

POSITION	TERM	NAME	DEPARTMENT/DIVISION
Chair	2021-24	Don DaSaro	Business Management
VP of Finance & Administration	2023-24	John Harman	Finance and Administration
Provost / VP SEM	2023-24	Joanna Mott	Academic Affairs
AVP of Student Affairs	2023-24	Mandi Clark	Student Affairs
Vice Provost	2023-24	Abdy Afjeh	Research and Academic Affairs
Administrative Council Representative	2023-24	Carleen Drago Starr	Educational Partnerships & Outreach
Asst. Vice Pres. Financial Operations	2023-24	Alicia Dillon	Finance and Administration
Senate Executive Representative	2023-24	Cristina Negoita	Faculty Senate
Univ. Admin/ Staff Rep. 1	2022-25	Ken Fincher	University Advancement
Univ. Admin/ Staff Rep. 2	2024-26	Anna Clark	Budget/Planning Office
Univ. Admin/ Staff Rep. 3	2023-26	Lara Pracht	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
ASOIT President, Klamath Falls des.	2023-24	Diana Escamilla	ASOIT
ASOIT President, Portland-Metro	2023-24	Aaron Hill	ASOIT
Executive Assistant	2023-24	Helen Drewel	Finance and Administration

Attendees: Dr. Mandi Clark, Anna Clarke, Thom Darrah, Chair Don DaSaro, Dr. Dibyajyoti Deb, Alicia Dillon, Diana Escamilla, Dr. Ken Fincher, Dr. David Hammond, VP John Harman, Prof. Rose McClure, Prof. Cristina Negoita

Additional Attendees: Maria Depuy, Helen Drewel, Celia Green, Michelle Meyer

Minutes

Meeting call to order- Chair DaSaro called the meeting to order at 3:30pm.

1. **Introductions** – All attendees introduced themselves, giving their name and job title.
2. **Review FOAC Charter** – An overview of the FOAC (Committee) charter was given by Chair DaSaro.
 - a. Dr. Deb inquired about the Charter responsibility listed as number 2 under the *Fiscal Operations Advisory Council* section in the *Standing Councils, Commissions, and Committees 2023-24* document, which states “Participate in the general operating fund budget planning process”. He asked whether there should be more participation from the committee members in the budget planning process as it appears that budgets are largely decided prior to being discussed by this committee. Chair DaSaro explained that operating divisions decide on their budgets which are then moved through the approval process. VP Harman further explained that the body is advisory,

not necessarily decision making. This committee should understand the budget and offer insight.

- b.** Dr. Deb inquired as to whether the budget should be discussed with the Committee for input prior to finalizing the budget for the Board of Trustees. Alicia Dillon indicated that with the onset of COVID-19, many departmental processes were disrupted, and the Budget Office is making headway on getting pre-COVID-19 processes back in place. Going forward, the Budget Office's intent is to refine the overall budget development process to allow for more time for input. VP Harman suggested that the Committee plan to convene just after the Tuition Recommendation Committee finalizes the tuition recommendation for the upcoming year, but before the recommendation goes to the President to allow for a period for input.
- c.** Dr. Hammond commented that administration has access to FOAC as an advisory body and discussion prior to budgetary decisions being made could be an effective use of the Committee. VP Harman asked if there were opportunities for faculty department budgets with the Deans during their development? Dr. Hammond responded that typically does not happen. Professor Negoita commented that conversations amongst colleges and faculty regarding budget allocations are likely not happening for many reasons, including faculty generally do not have budget authority and non-personnel portions of the budget are not large enough for substantial conversations at the department level.
- d.** VP Harman commented that there hasn't been much growth in revenue in the past couple of years which limits the ability to provide funding for new initiatives. Most funding is uncertain because of timing and so the budget is built using many assumptions and projections. The tuition rate is recommended to the Board at its April meeting. The budget is presented for Board approval in June. Enrollment forecasts are estimated, but enrollment is not known until October of each year after the budget has been approved. State allocations vary from biennium to biennium. Those amounts are then subject to change through the HECC October true-up and changes related to student data from universities that is updated each year. Data variables that drive the funding formula are co-dependent among all the public universities. Funding will not necessarily increase just because our measures are more positive, depending on the performance of all the other public universities.
- e.** Professor Negoita commented that when the university borrows money or engages in a contract, it may not be known by FOAC until after-the-fact. Professor Negoita continued, sharing it would be beneficial for the Committee to be aware of spending prior to execution as it impacts the remainder of the budget available after payroll. VP Harman indicated that the university does not generally borrow money but does receive bond proceeds from the state for buildings, renovations and capital improvement and renewal. The state pays the debt service on almost all bonds. Any bonds that require the university to pay are disclosed and discussed at the FOAC and go to the Board for approval. Contracts are budgeted in the various departments as part of the budget process. Significant engagements with external vendors are regularly brought to the FOAC for disclosure and discussion.

