
**Finance and Facilities Committee
(Also serving as the Audit 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 April 9, 2025 meeting** (9:40 AM) (5 min) *Chair Jones*
- 3 **Reports**
 - 3.1 **Fiscal Operations Advisory Council (FOAC) Report** (9:45 AM) (10 min) *Assistant Professor Don DaSaro*
 - 3.2 **FY 2024-25 YTD April Management Report** (9:55 AM) (10 min) *VP Harman*
 - 3.3 **Q-3 FY 2024-25 Financial Dashboard** (10:05 AM) (10 min) *VP Harman*
 - 3.4 **Q -3 FY 2024-25 Investment Report** (10:15 AM) (10 min) *VP Harman*
 - 3.5 **FYE 2023-24 Financial Statement Ratios** (10:25 AM) (10 min) *VP Harman*
 - 3.6 **GLBA Report on ITS Security** (10:35 AM) (10 min) *VP Harman*
 - 3.7 **Q-4 FY 2024-25 Facilities Report** (10:45 AM) (15 min) *Director of Facilities and Property Management, Thom Darrah*
 - 3.8 **Eide Bailly, LLP Internal Audit Report** (11:00 AM) (10 min) *Eide Bailly rep Audrey Donovan*
- 4 **Action Items**
 - 4.1 **Approval of FY 2025-26 Budget** (11:10 AM) (30 min) *VP Harman*
 - 4.2 **Authorization to Negotiate and Execute a Medical School Planning Study Agreement** (11:40 AM) (20 min) *VP Harman*
- 5 **Discussion Items** (12:00 PM) (5 min) *Chair Jones*
- 6 **Other Business/New Business** (12:05 PM) (5 min) *Chair Jones*
- 7 **Adjournment** (12:05 PM) *Chair Jones*

All times are approximate.

Finance and Facilities Committee
DRAFT Minutes

Member Trustees Present:

Chair Vince Jones	Dr. Vijay Dhir
Kanth Gopalpur	Mike Starr
David Cauble	Michele Vitali
President Nagi Naganathan (<i>ex officio</i>)	

Member Trustee(s) not present:

Stefan Bird

Other Trustees in Attendance:

Board Chair John Davis, Esq
Cecelia Amuchastegui
Aaron Hill
Dr. Mark Neupert

University Staff and Faculty Present in person:

Dr. Mandi Clark, Vice President, Student Affairs
Thom Darrah, Director-Facilities Management Services
Professor Don DaSaro, Chair, Fiscal Operations Advisory Council
Kristin Diggs, Eide Bailly
Alicia Dillion, CPA, AVP Finance and Administration
Michelle Meyer, Director of Audit and Compliance
Audrey Donovan, Eide Bailly
Cathy Villamar, Eide Bailly
Dr. Ken Fincher, Vice President of University Advancement & Board Secretary
Dr. Hesham El-Rewini, Interim Provost and VP for Academic Affairs and Strategic Enrollment Management
David Groff, Esq., General Counsel
John Harman, Vice President, Finance & Administration
Devon Holmes, Clifton Larson Allen
Brian Simkanich, Clifton Larson Allen
Bryan Wada, Information Technology Consultant 2

- **Call to Order/Roll/Declaration of a Quorum** *Chair Vince Jones*
Chair Jones called the meeting to order at 10:02 a.m. The Board Secretary called the roll, and a quorum was declared.
- **Consent Agenda** *Chair Vince Jones*
2.1 Minutes of the January 15, 2025, meeting.
 - No changes to the minutes were made. The minutes were approved as submitted.
- **Reports:**
 - 3.1 Fiscal Operations Advisory Council (FOAC):** *Assistant Professor Don DaSaro*
 - Professor DaSaro provided an overview of the third FOAC meeting of the fiscal year. At this meeting, FOAC members had an opportunity to discuss with VPs about the various divisions' budgets and priorities. Desaro reviewed the proposed budget, the status of the current state government funding request, and the tuition recommendation process and status. He also shared efforts toward student recruitment, new academic programs, and collaboration with industry and OSU.
 - Professor DeSaro also remarked on industry advisory groups and areas where these are being utilized in various programs and the need to continue to focus on student enrollment and retention.
 - 3.2 FY 2024-25 YTD February Management Report:** *Vice President of Finance and Administration, John Harman*
 - VP Harman provided a budget performance review for FY 2024-25. He shared a slide deck with a snapshot of financials through February 2025. He also shared a forecast for the year, tuition revenue, spending, reserve utilization not being as much as needed, and strategic management of resources. VP Harman provided a direct expense and net from operations report and a budget and forecast status update. Discussions related to state funding and revenue and their potential impact on higher education occurred.
 - 3.3 Q-2 FY 2024-25 Financial Dashboard:** *Vice President Harman*
 - VP Harman reviewed the quarterly financial dashboard as of December 31, 2024. He identified E&G balances, revenue versus expenses, burn rate, and revenue earn rate. Discussion related to the debt service, new residence hall bond requirements, and projected growth.
 - 3.4 Q-2 FY 2024-25 YTD Investment Report:** *Vice President Harman*
 - VP Harman provided an update on the university's investment portfolio, which he indicated is meeting benchmarks. Harman noted that market conditions may impact the next quarter's outcome.
 - 3.5 Q-3 FY 2024-25 Facilities Report:** *Director of Facilities, Management Services and Capital Planning, Thom Darrah*
 - Director Darrah provided an overview of current capital and facility improvements. His report noted projects that include new student housing, the geothermal emergency renovation (phases 1 & 2), the ABA clinic renovation, and the campus security camera installation.
 - 3.6 Utilities Expense Growth Report:** *Vice President John Harman*
 - VP Harman provided a utility expense growth report, including a chart of past and expected forecasted expenses. He indicated an increase in utility costs has occurred and is significantly

impacted by the amount of wastewater and city water charges. Chair Davis noted the increase in fixed costs across various industries.

3.7 Employees and Salary Expense: Peer Benchmark Insight, *Vice President Harman*

- VP Harman provided a comparative report salary comparative study with peer institutions. He shared that Oregon Tech's benefits are very high compared to those of our peer institutions. He identified the importance of utilizing peer and not blended data and using the same date ranges in all financial comparatives.
- He noted that utilizing institutional postsecondary education data system (IPEDS) data is the primary benchmark used by all universities for comparative modeling and research. He identified the 10 universities against which Oregon Tech is benchmarked. Harman provided data on management and salary expenses compared to peer institutions.
- VP Harman noted the full-time faculty count and salary expense versus the university peer group and noted the impact of vacant budgeted faculty positions. He also noted the metrics are comparable to the peer institutions.

3.8 Eide Bailly, LLP., Internal Audit Report, *Eide Bailly representatives Kristin Diggs and Audrey Donovan.*

- Diggs, Donovan, and Villamar provided the results of the internal audit report and presented the SBGA grant management internal audit, which included compliance, regulation adherence, and best practices. They reviewed their findings and observations. There were seven findings and one observation. Findings included grant management delays, support for principal investigators, grant administration policies, proposal approval forms, pre- and post-award checklists, effort reporting, and close-out procedures. The observation related to indirect cost rates. They noted management is in agreement with the recommendations and are already taking steps to address the findings and operations.
- Diggs and Villamar answered questions related to terminology, shared their appreciation for the cooperation from the Oregon Tech business office, and the follow-up timeline for those findings. Diggs also noted there will be a report once the staff can address and/or take corrective action regarding the findings.
- Eide Bailly then reported on the Oregon Manufacturing and Innovation Center R&D. They identified three findings: capital and equipment plan, project monitoring, and policies and procedures. Observations included an inconsistent mission statement, strategy and business plan, asset management, membership dues and In-Kind donations, and centralized administrative functions. They noted management is in agreement with the recommendations.

4.1 CliftonLarsonAllen, LLP – Annual Financial Statement Audit and Opinion: *CLA reps Bryan Simkanich and Devin Holmes*

- Simkanich provided the FY 2024 Annual Financial Audit with an unmodified (clean) opinion. They provided a copy of the FY 2024 Governance Communication Letter and the FY 2024 Management Representation Letter.
- Trustee Starr moved for “Approval by the full Board of the Oregon Tech FY 2024 Annual Financial Report and Audit.”
- Trustee Vitali seconded the motion.
- Aye votes were Trustee(s), Jones, Starr, Gopalpur, Vitali, Cauble, and Dhir.
- No trustee voted against or abstained from the motion
- The motion passed

4.2 CliftonLarsonAllen, LLP, Annual Single Audit and Operation: *CLA reps Bryan Simkanich and Devin Holmes*

- Simkanich and Holmes reported on the FY 2024 single audit and operations and their findings. In their report, they shared that CLA issued an unmodified (clean) opinion regarding financial statements and federal awards. They provided communication letters to the university and offered to answer any questions about their opinion.
- Trustee Vitali made the motion, “*recommending Approval by the full Board of the Oregon Tech FY 2024 Single Audit Report.*”
- Trustee Starr seconded the motion.
- Aye votes were Trustee(s) Jones, Starr, Gopalpur, Vitali, Cauble, and Dhir.
- No trustee voted against or abstained from the motion
- The motion passed

4.3 Tuition Recommendation Committee Report and President’s Recommendation: *Vice President Harman and President Dr. Nagi Naganathan*

- VP Harman and President Naganathan provided a comprehensive review of the tuition and fees process and the inclusivity of various stakeholders in the process.
- Trustee Dhir made the motion, “recommending approval by the full board of the President’s AY 2025-26 recommended tuition and fees
- Seconded by Trustee Starr
- Aye votes were Trustee(s) Jones, Starr, Gopalpur, Vitali, Cauble, and Dhir.
- No trustee voted against or abstained from the motion.
- The motion passed.

5.0 Discussion Items

- None

6.0 Other Business/New Business *Chair Vince Jones*

- None

7.0 Adjournment: 12:46 p.m.

This meeting can be viewed in its entirety
at: <https://www.oit.edu/trustees/meetings-events/recordings>
Finance and Facilities April 9, 2025

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 June 2025 Board meeting and the related document submission deadline, some financial data through the end of the third quarter (June 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 2024-25 YTD April Management Report
- 3.3- Q-3 FY 2024-25 Financial Dashboard
- 3.4- Q-3 FY 2024-25 Investments Report
- 3.5- FYE 2023-24 Financial Statement Ratios
- 3.6- GLBA Report on ITS Security
- 3.7- Q-4 Facilities and Capital Projects Report
- 3.8- Eide Bailly, LLP- Internal Audit Report

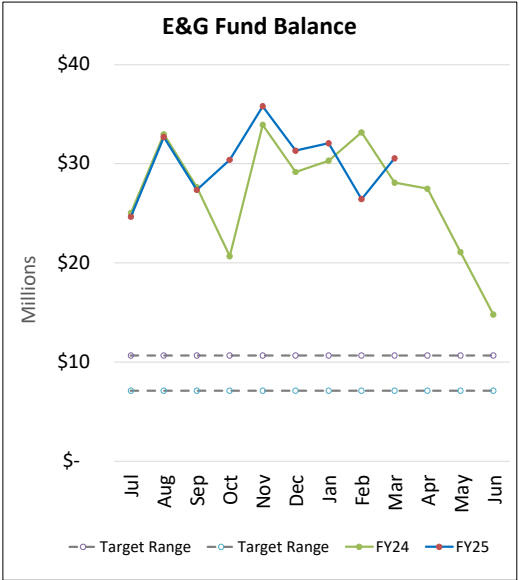
General Fund Monthly Report

FY 2024-25 April (in thousands)

YTD Comparison			FY 2024-25 Budget & Forecast					
	FY 2023-24 April Actuals	FY 2024-25 April Actuals	FY 2023-24 Year End Actuals	FY 2024-25 Board Adopted Budget (BAB)	FY 2024-25 Adjusted Budget	FY 2024-25 Forecast	Forecast to Budget Variance	Notes
Revenue								
State Appropriations	\$36,813	\$38,160	\$36,813	\$37,446	\$38,113	\$38,160	\$714	(1)
Tuition & Fees	38,151	41,231	38,691	38,056	38,056	41,843	3,787	(2)
Remissions	(7,270)	(7,975)	(7,318)	(7,520)	(7,520)	(8,030)	(510)	
Other	<u>3,117</u>	<u>3,497</u>	<u>3,774</u>	<u>3,136</u>	<u>3,140</u>	<u>4,121</u>	<u>986</u>	(3)
Total Revenue	\$70,811	\$74,912	\$71,961	\$71,118	\$71,788	\$76,094	\$4,977	
Expenditures								
Administrative Staff Salary	\$7,269	\$8,102	\$8,723	\$10,190	\$10,317	\$9,393	(\$797)	
Faculty Salary	10,970	10,272	14,129	13,916	13,983	12,830	(1,085)	(4)
Adjunct and Admin/Faculty Other Pay	2,472	2,621	3,009	3,829	3,846	3,826	(3)	
Classified	5,552	5,745	6,691	6,951	6,898	6,865	(86)	
Student	874	759	1,105	932	999	1,022	90	
GTA	67	84	82	121	121	108	(14)	
OPE	<u>15,074</u>	<u>14,414</u>	<u>17,657</u>	<u>19,136</u>	<u>19,245</u>	<u>17,881</u>	<u>(1,255)</u>	
Total Labor Expenditures	\$42,278	\$41,998	\$51,396	\$55,074	\$55,410	\$51,925	(\$3,149)	(5)
Service & Supplies	\$13,984	\$14,349	\$16,992	\$15,633	\$16,048	\$17,380	\$1,748	(6)
Internal Sales	(1,045)	(1,057)	(1,256)	(1,363)	(1,363)	(1,281)	81	
Debt/Investment	1,399	1,038	1,719	1,317	1,317	1,317	-	
Capital	627	316	465	484	505	505	21	
Utilities	1,189	1,527	1,657	1,292	1,292	1,952	660	(7)
Transfers In	-	-	-	-	-	-	-	
Transfers Out	<u>1,406</u>	<u>1,351</u>	<u>1,406</u>	<u>1,351</u>	<u>1,351</u>	<u>1,351</u>	<u>-</u>	
Total Direct Expenditures	\$17,560	\$17,523	\$20,982	\$18,714	\$19,150	\$21,224	\$2,510	
Total All Expenditures	\$59,838	\$59,521	\$72,378	\$73,788	\$74,561	\$73,149	(\$639)	
Net from Operations before Other Resources (Uses)	\$10,973	\$15,391	(\$418)	(\$2,671)	(\$2,772)	\$2,945	\$5,616	
Other Resources (Uses)								
Transfers In	\$16	\$156	\$278	\$171	\$179	\$924	\$753	(8)
Transfers Out	(146)	(50)	(1,705)	-	-	(2,891)	(2,891)	(9)
Use of Reserve	-	-	<u>1,845</u>	<u>2,500</u>	<u>2,500</u>	-	<u>(2,500)</u>	(10)
Total Other Resources (Uses)	(\$130)	\$106	\$418	\$2,671	\$2,679	(\$1,967)	(\$4,638)	
Total from Operations and Other Resources (Uses)	\$10,843	\$15,497	\$ -	\$ -	(\$93)	\$978	\$978	
Beginning Fund Balance	\$16,613	\$14,789	\$16,613	\$14,789	\$14,789	\$14,789	\$ -	
Fund Balance Adjustment	27,743	30,782	(1,824)	(2,500)	(2,500)	-	2,500	
Ending Fund Balance	\$55,198	\$61,068	\$14,789	\$12,289	\$12,196	\$15,767	\$3,478	
Fund Balance as % Operating Revenues	78.0%	81.5%	20.6%	17.3%	17.0%	20.7%		
Ending Cash Balance	<u>\$27,743</u>	<u>\$30,782</u>	<u>\$17,944</u>					

Notes:

- (1) **FY 2024-25 State Appropriations Forecast** - The increase in state appropriations reflects a minimal increase in Public University Support Fund appropriations from the October true-up, and the addition of a special line item appropriation for behavioral health received in quarter one.
- (2) **FY 2024-25 Tuition & Fees Forecast** - Reflects the projected 7.4% increase in student credit hours over Board Adopted Budget assumptions.
- (3) **FY 2024-25 Other Revenue Forecast** - Reflects a projected increase in budgeted indirect grant recovery and investment earnings.
- (4) **FY 2023-24 Actuals** - Faculty overload was paid from the incorrect account code in FY 2023-24 – *Faculty Salary* is overstated by \$500k and *Adjunct and Admin/Faculty Other Pay* is understated by \$500k.
- (5) **FY 2024-25 Labor Expenditures Forecast** - Reflects budgeted positions remaining unfilled for all or part of the year (mostly in administrative staff and faculty), and associated savings in other payroll expenses.
- (6) **FY 2024-25 Services and Supplies Forecast** - Reflects the projected spend of the remainder of the FY 2023-24 TRU+PSU Sustainability state appropriation (offset with transfers in), the FY 2024-25 state appropriation for behavioral health (offset with increased revenue), and new investments.
- (7) **FY 2024-25 Utilities Forecast** - Reflects the growing structural budget deficit in utilities.
- (8) **FY 2024-25 Transfers In Forecast** - The increase in transfers in reflects the offset for the projected spend of the FY 2023-24 TRU+PSU Sustainability state appropriation.
- (9) **FY 2024-25 Transfers Out Forecast** - The increase in transfers out reflects the city water connection project expenditures, projected transfer out of unspent behavioral health state appropriations (for use in future fiscal years), and funding for miscellaneous capital projects.
- (10) **FY 2024-25 Use of Reserve Forecast** - Forecasted use of reserve is lower than budgeted due to increased tuition revenue and unspent salary budget due to vacant positions.



