

**Finance and Facilities Committee
also Sitting as the Audit Committee
Agenda**

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1. Call to Order/Roll/Declaration of a Quorum (11:00am) <i>Chair Sliva</i>	
2. Consent Agenda (11:05am) <i>Chair Sliva</i>	
2.1 Approve Minutes of April 6, 2015 Meeting	1
3. Action Items (11:10am)	
3.1 Recommendation to the Board to Approve a Resolution Authorizing the Investment of University Funds in the Oregon Public University Fund <i>Acting VP Meyer</i>	4
4. Discussion Items (11:20am)	
4.1 Investment Report <i>Penny Burgess, CFA, Directory of Treasury Operations, USSE</i>	12
4.2 Report on 2015-17 Biennium Education and General Operating Summary of Funding Levels <i>Acting VP Meyer</i>	18
4.3 Report on 2015-17 Education and General Preliminary Operating Budgets <i>Acting VP Meyer</i>	--
4.4 University Space Inventory, Capital Construction/Renovation, and Deferred Maintenance Report <i>Acting VP Meyer</i>	19
4.5 Facility Master Planning Update <i>Acting VP Meyer</i>	40
4.6 Institutional Risk Discussion <i>Chair Sliva</i>	--
5. Adjournment (12:30pm)	



**Special Meeting of the
Oregon Tech Board of Trustees
Finance and Facilities Committee
Sunset Room, Klamath Falls Campus
April 6, 2015
2:00pm – 4:30pm**

Draft Minutes

Committee Trustees Present:

Steve Sliwa, Chair
Melissa Ceron
Jessica Gomez

Dana Henry
Gary Johnston
Paul Stewart

Other Trustees Present:

Lisa Graham
Christopher Maples

University Staff and Faculty Present:

Mateo Aboy, Assoc. Provost, VP for Research
Brad Burda, Provost, VP for Academic Affairs
Lita Colligan, Assoc. VP for Strategic Partnerships and Government Relations
Marla Edge, Director of Academic Agreements
Erin Foley, VP for Student Affairs and Dean of Students
Sandra Fox, Board Secretary
Lori Harris, Senior Fiscal Manager
LeAnn Maupin, Dean of Health and Applied Sciences
Ron McCutcheon, Director of Human Resources
Michelle Meyer, Director of Business Affairs
Denise Reid, Asst. Director of Business Affairs
Paul Rowan, Assoc. VP of Information Technology Services, Chief Information Officer
Mary Ann Zemke, VP for Finance and Administration

Other Attendees:

Holly Dilleuth, Herald and News Reporter
Caroline Wright, CliftonLarsenAllen
Doug Yates, former VP of Finance for Oregon Tech

1. Call to Order/Roll/Declaration of a Quorum

Chair Sliwa called the meeting to order at 2:07pm. The secretary called roll and a quorum was declared.

2. Consent Agenda

No items

3. Action Items

3.1 Recommendation to Board to Endorse the 2015-16 Student Tuition and Fees

VP Zemke stated the State Board of Higher Education will consider the Board's recommendation at the State's June meeting. She handed out discussion points (on record). Discussion took place regarding tuition differentials for majors and courses, enrollment growth strategies for resident versus non-resident, and the need to review tuition by program. Additional discussion regarding state funding and the likelihood it will decrease; market driven tuition; the need to expand the number of comparative universities; how 40-40-20 integrates with Oregon Tech's plan; and the need to continue to deliver good value and make good investments.

Trustee Stewart motioned to recommend the board endorse a 5% base tuition increase and a differential tuition of 15% in specified Engineering and Technology programs for the 2015-16 academic year and 2016 summer session. **Trustee Gomez** seconded.

Discussion regarding the amount of increases proposed for tuition and incidental, not user or optional, fees. Explanation that the tuition and fees will be reviewed in June by the State Board of Higher Education. Written correspondence was received from **Alexander Hogan**, Oregon Tech student. **Consensus that the committee needs to discuss a strategy to address future deficits and ending fund balance amounts.** Discussion regarding setting tuition based on market cost versus based on expenditures and state funding. Financial aid discussion: management of enrollment and financial aid when there is a reliance on student tuition for budgeting; discount tuition; the importance of spending funds on tangible/visible assets at the university.

With all Trustees present voting aye, the motion passed unanimously.