3. **Review of Minutes from May 2023 Meeting** – Professor McClure motioned to approve the minutes; Dr. Deb seconded the motion.
4. **Fiscal Year End 2022-23 Investment Update** – VP John Harman reviewed the quarterly investment report, focusing on the results of the report and background of the university's investments.
 - a. The university has two primary investments:
 - i. Public University Fund (PUF), managed by University Shared Services Enterprises (USSE) and invested by Oregon State Treasury. The PUF includes the working capital we have that includes the Management Report's fund balance. Working capital is critical due to timing differences of university payments throughout the year. There can be gaps of time between when state and tuition payments are received periodically throughout the year versus the university continually making payments during a month and year. Working capital is especially important for the university's capital construction projects that are bond funded. These projects typically do not require loan repayment but do require the university to fund large construction invoices up front, before they can be reimbursed by the state. As a result, there is a timing difference that can take several months, with that gap filled specifically by working capital.
 - ii. Quasi Endowment – This is intended for long-term investment to earn interest. The university's endowment spend policy historically required an annual 4% withdrawal, even during market downturns. The Board of Trustees approved an update to the policy last January; the university is no longer required to spend the 4% and we can now withdraw a range, including as little as 0%. University management will keep the Board of Trustees up to date on the annual withdrawal percentage. For last year, the university decided to withdraw 0% in order to allow the quasi-endowment to grow and recover from more recent market declines. The 0% withdrawal has allowed the quasi-endowment balance to increase, maximizing earnings as market conditions improve. VP Harman noted that for the most recent quarter, the quasi-endowment's investment fund outperformed the benchmark, supporting the decision of not having a withdrawal last year.
5. **September 2023 Management Report** – VP Harman reviewed the September 2023 monthly Management Report.
 - a. We are projecting to be close to hitting our revenue target of \$70 million. This is because of an increase in state appropriations which is anticipated to offset the drop in tuition revenue resulting from the enrollment shortfall for Fall 2023.
 - b. Tuition revenue is projected to be about \$2 million less than budgeted. Enrollment is down and we should have more precise numbers in the coming weeks.
 - c. We have seen an underspend in salaries over the last couple of years which has helped in limiting the use of reserves to balance year-end and has reduced what might have otherwise been significant year-end deficits.

- d. Professor Negoita asked what the “Adjunct and Admin/Faculty Other Pay” consisted of when discussing the general fund monthly report. Anna Clark responded that the figure represents anything paid to administrative staff and faculty that is not salary, which consists of mostly interim stipends (i.e., temporary work outside of a position’s regular classification); these are mostly short-term stipends.
- e. Dr. Neupert asked if we have been successful in reducing the amount of adjunct and overload pay. Anna Clark responded that we have been looking into this.
- f. Dr. Deb asked if we have spent \$1 million of the \$5.5 million, we received from the state for the Rural Health and Applied Computing Initiative. VP Harman and Anna Clark responded that much of the funding has been spent and we have less than \$4 million left from the Rural Health and Applied Computing Initiative special funds. VP Harman further commented that this money was received in the first term of the 2021-23 biennium; the funds were supposed to be received over two years, however, Oregon Tech received all the funds in the first installment in FY 2022 from the HECC. The university purchased the recent Applied Behavioral Analysis (ABA) facility for \$325k using a portion of this allotment. Renovations for the ABA building will be funded through the Rural Health and Applied Computing Initiative as well.
- g. Dr. Hammond asked if we have been spending our fund balance down by approximately \$3 million a year. VP Harman responded that we have not, although Board approved budgets in the past two years required an allocation from the reserve to be balanced. We must stabilize enrollment and be cognizant of tuition rates to remain competitive. This is the cause for our significant tuition revenue decline over the past three years. The Board of Trustees has asked that we invest in admissions, retention and enrollment positions as well as recruiting a dean for strategic enrollment management.

6. Capital Projects Update – Thom Darrah reviewed the status and budget of major capital projects.

- a. New Student Housing – 85k sq ft. new construction which will house 510 beds. Total project budget is \$35 million. The goal is to have the building open to students for fall term 2025.
- b. Geothermal Heating Systems Emergency Renovation- The goal is to update these systems to get another ~50 years of service. VP Harman mentioned that this project is funded by an XI-Q bond that is completely funded by the state; Oregon Tech will not need to pay the bond back.
- c. Diana Escamilla inquired about the color scheme of the New Student Housing building in the artist rendering. The building drawing appears to be green in the slide presentation and this does not seem to be in line with the Oregon Tech color scheme. Thom Darrah responded that the colors represented on the artist's renderings are based on direct input from the Oregon Tech oversight committee for this project which includes students, faculty, and staff. Diana asked if this group was a committee or commission. VP Harman commented that this group was formed around last February, and the students were selected by former VP for Student Affairs and Dean of

Students, Dr. Foley. Thom Darrah also mentioned that the architects met regularly with a large group of students, including a workshop to discuss design elements. There will be another similar workshop with the architectural design group in the coming weeks where an update will be provided.