Key Financial Indicators		
E&G Fund Balance:	\$30,560	As of Mar 31, 2025
Debt Burden Ratio:	5.88%	As of June 30, 2024
Quasi Endowment:	\$7,178	As of Mar 31, 2025
Foundation Assets:	\$45,088	As of June 30, 2024

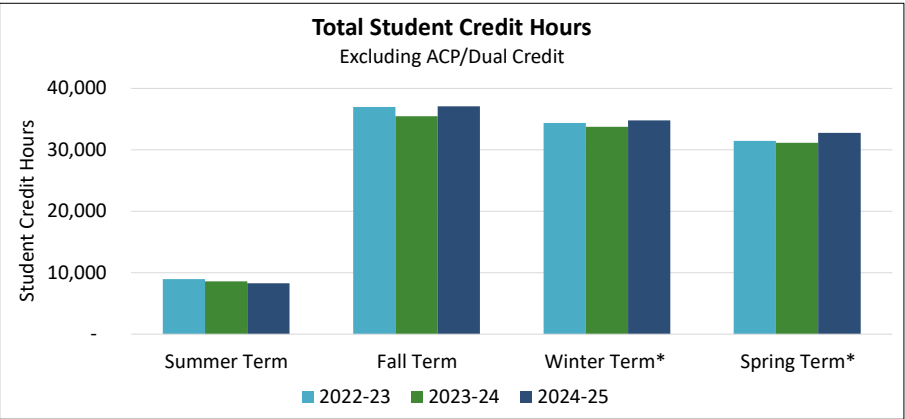
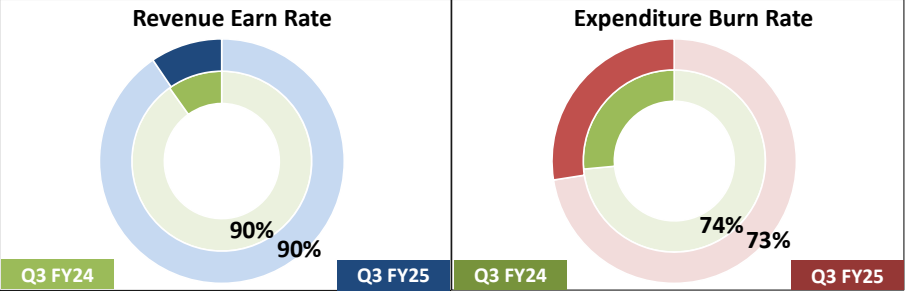
Student Tuition		
Undergraduate Tuition		
	2023-24	2024-25
Resident:	\$10,492	\$10,964
Non-Resident:	\$33,397	\$34,900
WUE:	\$15,738	\$16,447
Online:	\$13,860	\$14,490
Differential:	37%	37%

Graduate Tuition		
	2023-24	2024-25
Resident:	\$19,306	\$20,174
Non-Resident:	\$32,409	\$33,868
Online (MS-AH):	\$15,768	\$16,488
Online (MS-ET):	\$22,968	\$24,012
Resident (DPT):	\$21,848	\$22,831
Non-Resident(DPT):	\$36,677	\$38,327
Differential:	37%	37%

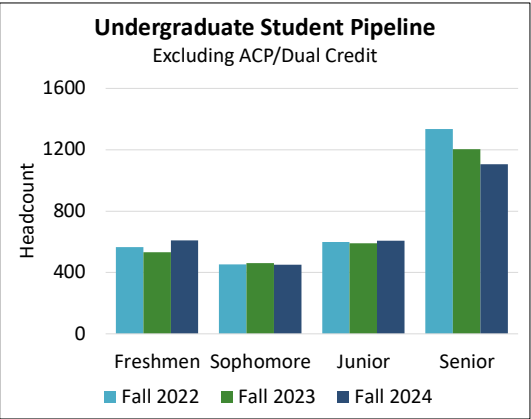
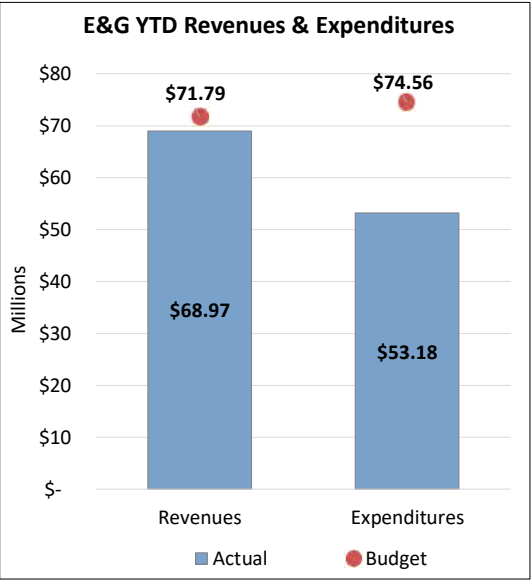


Quarterly Financial Dashboard

As of March 31, 2025



Degree Completions				
	2023-24	2022-23	2021-22	3 Year Δ
Undergraduate				
Resident:	477	470	528	-9.7%
Non-Resident:	207	193	237	-12.7%
Graduate				
Resident:	20	17	25	-20.0%
Non-Resident:	19	20	16	18.8%



Notes:

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

(2) * Note: Student Data for Winter & Spring 2025 is not final and subject to change.

FY2025 Q3 Investment Report

BACKGROUND

The Oregon Tech (university) investment report for the third quarter (Q3) of FY2025 is presented in the following sections:

- **FY2025 Q3 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.
- **FY2025 Q3 Market Commentary** – This section provides a general discussion of the investment markets and related performance data for the third quarter of FY2025 (i.e., January 1 – March 31, 2025).

FY2025 Q3 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 and rose 3.7% fiscal year-to-date, outperforming its benchmark by 20 basis points for the quarter and 10 basis points fiscal-year-to-date. The Public University Fund Core Bond Fund (PUF) increased 2.4% for the quarter and rose 5.0% fiscal year-to-date, matching its benchmark for the quarter and fiscal year-to-date periods. The PUF investment yield was 1.1% for the quarter and 3.3% fiscal year-to-date. As of March 31, 2025, OIT had \$26.0 million on deposit in the OSTF and \$20.5 million invested in the PUF.

Anticipating potential market volatility due to new tariff policies, the Oregon State Treasury investment officers have maintained an underweight to corporate bonds (25% versus 29%) in the PUF. To sustain high liquidity, the team has allocated approximately 50% of the PUF portfolio 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 2.4% for the quarter and increased 4.9% fiscal year-to-date. The Oregon Intermediate-Term Pool equaled its benchmark for the quarter while underperforming 10 basis points fiscal year-to-date. The Endowment assets were valued at \$7.2 million, as of March 31, 2025.

FF&A Item 3.4

Oregon Tech
Investment Summary
as of March 31, 2025
 (Net of Fees)

	Quarter Ended 3/31/2025	Current Fiscal YTD	Prior Fiscal YTD	3 Yr Avg	5 Yr Avg	10 Yr Avg	Market Value	Actual Asset Allocation¹
OIT Operating Assets								
Oregon Short - Term Fund	1.2%	3.7%	3.6%	3.9%	2.7%	2.1%	\$ 25,970,961	55.9%
Benchmark - 91 day T-Bill	1.0%	3.6%	4.0%	4.2%	2.6%	1.9%		
PUF Core Bond Fund	2.4%	5.0%	4.2%	2.7%	1.6%	N/A	20,501,129	44.1%
Benchmark - Bloomberg Barclays Intermediate U.S. Gov't./Credit Index ²	2.4%	5.0%	3.5%	2.2%	0.8%	1.9%		
Investment Yield ³	1.1%	3.3%	3.5%	4.2%	3.6%	N/A		
Total Operating Assets							\$ 46,472,090	100.0%
OIT Endowment Assets								
Oregon Intermediate-Term Pool	2.4%	4.9%	4.2%	2.6%	1.7%	N/A	\$ 7,177,977	100.0%
Benchmark - Bloomberg Barclays Intermediate U.S. Gov't./Credit Index ⁴	2.4%	5.0%	3.5%	2.2%	0.6%	1.7%		

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

March 31, 2025

Portfolio Characteristics

Market Value 3/31/2025	\$ 335,164,369
Weighted Average Credit Quality	AA
Book Yield (%)	4.71%
Weighted Average Maturity (days)	93 days
Duration (years)	0.22
Spread Duration (years)	0.69

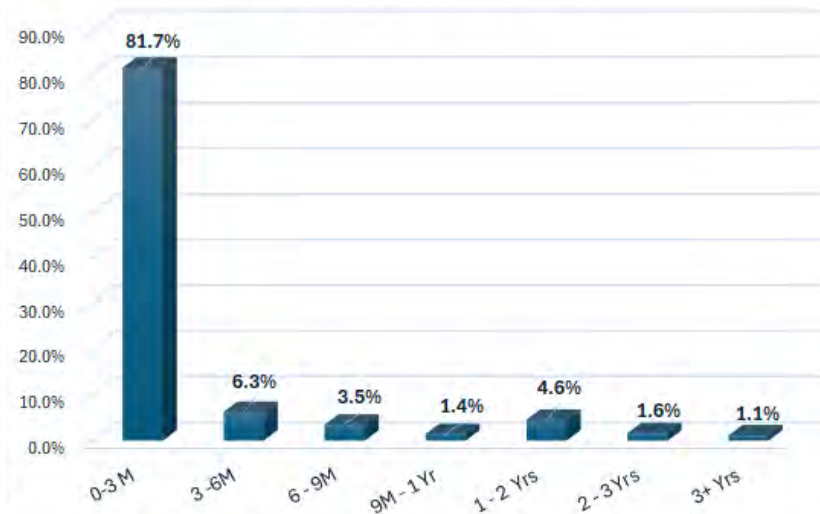
Top 10 Issuers

United States Treasury	15.7%
Federal Farm Credit Banks	3.7%
Canada Pension Plan Investment Board Capital Incorporated	2.5%
American Honda Finance Corporation	2.1%
Capital One Multi-Asset Execution Trust	1.9%
National Rural Utilities Cooperative Finance Corporation	1.7%
The Toronto-Dominion Bank	1.6%
New York Life Global Funding	1.6%
Toyota Motor Credit Corp	1.6%
Royal Bank of Canada	1.5%
Total	33.9%

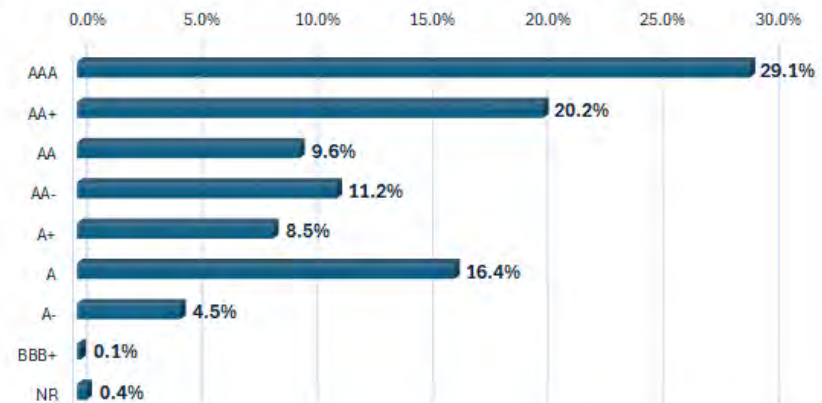
Sector Allocations



Maturity Breakdown



Credit Quality Distribution



Source: Oregon State Treasury

Core Bond Fund

March 31, 2025

Portfolio Characteristics

Market Value 3/31/2025	\$ 257,100,353
Weighted Average Credit Quality	AA-
Book Yield (%)	5.16%
Weighted Average Maturity (years)	4.47
Duration (years)	3.82
Spread Duration (rate)	1.93

Top 10 Issuers

United States of America	49.0%
Federal Home Loan Mortgage Corporation	4.4%
Wheels Fleet Lease Funding LLC 25-1	4.0%
Cash & Cash Equivalents	3.0%
Federal National Mortgage Association	2.8%
Agree Realty Corporation	2.2%
Rexford Industrial Realty Incorporated	2.0%
Wheels Fleet Lease Funding LLC 24-2	1.8%
Spirit Airlines Class A Pass Through Certificate	1.6%
DT Midstream Inc	1.5%
Total	72.2%

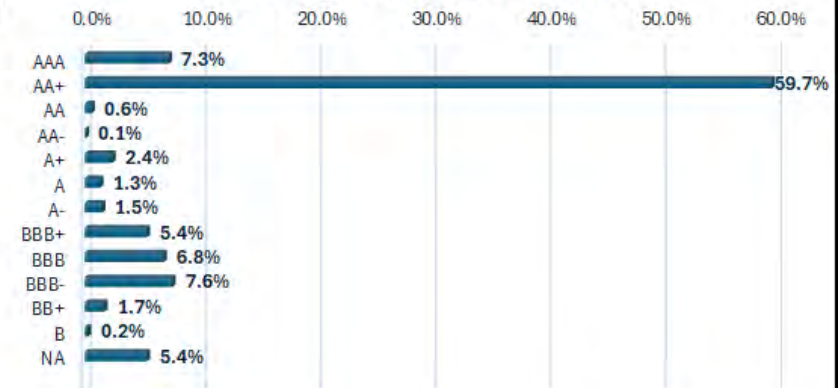
Sector Allocations



Maturity Breakdown



Credit Quality Distribution



Source: Oregon State Treasury

FF&A Item 3.4

FY2025 Q3

MARKET COMMENTARY

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

Report on Investments – as of March 31, 2025

Economic and Market Update

In the first calendar quarter of 2025, investment flows rotated out of U.S. stocks to non-U.S. stocks while bonds rallied on uncertainty related to tariffs and growth.

- Domestic equities sold off in the first quarter with the (S&P 500) declining (-4.3%) with growth underperforming value, small-cap trailing large-cap, and defensive sectors outperforming.
- Non-U.S. developed market stocks (Morgan Stanley Capital Indices (MSCI) Europe Australasia Far East (EAFE)) increased 6.9% outperforming U.S. markets at the start of the year, supported by rate cuts from the European Central Bank (ECB), European Union planned increases in defense spending, and a weakening U.S. dollar.
- Emerging market stocks rose 2.9% in the first calendar quarter, largely supported by a rally in Chinese stocks (+15.0%) on DeepSeek AI enthusiasm.
- In February, the Federal Reserve held rates steady with inflation, while improving, remaining above target with the unemployment rate at near historic lows.
- Most fixed income markets posted positive returns for the quarter. The broad U.S. bond market (Bloomberg U.S. Aggregate) rose 2.8% for the quarter. Long Treasuries (+4.7%) were the best performer in the falling rate environment while high yield bonds (+1.0%) produced the smallest gains given the economic uncertainty in the U.S.
- Looking ahead, continued uncertainty related to the U.S. administration's tariff policies and their impact on the economy, inflation, and Fed policy will be key. The path of China's economy and relations with the U.S., as well as concerns over elevated valuations and technology-driven concentration in the U.S. equity market will also be important focuses of 2025.

FF&A Item 3.4

Market Returns¹ March 31, 2025

	Month	Quarter	YTD	1-Year	3-Year	5-Year	7-Year	10-Year
S&P 500	-5.6%	-4.3%	-4.3%	8.3%	9.1%	18.6%	13.2%	12.5%
MSCI EAFE-ND	-0.4%	6.9%	6.9%	4.9%	6.1%	11.8%	5.3%	5.4%
MSCI EM-ND	0.6%	2.9%	2.9%	8.1%	1.4%	7.9%	1.6%	3.7%
MSCI China-ND	2.0%	15.0%	15.0%	40.4%	3.5%	1.5%	-0.7%	2.5%
Bloomberg US Aggregate	0.0%	2.8%	2.8%	4.9%	0.5%	-0.5%	1.6%	1.5%
Bloomberg US TIPS	0.6%	4.2%	4.2%	6.2%	0.1%	2.4%	3.0%	2.5%
Bloomberg US Corporate High Yield	-1.0%	1.0%	1.0%	7.7%	5.0%	7.3%	4.9%	5.0%
ICE BofAML US 3-Month Treasury Bill	0.3%	1.0%	1.0%	5.0%	4.2%	2.6%	2.5%	1.9%
ICE BofAML 1-3 Year US Treasury	0.5%	1.6%	1.6%	5.4%	2.8%	1.2%	2.0%	1.5%
ICE BofAML 10+ Year US Treasury	-0.8%	4.8%	4.8%	1.7%	-6.7%	-7.6%	-0.7%	-0.4%

¹Source: Oregon State Treasury

U.S. Equities: After a strong start to the year, U.S. equities ended the quarter lower. In late January China's DeepSeek introduced an Artificial Intelligence (AI) model comparable to market leaders but at a much lower cost. This took investors by surprise and heavily weighed on technology stocks, particularly the "Magnificent 7". Renewed trade tensions between the U.S. and its trading partners also caused investors to lower expectations.

Growth stocks were harder hit than value stocks across the market cap spectrum. In the large cap space, this dynamic was driven by technology stocks (NVIDIA, Broadcom, Microsoft, Apple), along with Tesla. In the small cap space, where the divergence was less pronounced, technology stocks were again the driver, mainly due to software and semiconductor stocks.

Small cap stocks (Russell 2000) trailed large cap stocks (Russell 1000) over the quarter as recession fears grew.

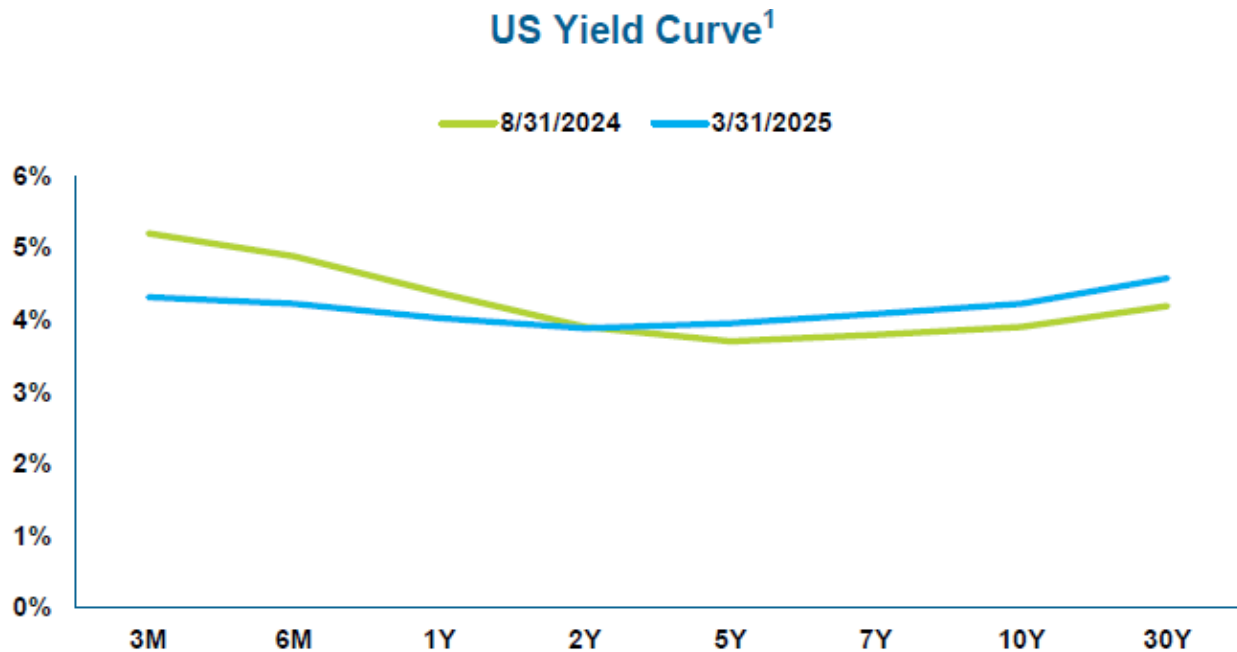
Foreign Equity: By contrast to the U.S., developed market equities rose in the first calendar quarter benefiting from the rotation away from U.S. technology companies. Eurozone stocks saw the highest returns, driven by plans in Germany to increase defense and infrastructure spending, strong gains in the financial sector (particularly banks), and continued rate cuts from the ECB. The UK followed closely behind, with gains led by returns in large cap energy and financials. Japan saw moderate losses, due to global trade uncertainties hurting exporters.

