

	<b>Chair:</b>	
Richard Bailey	Professor of Business Management	Klamath Falls
	<b>Membership:</b>	
Abdy Afjeh	Associate Provost for Research	Portland-Metro
Connie Atchley	Associate Vice President & Chief Information Officer	Klamath Falls
Todd Breedlove	Professor of Computer Systems Engineering Technology	Klamath Falls
Erin Foley	Vice President for Student Affairs & Dean of Students	Klamath Falls
Brian Fox	Vice President for Finance & Administration	Klamath Falls
David Hammond	Associate Professor of Mathematics	Portland-Metro
<del>Zach Jones</del>	<del>Academic Specialist</del>	<del>Klamath Falls</del>
Dawn Lowe Wincentsen	Librarian	Portland-Metro
Joanna Mott	Provost & Vice President for Academic Affairs	Klamath Falls
Stephanie Pope	Assistant Vice President for Financial Operations	Klamath Falls
Ken Sartain	Budget Director of Academic Affairs	Klamath Falls
Matthew Sleep	Associate Professor of Civil Engineering	Klamath Falls
Christopher Syrnyk	Associate Professor of Communication Studies	Klamath Falls
Mason Terry	Director of Oregon Renewable Energy Center	Klamath Falls
Peter Wantuck	ASOIT President	Portland-Metro
Mason Wichmann	ASOIT President	Klamath Falls
	<b>Additional Attendees:</b>	
Nellie Stewart	<del>Executive Assistant to Vice President for Finance &amp; Administration</del>	<del>Klamath Falls</del>
Harmony Stobaugh	Administrative Council Representative	Klamath Falls

## Minutes

### Meeting called to order – Chair Richard Bailey

*Chair Richard Bailey* called the meeting to order at 8:00 am.

*Chair Richard Bailey* read aloud the new charge for FOAC beginning this year. *Provost Joanna Mott* noted that the changes were made at the request of and in consultation with Faculty Senate. *Chair Bailey* has reached out to Faculty Senate for an update to membership. *Christopher Syrnyk* will be the faculty senate academic representative.

### 1. Enrollment Update – Provost Mott

*Provost Joanna Mott* presented the Enrollment Update. Current headcount is up 1%, not including dual credit, including dual credit we are flat. Credit hours are down 0.6%, not including dual credit. Freshman enrollment is up 11%, but transfer numbers decreased. Undergrad transfers dropped mostly outside of Oregon. There are significant changes in international students and drops in non-residents, which have a large impact on tuition revenue. *Chair Richard Bailey* stated that we were hoping to increase enrollment in freshman and was glad to see that we met that goal. *Vice President Brian Fox* provided comparator numbers from what the new freshman enrollment was at the other Oregon Universities including drops at SOU, UofO and roughly flat at EOU. *Dawn Lowe Wincentsen* asked what is being done to decrease the number of students flowing out of Portland-Metro campus. *Provost Joanna Mott* stated that there is planning in process to increase retention.

## **2. Track/Stadium Project – Vice President Erin Foley**

*Vice President Erin Foley* presented the Track/Stadium Project. There was a \$5 million state bond to Oregon Tech Athletics. \$3.5 million was used for the student rec center, approximately \$0.5 million was used for updates to the athletic building. The leftover \$1 million will go toward the Track/Stadium project along with an unanticipated \$610,000 in more lottery funding to athletics from the state. Total cost of the project is projected to be \$2.4 million. Remaining funds are being negotiated with the Foundation. Student fees will not increase, and no general funds will be used for this project. Updates to the field will enable Oregon Tech to host track events on campus, this will also increase our athletic enrollment. *Chair Richard Bailey* asked about the interest payments to the state bonds. *Vice President Brian Fox* responded that there is approximately \$60,000 per year in debt services that the University will be required to pay from auxiliary funds. *Chair Richard Bailey* asked if there is expected to be any revenue to the student rec center. *Vice President Erin Foley* replied that there will be some income from faculty and staff that purchase a pass to use the facility. *Vice President Brian Fox* added that the student rec center is not counting on outside membership to sustain its operation, anything over the student fees is unexpected and positive.

