted Budget assumptions.
- (3) **FY 2025-26 Labor Expense Forecast** - Reflects budgeted positions remaining unfilled for all or part of the year (mostly in administrative staff) and associated savings in other payroll expenses.
- (4) **FY 2025-26 Service & Supplies** - Reflects the projected spend of FY2024-25 state appropriation for behavioral health (offset with the transfer in).
- (5) **FY 2025-26 Utilities Forecast** - Reflects growing spend in the utilities due to the rate increase (identified structural deficit).
- (6) **FY 2025-26 Transfers In Forecast** - The increase in transfers in reflects the offset for the projected spend of the state appropriation for the behavioral health.
- (7) **FY 2025-26 Transfers Out Forecast** - The increase in transfers out reflects funding for the capital expenses, including Board Room Upgrades.

Oregon TECH

Quarterly Financial Dashboard

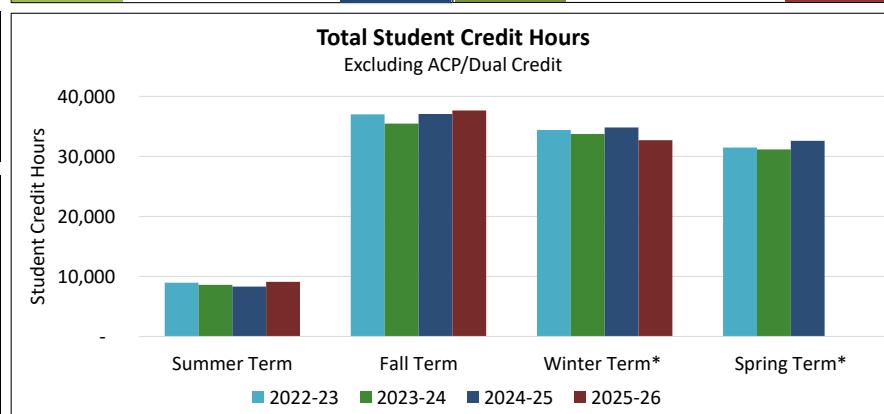
As of September 30, 2025



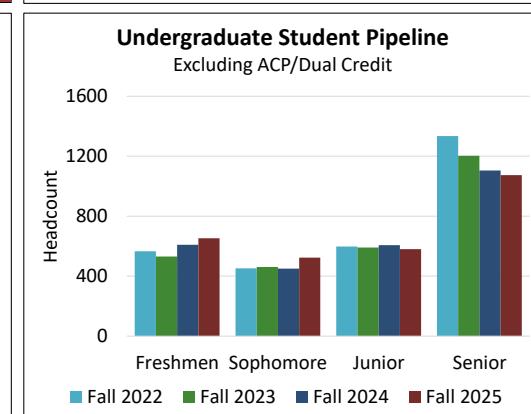
Key Financial Indicators	
E&G Fund Balance:	\$28,605 As of Dec. 31, 2025
Debt Burden Ratio:	6.99% As of June 30, 2025
Quasi Endowment:	\$7,430 As of Sept. 30, 2025
Foundation Assets:	\$51,724 As of June 30, 2025

Student Tuition			
Undergraduate Tuition			
	2024-25		2025-26
Resident:	\$10,964		\$11,403
Non-Resident:	\$34,900		\$36,296
WUE:	\$16,447		\$17,105
Online:	\$14,490		\$15,075
Differential:	37%		37%

Graduate Tuition			
	2024-25		2025-26
Resident:	\$20,174		\$20,982
Non-Resident:	\$33,868		\$35,222
Online (MS-AH):	\$16,488		\$17,136
Online (MS-ET):	\$24,012		\$24,984
Resident (DPT):	\$22,831		\$23,744
Non-Resident(DPT):	\$38,327		\$39,860
Differential:	37%		37%



Degree Completions				
	2024-25	2023-24	2022-23	3 Year Δ
Undergraduate				
Resident:	458	477	470	-2.6%
Non-Resident:	185	207	193	-4.1%
Graduate				
Resident:	25	20	17	47.1%
Non-Resident:	20	19	20	0.0%



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

FY2026 Q1 Investment Report

BACKGROUND

The Oregon Tech (university) investment report for the fourth quarter (Q1) of FY2026 is presented in the following sections:

- **FY2026 Q1 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.
- **FY2026 Q1 Market Commentary** – This section provides a general discussion of the investment markets and related performance data for the first quarter of FY2026 (i.e., July 1 – September 30, 2025).

FY2026 Q1 OREGON TECH INVESTMENT REPORT

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

Oregon Tech Operating Assets

The Oregon Short Term Fund (OSTF) increased 1.2% for the quarter, outperforming its benchmark by 10 basis points. The Public University Fund Core Bond Fund (PUF) increased 1.9% for the quarter, exceeding its benchmark by 40 basis points. As of September 30, 2025, OIT had \$15.4 million on deposit in the OSTF and \$20.8 million invested in the PUF.

Relative performance in the PUF was driven by corporate bonds and securitized bonds, as spreads (coupon variance to a similarly dated Treasury bond) continued to tighten. The Oregon State Treasury investment officers are maintaining a high quality bias in the portfolio with over 60% of the portfolio allocated to on-the-run Treasuries. On-the-run Treasuries are recently issued securities compared to Treasuries trading in the secondary markets.

Oregon Tech Quasi-Endowment Fund

The Oregon Tech Quasi-Endowment assets rose 1.8% for the quarter. The Oregon Intermediate-Term Pool performance outperformed its benchmark for the quarter by 30 basis points. The Endowment assets were valued at \$7.4 million, as of September 30, 2025.