Emerging markets saw modest gains in the first calendar quarter, driven largely by China. China's gains were a combination of improving sentiment towards tech following DeepSeek's promising AI debut and the announcement of additional stimulus measures. Brazil was another strong performer in the quarter, benefitting from strong commodity gains and a strengthening currency. India saw declines due to slowing growth and weakening demand for their exports.

Valuations in U.S. stocks came down over the quarter but remained at a significant premium to non-U.S. developed and emerging market stocks. U.S. equities, priced at 35.6 times earnings, continue to trade well above their long run price/earnings average of 28.3. Non-U.S. developed market valuations are trading slightly above their long-term average. Emerging market stock valuations increased during the quarter to 15.1 but remained below their long-run average.

FF&A Item 3.4

Fixed Income: The broad U.S. bond market (Bloomberg Aggregate) rose 2.8% with both short (+3.0) and longer dated (+4.2%) Treasury Inflation Protected Securities outperforming as inflation risks rose modestly. Long-term Treasuries (+4.7%) particularly benefited in this environment of uncertainty and falling interest rates. High yield bonds (+1.0) rose the least during the quarter as uncertainty and risk aversion grew ahead of the planned tariff announcement from the U.S. in early April.



¹ Source: Bloomberg. Data is as of March 31, 2025.

U.S. Treasury yields declined in the first calendar quarter, as investors expressed concerns about the potential policies of the new U.S. administration, economic data related to consumers weakened, and overall growth expectations fell. The more policy sensitive 2-year Treasury yield fell from 4.24% to 3.89%, while the 10-year Treasury yield declined from 4.57% to 4.21%. After the Fed started reducing interest rates in September 2024, the yield curve stopped being inverted (short-term interest rates higher than long-term interest rates) given expectations for inflation to continue to decline and policy rates to proceed lower.

While inflation has been slow to return to the Fed's 2% average target, over the quarter the year-over-year rate fell from 2.9% to 2.4%. The month-over-month rate moved into negative territory at the quarter-end (0.1%). A slowing in the rate of increase in the services sector along with a drop in energy prices contributed to the recent decline. Core inflation year-over-year also declined over the quarter (3.2% to 2.8%) with the month-over-month rate slowing to 0.1%. A decline in the pace of shelter price increases drove results. Inflation expectations stayed relatively stable over the quarter as investors continued to evaluate the potential inflationary impacts of the new U.S. administration's policies.

FF&A Item 3.4



¹ Source: Bloomberg. Data as of March 31, 2025

After strengthening through 2024, the U.S. dollar recently started to weaken. Concerns over changing U.S. administration policies, slower growth, and corresponding lower yields have recently weighed on the value of the dollar.

Summary-Key Trends:

- According to the International Monetary Fund's January report, global growth in calendar year 2025 is expected to be slightly higher than 2024 (3.3% versus 3.2%). Growth forecast in the U.S. (+2.7%) and China (+4.6%) are lower for this year compared to last, while growth in the EU (+1.0%) is projected to be slightly higher in 2025.
- Elevated levels of uncertainty along with higher tariffs could weigh on growth while at the same time fan inflation. Inflation levels will likely lead to a slower pace of interest rate cuts by the Fed. Uncertainty in the U.S. and the potential for slower growth could continue the rotation out of U.S. assets and pressure the dollar.
- Signs of stress have started to emerge on the U.S. consumer with sentiment weakening. 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 a weaker job market.
- A focus for U.S. equities going forward will be whether earnings can remain resilient if growth slows. Also, the future paths of the large technology companies that have driven market gains will be important.
- Trade tensions between the U.S. and China will remain a center of attention. As tariffs have soared on both sides, China continues to direct support on its economy/asset prices with a suite of fiscal and financial policy stimulus measures. Advances in AI technologies have also contributed to some optimism. Despite the policy support, consumer spending is still weak, and issues remain in the real estate sector.

Fiscal Year 2023-24 Financial Statement Ratios

Background

The financial health of Oregon Tech (the University) is assessed using widely recognized industry benchmarks and ratios. *Strategic Financial Analysis for Higher Education, Seventh Edition*—published by KPMG, Prager, Sealy & Co., LLC, and Attain LLC—defines key financial ratios and benchmarks commonly used across both public and private higher education institutions.

This publication outlines four core ratios that help answer essential financial questions and should be reviewed annually:

1. **Primary Reserve Ratio** – Are resources sufficient and flexible enough to support the mission?
2. **Net Operating Revenues Ratio** – Do operating results indicate the institution is living within its available resources?
3. **Return on Net Position Ratio** – Do asset performance and management align with the institution's strategic direction?
4. **Viability Ratio** – Are financial resources, including debt, being managed strategically to advance the mission?

Together, these ratios are used to calculate the **Composite Financial Index (CFI)**, a single metric that reflects the University's overall financial health.

The CFI only measures the financial component of an institution's well-being. It must be analyzed in context with other associated activities and plans to achieve an assessment of the overall health, not just financial health, of the institution. As an example, if two institutions have identical CFI scores, but one requires substantial investments to meet its mission-critical issues and the other has already made those investments, the first institution is less healthy than the second. In fact, a high CFI is not necessarily indicative of a successful institution, although a low CFI generally is indicative of additional challenges. When put in the context of achievement of mission, a very high CFI with little achievement of mission may indicate a failing institution.

Strategic Financial Analysis for Higher Education

In addition to the core ratios, Oregon Tech also calculates the **Debt Burden Ratio** annually. While not one of the four core ratios, it is a critical indicator of debt affordability and should be considered in any institution's financial analysis.

Per the Board Policy on Debt Management, the University reports the following ratios annually to support evaluation of debt capacity and affordability:

- **Primary Reserve Ratio**
- **Viability Ratio**
- **Debt Burden Ratio**
- **Debt Service Coverage Ratio**
- **Debt to Revenues Ratio**

Reporting Entity

Financial data from the Oregon Tech Foundation (the Foundation) is included in the University's ratio calculations, as defined by *Strategic Financial Analysis for Higher Education*. The University's Annual Financial Report (AFR), which presents the Foundation as a discretely presented component unit, serves as the source for this data. The Foundation also issues its own complete, standalone financial statements.

Staff Recommendation

None.

Primary Reserve Ratio

The Primary Reserve Ratio provides a snapshot of financial strength and flexibility by indicating how long the institution could function using its expendable net position (both unrestricted and restricted, excluding net position restricted for capital investments) without relying on additional net position generated by operations. This ratio is calculated as follows:

$$\frac{\text{Expendable Net Position}^*}{\text{Total Expenses}}$$

**Excluding net position restricted for capital investments*

Key items that can impact expendable net position:

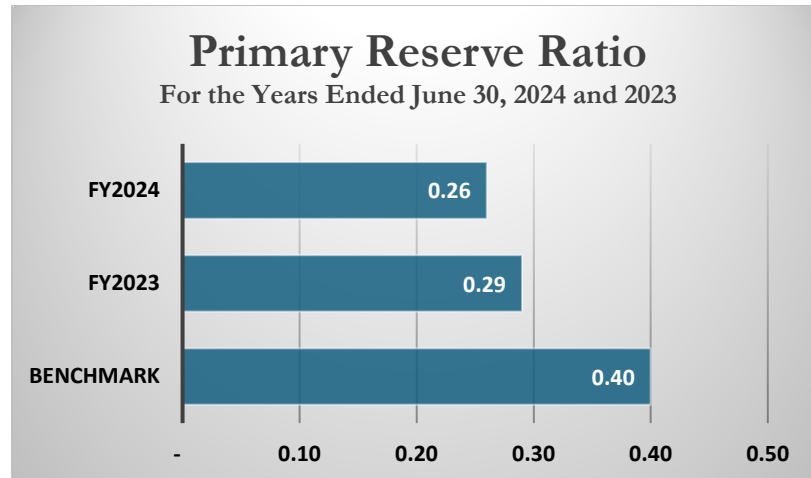
- Principal payments on debt
- Use of unrestricted net position to fund capital construction projects
- Operating results (operating revenues – operating expenses + nonoperating revenues – nonoperating expenses + depreciation)

The Primary Reserve Ratio is one of five ratios required to be evaluated annually in accordance with the Board Policy on Debt Management.

A ratio of .40x (provides about 5 months of expenses) or better is advisable to give institutions the flexibility to manage the enterprise.

Fiscal Year 2024 Analysis:

Oregon Tech's Primary Reserve Ratio for FY2024 declined slightly to 0.26, indicating the University has sufficient expendable resources to cover just over three months of operating expenses. This modest decrease from FY2023 reflects a reduction in the University's expendable net position, primarily driven by increased operating and interest expenses. The rise in operating expenses was largely attributable to higher compensation and benefits, as well as increased spending on supplies and services. Additionally, interest expense rose in FY2024 due to the commencement of debt service payments—both principal and interest—on the student housing construction bond issued in FY2023. Because the bond was issued late in FY2023, FY2024 marks the first fiscal year in which these debt service payments were made.



Net Operating Revenues Ratio

The Net Operating Revenues Ratio is a measure of operating results and answers the question, “Do operating results indicate that the University is living within available resources?” Operating results either increase or decrease net position and, thereby, impact the other three core ratios: Primary Reserve, Return on Net Position, and Viability. This ratio is calculated as follows:

$$\frac{\text{Operating Income (Loss) plus Net Non-Operating Revenues (Expenses)}}{\text{Operating Revenues plus Non-Operating Revenues}}$$

Key items represented by the Net Operating Revenues Ratio:

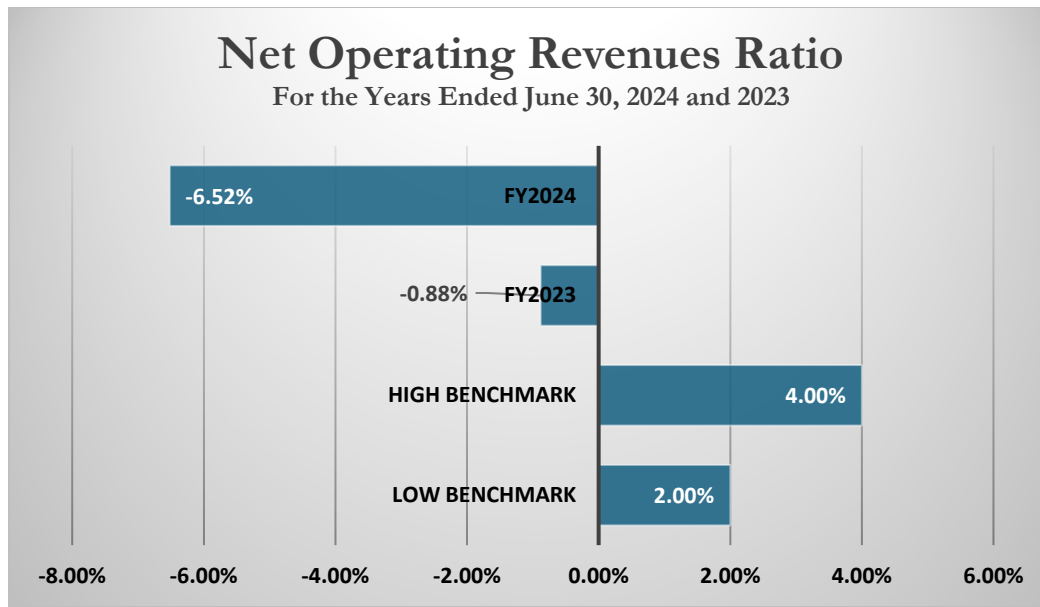
The primary reason institutions need to generate some level of surplus over long periods of time is because operations are one of the sources of liquidity and resources for reinvestment in institutional initiatives.

Strategic Financial Analysis for Higher Education

A target of at least 2% to 4% is a goal over an extended period, although fluctuations from year to year are likely. A key consideration for institutions establishing a benchmark for this ratio would be anticipated growth in total expenses.

Fiscal Year 2024 Analysis:

The Return on Net Position Ratio declined in FY2024 compared to FY2023, primarily due to a net loss of \$3.3 million recorded during the fiscal year. This negative impact on the ratio was partially offset by a modest increase in net nonoperating revenues, particularly in Government Appropriations and Investment Activity.



Return on Net Position Ratio

The Return on Net Position Ratio measures asset performance and management. It determines whether an institution is financially better off than in the previous year by measuring total economic return. It is based on the level and change in total net position.

A decline in this ratio may be appropriate and even warranted if it reflects a strategy to better fulfill the institution's mission. An improving trend in this ratio indicates that the institution is increasing its net position and is likely to be able to set aside financial resources to strengthen its future financial flexibility. This ratio is calculated as follows:

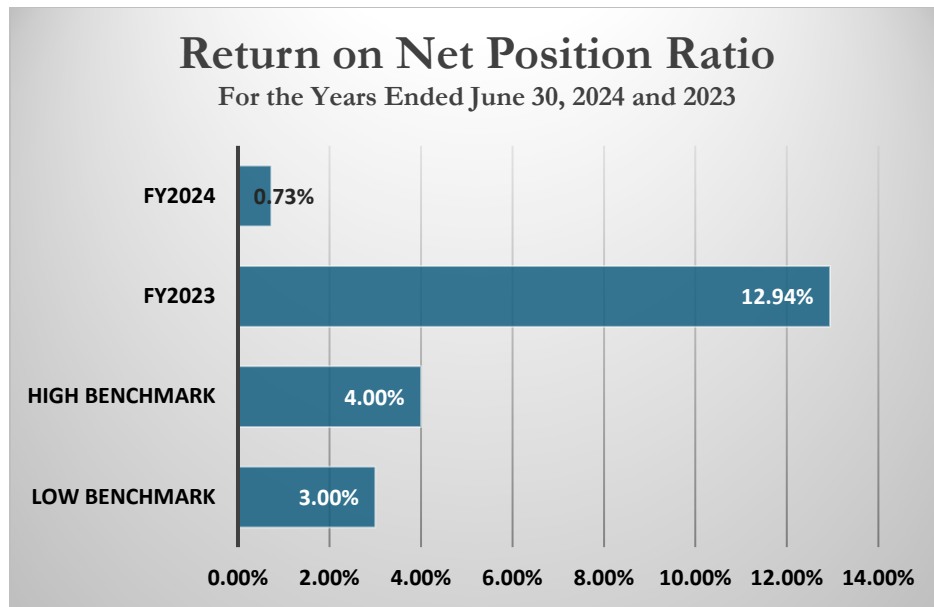
$$\frac{\text{Change in Net Position}}{\text{Total Beginning of the Year Net Position}}$$

Key items that can impact expendable net position:

- Items that impact the Net Operating Revenues Ratio
- Capital appropriations, grants, gifts, and transfers
- Endowment returns and endowment gifts

Fiscal Year 2024 Analysis:

The Return on Net Position Ratio declined in FY2024, reflecting a shift from a positive net income of \$25.8 million in FY2023 to a net loss of \$3.3 million in FY2024. FY2024's net loss primarily due to an increase in operating expenses and decrease in capital grants received from the state. Several large state-funding capital construction projects were completed in FY2023 with fewer state-funded construction projects in FY2024 as compared to the prior year. This significant year-over-year change in financial performance was the primary driver of the decrease in the ratio.



Viability Ratio

The Viability Ratio measures expendable resources that are available to cover debt obligations (e.g., capital leases, notes payable, and bonds payable) and generally is regarded as governing an institution's ability to assume new debt. This ratio is calculated as follows:

$$\frac{\text{Expendable Net Position}^*}{\text{Long-Term Debt}}$$

**Excluding net position restricted for capital investments*

Key items that can impact expendable net position:

- Principal payments on debt
- Use of unrestricted net position to fund capital construction projects
- Operating results (operating revenues – operating expenses + nonoperating revenues – nonoperating expenses + depreciation)

There is no absolute threshold that will indicate whether the institution is no longer financially viable. However, the Viability Ratio, along with the Primary Reserve Ratio discussed earlier, can help define an institution's "margin for error". As the Viability Ratio's value falls below 1:1, an institution's ability to respond... to adverse conditions from internal resources diminishes, as does its ability to attract capital from external sources and its flexibility to fund new objectives.

Many public institutions can operate effectively at a ratio far less than 1:1 since the debt may be reported by a state agency and not the institution, or the institution enjoys the credit rating of the state for its borrowing purposes.

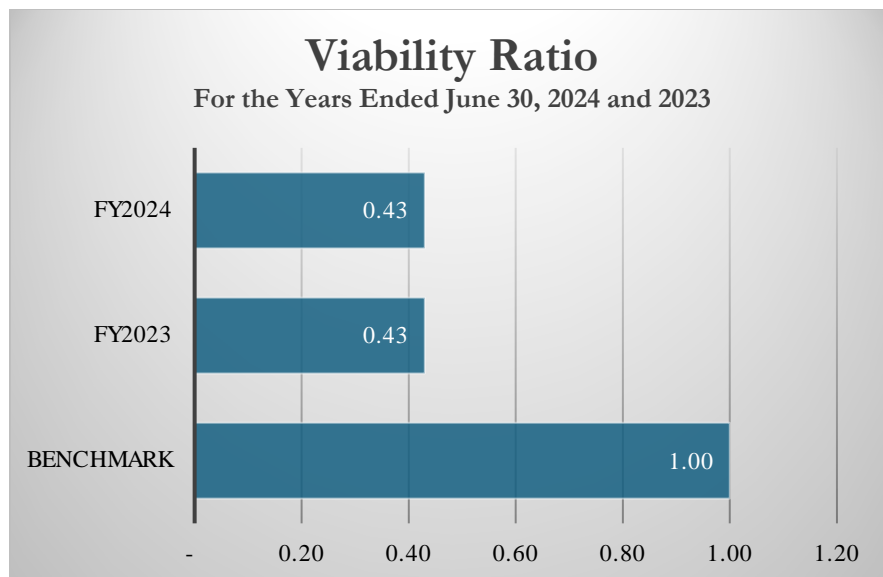
Strategic Financial Analysis for Higher Education

The Viability Ratio is one of five ratios required to be evaluated annually in accordance with the Board Policy on Debt Management.