- d. Professor Negoita asked how many units, what the cost is projected to be and how much we are borrowing for the New Student Housing project. Thom responded that the total bed count is 510 and is funded by an XI-F Bond of \$35 million that will need to be repaid to the state by the university. VP Harman commented that the state does not fund auxiliary operations. This project began around April of 2021 and has since been downsized as a result of rising construction costs to make it more affordable while still providing the amenities that the students have expressed are important (i.e., air conditioning, study spaces, more restrooms etc.).
- e. Professor Negoita inquired about the method of heating the new student housing, whether this would be geothermally heated, or if use of another means like electricity would be implemented. VP Harman and Thom Darrah confirmed the new student building will be 100% geothermally heated. Thom Darrah shared that all buildings on the Klamath Falls campus are geothermally heated and there is no electrical or other heating method available on the campus. VP Harman indicated that the heating issues experienced in the recent past were related to the age and condition of the delivery system of the geothermal heat on campus. Thom Darrah offered that the second phase of geothermal systems emergency heating renovation project will include the ability to isolate areas on campus that are not receiving heat to reduce campus-wide impact. There will also be system redundancy in place so if there is a system failure, we should have the ability to isolate the failure, limiting the likelihood of similar issues occurring in the future.
- f. Boivin Hall Traffic Improvements – The project’s focus is to improve Industrial Park Drive. This project will bring curbs, sidewalks, storm drains and bike paths to both sides of the road as well as an upgraded median. The project will also widen the intersection at Dan Obrien Way. The goal is to have the work completed prior to fall term 2024.
- g. Doctor of Physical Therapy Research Lab Renovation (DPT Lab) - Design is complete with construction under way. This is funded through the Rural Health and Applied Computing initiative.
- h. ABA Clinic Renovation – The project is in the design phase. As discussed, we’ve acquired an existing building on Klamath Avenue for this purpose.
- i. Dr. Deb asked what the timeline for the Geothermal Heating Systems Emergency Renovation project will be. Thom Darrah responded that this is a multi-year project that is estimated to go through the summer of 2026.
- j. Dr. Deb inquired where the funding for the Boivin Hall Traffic Improvements project will come from. VP Harman replied that these are primarily the remaining funds from the recent Bovin renovation. A traffic roundabout was originally planned as part of the project but could not be completed because of construction cost escalations. Thus, the funds are being used are being repurposed with the state’s approval to provide

improved access for Industrial Blvd., and to satisfy some deferred street improvements required by the city.

- k. Dr. Deb inquired when the DPT Lab renovation will be completed. Thom Darrah responded that the goal is to have this completed by winter term (early 2024).
 - l. Dr. Deb inquired as to the projected completion date of the ABA Clinic renovation. Thom Darrah responded that he does not have a completion schedule at this time with a design currently in progress. He continued that we have been very fortunate that the design services are being provided pro bono by Soderstrom Architects, the firm performing the university's Facilities Master Plan. The goal is to have the renovation completed by spring of 2024 though this timeline will be dependent on the schedule of the pro bono design work.
 - m. Dr. Deb mentioned that during convocation, the President's Institutional Goals presentation included slides indicating a goal to develop and implement a center for well-being and a goal to pilot the feasibility of an immersive polytechnic education center. Are there any updates on these? VP Harman responded that Gaylyn Maurer, Director of Integrated Student Health Center, and her team are preparing a place in the Learning Resource Center (LRC) for the center for well-being, though a timeline for completion has not been determined. Continuing, VP Harman stated that regarding the pilot for the immersive polytechnic education center, this would likely need to be a public-private partnership to bring together workforce partners and private capital in Wilsonville. The hope is to develop some student housing, along with a space for immersive polytechnic learning, possible temporary/transitional housing for faculty, and create a space for community engagement and collaborative learning. This project is still in the initial discussion stage.
7. **Sustainability Funding** – A campus meeting is slated for early an November conversation during the campus forum. Please contact Kim Koops if you have questions.
- a. Dr. Neupert recommended that course scheduling software (ex: Platinum Analytics) be investigated as a use of sustainability funding, this could be used as an aid to maximize enrollment.
 - b. Dr. Neupert asked Chair DaSaro if there is a way to create and implement a mechanism to utilize some of the salary savings to invest in the Provost's budget to develop faculty research capacity and summer productivity. Ideally, Dr. Neupert felt a mechanism could be in place by spring 2024. VP Harman suggested the Committee revisit this topic at its December meeting when we will have more knowledge of the budget.

Meeting Adjourned: Chair DaSaro 5:10pm