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Oregon Tech
Investment Summary
as of September 30, 2025
(Net of Fees)

	Quarter Ended 9/30/2025	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	1.2%	1.2%	1.3%	4.5%	3.0%	2.3%	\$ 15,434,863	42.6%
Benchmark - 91 day T-Bill	1.1%	1.1%	1.4%	4.8%	3.0%	2.1%		
PUF Core Bond Fund	1.9%	1.9%	4.0%	5.6%	1.7%	N/A	20,757,909	57.4%
Benchmark - Bloomberg Barclays Intermediate U.S. Gov't./Credit Index ²	1.5%	1.5%	4.2%	5.2%	0.8%	2.1%		
Investment Yield ³	1.1%	1.1%	1.1%	4.4%	3.8%	N/A		
Total Operating Assets							<u>\$ 36,192,772</u>	<u>100.0%</u>
 OIT Endowment Assets								
Oregon Intermediate-Term Pool	1.8%	1.8%	4.0%	5.6%	1.7%	N/A	\$ 7,429,749	100.0%
Benchmark - Bloomberg Barclays Intermediate U.S. Gov't./Credit Index ⁴	1.5%	1.5%	4.2%	5.2%	0.8%	1.9%		

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.

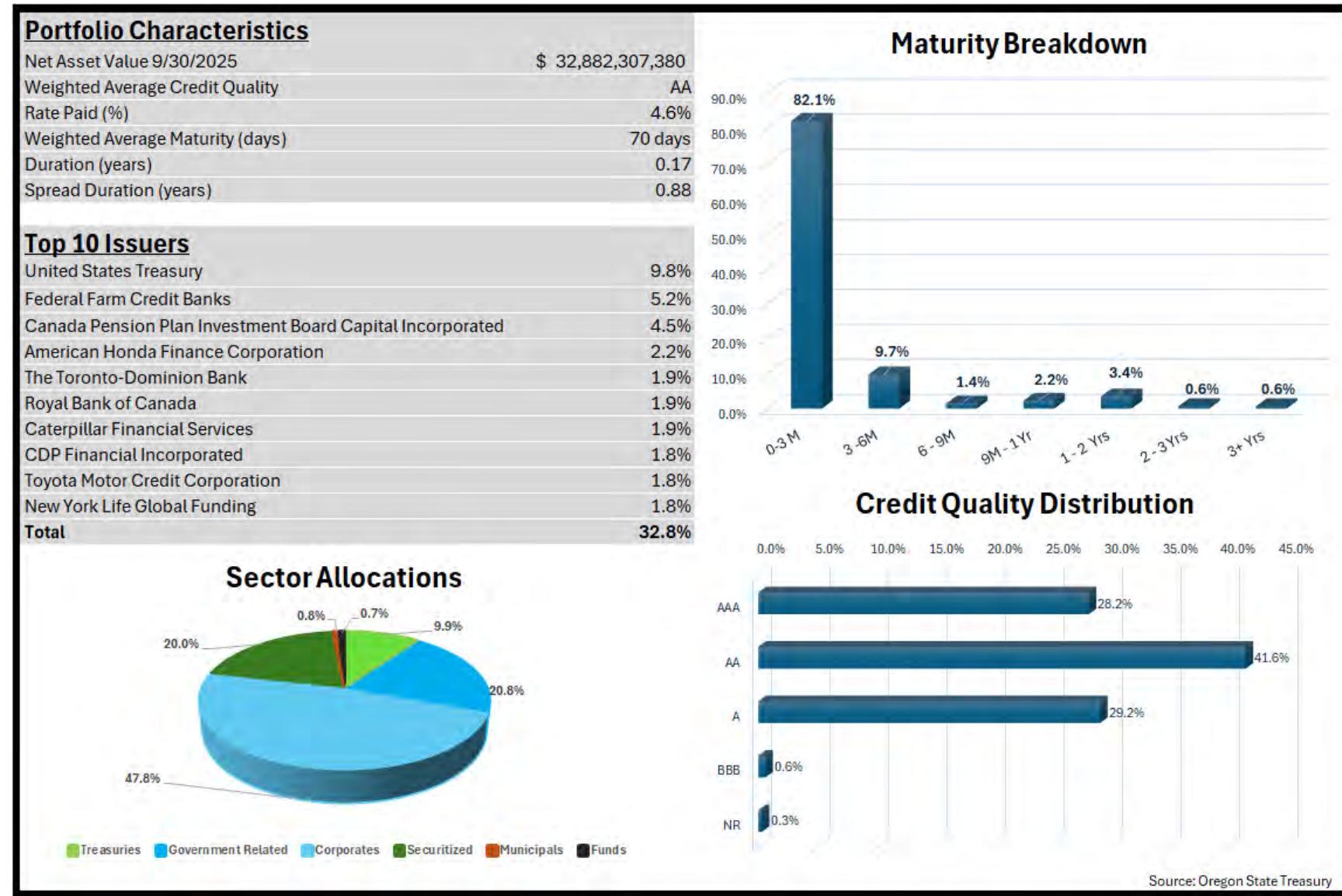
³ The reported investment yields for the quarter and fiscal year-to-date represent earned yields for the period and are not annualized rates.

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 underperformed their benchmark.