A ratio of 1.00 or greater indicates that there are sufficient resources to satisfy debt obligations.

Fiscal Year 2024 Analysis:

Oregon Tech's Viability Ratio remained steady at 0.43 in FY2024, unchanged from the prior year. While the University experienced a decline in its expendable net position, this was offset by reductions in long-term debt resulting from scheduled debt service payments made during the fiscal year. The balance between these two factors contributed to the stability of the ratio year over year.



Composite Financial Index

The Composite Financial Index (CFI) creates one overall financial measurement of the institution's health based on the four core ratios: Primary Reserve Ratio, Net Operating Revenues Ratio, Return on Net Position Ratio, and Viability Ratio. By blending these four key measures of financial health into a single number, a more balanced view of the state of the institution's finances is possible because a weakness in one measure may be offset by the strength of another measure.

The CFI is calculated by completing the following steps:

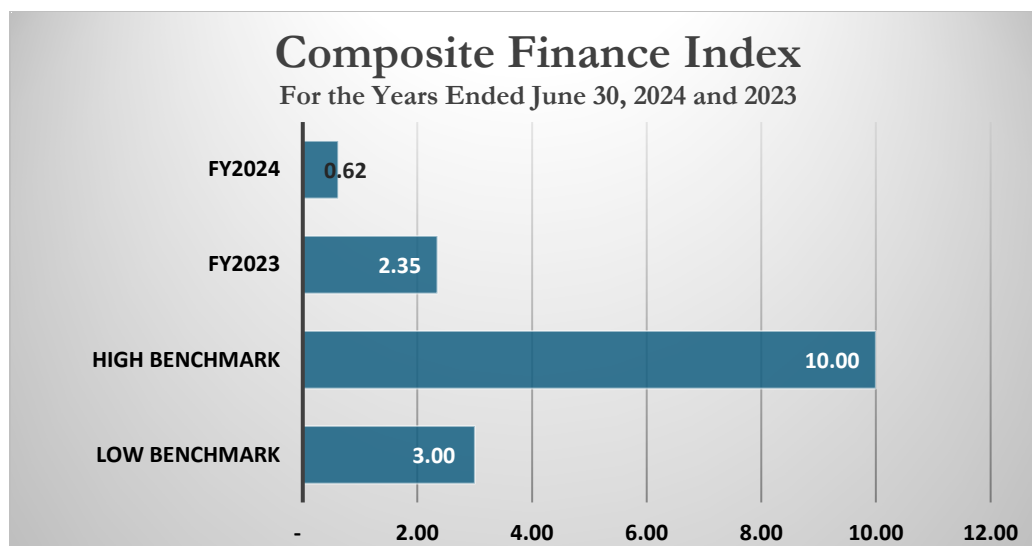
1. Compute the values of the four core ratios;

2. Convert the ratio values to strength factors along a common scale;
3. Multiply the strength factors by specific weighting factors; and
4. Total the resulting four numbers (ratio scores) to reach the single CFI score.

A score of 1.00 indicates very little financial health, 3.00, the low benchmark, represents a relatively stronger financial position; and 10.00 is the top of the scale.

Fiscal Year 2024 Analysis:

Oregon Tech's CFI score declined to 0.62 in FY2024, down from the prior year. Despite the decrease, the score continues to reflect positive performance in the Return on Net Position ratio, indicating that the University is still generating returns and operating within its available resources.



Debt Burden Ratio

The Debt Burden Ratio examines the institution's dependence on borrowed funds as a source of financing its mission and the relative costs of borrowing to overall expenditures. It compares the level of current debt service with the institution's total expenditures. Debt service includes interest and principal payments. The ratio is calculated as follows:

$$\frac{\text{Debt Service}}{\text{Total Expenditures}}$$

Ratio considerations include:

- A level trend or decreasing trend indicates that debt service has sufficient coverage without impinging further on financial resources required to support other function areas.
- A low debt service burden is not necessarily superior to a higher debt service burden. For most financially healthy institutions, it is advisable to allocate a certain percentage of the operating

Fiscal Year 2023-24 Financial Statement Ratios

budget to debt service. Institutions with very low ratios may be forgoing necessary investment in facilities, which, over time, may have a negative impact on their competitive profiles.

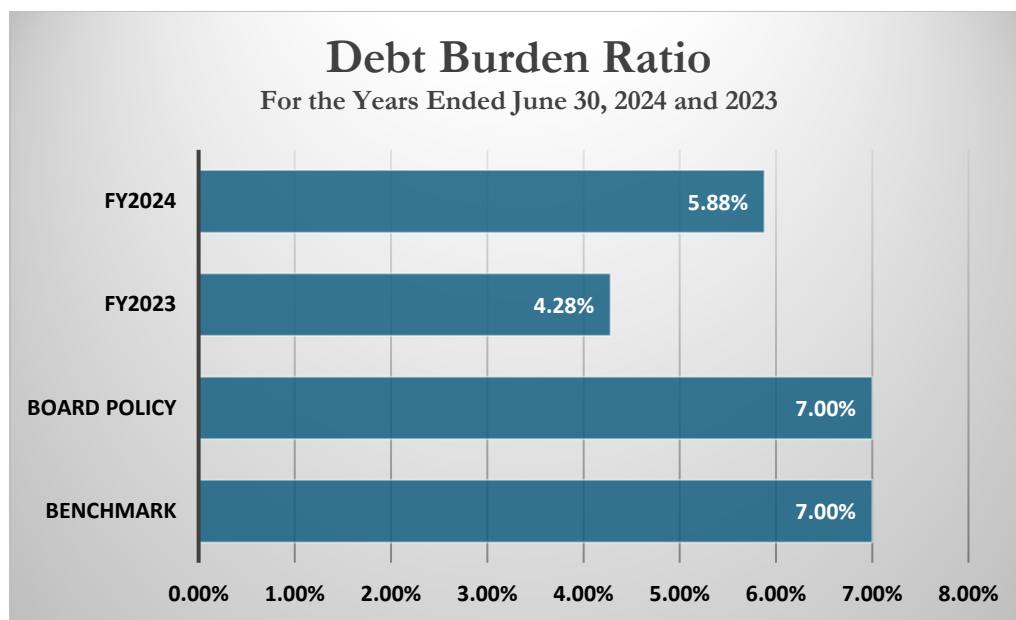
The Debt Burden Ratio is one of five ratios required to be evaluated annually in accordance with the Board Policy on Debt Management.

The industry often has viewed the upper threshold for this ratio as 7.00 percent, meaning that current principal payments and interest expense should not represent more than 7 percent of total expenditures.

Fiscal Year 2024 Analysis:

Oregon Tech's Debt Burden Ratio increased in FY2024 compared to FY2023, as anticipated. This increase was driven by the onset of long-term debt service payments during the year—including both principal and interest—on the student housing construction bond issued in FY2023. Because the bond was issued late in FY2023, FY2024 marked the first fiscal year in which debt service payments were required, contributing to the rise in the ratio.

Oregon Tech remains within the ratio's threshold established by the Board Policy on Debt Management.



Debt Service Coverage Ratio

This ratio measures the excess of income over adjusted expenses available to cover annual debt service payments. The Debt Service Coverage Ratio is an important ratio because it gives the analyst a level of comfort that the institution has a net revenue stream available to meet its debt burden should economic conditions change.

Operating Income (Loss) plus Net Non-Operating Revenues (Expenses) plus Interest
Expense plus Depreciation plus Foundation Adjusted Change in Net Assets

Debt Service

Ratio considerations include:

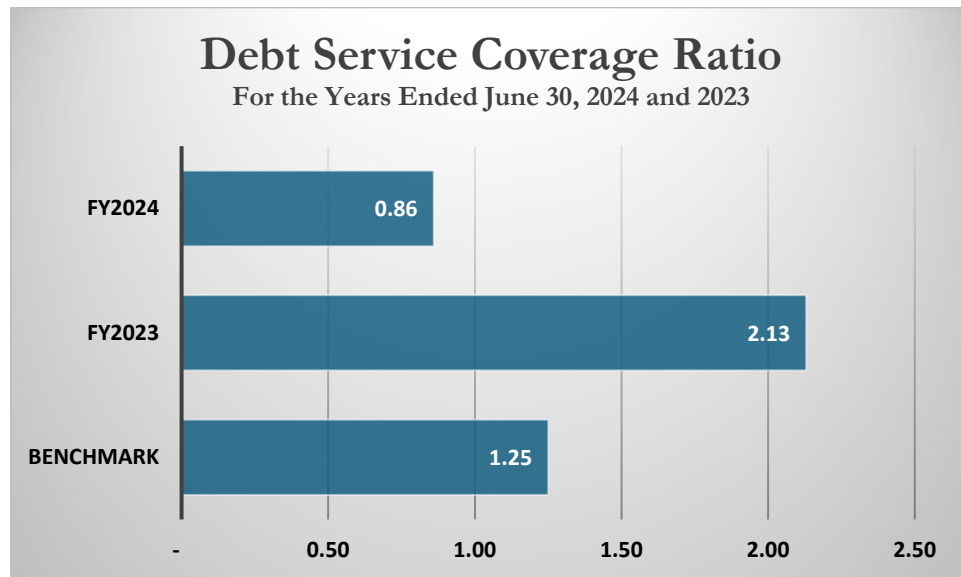
- A high ratio is considered advantageous,
- A low ratio or declining trend gives reason for concern regarding the institution's ability to sustain its operations, especially in the face of future budgetary challenges.

The Debt Service Coverage Ratio is one of five ratios required to be evaluated annually in accordance with the Board Policy on Debt Management.

While the industry does not set a recommended upper or lower threshold, a ratio of 1.25 can be viewed as a general guideline.

Fiscal Year 2024 Analysis:

Oregon Tech's Debt Service Coverage Ratio declined in FY2024 compared to FY2023, primarily due to a larger operating loss in the current fiscal year. When excluding depreciation, the operating loss increased by approximately \$6.0 million, driven by a \$539,000 decrease in operating revenues and notable increases in key expense categories: Compensation and Benefits: up \$4.6 million, and Supplies and Services: up \$1.2 million. These impacts were partially offset by an increase in net nonoperating revenues, largely due to higher Government Appropriations received during the year and Investment Activity.



Debt to Operating Revenues Ratio

The Debt to Operating Revenues Ratio measures the amount of leverage relative to the size of the institution's operating revenues. A lower ratio is considered better. The ratio is calculated as follows:

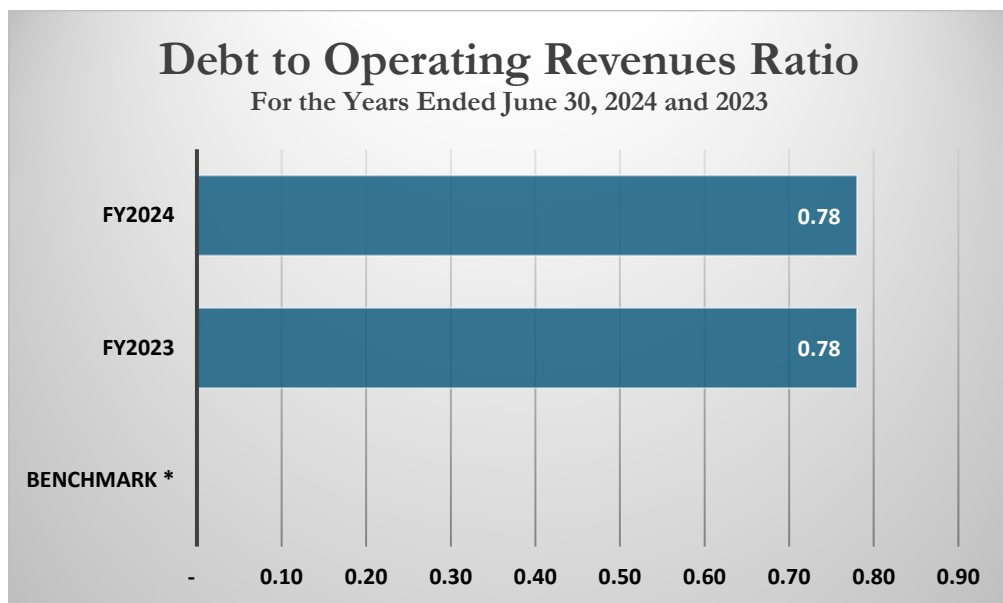
Outstanding Debt
Total Operating Revenues

The Debt to Operating Revenues Ratio is one of five ratios required to be evaluated annually in accordance with the Board Policy on Debt Management.

While the industry does not set a recommended upper or lower threshold, a ratio of 1.25 can be viewed as a general guideline.

Fiscal Year 2024 Analysis:

Oregon Tech's Debt to Operating Revenues Ratio remained unchanged in FY2024 compared to the prior year. This stability reflects a combination of offsetting factors: a decline in University operating revenues was partially mitigated by an increase in Foundation revenues. Additionally, the overall decrease in combined net operating revenues was further offset by a reduction in University long-term debt, resulting from scheduled debt service payments made during the fiscal year.



** A Benchmark, or advised range not set.*

GLBA Annual Written Report

June 10, 2025

Executive Summary

The purpose of this report is to provide an overview of the Gramm-Leach-Bliley Act (GLBA, the Act), and to fulfill the Act's annual written report requirement. The report's intent is to balance communication of information security items at a level of detail appropriate for a public setting.

The Gramm-Leach-Bliley Act (GLBA) requires financial institutions, including educational organizations like Oregon Tech, that provide financial services or products to protect the security, confidentiality, and integrity of customer financial records ("Covered Data"). and is enforced by the Federal Trade Commission (FTC)

GLBA History

GLBA legislation was originally enacted in 1999, also known as the Financial Services Modernization Act of 1999, with a focus on traditional financial institutions and consumer financial privacy. Subsequent GLBA rule changes over recent years have placed a greater emphasis on federal financial aid-based financial services, bringing higher education institutions under the Act's scope.

Developments Over the Last Year and Future Activities

Oregon Tech has completed one external penetration test (pen test) within the last 12 months, with an additional one on-going as of this report. The respective pen tests were performed by Eide Bailly (Internal Audit firm, July 2024) and TechGuard Security, LLC (May-June 2025), the results of which are discussed in a later section of this report.

In the spirit of continuous improvement, the university also engaged Eide Bailly (Internal Audit firm) to perform a cybersecurity risk assessment in July 2024.

Additionally, Oregon Tech continues to perform the already GLBA-required annual cybersecurity risk assessment, a collaboration between Information Technology Services (ITS) and various departments throughout the university.

Lastly, it is a goal over the next calendar year to formalize an internal GLBA workgroup to support collaboration and information sharing regarding new GLBA compliance requirements affecting federal financial aid and to act as additional support for ongoing efforts related to the protection of the security, confidentiality and integrity of customer financial records.

Overview of the Information Security Program

The university's current ITS security team includes one full-time director, Director of IT Security-Compliance, and one part-time student worker. The Director of IT Security- Compliance is the designated individual who oversees the university's information security program.

Key responsibilities of Oregon Tech's information security program can be viewed under four major functions: Management, Risk & Compliance, Architecture, and Operations.

Management

Includes document creation and maintenance (e.g. procedures), research of risks and trends impacting Oregon Tech, security news, and collaboration with ITS to implement and manage controls to reduce risk.

The university's research of trending security topics and opportunities include: a) compliance with NIST 800-171 for federal grant-funded research; and (b) specialized topics such as artificial intelligence, supply chain security, and quantum computing.

Risk & Compliance

Multi-faceted components include awareness training, audit compliance, GLBA compliance, vendor security reviews and vulnerability management.

The university plans to implement additional web-based training for GLBA and other information security/cyber security topics, including awareness training. It is planned that this training will be rolled out to faculty and staff over the next six-months. This will be an enhancement to existing awareness training efforts.

New risk and compliance topics and concerns include threats affecting general information technology and higher education across the nation. The university's upcoming cybersecurity risk assessment to be performed with the assistance of Eide Bailly LLP will inform resource allocation for risk mitigation strategies. Opportunities to prevent, detect and/or remediate identified cyber security risks will be a key outcome of the annual assessment.

Architecture

Security reviews of proposed solutions, both on-prem and cloud-based.

Operations

Monitoring security events, incident response, and ad-hoc requests related to security.

Updates from Risk Assessments, Audits, or Penetration Tests

Results of most recently completed pen test reflected no critical findings, where critical is the highest rating, that would have a direct impact on the upcoming annual cybersecurity risk assessment or any operational changes that would have been needed to be put into immediate effect. The results are also consistent with pen tests completed over the last few years.

Overview of Recent Cybersecurity Tabletop Exercises

The university's business continuity plan and related tabletop exercises are under development and will be incorporated into future reports. This information will help inform the university on how quickly the organization may be able to respond to an attack and/or resume normal operations, and what that projected timeline may mean in estimated financial terms.

Areas of Concern and Recommended Changes

There are information security challenges facing the university and ITS, including: (a) software sprawl and shadow ITS (e.g. use of software programs and solutions not supported by ITS); (b) incomplete enterprise-wide security program; (c) incomplete visibility into security events; and (d) lack of proactive threat-hunting.

Solutions to these challenges include assessing resource needs (financial and human), wider communication and involvement of faculty and staff, and additional web-based training scheduled to take place over the coming months. Solutions will be a measured approach as resources allow and in conjunction with inputs from the new CIO.

Acknowledgements

This report is respectfully submitted by the Associate Vice President - Chief Information Officer, in partnership with the Director of Audit and Compliance.



