

**MEMBERS**

Richard Bailey, Chair	Department of Business Management, ETM	Klamath Falls
Jeff Dickson	Department of Business Management, ETM	Klamath Falls
Brian Fox	Vice President for Finance and Administration	Klamath Falls
David Hammond	Department of Mathematics, HAS	Portland-Metro
Sandi Hanan	Senior Human Resources Consultant	Klamath Falls
Debbie McCollam	Department of Medical Imaging Technology, HAS	Klamath Falls
Johnathan Nguyen	ASOIT President	Portland-Metro
Stephanie Pope	Director for Budget and Planning	Klamath Falls
Paula Russell	Department of Dental Hygiene, HAS	Klamath Falls
Matthew Sleep	Department of Civil Engineering, ETM	Klamath Falls
Mason Terry	Department of Electrical Engineering and Renewable Energy, ETM	Klamath Falls
Erika Veth	Associate Vice President for Strategic Enrollment Management	Klamath Falls
Junmin Yee	ASOIT President	Klamath Falls

**GUESTS**

Brittany Miles	Assistant Vice President for Government Relations	Klamath Falls
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**ABSENT**

Abdy Afjeh	Associate Provost for Research	Portland-Metro
Erin Foley	Vice President for Student Affairs and Dean of Students	Klamath Falls
Gary Kuleck	Provost and Vice President for Academic Affairs	Klamath Falls

**MINUTES**

1. **Meeting called to order, Chair Richard Bailey**
  - a. *Chair Richard Bailey* called the meeting to order at 7:02 am.
2. **State Budget Update, Brittany Miles**
  - a. *Brittany Miles* shared that the Co-Chairs for Ways and Means Committee released their budget on Thursday, March 7 in the amount of \$40.5 million. There are no details on Sports Lottery or ETIC funding. This budget still leaves a deficit of \$4.1 million for Oregon Tech. There will be advocacy work and efforts from Oregon Tech and our sister institutions to express needs for additional state funding.
  - b. *Brian Fox* gave an update on the TRC exercise on different increase levels for Tuition. There is an increased cost for PEBB and PERS, so if Oregon Tech does not increase tuition, there will be a \$4.9 million dollar gap. There is a potential loss of funds if the state does not fund OREC at \$250,000, Sports Lottery at \$450,000 and ETSF at \$1.2 million. A middle pathway was discussed during the TRC exercise as a 9% tuition increase, this would also mean a Financial

Aid increase to students, and Oregon Tech would still have a significant budget gap to fill requiring cuts.

- c. *David Hammond* asked about Oregon Tech's expenses. *Brian Fox* replied that salary and benefits are a huge expense to the university. Also, Oregon Tech is trying to spend funds on catch up work with facilities and IT and academic equipment.
- d. *Richard Bailey* asked about the TRC exercise of increasing tuition to 5% and still investing where we need to and possibly making big cuts and how Oregon Tech plans to address these decisions. *Brian Fox* replied that Dr. Nagi will join us at one of our next meetings to discuss his budget development planning. Oregon Tech departments completed a budget scenarios exercise with their budgets for a flat budget, -5% and +3%. These are being rolled up at the university level so trade off decisions can be made. Oregon Tech is focused on investing in long-term growth and has made investments into Enrollment Management. Many of these investments can't be done in one year and will need to bridge across years and possibly use reserves.
- e. *Brittany Miles* shared that the best way to convince legislatures to increase their state funding model is the argument around student debt. Universities should craft this conversation to be specific about the things that the university would have to cut, create context for our need of state funding. Other groups like K-12 schools will be doing this as well. Oregon Tech should be conservative their budget. There is an upcoming ballot measure for January 2020 that could mean unstable state funding factors.
- f. *Richard Bailey* asked if the state revenue forecast is positive, why the state is not directing these resources to higher education. *Brittany Miles* replied that the reason is political because two years ago there was a ballot measure that asked Oregonians to raise taxes to businesses for more funding to go to K-12 and health care, and the majority vote for Oregon was no. This defeated the tax measure, so K-12 support groups did polling to find out why it failed. The messaging from polling discovered that Oregonians did want to increase funding for K-12, but not lumped in with other things like health care. A revenue package is set to go out to K-12 schools at the end of this month. Universities may or may not be in that package, we are advocating for student funding with the argument of cradle to grave. The whole state revenue and economy is growing and so are the high costs of PERS and PEBB.
- g. *Richard Bailey* asked if PUSF, OREC and ETIC funding benefit other institutions. *Brian Fox* replied that PUSF and ETIC are statewide programs and OREC is just Oregon Tech.
- h. *Jeff Dickson* asked about the possibility of relying on the revenue package. *Brian Fox* shared that the original plan was for the state to have this funding already announced. Best laid plans are at risk and things are not moving as we anticipated going in session.
- i. *David Hammond* asked about any lessons learned from history of 2009-2013 when the state funding was lean. *FOAC* discussed previous pay cuts, furloughs, reduction in staff positions and travel.