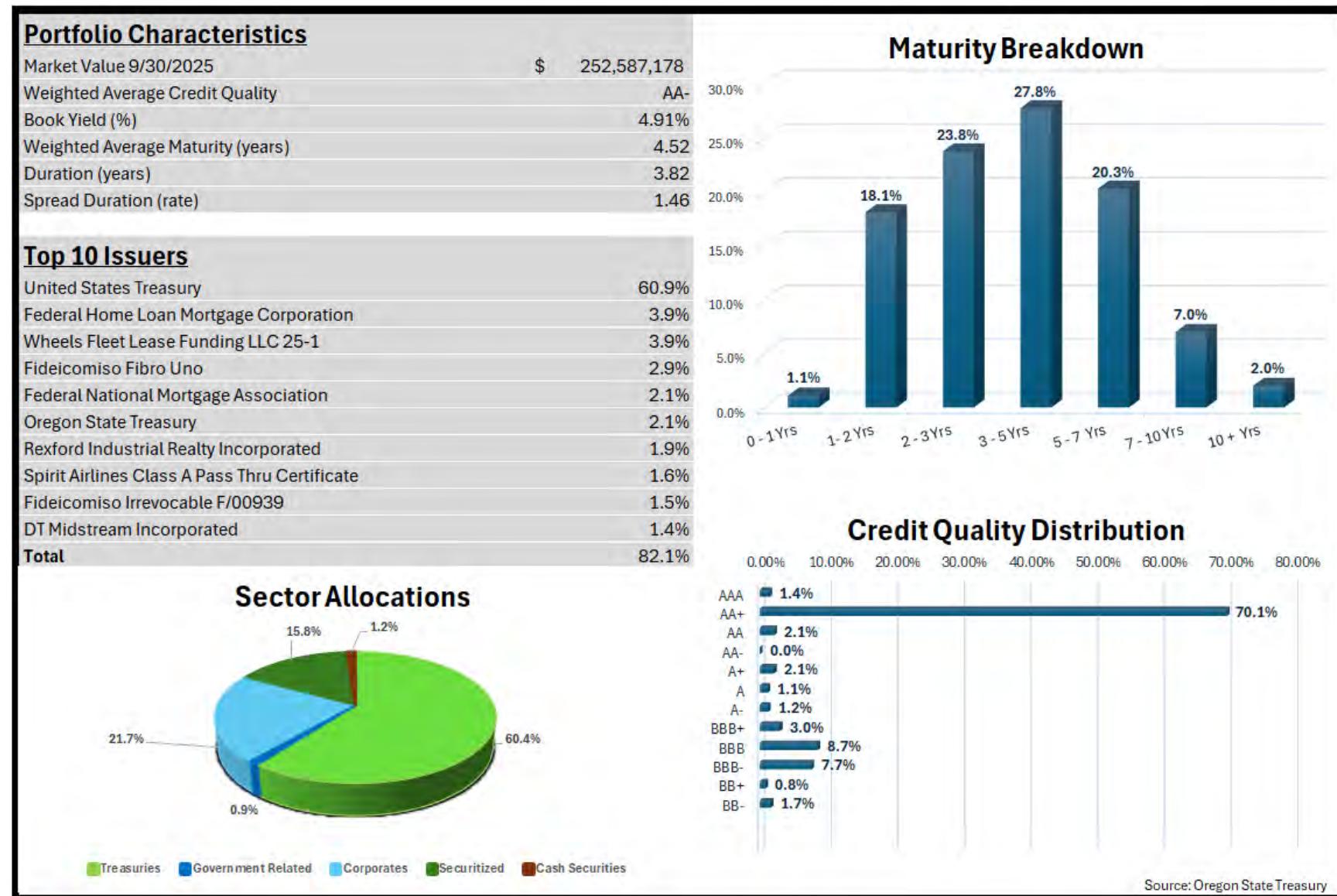
Oregon Short-Term Fund

September 30, 2025



Core Bond Fund

September 30, 2025



FY2026 Q1

MARKET COMMENTARY

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

Report on Investments – as of September 30, 2025

Economic and Market Update

In the third calendar quarter of 2025, most stock and bond markets delivered positive returns, benefiting from renewed interest rate cuts from the Federal Reserve, continued strong artificial intelligence (AI) demand and investment, and overall solid corporate earnings.

- U.S. stocks enjoyed a broad rally in the third calendar quarter with the S&P 500 gaining 8.1%. Large cap stocks trailed small cap stocks in a reversal of the prior trend with mixed results across market capitalizations for growth and value.
- Non-U.S. developed market stocks (Morgan Stanley Capital Indices (MSCI) Europe Australasia Far-East (EAFE)) lagged U.S. stocks in the third calendar quarter with gains of +4.8% with value outperforming growth.
- Emerging market stocks beat developed market stocks in the third calendar quarter with the MSCI emerging market index gaining +10.6% and up a leading 27.5% calendar year-to-date; Chinese stocks drove the emerging market index higher with the MSCI China index returning 20.7% in the quarter and 41.6% calendar year-to-date.
- In general, bond markets performed well in the third calendar quarter supported by softer labor data and largely dovish central banks, with high yield bonds and long-dated Treasuries both returning 2.5% for the quarter, slightly outperforming the broad U.S. bond market (+2.0%) and Treasury Inflation Protected Securities (TIPS) (+2.1%).
- Chair Powell's comments from Jackson Hole buoyed market expectations for more rate cuts this year. In addition to continued public pressure on Chair Powell, the Administration also signaled that it would investigate Federal Open Market Committee (FOMC) member Lisa Cook adding to market concerns about future Federal Reserve (Fed) independence.
- Key questions going forward include how the Fed will manage interest rates given competing pressures on its dual mandate of inflation and employment, will tariff pressures eventually show up in inflation, can earnings growth remain resilient in the U.S., will the recent rotation into small cap stocks continue, and how will China's economy and relations with the U.S. track.

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Market Returns¹ September 30, 2025

	Month	Quarter	YTD	1-Year	3-Year	5-Year	7-Year	10-Year
S&P 500	3.7%	8.1%	14.8%	17.6%	24.9%	16.5%	14.5%	15.3%
MSCI EAFE-ND	1.9%	4.8%	25.1%	15.0%	21.7%	11.2%	7.7%	8.2%
MSCI EM-ND	7.2%	10.6%	27.5%	17.3%	18.2%	7.0%	6.2%	8.0%
MSCI China-ND	9.8%	20.7%	41.6%	30.8%	19.5%	0.4%	3.9%	6.8%
Bloomberg US Aggregate	1.1%	2.0%	6.1%	2.9%	4.9%	-0.4%	2.1%	1.8%
Bloomberg US TIPS	0.4%	2.1%	6.9%	3.8%	4.9%	1.4%	3.4%	3.0%
Bloomberg US Corporate High Yield	0.8%	2.5%	7.2%	7.4%	11.1%	5.5%	5.3%	6.2%
ICE BofAML US 3-Month Treasury Bill	0.3%	1.1%	3.2%	4.4%	4.8%	3.0%	2.6%	2.1%
ICE BofAML 1-3 Year US Treasury	0.3%	1.1%	3.9%	3.9%	4.3%	1.6%	2.3%	1.7%
ICE BofAML 10+ Year US Treasury	3.0%	2.5%	5.9%	-3.1%	0.7%	-7.4%	-0.2%	0.0%

¹Source: Oregon State Treasury

U.S. Equities: U.S. stocks increased sharply during the third calendar quarter as the Fed lowered interest rates, corporate earnings came in above expectations, and economic growth surprised to the upside. The enthusiasm surrounding AI helped push the indices higher, as well.