Oregon Tech's - Capital Projects Update

Thom Darrah | Director of Facilities & Capital Planning

Presentation Outline



Capital Projects – Upcoming and Underway

- New Student Housing
- Geothermal Systems Emergency Renovation
- ABA Clinic Renovation
- Campus Security Cameras
- *Project status updates reflect progress through 5.31.25*

New Student Housing



New Student Housing (85,000 sq ft)							
Project Start: 4.01.2023			Project Completion: 12.01.2025				
Project	Progress Highlights	Cost Breakdown	Orig. Budget	Rev. Budget	Cost To Date	%	Balance
UPE 822 / FNRESH Bond Type: XI-F 2022 Design: Mahlum Architects CM/GC: Bogatay Const.	Visioning: January 2023 - February 2023						
	Design: March 2023 - April 2024						
	Construction: May 2024 - Dec. 2025	Visioning/Design (7%):	\$ 2,231,400	\$ 2,299,000	\$ 2,074,085	90%	\$ 224,915
	Project underway.	Construction (82%):	\$ 28,000,000	\$ 28,572,645	\$ 16,050,260	56%	\$ 12,522,385
		Other (11%):	\$ 4,768,600	\$ 4,128,355	\$ 943,471	23%	\$ 3,184,884
	Plan Design Bid Build Closeout	Project Totals:	\$ 35,000,000	\$ 35,000,000	\$ 19,067,816	54%	\$ 15,932,184
Budget Breakdown 			CO's / Amendments MA: Amd. 1 \$ 32,500 MA: Amd. 2 \$ 35,100 BCI: Amd. 5 \$ 72,645 \$ - \$ - \$ - \$ - \$ - \$ - \$ - Total: \$ 140,245		Percent Complete (%) 		

New Student Housing



Extended Project Highlights

- Early Work: 4.08.24 through 6.07.2024
- Project Construction: 6.10.2024 through 11.01.2025
- Project Closeout: 11.02.2025 through 12.01.2025
- Project GMP of \$28,500,000 approved on 5.23.2024
- Project Scope: New 85,000 sqft, four story building with 511 beds.
- 89% of work by firms within 100-mile radius of project. (57% Klamath Falls / 32% Southern Oregon)
- Project Camera:
<https://app.truelook.cloud/?code=cnpi13lm080mqpqm2fupahbuj>

New Student Housing



New Student Housing



New Student Housing



New Student Housing



Geothermal Systems Emergency Renovation



Geothermal Systems Emergency Renovation													
Project Start: 11.06.23						Project Completion: 11.14.2026							
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	\$ 663,240	\$ 599,710	90%	\$ 63,530	
						Construction (84%):		\$ 14,467,115	\$ 8,817,910	\$ 3,721,013	42%	\$ 5,096,897	
Design: AES						Other (9%):		\$ 2,193,420	\$ 8,475,000	\$ 15,606	0%	\$ 8,459,394	
CM/GC: Bogatay const.		Plan	Design	Bid	Build	Closeout	Project Totals:		\$ 17,956,150	\$ 17,956,150	\$ 4,336,329	24%	\$ 13,619,821
<div>Budget Breakdown</div> <div><div></div><div>\$663,240</div><div>\$8,817,910</div><div>\$8,475,000</div></div> <div><div>Design</div><div>Construction</div><div>Other/Cont</div></div>						CO's / Amendments		<div>Percent Complete (%)</div> <div><div></div><div>Complete</div><div>Remaining</div></div> <div><div>76%</div><div>24%</div></div>					
							\$ -						
							\$ -						
							\$ -						
							\$ -						
							\$ -						
							\$ -						
							\$ -						
							\$ -						
							\$ -						
Total:						\$ -							

Geothermal Systems Emergency Renovation



Extended Project Highlights

- Project is made up of five phases.
- Phase 1 - Geo HX Building Renovation
 - New 20,000 gal. geo storage tank in place.
 - HX Renovation design complete.
 - HX Renovation underway.
- Phase 2 - Geo Distribution Piping
 - Direct bury geo piping design complete.
 - Early procurement of direct bury geo piping completed.
 - Tunnel geo piping design underway.

Geothermal Systems Emergency Renovation



Geothermal Systems Emergency Renovation



Geothermal Systems Emergency Renovation



ABA Clinic Renovation



ABA Clinic Renovation (5,000 sq ft)														
Project Start: 10.02.23						Project Completion: 4.11.25								
Project		Progress Highlights				Cost Breakdown		Orig. Budget	Rev. Budget	Cost To Date	%	Balance		
UPE 824		Design: Underway												
UPE 805		Construction: Pending												
		<u>Project underway.</u>				Design (0%):		\$ -	\$ -	\$ -		\$ -		
						Construction (90%):		\$ 1,040,190	\$ 1,291,518	\$ 1,291,518	100%	\$ -		
						Other (10%):		\$ 114,810	\$ 58,482	\$ 8,792	15%	\$ 49,690		
Design: SDRA														
Build: Modoc		Plan	Design	Bid	Build	Closeout	Project Totals:		\$ 1,155,000	\$ 1,350,000	\$ 1,300,310	96%	\$ 49,690	
<div>Budget Breakdown</div> <div><div></div><div></div><div></div></div> <div><div></div><div></div><div></div></div> <div><div>Design</div><div>Construction</div><div>Other/Cont</div></div>						<u>CO's / Amendments</u>		<div>Percent Complete (%)</div> <div><div></div><div></div></div> <div><div>Complete</div><div>Remaining</div></div> <div><div></div><div></div></div>						
						Modoc: CO 1-2							\$	25,562
						Modoc: CO 3							\$	14,389
						Modoc: CO 4							\$	38,829
						Modoc: CO 5							\$	87,939
						Modoc: CO 6							\$	20,225
						Modoc: CO 7							\$	37,825
						Modoc: CO 8							\$	4,099
						Modoc: CO 9							\$	19,996
						Modoc: CO 10							\$	2,464
						Total:							\$	251,328

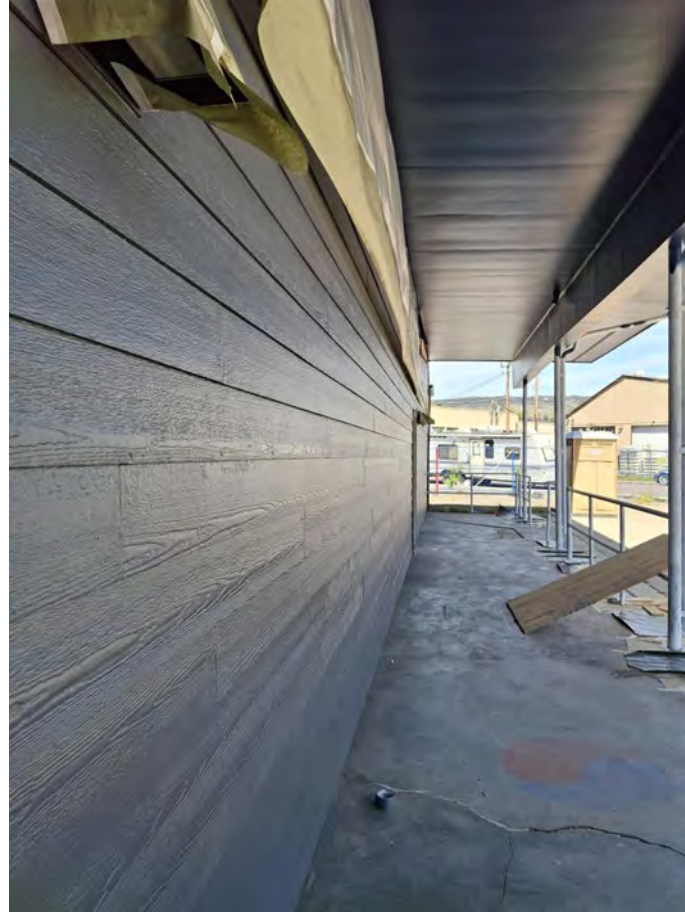
ABA Clinic Renovation



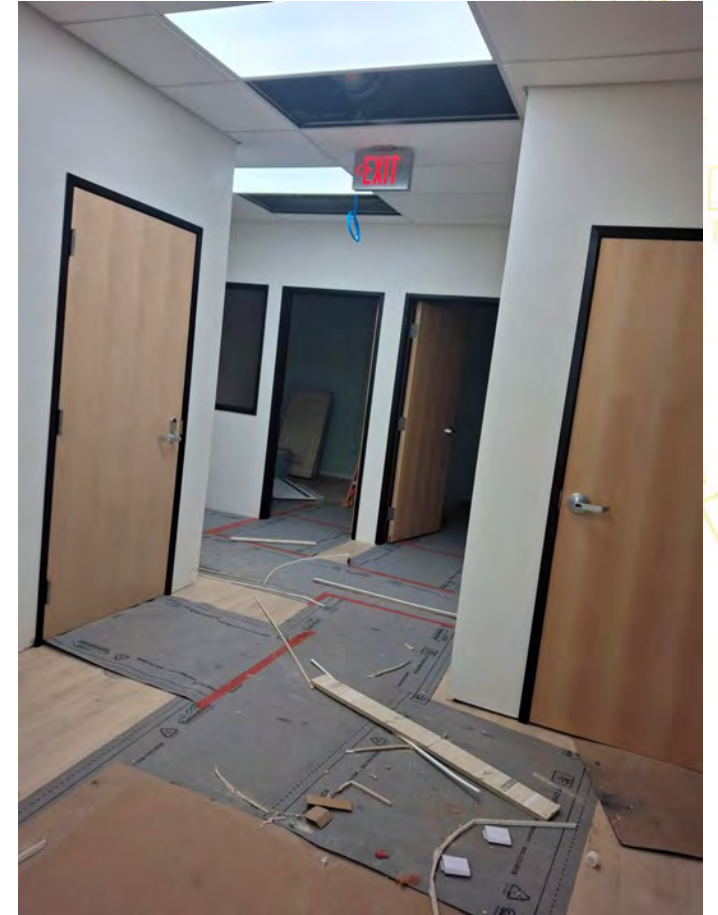
Extended Project Highlights

- All design services provided pro bono by Soderstrom Architects , ZCS Engineering (Structural) and Interface Engineering (MEP).
- Project Scope: Full interior renovation and some exterior improvements.
- Project Schedule: June 18, 2024 through May 31, 2025
- Interior demolition complete.

ABA Clinic Renovation



ABA Clinic Renovation



Campus Security Cameras



Campus Security Cameras														
Project Start: 4.10.24						Project Completion: 12.31.25								
Project		Progress Highlights				Cost Breakdown		Orig. Budget	Rev. Budget	Cost To Date	%	Balance		
UPE 805		Construction: April 2024 - Dec. 2024												
UPE 831														
		<u>Project underway.</u>				Design:		\$ -	\$ -	\$ -		\$ -		
Design: NA						Construction (90%):		\$ 949,535	\$ 1,004,922	\$ 938,770	93%	\$ 66,152		
Build: IronClad Security						Other (10%):		\$ 94,965	\$ 39,578	\$ 3,825	10%	\$ 35,753		
		Plan	Design	Bid	Build	Closeout	Project Totals:		\$ 1,044,500	\$ 1,044,500	\$ 942,595	90%	\$ 101,905	
<div>Budget Breakdown</div> <div><div></div><div></div><div></div></div> <div><div></div><div></div><div></div></div> <div><div>Design</div><div>Construction</div><div>Other/Cont</div></div>						CO's / Amendments		<div>Percent Complete (%)</div> <div><div></div><div></div></div> <div><div>Complete</div><div>Remaining</div></div>						
						IC: Amend 3								\$ 7,701
						IC: Amend 4								\$ 19,883
						IC: Amend 5								\$ 69,644
						IC: Amend 6								\$ 12,294
						IC: Amend 7								\$ (56,280)
						IC: Amend 8								\$ 2,242
														\$ -
														\$ -
														\$ -
						Total:		\$ 55,484						

Campus Security Cameras



- **Extended Project Highlights**

- Project Scope: Installation of campus security cameras on both the Klamath Falls and Portland=Metro campuses.
- Substantial Completion: November 30, 2025
- Final Completion: December 31, 2025



Contact Information

Thom Darrah, Director of Facilities

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Email: Thom.Darrah@oit.edu



INTERNAL AUDIT STATUS UPDATE

June 10, 2025

INTERNAL AUDIT UPDATE



Follow Up



Risk Assessment Update

1

Internal Audit #1 – HR Internal Audit

2

Internal Audit #2 – Student Enrollment Internal Audit

3

Internal Audit #3 – Open TBD



Ethics Line Status Update

ACTION

Agenda Item No. 4.1

Fiscal Year 2025-26 Oregon Tech All Funds Budget

Background:

Each year, Oregon Tech conducts an extensive and collaborative process in developing the All-Funds Budget for the next fiscal year. The All-Funds Budget includes the Education and General, Auxiliary, Service Operations and Designated Operations Funds budgets. The General Fund (GF) is the primary operating budget for the university. The General Fund budget also includes “Special General Fund” budgets which are fee-for-service activities such as clinic revenues and grant indirect charges. Distance Education, Advanced College Placement, and Boeing operations are included in the Special General Fund budget since revenues from these programs are used to support general operations of the university. “Other Revenue” includes interest earnings, gain or loss on sale of investments and miscellaneous revenue.

The General Fund includes revenues from tuition and fees, state appropriations through the Public University Support Fund (PUSF), Engineering & Technology Sustaining Fund (ETSF) and Oregon Renewable Energy Center (OREC) along with other miscellaneous income. These revenues are used to fund instruction, research administration, public service, academic support, institutional support, student services and facilities operations of the institution.

Auxiliary, Service and Designated operating funds are separate pools of dedicated resources and are included distinctly. Auxiliary budgets include student housing operations, campus life, athletics, parking, student health and other various non-core operations. These operations are expected to be self-supporting mostly through fees and maintain balanced budgets throughout the fiscal year.

Recent Financial Landscape

Development of the Oregon Tech FY 2024-25 budget required continued spending reductions and operational adjustments related to rising costs and an expected fourth consecutive year of enrollment decline along with the related impact on revenue and campus operations. However, the expected enrollment decline was somewhat moderated in FY 2024-25 as the University achieved a one-half percent (0.5%) increase in enrollment over the prior year combined with an increase in student credit hours of three and one-half percent (3.5%). This improvement was unexpected and should allow Oregon Tech to end FY 2024-25 without requiring funds from the reserve to balance operations as had been originally budgeted. Although FY 2024-25 enrollment results give reason for optimism, we know the enrollment cliff is not far away and that many universities across the country continue to experience a prolonged decline in enrollment with regional universities disproportionately impacted compared to their peer flagship universities.

Oregon Tech continues to manage the challenges strategically through careful planning, fiscal discipline and with an overarching focus on maintaining quality academic degree programs and supporting student success. In FY 2025-26, Oregon Tech will continue to focus on strategic

enrollment and student retention initiatives as well as investment in faculty and new or expanded academic degree programs and micro-credential and certificate offerings. The emphasis is on strengthening and accelerating sustainable enrollment growth in market competitive programs that meet evolving workforce needs.

Enrollment growth will not be easy to attain. The economic impact on the economy from the pandemic is widely expected to have a prolonged effect on higher education and has altered how students and families perceive and prioritize the cost and value of higher education. This is further complicated in Oregon where state demographics continue to evolve and there is one of the lowest rates of student matriculation to college upon completing high school as well as one of the lowest rates nationally for the amount of state funding provided per resident student FTE at its public universities.

Process

In developing the FY 2025-26 Budget, the university adhered to a set of budget development principles previously established by the Board of Trustees to ensure fiscal responsibility in developing a realistic budget along with operational efficiencies to position the university for continued success in driving its strategic plan and achieving its mission. These principles were jointly developed between the President, Senior Leadership Team and the Fiscal Operations Advisory Council (FOAC) and are as follows:

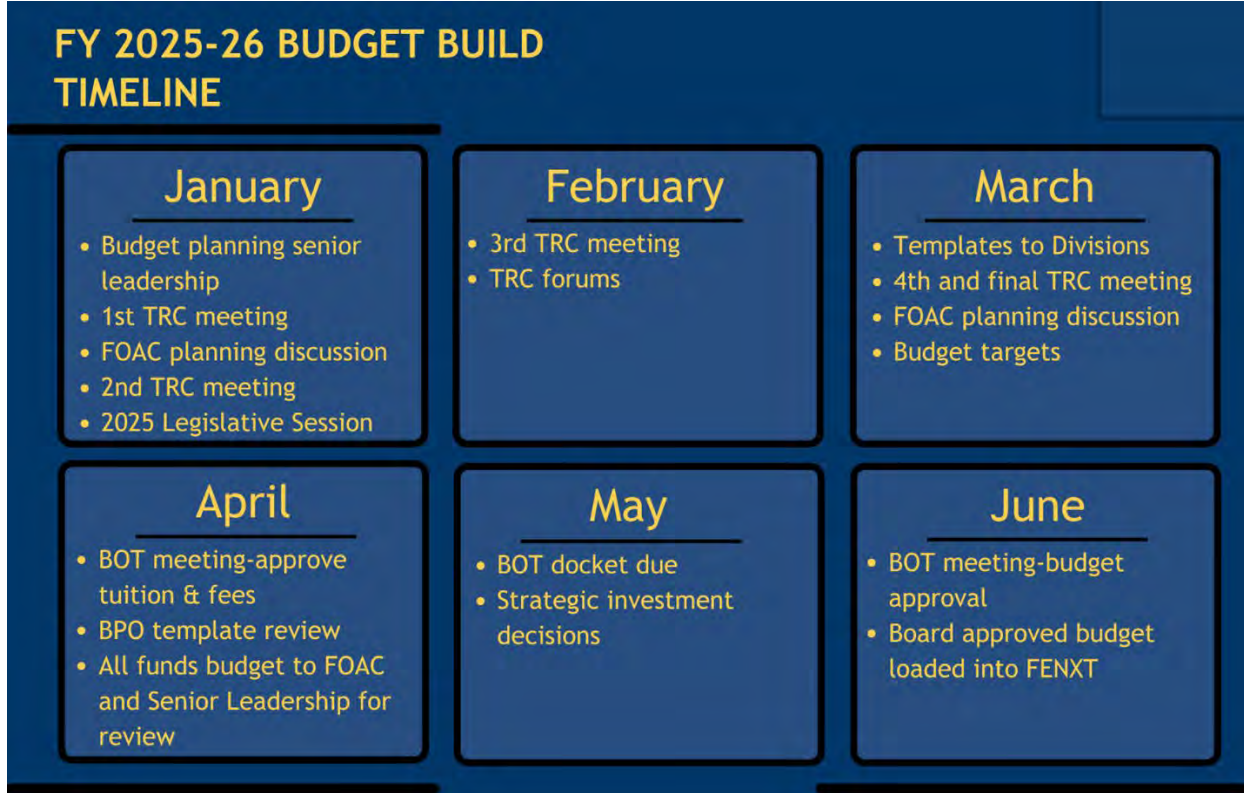
- 1) Balance revenue, other resources and expenditures within the operating budget.
- 2) Prioritize recruiting, retaining, and graduating students to ensure long-term sustainability.
- 3) Align programs and initiatives with industry and employer demand.
- 4) Invest in faculty, staff, and infrastructure to support student and institutional success.
- 5) Use an open and transparent budget development process.