3.2 Creation of a Committee Charter and Recommendation to Board to Approve Committee Charter

Chair Sliwa walked the committee through the charter and explained that it can be amended over time. There was a suggestion to clarify the terms: review, oversight, monitor, and recommend. There was also a request for future discussion on risk and which committee is responsible for each type of risk.

Trustee Gomez motioned to recommend approval of the Finance and Facilities Committee Charter to the board as proposed. **Trustee Johnston** seconded. **With all Trustees present voting aye, the motion passed unanimously.**

4. Discussion Items

4.1 Periodic Operating Management Report

VP Zemke walked the members through the report showing year-to-date revenues and expenditures, percentage of projected amounts, and projected end amounts. This report will be presented to the committee three times a year. Discussion regarding what is contained in capital (software, equipment, library acquisitions). **Chair Sliwa requested staff track the percent of personnel costs made up by adjunct faculty and graduate teaching assistants at various campuses.** Discussion regarding existing items which are tracked.

4.2 FY 2014 Audited Financial Statement

VP Zemke introduced Caroline Wright, Engagement Director from CliftonLarsenAllen.

Ms. Wright explained the standards of the audit, the process of the audit and then presented the statement to the committee. This is the first stand-alone audit; Oregon Tech has been a component of the Oregon University System audit and will remain as such through fiscal year 15. The opinion was unmodified, which is the best opinion that can be given. There is legacy debt which will still be controlled by the shared services; new debt will be managed by each university. Discussion regarding recommendations from auditors or a management letter identifying ways the Board can improve on processes. **Chair Sliwa requested the committee look at the long-term debt portfolio and how it will be tracked in the future and what the strategy might be, and deferred maintenance and what it entails. Consensus the Audit Committee needs to identify risks for auditors to address for 2016.**

4.3 FY 2015 Audited Financial Statement Report

VP Zemke stated a system wide audit will still be conducted for FY 15. Estimated cost for standalone audit is \$27,000, costs will likely increase to \$125,000 for future years because it will be independent.

4.4 FY 2016 Annual Audit Request for Proposal

VP Zemke stated Requests for Proposals should be due by the end of October. The committee would need to ratify the contract with the chosen auditor. She walked the committee through the usual timeline for the audit. A joint audit with the Foundation or with other universities cannot be conducted for legal reasons. Discussion regarding internal audit and auditors. **Chair Sliwa suggested having a conversation at the next committee meeting regarding the RFP, internal audits, and the processes.**

4.5 Endowment Liquidation and Transfer of Funds to Oregon Tech Foundation

VP Zemke explained the endowment fund has a market value of \$296,000 and a book value of \$109,000. The endowment offers loans through financial aid and through the business office. It is currently managed by the state treasury, it can be moved to the Foundation or remain with the Public University Fund. Annual distributions are about \$122,000.

Consensus of the committee is to transfer funds to the Oregon Tech Foundation.

5. Adjournment

With no further business proposed, the meeting was adjourned at 4:30p.m.

Respectfully submitted,



Sandra Fox
Board Secretary

ACTION

Agenda Item No. 3.1

Recommendation to the Board to Approve a Resolution Authorizing the Investment of University Funds in the Oregon Public University Fund

Summary

Ideally, Oregon Institute of Technology (Oregon Tech) will want to adopt a broad investment policy known as *The Investment Policy Statement (IPS) for the Public University Fund (PUF)* that will allow for investment into the PUF. In the meantime Oregon Tech will inherit the current OUS policy until a new one is adopted. At a minimum, the Board needs to approve a resolution regarding investment in the PUF.

Background

- Prior to SB 242 (2013), Oregon Tech funds, along with the funds of all Oregon University System institutions, were pooled and invested in the Oregon University System Fund in the Oregon State Treasury.
- During the 2014 Legislative Session, the Legislature enacted HB 4018, establishing the Public University Fund (PUF) in the Oregon State Treasury for the purposes of continuing the pooling of cash balances of the public universities. By doing so, the Legislature provided Oregon's public universities, including Oregon Tech, with the option of continuing to pool and jointly invest university funds in the Oregon State Treasury.
- As of July 1, 2015, Oregon Tech's cash balance was transferred from the Oregon University System Fund to the PUF.
- Investing in the PUF allows Oregon Tech to continue to benefit from the expertise of the Oregon State Treasury and Oregon Investment Council and to realize the benefits of pooling funds with other Oregon public universities.
- The Oregon Tech funds in the PUF includes a philanthropic fund that had been invested in the OUS Pooled Investment Fund. This quasi-endowment fund has been transferred to the PUF in a restricted investment account, where it is managed pursuant to the PUF's investment policies pursuant to an agreement with the University.