Small cap stocks, represented by the Russell 2000 Index, outperformed both mid and large cap stocks during the quarter. The small cap index's higher weighting to biopharma stocks contributed to the outperformance as well as the overall strength of the economy and expectations for lower rates given their generally higher leverage.

Value stocks outperformed growth stocks during the quarter (except in the large cap space). The outperformance of large technology and consumer discretionary stocks drove this dynamic.

Foreign Equity: Developed markets posted solid gains in the third calendar quarter, driven by easing monetary policy, strong corporate earnings, and AI-related enthusiasm. Eurozone equities, while positive, were the laggards of the quarter, with losses in Germany and political instability in France somewhat balanced by strong performance from financials and stable inflation. The United Kingdom saw solid performance supported by strong bank earnings and resilient consumer demand despite rising debt. Japan was a top performer, benefiting from a weaker yen, strong tech exports, and favorable political shifts.

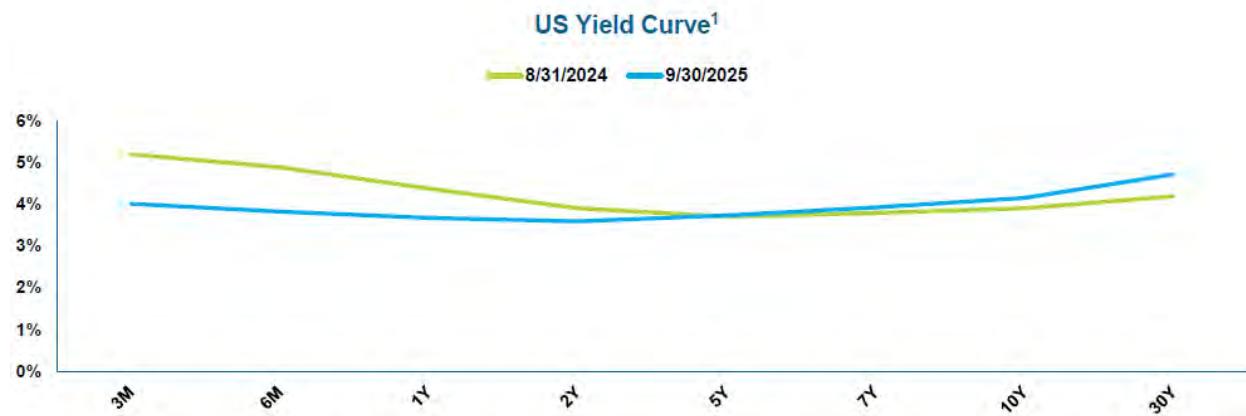
Emerging markets outperformed developed peers in the third calendar quarter, aided by easing trade tensions and strong tech performance. China led the way with a significant 20.7% return for the quarter, benefitting from domestic chipmaker support, accelerating AI spending, and optimism surrounding policies to reduce unproductive competition. Tech enthusiasm benefited other Asian markets, particularly Taiwan and Korea. Brazil lagged, due largely to political uncertainty. India saw losses, with the recent imposition of very punitive tariffs by the U.S. weighing heavily on performance.

U.S. stock valuations increased in the third calendar quarter, finishing September with a cyclically adjusted price to earnings (P/E) ratio of 39.4. This level is well above their long-run average of 28.4. Given strong results this year in non-U.S. developed stocks, valuations have moved slightly above their long-run P/E ratio (22.1 versus 21.0). As emerging market stocks lead the way in 2025 their valuations are now also trading at levels above their long-run average (18.5 versus 16.7).

Fixed Income: The U.S. yield curve shifted lower on expected monetary policy easing in the coming quarters and strong risk appetite by investors provided positive performance for credit

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indexes. In this environment, the broad U.S. bond market (Bloomberg Aggregate) returned 2.0% with longer dated U.S. Treasuries performing slightly better (2.5%). Longer and short-dated TIPS gained 2.1% and 1.6%, respectively, as inflation risks remained elevated. Positive risk sentiment supported emerging market debt (+2.8%) and high yield (+2.5%). Year-to-date performance in emerging markets solidly exceeded other fixed income indices, and the broad U.S. stock market.



¹ Source: Bloomberg. Data is as of September 30, 2025.

A rate cut by the Fed, with more expected weakness in the labor market, and no signs yet of tariffs significantly influencing inflation drove rates lower across the yield curve in the third calendar quarter. The policy sensitive 2-year nominal Treasury yield was volatile during the quarter but overall fell from 3.72% to 3.61% given the anticipation of additional interest rate cuts by the Fed. The 10-year nominal Treasury yield was also volatile and declined from 4.23% to 4.15% for the quarter, while the 30-year nominal Treasury yield fell slightly from 4.78% to 4.73%.

The recent government shutdown has caused a delay in the release of government economic reports like the consumer price index from the Bureau of Labor Statistics. This has led to investors increasing use of other models and private data to assess the economy. Bloomberg's real-time inflation models have recently trended up to levels still above the Fed's average target of 2.0%. Market and survey-based measures of inflation show a divergence between short-term (higher) and long-term (lower) expectations for how inflation will track. This dynamic is likely driven by the anticipation that tariff related price increases have still not shown up in the numbers.