The FY 2025-26 budget was balanced without requiring reductions, although there were limited funds available for new strategic investments. Strategic Investments included in the FY 2025-26 budget are carried forward from the prior year. Faculty and staff positions that were previously budgeted were not reduced, although division vice presidents were allowed to repurpose funds between categories in finalizing their budgets.

Each Vice President worked closely with their teams in their divisional structures and in collaboration with the president and peer vice presidents in developing their final budgets. There were several leadership meetings during the course of the budget development process to promote shared decision-making and to ensure the resulting budget was mission centric and supported the University strategic plan. Additionally, between January and May, the vice presidents engaged with the Fiscal Operations Advisory Council (FOAC) during its four regularly scheduled meetings to discuss divisional budget objectives and challenges and to solicit feedback and recommendations from the advisory group for consideration in finalizing the budget.

A budget process timeline was collaboratively developed and distributed. The process was designed to meet budget objectives supported by the Board, while including FOAC in the review and advisory process. See Figure 1 below.

Figure 1



Budget Assumptions

The following assumptions were used in establishing the FY 2025-26 General Fund budget:

Revenues:

1. The tuition rate is budgeted to increase by 4.0% as approved by the Board in April 2025. The Board action also provided that the rate may be increased to an amount not to exceed 4.5% if final legislative funding for the Public Universities Support Fund (PUSF) is less than the Governor's Recommended Budget (GRB).
2. Fee remissions are budgeted to be approximately 18.7% of gross tuition.
3. State appropriations were budgeted at the year 1 funding level based on the 2025-27 biennium GRB (7% increase) and using recent SSCM modeled calculations.
4. The tuition rate increase is budgeted assuming a flat enrollment for FY 2025-26 compared to FY 2024-25 actual. Oregon Tech's enrollment is still down compared to four years ago.

Expenses and Budget Targets:

1. Divisional budget targets for FY 2025-26 were calculated based on the FY 2024-25 permanent budgets, incorporating adjustments for salary and other payroll expense (OPE) increases as well as non-payroll initiatives funded and implemented in FY 2024-25. See Table 1 below.

Table 1

FY 2025-26 Permanent Regular General Fund Budget by Division

Division	FY 2025-26		FY 2025-26 Total Budget	Variance FY 2024-25 to FY 2025-26
	FY 2024-25 Permanent Budget	Net Adjustments		
President	\$ 2,430,175	\$ 199,321	\$ 2,629,496	8.2%
Provost & Academic Affairs	39,532,323	974,242	40,506,565	2.5%
Student Affairs	3,496,613	76,479	3,573,092	2.2%
Enrollment Management	5,996,255	359,754	6,356,009	6.0%
Finance and Administration	15,799,029	1,502,533	17,301,562	9.5%
Advancement & Marketing	2,161,462	148,021	2,309,483	6.8%
Institutional General	3,252,784	-	3,252,784	0.0%
University Health & Wellness	-	168,157	168,157	-
Total	\$ 72,668,641	\$ 3,428,507	\$ 76,097,148	4.7%

2. Estimated salary increases and associated OPE for employee types other than classified staff were budgeted in pools for FY 2025-26. All administrative adjustments are contingent upon available funds. Salary recapture of \$3.5M was budgeted, consistent with prior years' budget and actual recapture. See Table 2 below.
3. New strategic investment requests were prioritized and ranked by Senior Leadership, and the President made final investment decisions taking that feedback into consideration. New strategic investment funding will be contingent upon budget savings achieved during the year. Not all ranked requests will be funded. The operating contingency will continue to be used for mid-year adjustments as necessary and will be utilized at the discretion of the President.
4. Special General Fund operations, excluding Boeing, Advanced College Placement, Sponsored Projects and Grants Administration and Distance Education established their own revenue targets and are expected to manage expenses within those revenue targets or adjust expenses downward during the year. See Table 2 below.

Budget Risks

With enrollment declines during 3 of the past 4 years, the university could continue to face material budget challenges in FY 2025-26 and beyond if enrollment declines further or if enrollment growth does not return or if state funding continues to fall short of covering University Base Funding (UBF). These challenges continue to be addressed through comprehensive scenario planning and strategic initiatives. Risks include, but are not limited to:

- Achieving enrollment projections, reaching satisfactory housing occupancy numbers to support bond debt service payments.
- Improving student retention, meeting research and clinical activities targets.
- Labor relations outcomes that pose unrealistic and unsustainable increases in labor costs.
- Changes in Oregon public policy, tax structures or economic performance.
- Evolving state priorities and competing demands on resources from other sectors in the economy that could impact higher education funding.
- Fall 2025 review and possible redesign of the Student Success and Completion Model (SSCM) that may change Oregon Tech's share of the PUSF.

Table 2

FY 2025-26 General Fund Budget

			Variance FY 2024-25 to FY 2025-26
	FY 2024-25	FY 2025-26	FY 2025-26
Revenues			
State Appropriations	\$ 37,445,936	\$ 38,572,985	3.0%
Tuition and Fees (less special general funds)	37,343,370	42,250,112	13.1% (1)
Remissions	(7,519,960)	(7,906,782)	5.1% (2)
Other Revenues (less special general funds)	1,914,535	2,853,409	49.0% (3)
Special General Fund Revenues	1,898,094	2,176,448	14.7%
Total Budgeted Revenues	\$ 71,081,975	\$ 77,946,172	9.7%
Expenditures			
Permanent Budget	\$ 70,974,592	\$ 76,097,149	7.2%
Salary Recapture	(3,500,000)	(3,500,000)	0.0%
Special General Fund Expenditures	1,898,094	2,176,448	14.7%
Contingency Reserve	560,000	560,000	0.0% (4)
Administrative Salary Pool (effective January 1, 2026)	408,430	875,748	114.4% (5)
Faculty Salary Pool (effective Jan/Feb 1, 2026)	386,342	726,315	88.0% (6)
Classified Salary Pool	930,722	-	
Strategic Investments	1,923,795	1,010,512	-47.5%
Total Budgeted Expenditures	\$ 73,581,975	\$ 77,946,172	5.9%
Net from Operations Before Other Resources (Uses)	\$ (2,500,000)	\$ -	
Other Resources (Uses)			
Use of Reserve	\$ 2,500,000	\$ -	
Total from Operations and Other Resources (Uses)	\$ -	\$ -	

Footnotes:

- (1) Tuition revenue projections are based on an estimated 0.0% change in student credit hours.
- (2) Budgeted remissions account for continuation of updated eligibility criteria and increased award amounts.
- (3) The increase in Other Revenue reflects increases in interest earnings and grant indirect cost recovery in FY 2024-25, with no projected increase in FY 2025-26.
- (4) The contingency fund is 0.7% of operating revenue.
- (5) The administrative staff salary pool includes a contingent budget for FY 2025-26 merit increases, FY 2025-26 mid-year salary increases, and a pool for administrative compensation study adjustments. The FY 2025-26 portion of January 1, 2025 salary increases is already in the FY 2025-26 budget.
- (6) The faculty salary pool includes projected faculty salary and OPE adjustments and faculty promotions. The FY 2025-26 portion of January 1, 2025 faculty increases is already in the FY 2025-26 budget.

Fund Balance

The reserve balance at FYE 2024-25 is expected to total just over \$15.7M or approximately 20.7% of operating revenue. With the recommended FY 2025-26 budget, the ending reserve balance for FY 2025-26 is expected to remain basically the same. This reserve percentage is slightly above the amount required by Board Policy and is within the range that the Board has defined as acceptable.

Summary

Although Oregon Tech has reached a realistic and balanced budget for FY 2025-26, the lack of additional revenue for budget growth to support investment in new initiatives and innovation remains a concern and is resulting primarily from three consecutive years of enrollment decline between FY 2021-22 and FY 2023-24 along with escalating labor and benefits costs. When combined with limited growth in state funding, these elements cause pressure on overall financial resources. Despite these challenges, Oregon Tech remains committed to addressing enrollment growth through enhanced strategies to support expanded outreach and targeted marketing efforts, while utilizing one-time state appropriations focused on developing robust retention initiatives and development of strong student pipeline programs.

In recent years, during the period of enrollment decline, divisional budgets we strategically reduced to help stabilize spending within available revenues. This required a comprehensive review of all departmental budgets, prioritizing essential services and programs and identifying areas where reductions could be made with minimal impact on the core mission of the university. Although most of these reductions have not been restored, through collaboration and careful fiscal responsibility, we are positioned to continue providing quality academic programs that support student success.

Recommendation:

After review and discussion of the proposed FY 2025-26 All-funds Budget documents, **staff requests a Motion by the Finance and Facilities Committee to the full Board for approval of the FY 2025-26 All-funds Budget as provided herein.**

Attachments:

Auxiliary, Designated Operations and Service Fund Budget Overview

Attachment

Auxiliary, Designated Operations and Service Fund Budget Overview

FY 2025-26 Non-E&G Funds Budget

	Auxiliary	Designated	Service
Revenues			
Academic Affairs (HAS only)	\$ 260,000	\$ -	\$ -
Student Affairs	10,876,577	-	-
Finance & Administration	3,660,139	6,166	200,000
OMIC	910,000	-	-
Total Revenues	\$ 15,706,716	\$ 6,166	\$ 200,000
Expenditures			
Academic Affairs (HAS only)	\$ 341,864	\$ -	\$ -
Student Affairs	14,535,477	-	-
Finance & Administration	3,211,043	5,206	401,100
OMIC	87,500	-	-
Total Expenditures	\$ 18,175,884	\$ 5,206	\$ 401,100
Transfers Out (In)			
Academic Affairs (HAS only)	\$ -	\$ -	\$ -
Student Affairs	(1,339,348)	-	-
Finance & Administration	500,000	-	-
OMIC	537,500	-	-
Total Transfers	\$ (301,848)	\$ -	\$ -
Net from Operations Before			
Other Resources (Uses)	\$ (2,167,320)	\$ 960	\$ (201,100)
Other Resources (Uses)			
Use of Auxiliaries & Service Reserve	\$ 2,167,320	\$ -	201,100
Total from Operations and	\$ -	\$ -	\$ -
Other Resources (Uses)	\$ -	\$ -	\$ -

(1) Student Affairs Auxiliary expenditures include \$2.2M in bond debt service for the new student housing.

ACTION

Agenda Item No. 4.2

Authorization to Negotiate and Execute a Medical School Planning Study Agreement

Background:

The United States is facing a significant shortage of physicians, with demand surpassing supply. Forecasts indicate that this shortage will exceed 125,000 physicians within the next decade. Many regions are officially designated by the Health Resources Services Administration (HRSA) as healthcare provider shortage areas, particularly lacking primary care physicians. These areas also lack referral networks of specialty physicians and healthcare facilities, which are necessary for comprehensive care. Securing a primary care appointment often requires several months, and specialized medical conditions may necessitate transfers to medical centers outside the region.

Southern Oregon is identified as a healthcare shortage area by HRSA and the Oregon Health Authority. In Klamath County, there is one physician per 2,000 citizens, and in some areas, patients must travel an hour to reach a primary care physician. In Lake County, travel times can exceed an hour. Most primary care and specialty providers are concentrated in the northern part of the state around the population centers, leaving Southern Oregon and other rural regions underserved. This situation affects access to care, resulting in inefficiencies in disease diagnosis and management, poorer outcomes and higher mortality rates.

Establishing a college of osteopathic medicine in Southern Oregon, centrally located in Klamath Falls, could improve access to primary and specialty healthcare for the southern region of the state. The college would also contribute economically through an increase in medical professionals, ancillary healthcare-related jobs, enhanced medical diagnostic and treatment options, and growth in retail, services, housing and transportation (see Attachment A).

Planning and establishing a new college of osteopathic medicine is lengthy and complex and will require significant investment in time and collaboration by partnering entities to develop a strong plan for consideration by the Commission on Osteopathic College Accreditation (COCA).

Preliminary Discussions:

Oregon Tech has assessed Oregon's healthcare landscape and engaged stakeholders at Sky Lakes Medical Center, Asante, St. Charles medical systems, the Legislature, the HECC and the Governor's Office regarding its intent to establish a new medical school. Oregon Tech has presented this topic at an Informational Hearing to the Oregon House Committee on Education and later was invited to present at an Informational Hearing to the Oregon Senate Committee on Health. A number of press releases, media interviews, published articles and interviews throughout the state have helped build enthusiastic interest and support for establishing an osteopathic medical school at Oregon Tech.

The University has requested funding through the 83rd Oregon Legislature in the amount of one and one-half million dollars (\$1.5M) to support a comprehensive formal planning assessment for establishing a new osteopathic medical school to be completed by a nationally recognized consultant specializing in the launch of new medical schools.

Uniquely Positioned

The hands-on education model at Oregon Tech is uniquely compatible with a college of osteopathic medicine. With its campus adjacent to Sky Lakes Medical Center, featuring an established family medicine residency program, we believe the University is well-positioned to establish a new pipeline of primary care providers where students will benefit from a practical, technology-enhanced medical education supported by a rural academic medical center located nearby.

Oregon Tech has historically been known for its strong engineering and technology programs. However, it is not as widely known that Oregon Tech has also been a strong Health University. In recent years the University has gained increasing recognition for its health-related programs, with the most recent addition being the Doctor of Physical Therapy. Nearly half of all Oregon Tech graduates specialize in health and bio-health programs. With a history of medically based allied health programs over the past 50 years, Oregon Tech is well positioned to launch a College of Osteopathic Medicine. The program will include an accelerated track where students can graduate in a shorter duration of time without compromising academic quality. This will expedite the entry of qualified physicians into the practice of primary care medicine in Oregon, while also reducing the burden of excessive medical education debt for graduates.

With technology-enhanced, practice-oriented allied health programs; an existing science infrastructure, collaboration with Sky Lakes Medical Center that supports shared medical education and training facilities; and an ongoing partnership with OHSU, Oregon Tech is uniquely positioned to establish a technology-infused medical school in southern Oregon.

Summary

Based on the well documented healthcare shortage in rural Oregon and the corresponding overwhelming need for more primary care physicians, and with the unique opportunity Oregon Tech has to build on its existing allied health professions programs, Oregon Tech is requesting authorization to engage a professional consultant to perform a comprehensive planning assessment to establish a new osteopathic school of medicine at the Klamath Falls campus. This would begin with a competitive bid process (see Attachment B) and culminate in the selection of a nationally recognized consulting firm to perform the assessment.

The attached draft scope of services requires, among other things, a detailed framework and specific action steps to successfully plan, develop and launch a new osteopathic medical school (see Attachment C). Specific deliverables include: a strategic plan for implementation, a plan to achieve full accreditation, a business plan with financial modeling and a 7-year operating budget, staffing and compensation plan with proposed organizational chart, admissions and student affairs framework, curriculum development framework, capital and infrastructure assessment, plan for required research activities and healthcare partnerships to support medical student clinical rotations. A detailed timeline and chronology for planning, start-up and early operations with key defined milestones along the way will be integral to monitoring progress and managing funding and recruitment initiatives.

Recommendation:

After review and discussion of the draft scope of services and related project documents, staff requests a **Motion by the Finance and Facilities Committee to the full Board for Authorization of the President or his delegee to negotiate and execute a Comprehensive Osteopathic Medical School Planning Study Agreement** in an amount not to exceed one million-five hundred thousand dollars (\$1.5M), to be supported either from state funding allocated specifically for this initiative or from University reserves and other philanthropic sources if available or if necessary from a combination of all three, as well as delegation of authority to the President or his designee, as available under policy and law, to make minor and technical adjustments as necessary and execute the Board's directives.

Attachments:

- A. Rural Health Initiative Summary
- B. Standard RFP Template
- C. Draft RFP Scope for Osteopathic Medical School Planning Study Agreement



MEMO

Date: May 5, 2025
To: Oregon Tech Board of Trustees
From: Dr. Nagi Naganathan, President
Re: Rural Health Initiative: School of Osteopathic Medicine

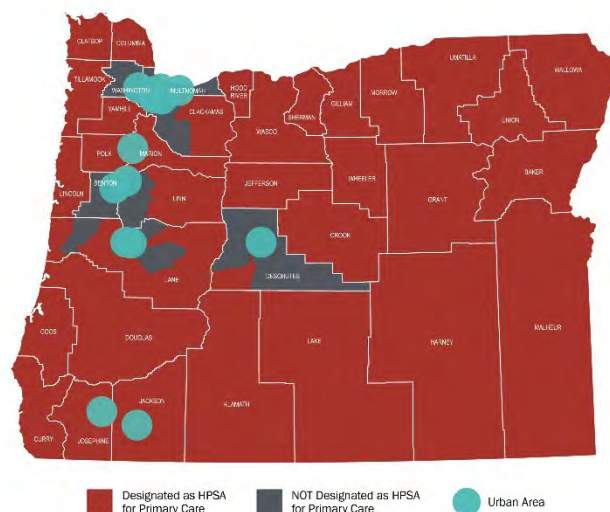
This Memo provides context and rationale for the Rural Health Initiative, and proposes moving forward with a Comprehensive Planning Study in support of a new School of Osteopathic Medicine at Oregon Tech.

Context and Rationale

Health inequities in the state become apparent when comparing health outcomes across regions. Rural areas such as Southern, Coastal, and Eastern Oregon have much poorer health outcomes than the regions located closer to urban population areas. Specifically, these inequities include lower life expectancies, poorer quality of life, premature death, and elevated suicide rates. For instance, the life expectancy of a resident in the Southern region is four years shorter than someone who lives in the Portland Metro region. This issue is so concerning that the Oregon Health Authority has established a goal of eliminating health inequities by 2030.

What is the driving force of these health inequities? According to 2024 data from the Oregon Health Authority, 2.5 million Oregonians live in areas designated as Health Provider Shortage Areas (see Figure 1, in red). In fact, the only Non-Shortage areas (shown in gray) lie near the urban population centers, primarily along the northern I-5 corridor. These shortages result in delays in receiving even the most basic primary care, lead to worsening conditions over time, and impact the quality of life for citizens across the state.

Figure 1: Health Provider Shortage Areas (HPSA's) pervade Oregon



Further, rural citizens are forced to travel to urban areas for healthcare, in turn flooding those systems and resulting in compounded delays across receiving care across the entirety of the state. Less than two weeks ago, an article published in the Oregonian confirmed that urban areas are also feeling the impact of provider shortages; more specifically diminished access to primary care providers. More than half (54%) of residents reported finding it more difficult to get an appointment with a primary care physician now, as compared to 3 years ago.