## **3. Q4 2020 Management Report UNAUDITED / Q1 2021 Management Report – Vice President Brian Fox**

*Vice President Brian Fox* presented the Management Report. The university recognized significant salary savings throughout the year, including being conservative in how we managed personnel budgets throughout the year and particularly in the second half as COVID-19 began to impact. In spring, the hiring freeze and furloughs resulted in even greater savings on salaries and departments held back on S&S budgets. There were very little expenditures that occurred during the fourth quarter due to COVID-19 responses. There was utility savings in energy and sewage costs due to upgraded products leading to better numbers. Internal sales went down as auxiliary areas lost income due to closing housing, food services and athletics. *Chair Richard Bailey* asked where the CARES Act revenue is listed. *Vice President Brian Fox* responded that most of the CARES Act money did not go out until the current fiscal year. Two buckets of approximately \$900K were available. The first was specifically set aside for financial aid for students. The second bucket was used for COVID-19 response such as buying PPE, Plexiglas, IT improvements etc. So far, we have just over \$1.0 million in expenses associated with COVID-19. *Chair Richard Bailey* asked if we would have less fee remissions next year to offset from the CARES Act funds. *Vice President Brian Fox* responded that CARES Act funds couldn't replace these funds and there were additional scholarships that were provided. *Todd Breedlove* inquired about changes in the state's funding model and movement across the state to bail out the other institutions using our funds.

## **4. Long Term Financial Planning – Vice President Brian Fox**

*Vice President Brian Fox* presented an analysis of long-term budget drivers and what would happen if the state budget continued a negative trajectory and absent changes in the cost structure or enrollment gains at Oregon Tech. This included the different levers available to the University and how quickly they would need to be pulled. The presentation does not include any recommendations but indicates to the Board of Trustees what options are available. These will need to start being made starting with the next budget cycle and in accordance with the strategic plan. What is clear, is that Oregon Tech needs to keep enrollment up to continue in current trajectory.

## **5. Questions**

**6.**

*Christopher Syrnyk* shared that some of the faculty have asked about a change in tenure relinquishment and the financial impact to the university. *Vice President Brian Fox* responded that this would impact unclassified labor and that these are multi-year items that increase our retirement liability and costs to the University driving up expenses and requiring additional tuition revenue to finance. *Christopher Syrnyk* asked what percentage this would increase expenses. *Vice President Brian Fox* responded that while any one decision may not have a huge expense on its own when added up this could indicate a large expense. *Ken Sartain* asked if we have a list of risks and opportunities. *Vice President Brian Fox* responded that we do not in the long-term analysis and looked to *Provost Joanna Mott* on the academic side and the strategic plan to identify opportunities. *Todd Breedlove* shared that he has been told that if we have students getting two degrees and if there is a year between the degrees, we would see financial benefit and wondered if this is still the case. *Vice President Brian Fox* responded that he would need to verify but believes this would be removed as part of the HECC funding formula restructure. He noted that there is a large shortfall in state funding expenditure/revenue amounts in the next two biennia. HECC is adjusting the funding formula. A month ago, the reduction amount for Oregon Tech was proposed at \$4.5 million dollars, currently it has been negotiated to slightly over \$1 million dollar cut. State funding will most likely decline, 4-5% at minimum plus there will be an impact of the SSCM change given current information. There are at least four years of rough state funding ahead. *Vice President Brian Fox* encourages everyone to look at the base case scenarios. Our fund balance is not going to be able to carry us forward without making changes. We need to consider the different options and how much we pull each “lever.” *Chair Richard Bailey* noted that the slides shared by *Vice President Brian Fox* are on the FOAC website. *Peter Wantuck* asked what is SSCM. *Vice President Brian Fox* replied that it is the Student Success and Completion Model. *Christopher Syrnyk* asked if there have been considerations factored in for times of recession when students tend to go back to school. *Vice President Brian Fox* responded that typically we would see an increase starting at the community colleges however, we have not seen that with COVID-19. This means we will not have the transfer rates that we would anticipate as part of a recession, but it may create pent up demand that shows up down the road. *Provost Joanna Mott* added that this is pushing out several years. We also have the end of growth in high school students in 2028 and population growth will be declining, so enrollment growth will be more difficult.

**Meeting adjourned – Chair Richard Bailey**

*Chair Richard Bailey* adjourned the meeting at 9:04 am.