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¹ Source: Bloomberg. Data as of September 30, 2025

The U.S. dollar hit near-historic highs in January of 2025 but since then its value has declined by ~11%. The U.S. dollar stabilized in the third calendar quarter on the easing of trade war concerns. Typically, higher interest rates support the U.S. dollar but recent concerns over changing U.S. administration policies and slowing growth have weighed on the value of the U.S. dollar.

Summary-Key Trends:

- According to the International Monetary Fund's October's World Economic Outlook, the global economy will decelerate from 3.2% in 2025 to 3.1% in 2026. The U.S. is expected to modestly accelerate economic growth in 2026 to 2.1% from 2.0% in 2025. The euro area will slow slightly from 1.2% in 2025 to 1.1% in 2026. China's economy is expected to slow from 4.8% in 2025 to just 4.2% in 2026.
- Despite the recent pause in negotiations related to tariffs, many questions remain including how they will ultimately impact inflation. Overall, higher tariff levels and continued uncertainty could weigh on growth while increasing prices. Inflation levels and potential developments with tariffs combined with a weakening labor market will complicate the Fed's rate cutting path. A lengthy government shutdown and a lack of official economic reports could create further complications for the Fed and others to assess the health of the economy.
- Some signs of stress have started to emerge on the U.S. consumer, with growing weakness in the jobs market and sentiment weakening since the start of the year. Consumers are particularly concerned about losing their jobs and the potential for higher prices. Overall, risk to economic growth and to inflation from tariffs, as well as elevated borrowing costs, could put further pressure on consumers and lead to an even weaker job market. The recent resumption of collecting and reporting delinquent student loans could be a further headwind to consumption.
- U.S. equities have fully recovered from substantial losses experienced during the first week of April and have reached new highs. A relatively strong second calendar quarter earnings season, renewed AI optimism, and prospects of future rate cuts from the Fed all helped drive stocks higher. How earnings track from here, particularly for the large

FF&A Item 3.4

AI related companies that make up a significant portion of indexes, will be key going forward.

- Trade tensions between the U.S. and China will remain an important focus as well as the overall health of China's economy. With the recent flare up in rhetoric, China has deepened its restrictions on exporting rare earth and critical minerals required in the manufacturing of many high-tech items. In response, the U.S. threatened across the board tariffs up to 100% on Chinese goods. Upcoming negotiations between the two sides will be important to watch. How China manages its slowing economy, and deflationary pressures will also be important.

FINANCE AND FACILITIES COMMITTEE OF THE BOARD OF
TRUSTEES / 1.21.2026



Oregon Tech's - Capital Projects Update

Dana L. Miller | Director, Facilities & Capital Planning

Presentation Outline



Capital Projects

Active at Klamath Falls Campus

- New Student Housing Construction
- Geothermal Systems Emergency Renovation: In 6 phases
- Water Distribution System Pressure Boosting Pumphouse
- Stillwell Stadium Improvements
- Fieldhouse Construction

Active at Wilsonville Campus

- Vertical Transportation Modernization

New Student Housing



New Student Housing



- Amended substantial completion date is February 20, 2026.
- Amended completion date is March 20, 2026.
- GMP of \$28,500,000.
- Scope: Build an 85,000 sq.ft., 511 bed, four story student housing structure.
- Project Camera:
<https://app.truelook.cloud/?code=cnpi13lm080mqpqm2fupahbuj>

New Student Housing



Oregon **TECH**



New Student Housing



Oregon **TECH**

Geothermal Systems Emergency Renovation



Geothermal Systems Emergency Renovation																																						
Project Start: 11.06.23			Project Completion: 8.31.2028																																			
Project	Progress Highlights		Cost Breakdown		Orig. Budget	Rev. Budget	Cost To Date	%	Balance																													
UPE 830	Design: Underway																																					
Bond Type: XI-Q 2023K	Construction: Pending																																					
	<u>Project underway.</u>		Design (7%):	\$ 1,295,615	\$ 986,240	\$ 674,723	68%	\$ 311,517																														
Design: SHN			Construction (84%):	\$ 2,018,747	\$ 8,967,409	\$ 5,955,794	66%	\$ 3,011,615																														
CM/GC: Bogatay const.	Plan	Design	Bid	Build	Closeout	Other (9%):	\$ 14,641,788	\$ 8,002,501	\$ 35,088	0%	\$ 7,967,413																											
						Project Totals:	\$ 17,956,150	\$ 17,956,150	\$ 6,665,605	37%	\$ 11,290,545																											
<h3>Budget Breakdown</h3> <table border="1"> <tr> <td>\$986,240</td> <td>\$8,967,409</td> <td>\$8,002,501</td> </tr> <tr> <td>■ Design</td> <td>■ Construction</td> <td>■ Other/Cont</td> </tr> </table>					\$986,240	\$8,967,409	\$8,002,501	■ Design	■ Construction	■ Other/Cont	<u>BCI - Amendments</u> <table border="1"> <tr><td>Geo Tank</td><td>\$ 610,304</td></tr> <tr><td>Amd. 1</td><td>\$ 325,746</td></tr> <tr><td>Amd. 4</td><td>\$ 1,445,424</td></tr> <tr><td>Amd. 6-7</td><td>\$ 121,617</td></tr> <tr><td>Amd. 8</td><td>\$ 3,472,747</td></tr> <tr><td>Amd. 3-5-9</td><td>\$ 635,088</td></tr> <tr><td>Amd. 10</td><td>\$ 337,737</td></tr> <tr><td></td><td>\$ -</td></tr> <tr><td></td><td>\$ -</td></tr> <tr> <td>Total:</td><td>\$ 6,948,662</td></tr> </table>	Geo Tank	\$ 610,304	Amd. 1	\$ 325,746	Amd. 4	\$ 1,445,424	Amd. 6-7	\$ 121,617	Amd. 8	\$ 3,472,747	Amd. 3-5-9	\$ 635,088	Amd. 10	\$ 337,737		\$ -		\$ -	Total:	\$ 6,948,662	<h3>Percent Complete (%)</h3> <table border="1"> <tr> <td>37%</td> <td>63%</td> </tr> <tr> <td>■ Complete</td> <td>■ Remaining</td> </tr> </table>			37%	63%	■ Complete	■ Remaining
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■ Complete	■ Remaining																																					

Geothermal Systems Emergency Renovation



The Phases

- #1 - Geo HX Building Renovation
 - 95% complete
- #2 - Geo Distribution Piping
 - 75% complete
- #3 – Geo Wells
 - Well #6 rebuild continues.
- #4 – Geothermal Building Improvements
 - Design work in progress.
- # 5 – Snow Melt System
 - Survey has been completed to determine where needed.
- # 6 -Campus Electrical Distribution
 - Request for Bids was Published on January 13, 2026.