Thus, the current health landscape is alarming and recent projections of the national healthcare workforce paint a grim picture of what the future may hold. The American Association of Medical Colleges has projected that the United States will experience a significant shortage of between 20 thousand and 40 thousand primary care physicians by 2036. The number of physicians leaving the medical field will exceed the number of students expected to graduate from medical school, further compounding the problem. The multiple impacts of planned retirements, increased clinical demands driven by an aging population, and the epidemic of physician burnout is creating an unsustainable environment where the supply of physicians is simply unable to keep up with the increasing demand.

In January of this year, the Oregon Health Authority issued a recommendation that state investments should (quote) “focus on expanding access to education and training programs in rural areas” to strengthen and retain medical providers. Research tells us that providers who complete at least half of their training in rural settings are 5 times more likely to establish in rural areas.

What is needed then is a mechanism through which a new pipeline of primary care providers can be established in rural Oregon. One such pipeline can be found in Osteopathic Medicine. U.S. News & World Report recently published the results of a study that showed almost half of the graduates from Osteopathic colleges of medicine choose primary care and continue to practice for 10 years post completion of their training. By contrast, only 14% of Allopathic medical school graduates choose primary care.

In everyday practice, most, if not all, patients believe they receive the same high-quality care from both Osteopathic (DO) and Allopathic (MD) physicians. Graduates from both programs complete the same medical residencies and often practice side by side in health systems across the country. The primary difference between the two is the way in which Osteopathic providers are trained. Osteopathic medicine is known for its applied, hands-on learning and holistic approach to medicine. The holistic nature of their training is one of the key reasons osteopathic physicians choose primary care.

Medical School Concept

The hands-on education that is a hallmark of Oregon Tech is uniquely aligned with a college of osteopathic medicine. Coupled with the close proximity to Sky Lakes, we believe we are well positioned to create a new pipeline of primary care providers where students will experience a hands-on, technology-infused medical education supported by a rural academic medical center literally next door.

Oregon Tech has typically been more widely known for its world-class engineering and technology programs, but it has always been a strong Health University. Nearly 50% of all Oregon Tech graduates specialize in health and bio-health programs. With our proven track record in offering successful, medically-based, allied health programs over the last 50+ years, we

are confident that we are not only well-positioned to launch a College of Osteopathic Medicine, but also one in which students will be allowed to graduate sooner, through an accelerated program without compromising quality. This will not only accelerate the entry of qualified physicians into the primary care field in Oregon, but also reduce the burden of excessive medical education debt for the graduates.

We have tech-infused, practice-oriented allied health programs; we have an existing science infrastructure (including collaboration with Sky Lakes that enables shared medical education and training space); and an ongoing partnership with OHSU that makes us uniquely positioned to launch a technology and AI-infused medical school in southern Oregon.

Efforts to Date

A great deal of effort has been invested to date in researching Oregon's health landscape, as well as engaging in conversations with potential stakeholders (such as Sky Lakes Medical Center, Asante and St. Charles medical systems, legislators, and the Governor). Oregon Tech presented at an Informational Hearing to the Oregon House Committee on Education, which was quickly followed by a press release and interviews with the media expressing Oregon Tech's interest in pursuing the medical school. To date, a total of 127 articles have been published, with three recorded interviews (KGW in Portland, KOBI in Medford, and Klamath Community Television). Across all media outlets, it is estimated that up to 93.8 million Oregonians have viewed the information (based upon unique average views per month across all the media websites). An Oregon Tech website with detailed information will launch soon. The Oregon Senate Committee on Health requested that Oregon Tech present at an upcoming Informational Hearing (5/15/25).

Next Steps: Comprehensive Planning Study

In terms of the next steps, actively pursuing a Comprehensive Planning Study will: establish a financial and operating model, distill a timeline for implementation, and craft a compelling business and economic sustainability plan for the new medical school. We will also extend and enhance the marketing campaign to support our ongoing fundraising and philanthropic endeavors. A typical comprehensive planning study such as this would cost approximately 1.5 million dollars, to retain a nationally-renown consultant firm with expertise in medical school development.

Proposal

The medical school concept aligns with Oregon Tech's mission to *"meet current and emerging needs of Oregonians"*, not the least of which are the health inequities across the state. Given the existing healthcare crisis and how uniquely Oregon Tech is positioned to create a solution to the problem, I respectfully request permission to move forward with the commissioning of a Comprehensive Planning Study to engage in due diligence to fully explore the concept. ■



REQUEST FOR PROPOSALS

RFP #

ISSUE DATE:

CLOSING DATE:

CLOSING TIME: 1:00 P.M., Pacific Time (PT)

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**OREGON INSTITUTE OF TECHNOLOGY
REQUEST FOR PROPOSALS**

RFP #
TITLE OF RFP

SECTION I - INFORMATION REGARDING PROPOSAL

INTRODUCTION

The Oregon Institute of Technology (“Oregon Tech”) is seeking proposals to select a contractor to provide the following: [INSERT].

IMPORTANT NOTICE

It will be the responsibility of potential proposers to refer daily to the Public University Procurement Website (<https://www2.wou.edu/nora/orpu.bid.home>) to check for any available addenda, response to clarifying questions, cancellations or other information pertaining to this Request for Proposals (“RFP”).

Mandatory Pre-Proposal Conference and Tour:

DATE: [DATE]

TIME: 1:00 P.M. – 2:00 P.M., PT

LOCATION: The mandatory pre-proposal conference and tour will begin in the [Sunset Conference Room on the Second Floor, Student Union] located at 3201 Campus Drive, Klamath Falls, Oregon. The meeting is intended to clarify the requested information and provide an opportunity for questions and answers. There will be additional site data available for review and a site tour. There will be no other site tour opportunities for Proposers and their team members.

Attendance and sign-in is required in order to be eligible to submit a proposal.

Please RSVP to _____@oit.edu if you plan to attend the Mandatory Pre-Proposal Conference & Tour, so Oregon Tech may arrange logistics and information packages.

Virtual [Mandatory] Pre-Proposal Conference & Tour:

DATE: [DATE]

TIME: 1:00 P.M. – 2:00 P.M., PT

LOCATION: The virtual [mandatory] pre-proposal conference and tour will be conducted via Microsoft Teams. Proposers wishing to attend must email _____@oit.edu no later than _____, 20____ to receive the Microsoft Teams meeting link. The email subject line should contain the solicitation number and name, and the requesting firm name.

Attendance is required in order to be eligible to submit a proposal.

GENERAL INFORMATION

Issuing Office: The [REDACTED] of Oregon Tech is the Issuing Office and is the sole point of contact for clarifications regarding technical specifications in this RFP. The Oregon Tech Procurement and Contract Services Office is the sole point of contact regarding the RFP process. All correspondence pertaining to these two matters should be appropriately addressed to the contact persons below:

Content and Technical Specifications

[REDACTED], [REDACTED]

Telephone: (541) 885-[REDACTED]

Email: [REDACTED]

RFP Process Questions:

Vivian Chen, J.D., Director of Procurement, Contracts, and Risk

Telephone: (503) 821-1266

Email: Vivian.Chen@oit.edu

SCHEDULE OF EVENTS

The timing and sequence of events resulting from this RFP will be ultimately determined by Oregon Tech. The following schedule is illustrative of optimal timing goals:

RFP Issue Date.....	
Mandatory Pre-Proposal Conference & Tour.....	(1:00 P.M., PT)
Deadline for Protest of Specifications	(5:00 P.M., PT)
All Clarifying Questions Due	(5:00 P.M., PT)
Notice of Interest Deadline	(5:00 P.M., PT)
Closing Date (Proposals Due).....	(1:00 P.M., PT)
Finalist Presentations (if required)	
Deadline for Protest of Award	Seven (7) calendar days after date on Notice of Award letter
Anticipated Contract Begin Date	On or around

GENERAL PROVISIONS

Oregon Tech reserves the right to reject any and all proposals received as a result of this RFP. Oregon Tech Policy Chapter 580-61 and 580-62 govern the procurement process for Oregon Tech.

1. Modification or Withdrawal of Proposal. Any proposal may be modified or withdrawn at any time prior to the closing deadline, provided that a written request is received by the Procurement and Contract Services Office, prior to the Closing Date. The withdrawal of a proposal will not prejudice the right of a Proposer to submit a new proposal.

2. Notice of Interest. The Notice of Interest (form attached below) should be submitted to the Procurement and Contract Services Office by 5:00 P.M., PT, on the date indicated in the Schedule of Events, via email. In the Notice of Interest, the Proposer must provide the name of the primary contact person, plus that person's current telephone number and email address for communication of information about the RFP. Proposers that complete and return the Notice of Interest will receive the same supplementary information. Submission of the Notice of Interest is not a mandatory requirement for Proposers to submit a proposal.

3. Requests for Clarification and Requests for Change: Proposers may submit questions regarding the specifications of the RFP. Questions must be received in writing on or before 5:00 P.M., PT, on the date indicated in the Schedule of Events, at the Procurement and Contract Services email address as listed in the Contact Information section of the RFP. Requests for changes must include the reason for the change and any proposed changes to the requirements.

The purpose of this requirement is to permit Oregon Tech to correct, prior to the opening of proposals, RFP terms or technical requirements that may be unlawful, improvident or which unjustifiably restrict competition.

Oregon Tech will consider all requested changes and, if appropriate, amend the RFP. Oregon Tech will provide reasonable notice of its decision to all Proposers that submit a Notice of Interest and on the Public University Procurement Website (<https://www2.wou.edu/nora/orpu.bid.home>).

No oral or written instructions or information concerning this RFP from Oregon Tech managers, employees or agents to prospective Proposers shall bind Oregon Tech unless included in an Addendum to the RFP.

4. Protests of the RFP/Specifications: Protests must be in accordance with Oregon Tech Policy Section 580-061-0145. Protests of Specifications must be received in writing on or before 5:00 P.M., PT on the date indicated in the Schedule of Events, or within seven (7) business days of issuance of any addendum, at the Procurement and Contract Services email address as listed in the Contact Information section of the RFP. Protests may not be faxed. Protests of the RFP specifications must include the reason for the protest and any proposed changes to the requirements.

5. Addenda: If any part of this RFP is amended, addendum will be provided on the Public University Procurement Website (<https://www2.wou.edu/nora/orpu.bid.home>), with a copy to all parties who submit the Notice of Interest.

6. Post-Selection Review and Protest of Award: Oregon Tech will name the apparent successful Proposer in a "Notice of Intent to Award" letter. Identification of the apparent successful Proposer is procedural only and creates no right in the named Proposer to award of the contract. Competing Proposers will be notified in writing of the selection of the apparent successful Proposer(s) and shall be given seven (7) calendar days from the date on the "Notice of Intent to Award" letter to review the file and evaluation report at the Procurement and Contract Services Office and file a written protest of award, pursuant to Oregon Tech Policy Section 580-061-0145. Any award protest must be in writing and must be delivered by email to the address for the Procurement and Contract Services Office as listed in the Contact Information section of the RFP.

Oregon Tech will consider any protests received and:

- (A) reject all protests and proceed with final evaluation of, and any allowed contract language negotiation with, the apparent successful Proposer and, pending the satisfactory outcome of this

- final evaluation and negotiation, enter into a contract with the named Proposer; OR
- (B) sustain a meritorious protest(s) and reject the apparent successful Proposer as nonresponsive, if such Proposer is unable to demonstrate that its proposal complied with all material requirements of the solicitation and Oregon public procurement law; thereafter, Oregon Tech may name a new apparent successful Proposer; OR
- (C) reject all proposals and cancel the procurement.

The Oregon Tech Vice President for Finance and Administration or designee will timely respond to the protest after receipt. This decision shall be final.

7. Acceptance of Contractual Requirements: Failure of the selected Proposer to execute a contract and deliver required insurance certificates within ten (10) calendar days after notification of an award may result in cancellation of the award. This time period may be extended at the sole discretion of Oregon Tech.

8. Public Records: proposals are deemed confidential until the “Notice of Intent to Award” letter is issued. This RFP and one copy of each proposal received in response to it, together with copies of all documents pertaining to the award of a contract, will be kept and made a part of a file or record which will be open to public inspection. If a proposal contains any information that is considered a **TRADE SECRET UNDER ORS 192.501(2), SUCH INFORMATION MUST BE LISTED ON A SEPARATE SHEET CAPABLE OF SEPARATION FROM THE REMAINING PROPOSAL AND MUST BE CLEARLY MARKED WITH THE FOLLOWING LEGEND:**

“This information constitutes a trade secret under ORS 192.501(2), and shall not be disclosed except in accordance with the Oregon Public Records Law, ORS Chapter 192.”

The Oregon Public Records Law exempts from disclosure only bona fide trade secrets, and the exemption from disclosure applies only “unless the public interest requires disclosure in the particular instance.” ORS 192.500(1). Therefore, non-disclosure of documents or any portion of a document submitted as part of a proposal may depend upon official or judicial determinations made pursuant to the Public Records Law.

9. Investigation of References: Oregon Tech reserves the right to investigate all references in addition to those supplied references and investigate past performance of any Proposer with respect to its successful performance of similar services, its compliance with specifications and contractual obligations, its completion or delivery of a project on schedule, its lawful payment of subcontractors and workers and any other factor relevant to this RFP. Oregon Tech may postpone the award or the execution of the contract after the announcement of the apparent successful Proposer in order to complete its investigation.

10. RFP Proposal Preparation Costs and Other Costs: Proposer costs of developing the proposal, cost of attendance at an interview (if requested by Oregon Tech) or any other costs are entirely the responsibility of the Proposer, and will not be reimbursed in any manner by Oregon Tech.

11. Clarification and Clarity: Oregon Tech reserves the right to seek clarification of each proposal, or to make an award without further discussion of proposals received. Therefore, it is important that each proposal be submitted initially in the most complete, clear and favorable manner possible.

12. Right to Reject Proposals: Oregon Tech reserves the right to reject any or all proposals, if such

rejection would be in the public interest, as determined by Oregon Tech.

13. Cancellation: Oregon Tech reserves the right to cancel or postpone this RFP at any time or to award no contract.

14. Proposal Terms: All proposals, including any price quotations, will be valid and firm through a period of sixty (60) calendar days following the Closing Date. Oregon Tech may require an extension of this firm offer period. Proposers will be required to agree to the longer time frame in order to be further considered in the procurement process.

15. Oral Presentations: At Oregon Tech's sole option, Proposers may be required to give an oral presentation of their proposal to Oregon Tech, a process which would provide an opportunity for the Proposer to clarify or elaborate on the proposal, but will in no material way change Proposer's original proposal. If the evaluating committee requests presentations, the Issuing Office will schedule the time and location for said presentation. Any costs of participating in such presentations will be borne solely by Proposer and will not be reimbursed by Oregon Tech. **Note:** Oral presentations are at the discretion of the evaluating committee and may not be conducted; therefore, **written proposals should be complete.**

16. Usage: It is the intention of Oregon Tech to utilize the services of the successful Proposer(s) to provide services as outlined in the below Scope of Work.

17. Sample Contract: Submission of a proposal in response to this RFP indicates Proposer's willingness to enter a contract containing substantially the same terms listed in Exhibit A – Oregon Tech Sample Contract, attached hereto and made a part hereof ("Sample Contract"). No action or response to the Sample Contract is required under this RFP. Any objections to the Sample Contract terms should be raised in accordance with Paragraphs 3 and 4 of the "General Provisions" of this RFP, pertaining to requests for clarification or change or protest of the RFP/specifications, and as otherwise provided for in this RFP.

18. Review for Responsiveness: Upon receipt of all proposals, the Issuing Office or designee will determine the responsiveness of all proposals before submitting them to the evaluation committee. If a proposal is incomplete or non-responsive in significant part or in whole, it will be rejected and will not be submitted to the evaluation committee. Oregon Tech reserves the right to determine if an inadvertent error is solely clerical or is a minor informality which may be waived, and then to determine if an error is grounds for disqualifying a proposal. The Proposer's contact person identified on the proposal will be notified, identifying the reason(s) the proposal is non-responsive.

19. Rejections and Withdrawals. Oregon Tech reserves the right to reject any or all proposals or to withdraw any item from the award.

20. RFP Incorporated into Contract. This RFP will become part of the Contract between Oregon Tech and the selected contractor(s). The contractor(s) will be bound to perform according to the terms of this RFP, their proposal(s), and the terms of Exhibit A.

21. Communication Blackout Period. Except as called for in this RFP, Proposers may not communicate with members of the Evaluation Committee about the RFP until the apparent successful Proposer is selected, and all protests, if any, have been resolved.

22. Prohibition on Commissions. Oregon Tech will contract directly with persons/entities capable of performing the requirements of this RFP. Contractors must be represented directly. Participation by brokers or commissioned agents will not be allowed during the proposal process.

23. Ownership of Proposals. All proposals in response to this RFP are the sole property of Oregon Tech, and subject to the provisions of Oregon Revised Statutes, Chapter 192 (Oregon Public Records Law).

24. Clerical Errors in Awards. Oregon Tech reserves the right to correct inaccurate awards resulting from its clerical errors.

25. Rejection of Qualified Proposals. Proposals may be rejected in whole or in part if they attempt to limit or modify any of the terms, conditions or specifications of the RFP or the Oregon Tech Sample Contract.

26. Collusion. By responding, the Proposer states that the proposal is not made in connection with any competing Proposer submitting a separate response to the RFP and is in all aspects fair and without collusion or fraud. Proposer also certifies that no officer, agent, or employee of Oregon Tech has a pecuniary interest in this proposal.

27. Evaluation Committee: Proposals will be evaluated by a committee consisting of representatives from Oregon Tech. Oregon Tech reserves the right to modify the Evaluation Committee make-up in its sole discretion. The committee's recommendations will be forwarded to the Vice President for Finance and Administration, or designee, for final approval.

28. Commencement of Work: The Proposer shall commence no work until all insurance requirements have been met, the Protest of Awards deadline has been passed, any protest have been decided, a contract has been fully executed, and a Notice to Proceed has been issued by Oregon Tech.

29. Use of Brand or Trade Names: Any brand or trade names used by Oregon Tech in the specifications are for the purpose of describing and establishing the standard of quality, performance, and characteristics desired, and are not intended to limit or restrict competition. Proposers may submit proposals for substantially equivalent products to those designated unless this RFP provides that a specific brand is necessary because of compatibility or other requirements. All such brand substitutions shall be subject to approval by Oregon Tech.

30. Best and Final Offer: Oregon Tech may request best and final offers from those Proposers determined by Oregon Tech to be reasonably viable for contract award. However, Oregon Tech reserves the right to award a contract on the basis of initial proposal received. Therefore, each proposal should contain the Proposer's best terms from a price and technical standpoint. Following evaluation of the best and final offers, Oregon Tech may select for final contract negotiations/execution the offers that are most advantageous to Oregon Tech, considering cost and the evaluation criteria in this RFP.