Staff Recommendation

Staff recommends that the Committee recommend to the full Board approval of a Resolution Authorizing the Investment of University Funds in the Oregon Public University Fund.

Attachments

- Public University Fund (PUF) Guidelines – Office of the State Treasurer
- Proposed Resolution

Public University Fund Guidelines

OFFICE OF THE STATE TREASURER
Policies and Procedures

Investment Manual
Activity Reference: 04.03.05

FUNCTION: Oregon Public University Fund Investments

ACTIVITY: Portfolio Rules

SCOPE: The Oregon Investment Council (OIC) has, with advice from the Treasurer and Oregon State Treasury (OST) investment staff, adopted a policy and specific rules for investing the Public University Fund (PUF). These rules are included in Appendix A.

POLICY: Funds meeting Oregon State Treasury (OST) requirements are eligible for segregated investment management by the Investment Division of the OST and within guidelines approved by the OIC. Investments shall be authorized by an OST investment officer and documented in accordance with OST policies and procedures.

Funds shall be invested in accordance with the policies and procedures outlined in this policy and in accordance with statute established by HB 4018, section 7.

COMPLIANCE APPLICATION AND PROCEDURES

OST shall provide an investment compliance program to accomplish the following objectives: a) monitor and evaluate portfolios, asset classes, and other investment funds to determine compliance with OST policies and contractual obligations; b) identify instances of non-compliance and develop appropriate resolution strategies; c) provide relevant compliance information and reports to OST management and the OIC, as appropriate; and d) verify resolution by the appropriate individual or manager within the appropriate time frame.

Resolution of Non-Compliance. If PUF investments are found to be a) out of compliance with one or more adopted investment guidelines or b) managed inconsistently with governing policy and objectives, investment staff shall bring the investments into compliance as soon as is prudently feasible. Actions to bring the portfolio back into compliance and justification for such actions, including documentation of proposed and actual resolution strategies shall be coordinated with the OST investment compliance program.

Appendices (Attached):

A. Portfolio Rules for the Public University Fund

OFFICE OF THE STATE TREASURER
Policies and Procedures

Investment Manual
Activity Reference: 04.03.05

Appendix A
Portfolio Rules for the
Public University Fund

Adopted July 30, 2014

- 1. Scope:** These rules apply to the investment of funds from all eligible and approved participants in the Public University Fund ("PUF"), and are established under the authority of, and shall not supersede, the requirements established under ORS Chapter 293 and HB 4018 of Oregon Laws 2014.
- 2. Objective:** Provide adequate liquidity for PUF participant cash flow requirements. Manage the portfolio to maximize total return over a long term horizon within the desired risk parameters.
- 3. Portfolio Allocation and Risk Profile:** Allocation parameters listed in the table below are intended to be general guidelines, not hard limits subject to OST Compliance monitoring.

Strategy Type	Name	Allocation	Objective
Liquidity	Short-Term	The purpose of the short-term portfolio is to assure adequate cash for operations. Investment management efforts shall be conducted to maintain an allocation to the short-term portfolio equivalent to not less than approximately six (6) months of average monthly operating expenses. This short-term portfolio allocation may also be determined using the results of a cash flow analysis.	Principal reservation
Core	Intermediate-Term	Investment management efforts shall be conducted to allocate to the intermediate-term portfolio any cash balances in excess of those necessary to meet the requirements for the short-term portfolio. Funds allocated to the intermediate-term portfolio should not exceed \$300 million.	Higher total return versus short-term portfolio as measured by the OSTF yield over a 3-year trailing period.
	Long-Term	Investment management efforts shall be conducted to allocate to the long-term portfolio any cash balances in excess of those necessary to meet the requirements for the short-term portfolio. Funds allocated to the long-term portfolio should not exceed \$120 million.	Higher total return versus the benchmark index over a 5-year trailing period.

4. Permitted Holdings

Short-Term Portfolio:

- The Oregon Short-Term Fund (OSTF); and
- Any securities eligible for purchase in the OSTF. The OSTF is governed by the Oregon Investment Council (OIC) and OST-adopted policies and guidelines as documented in OIC Policy 04.02.03.

