

POSITION	TERM	NAME	DEPARTMENT/DIVISION
Chair	2021-24	Don DaSaro	Business Management
Provost and Vice President	2022-23	Joanna Mott	Academic Affairs
Vice President	2022-23	John Harman	Finance and Administration
Vice President	2022-23	Erin Foley	Student Affairs
Vice Provost	2022-23	Abdy Afjeh	Research and Academic Affairs
Administrative Council Representative	2022-23	Carleen Drago	Alumni Relations
AVP of Finance & Controller	2021-24	Alicia Dillon	Financial Operations
Senate Executive Representative	2022-23	Yuehai Yang	Faculty Senate
Administrative Staff Representative 1	2022-23	Ken Fincher	University Advancement
Administrative Staff Representative 2	2020-23	Ken Sartain	Academic Affairs
Administrative Staff Representative 3	2021-24	Mandi Clark	Housing and Residence Life
Faculty 1	2022-25	Rose McClure	Natural Sciences
Faculty 2	2022-25	Mark Neupert	Humanities & Social Science
Faculty 3	2022-25	David Hammond	Applied Mathematics
Faculty 4	2021-24	Dibyajyoti Deb	Applied Mathematics
Klamath Falls ASOIT Representative	2022-23	Diana Escamilla	ASOIT
Portland-Metro ASOIT Representative	2022-23	Nawaf AlWahaibi	ASOIT
Executive Assistant	2022-23	Celia Green	Finance and Administration

## Minutes

Additional attendee: Michelle Meyer

**Meeting called to order** – Chair DaSaro called the meeting to order at 8:00am.

- 1. Review Minutes from October 2022 Meeting-** Professor Hammond moved to approve the minutes; Professor Deb seconded.
- 2. YTD November FY2022-23 Management Report-** VP Harman presented a slideshow of the report.
  - a.** Carleen Drago asked if OT’s OPE rate is similar to the other universities in the state. VP Harman explained that the rate is similar compared to other public universities in Oregon. We have rich benefits through PERS and PEBB and that does cost a lot. Michelle Meyer added that the benefits are equivalent to what OT had when we were part of the OUS. The insurance is still under the PEBB umbrella. Other schools will potentially have a different employee mix on different PERS plan participation. For example, the larger schools have more PERS Tier 1 employees, than OT. As a result, Oregon Tech’s PEBB costs would not necessarily be comparable to other schools. OT continues to participate in the same PERS plans as the other public institutions. Professor Neupert added that when he was hired, he was told that salary may not be as competitive, but employees have better benefit packages.
  - b.** Professor Hammond asked for an explanation between operating revenue and non-operating revenue. Michelle Meyer explained that this is following rules that are set by the GASB and GAAP. Operating revenues for OT include items such as tuition and fees, federal, state, and non-

governmental grants (excluding the HERFF grant), auxiliaries and minor educational sales. Non-operating revenues include interest income, HERF grants, and state appropriations including PUSF funding. For Fiscal Year 2022, state appropriations included the applied computing and rural health initiatives allocation.