TERM OF CONTRACT

The Contract is expected to begin on or about _____, and extend to _____, with an option for annual renewals thereafter, subject to the Contractor's continued successful performance as determined by Oregon Tech. Oregon Tech intends to reserve the right upon thirty (30) days' notice to the Contractor to terminate the Contract for its convenience.

DELIVERY OF PROPOSALS

The complete proposal (including all attachments) must be emailed and must be electronically received by 1:00 P.M. PT, _____. Email subject line must be "Response to RFP # _____." Proposer are

encouraged to telephone and confirm electronic receipt of the complete emailed document(s) with the Procurement and Contract Services Office before the above time and date deadline. Proposals delayed or lost by email system filtering or failures may be considered at Oregon Tech' sole discretion.

It is the responsibility of the Proposer to ensure that proposals arrive by the closing date and time. **NO LATE PROPOSALS WILL BE ACCEPTED.** Proposals may not be submitted by telephone or fax. Proposals must be e-mailed to:

Email: Purchasing@oit.edu

Proposals will be publicly opened by a designee in the Procurement and Contract Services Office on the Closing Date.

PROJECT BACKGROUND

Here you want to provide enough background information so that the Contractor has a reference point.

[If estimates provided] Oregon Tech neither represents nor warrants the accuracy of estimates and Proposers bear sole responsibility for and accepts all risks associated with their estimates of the reasonable costs of the performance of this contract.

SCOPE OF WORK

Here you want to provide all of the scope of work, expectations, and deliverables.

SECTION II – INFORMATION REQUIRED FROM PROPOSERS

PROPOSAL FORM AND CONTENT

Proposals that do not contain all the information requested in this and other sections may be rejected as non-responsive.

Submission Format

1. The proposal should be written on standard size (8½" x 11") paper, using generally accessible word processing and document formats conducive to cut-and-paste transfer of information to contracts or other summary documents. MSOffice Suite and Adobe Acrobat documents are preferred.
2. Proposers should structure responses as outlined in this RFP. Proposals should be prepared so that responses are specifically addressed in the same order as the requested information identified below and on the Questionnaire. Pages should be numbered consecutively.

File Size Limit

Proposer's submission may not exceed **25 MB** in file size. This limit cannot be increased, and files of larger size will not be accepted.

REQUIRED PROPOSAL CONTENT

1. You must complete the **Bidder/Proposer Non-Discrimination and Oregon Tax Laws Certification** sheet, signed by an authorized company official.
2. The proposal must also include the following:
 - a. **Title Page or Cover Letter.** The title page or cover letter should indicate the date, subject, name of the Proposer, address, current telephone number, e-mail address, name and title of the Proposer's contact person as well as a signature of an authorized official with the authority to negotiate and contractually bind the Proposer.
 - b. **Questionnaire.** Complete and specific answers to the Questionnaire for Proposers. Please respond by restating each question and thereafter providing your answer in order beginning with question 1.
3. **Summary Statement.** The Proposer may, but is not required to, provide a summary statement as to its qualifications, as well as briefly describe (no more than five hundred (500) words) any special considerations the Oregon Tech should consider.

EVALUATION CRITERIA

Proposals will be evaluated for completeness and compliance with this RFP. Proposals considered complete will be evaluated to determine if they comply with the administrative, contractual, and technical requirements of the RFP. If the proposal is unclear, Proposers may be asked to provide written clarification. **Proposals that do not specifically address the scope of work or do not include the**

complete proposal content may be rejected.

Proposals will be evaluated based on the following criteria and questions outlined in the Questionnaire for Proposers:

1. Background Information	20 points
2. Scope of Work	25 points
3. Cost Summary	25 points
4. Quality of Proposal	15 points
5. References Review	15 points
6. Interview (if applicable)	<u>25 points</u>

Total Possible:	125 points
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SECTION III – QUESTIONNAIRE FOR PROPOSERS

Please submit your responses in order beginning with question 1 by restating the question, then providing your answer. Use additional sheets as necessary. Be specific with names and numbers.

1. Background Information

Description of past experience in the successful completion of similar services for higher education. Experience working with Oregon issues, preferred. Firms should provide evidence of the successful completion of at least three such projects. Please provide name, address, and current telephone numbers of contact person for such projects.

Identify specific person(s) who would be responsible for the proposed work and include a brief resume for each. Please list references for each person identified including name, address, and current telephone number of an appropriate reference contact person.

2. Scope of Work

Using the Scope of Work as a guide, outline a work plan, with target dates for beginning and completion of essential steps necessary to meet the deadlines.

3. Cost Summary

Pricing and fee schedules should be on an hourly rate and sufficiently descriptive to facilitate acceptance of a proposal. List the not-to-exceed (NTE) amount you propose for consulting services. Pricing should outline all estimated expenses, such as travel, lodging, printing and mailing, and miscellaneous expenses, which are separately reimbursable

4. Quality of Proposal

Proposal is fully compliant and responsive. Responses display a thorough understanding of the scope of work and present a complete recommended approach.

5. References Review

Provide three (3) references from clients your firm has served in the past three (3) years, including one (1) client that has newly engaged the firm in the past three (3) years and one (1) long-term client (i.e., over three (3) years). Provide the name, address, and current telephone number of each reference.

SECTION IV – CONTRACT TERMS AND REQUIRED DOCUMENTS

NOTICE OF INTEREST

RFP #
TITLE OF RFP

Name of Consultant/Firm: _____

Check One:

_____ Yes, this firm will submit a proposal in response to this RFP. Please forward any addenda to the RFP to my attention.

_____ No, this firm does not anticipate submitting a proposal in response to this request.

Comments:

Signature: _____ Date: _____

Name: _____ Title: _____

Address: _____

City/State/Zip: _____ Phone: () _____

E-mail: _____

Please email this Notice of Interest no later than _____ at 5:00 P.M., PT to Purchasing@oit.edu.

**BIDDER/PROPOSER
NON-DISCRIMINATION AND OREGON TAX LAWS CERTIFICATION**

**RFP #
TITLE OF RFP**

I, the undersigned, have read all of the terms and conditions of this Request for Proposals, and I understand that if awarded the contract, I and the firm represented herein shall be bound by its terms and conditions and representations made in this response. I certify that the named firm has not discriminated against minority, women, or emerging small business enterprises in obtaining any required subcontracts.

Certified Minority, Women, or Emerging Small Business

For statistical purposes only, please indicate if your firm is an Oregon certified minority, women, or emerging small business (check all applicable): ☐ DBE ☐ MBE ☐ WBE ☐ ESB

Certificate of Compliance with Oregon Tax Laws

I, the undersigned, (check one):

- ☐ hereby certify under penalty of perjury that I am not in violation of any Oregon Tax Laws.
- ☐ hereby certify under penalty of perjury that I am authorized to act on behalf of the firm herein named and to the best of my knowledge, such firm is not in violation of any Oregon Tax Laws.

For purposes of this certification, "Oregon Tax Laws" means a state tax imposed by Oregon Revised Statutes (ORS) 320.005 to 320.150 and 403.200 to 403.250, ORS Chapters 118, 314, 316, 317, 318, 321, and 323; the elderly rental assistance program under ORS 310.630 to 310.706; and local taxes administered by the Oregon Department of Revenue under ORS 305.620.

Business Designation (check one): ☐ Corporation ☐ Partnership ☐ Sole Proprietorship
☐ Governmental/Non-Profit ☐ Limited Partnership ☐ Limited Liability Partnership
☐ Limited Liability Company

Signature: _____ Date: _____

Print Name: _____ Title: _____

Firm Name: _____

Address: _____

City/State/Zip: _____ Phone: () _____

E-mail: _____

EXHIBIT A

OREGON TECH SAMPLE CONTRACT

[Please see attached.]

Draft RFP Scope for Comprehensive Osteopathic Medical School Planning Study Agreement

Introduction

Oregon Institute of Technology (Oregon Tech or the University) is Oregon's Polytechnic University with its main campus located in Klamath Falls, Oregon. Founded in 1947, Oregon Tech was initially established to train and re-educate World War II veterans. Over the decades, it has grown significantly in both size and academic scope, becoming a leader in providing high-quality, hands-on education in technical and applied fields. Oregon Tech's mission has evolved to include not only serving veterans but also offering a wide array of degree programs to a diverse student population.

The University is dedicated to providing practical skills and knowledge, preparing students for successful careers in rapidly changing industries. In addition to the Klamath Falls main campus, Oregon Tech also has satellite campuses in Portland, Salem and Seattle, as well as Oregon's Manufacturing and Innovation Center (OMIC) in Scappoose, Oregon.

With a Fall 2024 student enrollment of nearly 5,302, including advanced School placement (ACP), Oregon Tech offers 47 major and undergraduate, graduate and doctoral degree programs across a variety of disciplines. As a polytechnic University, Oregon Tech specializes in engineering, technology, healthcare and health technologies, business, communication and applied sciences such as psychology and environmental science, physical therapy and applied sciences. These programs are designed to equip students with the skills necessary to excel in the workforce, build economic mobility and contribute to innovation in their chosen fields. Oregon Tech continues to maintain a strong focus on applied research, sustainability, and community service, positioning the University as an integral partner in Oregon's higher education landscape.

Sources:

[Oit.edu](https://oit.edu)

https://en.wikipedia.org/wiki/Oregon_Institute_of_Technology

Background

A shortage of physicians persists in the United States as demand continues to exceed supply. It is estimated that within the next decade the shortage of physicians will surpass 125,000. There are vast regions of the country that are designated by the Health Resources Services Administration (HRSA) as healthcare provider shortage areas. These areas are typified by the lack of primary care physicians. These areas also lack a contiguous referral network of specialty physicians and facilities to provide an essential spectrum of care to support the region's population base. It often takes months to secure a primary care appointment, and more specialized or complicated medical conditions require a transfer many miles outside the region, often to a designated medical destination such as an academic medical center.

Southern Oregon is one of those healthcare shortage areas as classified by both HRSA and the Oregon Health Authority. In Klamath County alone, there is only one physician per 2000 citizens. In some parts of the county, patients must travel an hour to reach a primary care physician. In Lake County travel can be well over an hour. With most of the state's primary care and specialty providers concentrated in population centers in the northern portion of the state, Southern Oregon is a vast underserved area which puts this population at significant disadvantage for access to care leading to disproportionate inefficiencies in disease diagnosis and management and resulting in poorer outcomes and higher mortality rates.

A School of Osteopathic Medicine (the School) for southern Oregon, centrally located in Klamath Falls, would create a seismic shift in access to primary and specialty healthcare for the entire southern region of the state and beyond. The School would also bring a profound economic boom to southern Oregon through an increased number of medical professionals, ancillary healthcare related jobs, increased medical diagnostic and treatment options, retail and services, housing and transportation.

Establishing a new School of Osteopathic Medicine is a lengthy and complex process, requiring significant investment and effort by the partnering entities to develop a compelling plan for consideration by the Commission on Osteopathic College Accreditation (COCA). In recent years, a number of communities have been successful in launching new Schools of osteopathic medicine to meet the pressing need for additional physicians.

Purpose

Oregon Tech is seeking proposals for consulting services to perform a comprehensive planning assessment to establish a public School of Osteopathic Medicine in Klamath Falls.

Oregon Tech achieved Carnegie Classification in 2025 for research and is a trusted partner in addressing critical challenges facing the state of Oregon, including through workforce development, research, and innovation. In recognition of Oregon Tech's statewide leadership in improving healthcare access and outcomes for Oregonians, *in June of 2025 the 83rd Oregon Legislature and Governor Tina Kotek provided public funding and directed the University to undertake a study focused on the planning to establish a public School of Osteopathic Medicine in Klamath Falls where the Oregon Tech main campus is located.*

The Oregon Tech Board of Trustees, at its June 2025 meeting authorized a comprehensive planning study to locate, construct, equip, and operate a School of Osteopathic Medicine. The comprehensive plan must be developed in accordance with standards established by the American Osteopathic Association (AOA) and Commission on Osteopathic College Accreditation (COCA).

Scope of Work/Specifications and Metrics

General Scope of Work

Oregon Tech is soliciting proposals from qualified firms experienced in higher education and the health care industry to conduct a comprehensive planning study on the establishment of an Oregon Tech School of Osteopathic Medicine. For purposes of the planning study:

- An Oregon Tech School of Osteopathic Medicine would be housed on Oregon Tech's Klamath Falls campus, with the possibility of upper division programming in the surrounding region or elsewhere in Oregon.
- The School would feature a four-year graduate Doctor of Osteopathic Medicine program, built upon Oregon Tech's undergraduate medical professions programs.
- It would also include an accelerated Doctor of Osteopathic Medicine program option that combines three years of undergraduate study with four years of medical school education.
- An Oregon Tech School of Osteopathic Medicine would be particularly focused on meeting the primary care needs of Oregonians through an interdisciplinary, team-based approach.

Specific Activities

The comprehensive planning study will focus on operational, financial, programmatic and accreditation elements and will include a detailed framework along with specific action steps to successfully plan, develop and launch a new osteopathic medical school and shall evaluate:

- Costs, opportunities, and benefits of establishing a public Oregon Tech School of Osteopathic Medicine that features a graduate Doctor of Osteopathic Medicine (DO) program.
- Current access to primary medical care in Oregon, the available level(s) of service to meet that need, the current medical educational opportunities in Oregon, and the gap between educational opportunities, current level(s) of service, and the identified need.
- A market analysis on the financial viability of an Oregon Tech School of Osteopathic Medicine, including an assessment of local, regional, and national competition.
- The community and regional economic impact of establishing a public School of Osteopathic Medicine in Klamath Falls, Oregon.
- Development of programmatic models, including a mix of traditional four-year programs and an accelerated program model, as well as models that could provide reduced tuition for agreements to remain in the state to practice for a specified number of years. The programmatic models must be tied to the associated financial models.
- Financial models that consider varied types of support including tuition revenue and state support, as well as private sector and/or philanthropic support, and that consider alternate models for program delivery or facilities usage, including the use of AI, tech infusion and virtual simulation to help train health care teams of the future.
- In addition to the financial models noted above, an evaluation of the startup costs associated with the establishment and operation of a School of Osteopathic Medicine at Oregon Tech, including but not limited to:
 - Facilities / physical plan costs

- Professional, support and ancillary staffing
- Operational Costs (e.g., programmatic, debt service) and include a space needs assessment that considers existing facilities on Oregon Tech's Klamath Falls campus and affiliated hospital partners and identifies whether there is need for new construction to meet the needs of a new Oregon Tech School of Osteopathic Medicine.
- An evaluation of the readiness of Oregon Tech and its hospital partners for a School of Osteopathic Medicine, including:
 - Cultural readiness
 - Financial capabilities (opportunities, challenges)
 - Other assets (programmatic, existing facilities and potential need of new construction, etc.)
- An understanding of the applicable regulatory landscape (inclusive of legal and accreditation requirements, and licensing bodies and their standards).
- An understanding of residency requirements, including the planning of expanded first-year residency positions to be associated with a new graduate DO program in Oregon.
- State-wide economic impact of a new Oregon Tech School of Osteopathic Medicine, to include clinical, research, and commercial spinoff activities at Oregon Tech and its hospital partners and in the state of Oregon.
- A final comprehensive report document, including executive summary, to allow the Oregon Tech Board of Trustees to make an informed decision regarding the potential establishment of an Oregon Tech School of Osteopathic Medicine.

The comprehensive report will also provide a readiness framework, business plan and roadmap for the next steps. The report will include supporting schedules, analysis, business justification and detailed financial proformas including forecasted community economic impact, a comprehensive return on investment analysis considering program investments in technology, personnel, capital facilities and logistics as well as key performance metrics or indicators for success. Process and transactional flowcharts will capture proposed academic and affiliated hospital alignments.

In addition to the above, and more specifically, key deliverables from the planning assessment will include:

- Strategic project implementation plan
- Plan for osteopathic medical school accreditation
- Business plan with financial modeling and a 7-year operating budget
- Staffing and compensation plan with proposed organizational chart
- Admissions and student affairs framework
- Curriculum development framework
- Capital and infrastructure plan
- Plan for required research activities
- Plan for developing healthcare partnerships to support medical student clinical rotations
- Timeline and chronology for planning, start-up and early operations with key defined milestones

In preparing for the project, the consultant will meet with the interdisciplinary project work group and the leadership of the University, its Schools and key hospital partners, community leaders and other integral stakeholders to review and refine the scope of the engagement and to learn more about the University's mission, culture and vision for the new osteopathic medical school to identify any anticipated challenges in completing the engagement.

Based on these initial meetings, interviews, additional documents review, industry expertise and knowledge of best practices, the consultant will develop a consulting project work plan including, but not limited to:

- Individuals assigned to perform the work along with brief biography highlighting experience.
- Quality Assurance Plan for the project.
- Communication plan with senior leadership, interdisciplinary project work group and others
- Full description of project work to be completed to meet project goals
 - Project budget for each phase
- Project activity schedule, timeline, milestones for project and completion date
- Specific consultant work component breakdown
 - Understand University expectations and needs in relation to new School of Osteopathic Medicine.
 - Evaluate FTEs, programs, technology and systems, processes, workflows.
 - Identify relevant revenue streams.
 - Estimate relevant program costs based on recommended cohort size.
 - Determine baseline costs to launch a new School of Osteopathic Medicine.
 - Determine metrics for success.
 - Propose optimal alignment with existing programs and hospital partners.

Consultant Preparation, Evaluation and Selection Criteria

The following information will be made available to the successful bidder:

- Organizational structures, including reporting lines and job descriptions.
- Campus space utilization and assignment documents and Master Facilities Plan.
- Financial data, including budgets, funding sources, and shared service cost breakdowns.
- Academic programs, academic strategic plan and faculty staffing plan.
- Current technology and systems infrastructure.
- Campus-specific information, such as size, operational needs, educational focus, strategic priorities, and growth potential.
- Relevant policies, procedures, and regulatory requirements that may impact on the new school.

RFP response must include the following to demonstrate the firm's ability to perform the work listed below, at a minimum.

- Relevant experience and expertise in higher education, especially in new medical school formation and academic hospital affiliations including cost dynamics and financing methodologies.
- Experience in undergraduate and graduate medical education programs, research and related residency programs.
- Proposed approaches and methodologies along with benchmarks for establishing new medical school partnerships.
- A track record of fostering new medical school start-ups.
- Examples of successful projects related to establishing new medical schools.
- A detailed timeline and cost estimate for the project, broken down into categories of project.
- At least three references from clients with similar size, scope, and complexity to Oregon Tech for whom the firm has successfully completed new medical school development.