Intermediate-Term Portfolio:

- Any holdings eligible for the Short-Term portfolio;
- The Oregon Intermediate-Term Pool (OITP); and
- Any securities eligible for purchase in OITP which is governed by Oregon Investment Council (OIC) and OST-adopted policies and guidelines as documented in OIC Policy 04.03.04.

Long Term Portfolio:

- Any holdings eligible for the Intermediate-Term Portfolio;
- Obligations issued or guaranteed by the U.S. Treasury or by U.S. federal agencies and instrumentalities, including inflation-indexed obligations with stated maturities less than 15.25 years;
- Non-U.S. Government Securities and their Instrumentalities;
 - Non-U.S. government securities and Instrumentalities with a minimum rating of one or more of Aa2/AA/AA by Moody's Investors Services, Standard & Poor's or Fitch, respectively, and with a stated maturity less than 15.25 years at the time of purchase.
- Municipal debt with a minimum rating of one or more of A3/A-/A- by Moody's Investors Services, Standard & Poor's or Fitch, respectively, and with a final maturity less than 15.25 years at the time of purchase;
- Corporate indebtedness with minimum investment grade ratings by one or more of Moody's Investors Services, Standard & Poor's or Fitch, respectively, and with a stated maturity less than 15.25 years at the time of purchase;
- Asset-backed securities rated AAA at the time of purchase with a weighted average life of less than 5.25 years;
- Commercial mortgage-backed securities (CMBS) rated AAA at the time of purchase with a weighted average life of less than 5.25 years;
- U.S. agency residential mortgage-backed securities (MBS) and residential mortgage related securities with a weighted average life of less than 5.25 years.

5. Diversification

The portfolio should be adequately diversified consistent with the following parameters:

- No more than 3% of portfolio par value may be invested in a single security with the notable exception of obligations issued or guaranteed by the U.S. Treasury or by U.S. federal agencies and instrumentalities; and

- No more than 5% of portfolio par value may be invested in the securities of a single issuer with the notable exception of obligations issued or guaranteed by the U.S. Treasury or by U.S. federal agencies and instrumentalities.

Issuer and security level restrictions shall not apply to OSTF or OITP holdings.

6. Counterparties

A list of all broker/dealer and custodian counterparties will be provided to PUF's Designated University annually.

7. Strategy:

- Maintain an average (measured by market value) credit rating of at least single-A, excluding OSTF and OITP holdings. If a security is rated by more than one rating agency, the lowest rating is used to determine the average rating;
- In the Long-Term Portfolio, maintain an average modified duration level of +/-20% of the custom fixed income benchmark up to a maximum of 7.5 years; and
- Structure maturities to provide reinvestment opportunities that are staggered. No more than 15% of the long-term portfolio should mature in a single, 3-month time period. This stipulation is intended to be a general guideline, not a hard limit subject to OST Compliance monitoring.

8. Investment Restrictions:

- All investments will be in U.S. dollar denominated securities;
- All investments will be non-convertible to equity;
- Collateralized debt obligations (CDO), Collateralized Loan obligations (CLO) and Z-tranche investments are not permitted;
- Investments in Alt-A, sub-prime, limited documentation or other "sub-prime" residential mortgage pools are not permitted. There shall be no use of leverage in any investments (excluding use of securities in a securities lending program). Structured securities such as ABS, MBS and CMBS shall not be considered as using leverage;
- For newly issued securities with unassigned ratings, "expected ratings" may be used as a proxy for assigned ratings up to 30 business days after settlement date; and
- Maximum market value exposures (excluding underlying holdings in OSTF and OITP) shall be limited as follows:

U.S. Treasury Obligations	100%
U.S. Agency Obligations	50%
U.S. Corporate Indebtedness	50%
Municipal Indebtedness	30%
Asset-backed Securities (ABS)	20%
Mortgage-backed Securities (MBS)	30%
Commercial Mortgage-backed Securities (CMBS)	10%
Structured Securities (Combined ABS, MBS and CMBS)	50%

9. Policy Compliance:

- OST Investment Staff will submit a written action plan to the Designated University regarding any investment downgraded by at least one rating agency to below investment grade within 10 days of the downgrade. The plan may indicate why the investment should continue to be held and/or outline an exit strategy; and
- OST Staff will consult with the PUF Designated University, on a pre-trade basis, if an investment trade or trades will result in a cumulative net loss greater than 1% over 3 months prior to trade settlement date.