Geothermal Systems Emergency Renovation



Oregon **TECH**



Campus Booster Station



Campus Booster Station



- Booster Pumping station was required due to less than optimal domestic water pressure following the mandated campus integration into the City sourced water system.
- Installed and connected a new 12" water line from the city system into our campus domestic water distribution loop.
- Project Started September 2025.
- Amended Completion date is January 20, 2026.

Campus Booster Station



Oregon TECH



Stillwell Stadium



- To build a steel canopy roof over the existing bleacher seating area.
- Consideration of adding seven off street non-ADA parking spaces on the side of N. University Drive near right field gate.

Fieldhouse



- Privately funded (through the Foundation) indoor practice facility to benefit OIT and the community.
- Building will be donated to our school by Foundation upon completion.
- The builder is well qualified & local.
- The facility will occupy space that was formally an Athletic Building parking lot.
- Director, FMS & CP is serving in an advisory role, observing the construction process, commenting when in the best interest of OIT.

Fieldhouse



Oregon **TECH**



Portland-Metro Vertical Transportation Modernization



- 3 elevator cars serving 4 floors for 25 years.
- Cars more frequently out of service for repairs. Reliability of elevator service not optimal.
- Obsolescence: parts generally available for 20 to 25 years after production. The sudden & permanent loss of a car would be more expensive to replace than if planned.
- A contract to modernize was awarded in December.
- Timeline for start is early spring and finish up in late autumn 2026.



Contact Information

Dana L. Miller, Director, FMS & Capital Projects

Phone: 541.885.1690

Email: dana.miller@oit.edu



INTERNAL AUDIT STATUS UPDATE

January 21, 2026



Status Update

- Enrollment Reporting
 - Working with management to determine scope
- ITS Cybersecurity
 - Kickoff meeting held on January 7th
- Ethics Hotline
 - No new cases reported

Thank you

GLBA Annual Written Report

Date: January 21, 2026

Executive Summary

This report provides a comprehensive update on Oregon Tech's compliance with the Gramm-Leach-Bliley Act (GLBA), fulfilling the annual reporting requirement under the Safeguards Rule. The content is tailored for the Board of Trustees, summarizing key developments, ongoing initiatives, and areas where Board engagement is essential to strengthen our information security posture.

Background on GLBA

The Gramm-Leach-Bliley Act, enacted in 1999, originally targeted financial institutions to safeguard consumer financial data. In recent years, regulatory updates expanded its reach to include higher education institutions that administer federal financial aid, placing Oregon Tech under its purview. The Federal Trade Commission oversees compliance, and the Safeguards Rule now mandates annual written reports to the Board of Trustees.

Key Activities and Progress

Over the past year, Oregon Tech has prioritized external and internal evaluations of its cybersecurity framework:

- Completed an independent penetration test in June, 2025. Results and follow-up actions are detailed below. Oregon Tech's annual penetration testing for fiscal year 2026 is tentatively scheduled for May, 2026.
- The annual cybersecurity risk assessment remains a collaborative effort between Information Technology Services (ITS) and university-wide departments. For the upcoming cycle, Eide Bailly LLP will provide additional expertise to enhance the assessment process as part of the Internal Audit Cyber Security Assessment that will be kicking off in late January 2026.
- Plans are underway to establish a dedicated GLBA workgroup, fostering cross-departmental collaboration and ensuring ongoing compliance with evolving federal requirements.

Information Security Program Overview

Oregon Tech's ITS security team is led by the Associate Vice President for Information Technology Services and Chief Information Officer, supported by key staff members. The program's core functions include:

- **Governance:** Policy development, risk analysis, and coordination with ITS to implement effective controls.
- **Risk & Compliance:** Ongoing training, audit support, vendor security reviews, and vulnerability management. Expanded web-based training for faculty and staff is scheduled for rollout in the next year.
- **Technical Architecture:** Evaluation of proposed solutions, both on-premises and cloud-based, to ensure alignment with security standards.
- **Operations:** Continuous monitoring, incident response, and handling of security-related requests.

Findings from Assessments and Tests

The June 2025 penetration test revealed no critical vulnerabilities that would require urgent corrective action. These results are consistent with previous annual assessments, indicating a stable security posture. The insights gained from these tests will be incorporated into the upcoming risk assessment and will help inform decisions about resource allocation and future improvements.

Business Continuity and Tabletop Exercises

The university's business continuity program, with its related plans and tabletop exercise, is currently being reviewed by key stakeholders with active participation from ITS, and in collaboration with an external consultant. As part of this annual review process, the ITS Disaster Recovery Plan is being specifically updated in conjunction with specialized experts in technology recovery. Upon completion of these revisions, future reports will provide a comprehensive analysis of our response capabilities and evaluate impacts of potential disruptions, leveraging insights from the enhanced plans and knowledge gained through the completion of the forthcoming tabletop exercise.

Challenges and Recommendations

Oregon Tech faces several nation-wide information security challenges:

- Proliferation of unsupported software and shadow IT practices
- Gaps in enterprise-wide data security coverage
- Limited visibility into security events
- Need for proactive threat detection

FF&A Item 3.8- GLBA Letter

On-going risk mitigation solutions on these issues require strategic investment in resources, expanded training, and broad engagement across campus. The Board's support in prioritizing funding and policy initiatives is critical to advancing these solutions.

