

POSITION	TERM	NAME	DEPARTMENT/DIVISION
Chair & VP Administration and Finance	2022-23	John Harman	Finance and Administration
Vice President, ex officio	2022-23	Erin Foley	Student Affairs
Administrator 1	2022-23	Joanna Mott	Academic Affairs
Administrator 2	2022-23	Josephine Ness	Admissions
AVP, Finance/Controller	2022-23	Alicia Dillon	Financial Operations
University Registrar des.	2022-23	Kendal Marks	Academic Affairs
FOAC Chair	2021-24	Don DaSaro	Business Management
Faculty Representative	2021-24	Feng Shi	Electrical Engineering and Renewable Energy Technology
Klamath Falls ASOIT President	2022-23	Sasha Rabich	ASOIT
Portland-Metro ASOIT President	2022-23	Billy Kimmel	ASOIT
Klamath Falls Student 1	2022-23	Finn Anders	Student
Klamath Falls Student 2	2022-23	Graeme Wilttrout	Student
Portland-Metro Student 1	2022-23	Kailea Boerste	Student
Graduate Student	2022-23	Josh Roberts	Student
Ex Officio Member	2022-23	Anna Clark	Budget and Planning Office
Administrative Support	2022-23	Celia Green	Finance and Administration

## Minutes

**In Attendance:** VP Harman, Dr. Foley, Dr. Mott, Josephine Ness, Alicia Dillon, Professor DaSaro, Professor Shi, ASOIT President Sasha Rabich, ASOIT President Billy Kimmel, Finn Anders, Graeme Wilttrout, Josh Roberts, and Celia Green.

**Additional Attendees:** Victoria Seward, Josie Hudspeth, Kim Faks, and Maria Depuy.

**Items of Note:** Sasha Rabich provided Monday, February 20<sup>th</sup> at 5:00pm as the date and time for the Klamath Falls campus ASOIT open forum. The meeting will be in the CU auditorium.

Billy Kimmel provided Tuesday, February 21<sup>st</sup> at 5:00pm as the date and time for the Portland Metro campus ASOIT open form. Location TBD.

Josh Roberts will be serving as the Graduate Student representative on the Tuition Recommendation Committee.

1. The meeting began with a review of topics to be covered in the Committee. VP Harman also reminded the group that in the 4<sup>th</sup> meeting, the Committee would need to be ready to develop and vote on a tuition and fees recommendation to the president.
2. University Budget Types were reviewed- there were no questions.
3. FY 23 Board Adopted Budget- VP Harman reviewed the Board Adopted Budget, walking through the different components.

- a. Professor DaSaro asked if the COVID relief funds were still in the budget. VP Harman explained we have claimed all COVID institutional funds as either Covid related expenditures or lost revenues. A major portion of the institutional relief funds were invested (nearly \$1M) to enhance and upgrade IT systems throughout campus to support online learning and remote connectivity for student and faculty learning platforms.
  - b. Jordan Spencer asked for a definition of “salary recapture”. VP Harman explained that OT will at times have a number of unfilled positions and these vacancies result in salary recapture until those positions are filled. The Board has approved this budget approach for a number of years since we know we will not all positions filled at any one time. The estimated salary recapture reduces the amount budgeted for salary expenses. If we were to fill all those positions, we would essentially be over budget. Sometimes we have more recapture than budgeted depending on staffing needs and the recruiting market. Each service area reviews its budget monthly to see if they are still on track to meet budget and makes the necessary adjustments.
  - c. Jordan Spencer asked if the administrative, faculty, and classified salary pools are for people who are hired in the middle of the year. VP Harman stated that is generally where potential salary increases are budgeted as a pool for salary increases required under SEIU and AAUP agreements for the upcoming year. These are initially budgeted for half a year and then built into the permanent budget the following year.
4. FY 2022-23 Management Report through November 2022 was presented by VP Harman.
- a. Provost Mott asked where the dual credit funding from HECC appears in the budget. She also mentioned the amount should be increasing for FY 2023-24. We have increased the number of dual enrollment students to almost 2,000 this winter term. VP Harman said he was not certain of the specific funding amount, but that it would be coming through as part of the SSCM allocation form HECC. Provost Mott asked if they could discuss this topic in more detail at a later time. AVP Dillon said she would confirm where the funds are budgeted.
  - b. Dr. Foley mentioned that in past years, we’ve been able to see the online tuition broken out from in-person tuition and questioned if it is now combined. VP Harman said he has never seen it presented that way. For the next meeting, we will provide a split along with what we have received for dual credit students this year. Provost Mott said the online tuition used to be in the Academic Affairs budget, but it was realigned to the overall institutional budget before VP Harman started at OT. VP Harman confirmed that online tuition is treated like any other tuition and goes in the overall operating budget. VP Harman asked Provost Mott if OT had faculty that were exclusively for online education programs. She indicated there were a few.
  - c. Jordan Spencer asked about the forecast for expenses being close to \$70 million rather than the \$78 million in the budget. VP Harman explained that it is still early in the fiscal year and that \$4 million of the difference depends on how much the Provost spends on the Applied Computing and Rural Health initiative between now and the end of June. These funds must be spent only on those initiatives. It is taking some time to put those programs in place.
5. Major components of the FY23 E&G Budget were presented- No questions were asked.
6. Public University Support Fund (PUSF)
- a. Professor DaSaro asked about activity-based funding through the SSCM funding model. We don’t have very many graduate students; are we being penalized because of that? VP Harman explained that some graduate student degrees have a greater value in the model and that

additional graduate programs could help the amount of our overall formula distribution. Once we get the Department of Physical Therapy program established, it will add about 24 doctoral students to the funding model, up to a total of approximately 73 by the 3<sup>rd</sup> year of the program.