### **3. Ratio Analysis, *Brian Fox***

- a. *Brian Fox* shared an overview of Ratio Analysis and presented the Operating Expense Analysis Report. IPEDS provides the best benchmark of data with broad categories. We have strengths and weaknesses. In our operating environment we looked at comparators, however, Oregon Tech is polytechnic and different than our comparators. Our student to faculty ratio is significantly low, head count is high with part-time students. Oregon Tech does a lot of work for sometimes very little headcount and FTE. We also have two campuses, with site in Salem, a site in Seattle, and our online enterprise. All of these add complexity and administrative oversight, and additional clinic operations.

- b. *Matthew Sleep* asked if the comparator group could be updated.
- c. *Brian Fox* shared that Oregon Tech should spend time looking at efficient use, space utilization, creative ways to optimize, sharing of classes amongst departments, number of classes offered is high, we need to grow without increasing effort and keep our mission.

**4. Quarterly Dashboard (Q2), Thom Darrah, Brian Fox, Stephanie Pope**

- a. Tabled.

**5. TRC Update, Brian Fox**

- a. *Junmin Yee* shared a recap of the Tuition Open Forum for the Klamath Falls campus. Overall, the event went well with a good turnout of students in attendance. Students did perceive the forum as very informative as a presentation of what tuition might become. In the next forum, Junmin would like TRC to be more direct about what feedback we are asking of students.
- b. *Johnathan Nguyen* shared a recap of the Tuition Open Forum for the Portland-Metro campus. Due to the weather conditions, there was low student attendance. The session was recorded and posted out to the students to view on their own time. In the next forum, Johnathan would like to ask TRC to create a 1-pager document for faculty and students as a much easier way to consume everything to make better sense of it. TRC also needs to create some real involvement and variations of notice for TRU Day scheduled for May 14, 2019.
- c. *Matthew Sleep* shared his caution for increased student debt because students can be too easily persuaded for tuition to increase and to increase their loan requests. *Brian Fox* replied that Oregon Tech Financial Aid is aware and working on increasing levels of awards to students.
- d. *Brian Fox* gave an update on the TRC calendar dates and provided details for upcoming meetings and open forums in April. The TRC recommendation is due to Dr. Nagi by early May in order to present a formal recommendation to the Board of Trustees during their May 30 meeting.
- e. *Erika Veth* shared that a potential 9% increase in tuition is high. She gave an update on the EAB services being provided to Financial Aid and how the model is changing to optimize our options for students. Lots of good things happening in this work.

**6. Student Rec Center Project Update, Brian Fox**

- a. *Junmin Yee* shared the ASOIT Approval of Student Rec Center Fee and Student Rec Center Recommendation Memo. Many Oregon Tech students are in support of funding at the highest fee level at \$69/term. The students are willing to pay for better recreational service and facilities.
- b. *Brian Fox* gave an update on the next steps.
  - i. ASOIT Recommendation will be presented to the Board of Trustees meeting on March 21.
  - ii. Construction will begin in late spring term and be completed by early 2020.
  - iii. Oregon Tech will find a swing space on campus for cardio and weight equipment.
  - iv. There will also be an update to the lobby with institution dollars.

**7. Budget Development Process Update, Stephanie Pope**

- a. *Stephanie Pope* shared an update to the budget development process. The Budget and Planning Office has received all department budget assignments with the completed scenarios of 0%, -5% and +3% and are in the process of reviewing for accuracy. Once the review is complete, the process will move to a recommendation to the Exec Staff and Senior Leadership Team to create good timing for decisions along with the continued information received regarding state funding. Oregon Tech also has received investment justification forms to

review as part of this process. There should not be as many budget adjustments and corrections for FY20 as there were for FY19. The Budget & Planning Office will also be soliciting feedback on this budget process to ask what worked and what didn't.

- b. FOAC discussed the need for the importance of this budget process to be explained out to campus. The information should be available and Oregon Tech should be transparent with the process and results.

**8. Meeting adjourned, Chair Richard Bailey**

- a. *Chair Richard Bailey* adjourned the meeting at 8:34 am.