Closing

This report is submitted jointly by the Associate Vice President Information Technology Services and Chief Information Officer (GLBA Qualified Individual) and the Director of Audit and Compliance, reflecting our commitment to transparency and continuous improvement.



Oregon Institute of Technology

Board of Trustees Audit Exit Presentation

Year ended June 30, 2025





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Agenda

- Audit Scope and Deliverables
- Audit Process and Risks
- Unique Audit Items in 2025
- 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 & Emerging Issues





Audit Scope & Deliverables



Financial Statement Audit

Single Audit (Compliance)

Governance Communication

Management
Comments/Observations

Audit Process

Today's **audit presentation** formally concludes the audit process. We used a **collaborative approach**, including seeking input from management and the Board of Trustees, to develop and execute an audit plan focusing on **risk** areas and areas of **significance to Oregon Tech** stakeholders.



The 2025 audit timeline was executed as planned due to efficient and streamlined planning and performance by Oregon Tech Management. All items requested for the audit were provided to CLA in a timely, accurate manner, and were of the highest quality.



Audit Process and Risks

Significant Risks

Management
Override of
Controls

RISK-BASED APPROACH

Areas of Focus



Responsibilities under US Generally Accepted Auditing Standards (GAAS)



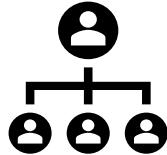
Opinion: Financial statements in conformity with U.S. GAAP in all material respects.



Reasonable assurance free from material misstatement; not absolute



Risk-based audit: What is the risk of material error due to error, fraud, or noncompliance?



Our audit does not relieve management of its responsibilities.



Opinion is not over internal controls; opinion is over financial statements

Customized. Risk-based. Performed by Industry Professionals.



Unique Audit Items

CHANGE IN ACCOUNTING STANDARDS

What changed

Governmental Accounting Standards Board (GASB) Statements No. 101, Compensated Absences potentially requires the University to recognize a liability when the University employees have earned a leave time but not yet taken it.

New requirements

Reevaluate leave policies

Footnote disclosures will be enhanced

Audit impact

Evaluate Oregon Tech's Leave Policies to determine applicability to new standard

Evaluation and restatement for both June 30, 2025, and June 30, 2024

Detailed testing of management's estimate evaluation and calculation



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.
One significant deficiency and one other matter noted.





Single Audit Results



Enrollment Reporting Finding

- Enrollment Reporting to National Student Loan Data System (NSLDS)
- Discrepancies in both accuracy and timeliness were identified
- No questioned costs or financial impact

Verbal Observation

- Review personnel and timeliness of certain controls over federal grant compliance processes

Governance Communications

Overall

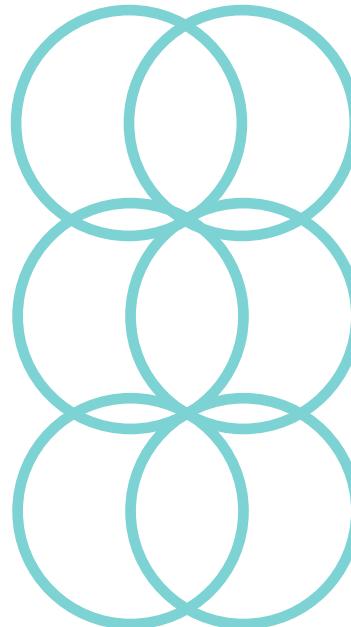
- Two new accounting standards:
 - GASB 101
 - GASB 102
- It was efficient and a pleasure to work with management

Difficulties

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

Adjustments

- No corrected entries
- No uncorrected entries



Estimates

- Allowance for receivables; pension & OPEB, compensated absences; fair value
- No substantial judgment by management
- We evaluated key factors and assumptions for all estimates

Other

- Separate internal control letter within single audit report
- 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 2025 ANNUAL FINANCIAL REPORT Table of Contents

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Statements of Financial Position – Component Unit	23
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Statements of Activities – Component Unit	25
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Questions and Feedback

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



Bryan Simkanich, CPA
Signing Director
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CLAdconnect.com



CPAs | CONSULTANTS | WEALTH ADVISORS

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Appendix – Industry Updates and Upcoming GASB Accounting Standards



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



GASB Implementation Guide

2025-1



Effective date
**June 30, 2026, except
for Question 4.16,
which is effective
immediately**



**Will provide explanatory
guidance in the following
areas:**

- Cash flow reporting
- Subsidies
- Lease term and modifications
- Accounting changes and error corrections



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



Insights

Navigating Change in Higher Ed: Insights from CLA's 8th Virtual Conference : CLA (CliftonLarsonAllen).





Emerging Issues

ONE BIG BEAUTIFUL BILL ACT

Student Impact

- Income-based student loan repayment plan
- Elimination of Graduate PLUS loans
- Other loan limit caps put into place

Economic Impact

- Less resources to pay for tuition
- Accountability
- Workforce Pell
- Endowment tax

Compliance Impact

- Department of Treasury additional reporting requirements
- Executive Compensation
- Form 1099 increases effective for payments made after 12/31/25

ACTION

Agenda Item No. 4.1

FY 2025 Annual Financial Report

Background

The Oregon Tech FY 2025 Annual Financial Report was prepared by Oregon Tech staff. The audit opinion issued by CliftonLarsonAllen LLP (CLA) is an unmodified (clean) opinion. The Annual Financial Statements and audit opinion is accessible via hyperlink due to file size and the Governance Letter (Attachment A) is attached below.

The FY 2025 Annual Financial Report can be found at the following link [Oregon Tech's FY 2025 Annual Financial Report](#). Printed copies will also be provided to all members of the Board of Trustees.