7. State Appropriations- Historical Lookback was presented- there were no questions.
8. Tuition Historical Lookback was provided- there were no questions.
9. PERS- Historical Lookback and Projection was presented- there were no questions.
10. Oregon Tech Employee Health Insurance Expense Historical Lookback was presented- there were no questions.
11. General Fund Balance
  - a. Professor DaSaro asked if OT could do a what-if analysis relating to changing our high and low range on the fund balance with the impact of tuition. VP Harman said that we don't know what the Board will allow yet in regard to use of reserve funds in balancing the FY 2023-24 budget. They will expect us to be diligent in our request. We do several projections to evaluate how we might bridge the budget gap. We will model various tuition increase scenarios in the next meeting to determine their impact on closing the budget deficit.
  - b. Professor DaSaro said he has worked places where they put certain protocols in place and look at two budget approaches, one based on stable business environment and the other with potential adjustments should things change regarding initial budget assumptions. VP Harman said these types of discussions are underway. VP Harman indicated that the primary FY 2023-24 budget approach is focused on:
    - i. Avoiding negatively impacting existing employees and academic programs and student services
    - ii. Building a realistic FY 2023-24 budget despite many unknowns through making reasonable assumptions about enrollment, revenue and expense variables, and
    - iii. Aligning expenditures with revenues to avoid continued reliance on reserves to balance operating budget
  - c. Closing the budget gap will require a combined approach of holding back on some expenditures, relying on some salary recapture, increasing tuition and use of some reserve funds. It takes a balanced approach to ensure we do not harm the quality and availability of programs and services. We want to preserve a quality student experience on campus and avoid an impact to both faculty and staff. The Community Colleges have experienced a significant drop in their enrollment in the past two years which has impacted Oregon Tech because historically this has been a strong transfer pipeline. It is much harder to rebuild after you reduce services and programs. Professor DaSaro added that it takes a long time to regain your reputation, and we don't want to start going downhill. VP Harman agreed and said the president will be tasked with finalizing the recommendation that goes to the Board. It will likely be a mixed approach like last year with a combination of some targeted expense reductions, some increase in tuition and a portion of reserve funds to help us maintain staffing while we adjust to what will hopefully be stabilizing enrollment.
  - d. Dr. Mott stated that the Deans have been very careful over the last 2 – 3 years about combining small classes and increasing efficiencies. Sometimes that does create problems for

students so we are trying to walk a fine line between how many classes of 5 and under we can support and when we can combine sections. If you look at the number of course sections, there are fewer today than before.

- e. Billy Kimmel asked if the next meeting is where we start hearing what kind of tuition increases we are discussing. VP Harman replied yes, we have started forecasting and modeling scenarios and will share in the next Committee meeting. There are many unknown variables and a number of assumptions must be made as we plan for the FY 2023-24 budget. State appropriations estimates and fall enrollment projections are high impact variables. When we go to the Board in June for budget approval, some figures will still be estimates as we do not receive our enrollment numbers for fall until July or August and state appropriations will not be certain because the legislature will not wrap up until around June 15<sup>th</sup>.
- f. Billy Kimmel asked if the Committee will be hearing any proposals or presentations about what services are underperforming that we might look at cutting when we look at a 2% increase versus a 6% tuition increase. VP Harman said the broader budget approach and any reductions would be up to the leaders in each functional area to evaluate. We have still not recovered in some areas going back to pre-COVID. In Enrollment Management, for example, we are down several positions. We are down positions in Financial Aid as well. Those are very student-centric services that we need. We have to be careful if there are reductions because of the wide ripple effect. VP Harman asked Billy Kimmel if he was aware of any underperforming areas. Billy Kimmel said that he didn't know where the reductions would come from. He went on to ask if the group could look at a 2% increase in tuition and see how that would affect students and then look at whatever increase is needed to fill the gap in the budget. It feels like we haven't been looking at areas that are underperforming. We say that academics needs to maintain its current service level and then student services draws the short end of the stick. VP Harman indicated that the University has the same number of employees today that we had in 2016, about 432. It takes people to keep the university running and that is why about 73% of our expenses are salaries and benefits.
- g. Professor DaSaro asked what we will be discussing in next week's meeting. VP Harman said we will primarily be looking at projections based on assumptions. AVP Dillon said that is what she and Anna Clark have been working on for next week. We don't know what state appropriations will be, but it appears they will not increase enough to cover inflation on current spending levels which would require about an 8.67% increase in state funding. We also don't know if the recent decline in enrollment is temporary or if it will be a sustained trend going forward. We will provide scenarios reflecting the impact of different assumptions. We will not know about state funding with any certainty until June and it will be August before we know if enrollment will decline further or remain flat. If we make reductions, we will need time to be strategic about them.
- h. AVP Dillon said the dual credit that Dr. Mott mentioned, \$55, comes in from the mission line in the SSCM allocation so it is received through the HECC appropriation. VP Harman said we can look at the model and see how much that has been so far this year for the next meeting. We will also look at the online tuition and get that amount.

The next meeting will be February 10<sup>th</sup> at 3:00pm.