- c. Professor Neupert asked if the ABA and Dental Clinics were under auxiliaries. Michelle Meyer confirmed that they are for their private practice portion.
- d. VP Fincher asked if the cash balance ever gets used against us by the state. VP Harman said this is not known for sure, but any healthy university needs some reserves for new initiatives or as a rainy-day fund. State funding is unpredictable and public universities have to fund repairs and maintenance as well as capital projects such as renovations and new construction up-front before submitting to the state periodically for reimbursement from CIR dollars or bond proceeds. Thus, it is very important to have liquidity. We have to submit reports to the HECC each year that include revenues, expenses, and fund balances. VP Harman explained that the state does look at that but believes they do recognize that we need some rainy-day funds and capital construction funds.
- e. VP Harman shared the FY 2022 Financial Statement Financial Ratios with the group. Professor Neupert asked how volatile the composite index can become. VP Harman said it generally takes a while to see significant positive or negative swings because the index is made up of four different weighted measures. It can improve in one area but still not see a lot of movement overall.
- f. VP Harman pointed out that the slide outlining the proposed revision to the Quasi-Endowment Policy on Investment has an error related to the spending provision- it should say “0 – 10%”, not “1 – 10%” annually. This will be corrected.
- g. Professor Neupert indicated he was on the committee that set up the quasi-endowment. He believes the original intent was never to have small drawdowns. It was to be used for strategic investments with Board approval. The preservation of the principal is not part of the original intention, as he recalled. Professor Neupert went on to say, if we need \$4 million for a new program, that money should be used. Professor DaSaro added that revising the drawdown to 0-10% gives us more flexibility. VP Harman said our reserves are currently such that we could use that for new programs rather than the Quasi-Endowment. If we have a prolonged decrease in enrollment, we may look at that fund differently. We can use those funds for new initiatives, but we would need to go to the Board for approval. Chair DaSaro asked if we needed to include additional language in the policy to request more than 10%. VP Harman said we can always approach the Board for consideration of additional policy revisions. Michelle Meyer added that the 10% maximum is in line with the dollar threshold of the Board policy on delegation of authority for the president. VP Harman also stated that if we were to draw out several million, then we may have to reevaluate our investment strategy. The funds may need to be moved to a different investment fund.
- h. Chair DaSaro mentioned that we need to find other sources of revenue as tuition has declined state funding is uncertain and costs continue to rise. VP Harman said that Dr. Nagi has spent a lot of time in Portland and Salem working with our partners in industry and legislators to identify additional areas for funding. There has been an increase in grant funding, and we have continued to expand industry partnerships. Chair DaSaro said our demographics are changing and we may be entering a recessionary period which could lead to increased enrollment. VP Harman said that there are 10,000 fewer students from Oregon attending college in the state

overall than there were 10 years ago. Also, you can now find entry level jobs that pay \$15-18/hour, so some people are choosing not to pursue higher education, or they are delaying their entrance. Chair DaSaro asked what we can do to increase the revenue. He added that it would be nice to sit down and talk about this issue in a broader group. Our Board members have a lot of experience and connections. One of the strategies may be to get the Board more involved. VP Harman agreed the Board can be helpful in many ways. The question is how to begin those discussions and who should be participating in them. We need to discuss with Dr. Nagi and the senior leadership to see how we might structure a discussion on the topic.

- i. Professor Neupert said that other faculty members are asking about the financial strategy behind building the new residence hall. Is it to increase the number of students, but we are not filling vacant faculty positions because we are expecting a drop in enrollment. Those two things give different messages. He indicated that this is a strategic conversation that FOAC should be a part of. VP Harman indicated that we are currently recruiting for at least twenty faculty positions through the Office of the Provost. VP Harman went on to say that the plan to build new student housing goes back a long way and was first approved by the Board in April of 2021 before we experienced an enrollment decline. The Board approved the plan based on a trend of increasing enrollment, strong freshman growth, current student housing on campus having reached capacity and the need to be more competitive for students through improved and expanded housing. Housing can play a strong role in enrollment and retention. The Board revisited the student housing initiative and approved a decreased project scope once construction costs continued to escalate as much as 30% since the original plan was approved. The institution is committed to moving forward with new student housing and the state has approved the bonding authority. We could always consider requiring first year students to stay on campus, but that is not currently being considered. Chair DaSaro said that if you cut too much, you are not prepared for when things rebound.
- j. Professor McClure said that there are several healthcare programs that are reaching out wanting our students and we cannot supply them. Students are going to KCC to take courses because they cannot take them here. VP Harman indicated that this is an issue best addressed by Academic Affairs.
- k. Professor Yang suggested that we look at the data and see if we can use it to figure out why the enrollment is declining. He said that he can roughly see a correlation between our staffing loss and declining enrollment. VP Harman reiterated that a comprehensive report was provided to the Board of Trustees in October on faculty and staff recruitment and retention, and the Board concluded that we are like many universities that are finding it challenging to normalize staffing post COVID. VP Harman said that Dr. Mott and her team have done a lot of analysis on this already. We had a record freshman year again this year. We lose students in 2<sup>nd</sup> and 3<sup>rd</sup> year, but this is also best addressed by Academic Affairs. We are also not getting as many transfer students from the community colleges as their enrollment numbers have declined.
- l. Chair DaSaro stated that a strategic planning team would be the best route to go so OT could prepare for the worst and a rebound if the country goes into a recession. VP Harman said that Dr. Nagi would like to have Chair DaSaro address Senior Leadership in the next few weeks to discuss ideas regarding financial strategies.

Meeting adjourned at 9:12am.