Staff Recommendation

After review of the FY 2025 Annual Financial Report, staff requests a **Motion by the Audit Committee recommending Approval by the full Board of the Oregon Tech FY 2025 Annual Financial Report and Audit.**

Attachment

Attachment A- Oregon Tech FY 2025 Governance Letter

ACTION

Agenda Item No. 4.2

FY 2025 Single Audit Report

Background

Oregon Tech receives federal funds through financial aid programs, grants, awards and in some recent years 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, 2025 was performed by CliftonLarsonAllen LLP (CLA) in conjunction with Oregon Tech staff. The FY 2025 Single Audit Report can be found at the following link [FY 2025 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 2025 Single Audit Report. Copies will be provided to all members of the Board of Trustees.

Staff Recommendation

After review of the Fiscal Year 2025 Single Audit Report for federal funds compliance, staff requests a **Motion by the Audit Committee recommending Approval by the full Board of the Oregon Tech FY 2025 Single Audit Report.**

ACTION

Agenda Item No. 4.3

Authorization to Purchase Classroom-Laboratory Equipment Costing in Excess of \$1 Million

Background

During the 2019 Oregon legislative regular session, Oregon Tech (the University) was authorized for Series XI-Q bonds to support the OMIC Education Lab - Education & General (E&G) initiative (MMET Education Lab, project). Importantly, the “E&G” designation indicates that the bond funding is dedicated to educational laboratory enhancements in support of Mechanical and Manufacturing Engineering Technology (MMET) programs at the Klamath Falls and Portland-Metro campuses, rather than the OMIC R&D facility in Scappoose, Oregon. The total bond proceeds of \$3,200,000 were issued on the credit of the State of Oregon, meaning the University is not required to repay these funds. This project was envisioned as a multi-year effort to modernize and expand the University’s additive manufacturing education capabilities, with a strong emphasis on both classroom and laboratory environments.

The MMET Education Lab project aligns with Oregon Tech’s strategic goals to enhance STEM education and provide students with hands-on experience using state-of-the-art technology. The phased approach of the project has allowed the University to systematically acquire advanced equipment and renovate laboratory spaces, ensuring that evolving instructional requirements in additive manufacturing are fully supported.

Previous phases have included renovations to laboratory spaces, installation of foundational equipment, and integration of new technologies to support curriculum development and workforce training.

The project is funded through a combination of state-issued tax-exempt bonds and additional funds. The additional funds are necessary to cover project costs that are not eligible under state and IRS tax-exempt bond compliance, such as extended warranties, training, licenses and initial operating supplies. The substantial majority of the project is funded by the state-issued tax-exempt bonds, which eliminates the need for a reimbursement resolution. While additional funds will be applied for specific portions of the project, a university funding match is not required for the bond-supported portion—an important factor that allows the University to maximize the impact of state support. Throughout the project, the University has maintained full compliance with all state and IRS requirements for the use of tax-exempt bond proceeds, including allowable spending and reporting obligations.

The project is now entering its final phase. After a comprehensive review of instructional needs, staff have determined the acquisition of an X-Ray Computed Tomography System Equipment as the critical final component. This advanced equipment, designed for innovation and development applications in additive manufacturing, will be installed at the Portland-Metro campus. The anticipated cost for this final phase is \$1,265,000, to be funded by approximately \$1,165,000 in remaining bond project funds, with the balance of approximately \$100,000 provided from additional funds. This funding approach ensures the University can complete the project as originally envisioned, delivering enhanced educational opportunities in additive manufacturing while continuing to meet all state and IRS tax-exempt bond compliance requirements.

Benefits to Students

The acquisition of the X-Ray Computed Tomography System Equipment will provide Oregon Tech students with direct access to cutting-edge product inspection and defect validation technology used in advanced manufacturing industries. Specific benefits include:

- **Hands-on Learning:** Students will gain practical experience operating sophisticated technical equipment, preparing them for careers in high-demand fields such as additive manufacturing, new product development, materials science, and quality assurance.
- **Opportunities for Discovery:** The equipment will enable students to participate in faculty-led and independent engineering and science projects, including non-destructive testing, material characterization, and process optimization.
- **Industry-Relevant Skills:** Exposure to real-world applications and data analysis using the tomography system will enhance students' technical competencies, knowledge base, and employability.
- **Collaboration and Innovation:** The new equipment will support collaborative projects, foster innovation and provide networking opportunities for students.
- **Enhanced Curriculum:** Integration of the computer tomography system into classroom and laboratory instruction will enrich the curriculum, allowing faculty to teach advanced concepts and methodologies aligned with current industry standards.

By investing in this equipment, Oregon Tech continues its commitment to providing students with advanced technology experiential learning, exceptional learning opportunities and preparing graduates to excel in rapidly evolving technological fields.

Estimated Project Budget

Category	Amount
Equipment acquisition, including installation and on-site calibration (<i>bond funding</i>)	\$1,150,000
Warranty, training, licenses and initial operating supplies	50,000
Renovation for classroom-laboratory readiness (<i>bond funding</i>)	15,000
Contingencies	50,000
Estimated Total Project Costs	\$ 1,265,000

Estimated total project costs include a projected equipment acquisition contract exceeding \$1 million. In accordance with Section 1.6.8 of the Board Policy on Delegation of Authority (amended January 24, 2019), Board approval is required for the execution of any instrument related to the acquisition of goods and services where the anticipated cost to the University exceeds \$1,000,000. Upon receiving Board authorization, the University will proceed with the equipment acquisition and all related public procurement processes, ensuring full compliance with applicable policies and law.

Recommendation

After review and discussion, staff recommends a Motion by the Committee recommending Approval by the full Board to authorize the President or his designee to negotiate and execute a contract exceeding \$1 million for the acquisition of additive manufacturing equipment at the Portland-Metro campus, as well as delegation to the President or his designee, as permitted under applicable policy and law, to make minor and technical adjustments as necessary to correct mathematical rounding, errors, inconsistencies, or omissions and to execute the Board's directives.