10. Performance Expectations/Reviews:

- Over a 5-year trailing period, the Long-Term portfolio is expected to outperform the Bank of America Merrill Lynch 5-7 Year AAA-AA U.S. Corporate & Government Index (B3B0);
- OST will provide the PUF Designated University with a monthly report of all non-passive compliance violations of this policy's guidelines; and
- Investment reviews between OST investment staff and the designated PUF University will occur quarterly and focus on:
 - Performance relative to objectives;
 - Adherence to this policy; and
 - Trading activity.

SAMPLE FORMS, DOCUMENTS OR REPORTS:

None

RESOLUTION NO. 15-__

BOARD OF TRUSTEES OF OREGON INSTITUTE OF TECHNOLOGY

**A RESOLUTION AUTHORIZING THE INVESTMENT OF UNIVERSITY FUNDS
IN THE OREGON PUBLIC UNIVERSITY FUND**

WHEREAS, effective July 1, 2015, Oregon Institute of Technology (University) is an independent public body governed by its Board of Trustees; and

WHEREAS, when the transition of governance occurred from the Oregon University System (OUS) to the University, the University inherited the OUS Investment Policy; and

WHEREAS, prior to Senate Bill 242 (2013), University funds, along with the funds of all Oregon University System institutions, were pooled and invested in the Oregon University System Fund in the Oregon State Treasury; and

WHEREAS, during the 2014 Session, the Legislature enacted House Bill 4018, establishing the Public University Fund (PUF) in the Oregon State Treasury for the purposes of continuing the pooling of cash balances of the public universities; and

WHEREAS, as of July 1, 2015, Oregon Institute of Technology's cash balance was transferred from the Oregon University System Fund to the PUF; and

WHEREAS, investing in the PUF allows the University to continue to benefit from the expertise of the Oregon State Treasury and Oregon Investment Council and to realize the benefits of pooling funds with other Oregon public universities; and

WHEREAS, the University's funds in the PUF includes a philanthropic, quasi-endowment, fund in a restricted investment account, where it is managed pursuant to the PUF's investment policies pursuant to an agreement with the University;

Now, therefore, the Board of Trustees resolves that that Oregon Institute of Technology continue to invest university funds in the Public University Fund (PUF) of the Oregon State Treasury, pursuant to the investment policy of the PUF adopted by the Oregon Investment Council.

This Resolution supersedes the following Oregon University System policies, which shall have no further effect at the University: Internal Bank, adopted March 1, 2010; Investment Policy, OUS Pooled Investment Fund, adopted April 19, 1996; and Internal Management Directives 6.105 through 6.141, regarding Investment Management, adopted July 19, 2002.

This Resolution shall take effect immediately upon approval by the Board.

Moved by _____

Seconded by _____

Trustee	Yes	No
Jeremy Brown		
Melissa Ceron		
Jessica Gomez		
Lisa Graham		
Dana Henry		
Kathleen Hill		
Gary Johnston		
Kelley Minty Morris		
Celia Núñez		
Dan Peterson		
Steve Sliwa		
Paul Stewart		
Fred Ziari		

Approved and dated this _____ day of July, 2015.

 Lisa Graham
 Board Chair

ATTEST:

 Sandra Fox
 Board Secretary

I, _____, Secretary of the Board, do hereby certify that the foregoing is a true and correct copy of a Resolution duly adopted by the Oregon Institute of Technology Board of Trustees at the meeting held on the _____ day of July _____, 2015, and thereafter approved and signed by the Chair and attested by the Secretary of the Board.

 Secretary of the Board

DISCUSSION

Agenda Item No. 4.1

Investment Report

Report on Investments – as of March 31, 2015

Market Background

(Provided by Callan Associates, Oregon Investment Council consultant)

Economic and Market Environment

Global financial markets were volatile in the first quarter of 2015 with negative returns in domestic equities during January, strong results in February and mixed returns in March contrasted with opposite results for domestic fixed income. For the full quarter, broad equity indices generated positive returns in most regions and styles with U.S. large cap value being the only area to suffer a loss. Fixed income indices also rose with the lone exceptions being unhedged non-U.S. bonds and local currency emerging markets debt. Commodities suffered acutely as many contracts fell nearly 10 percent while Real Estate Investment Trusts (R.E.I.T.s) continued to post strong results.

Macroeconomic Environment

Global macroeconomic factors, namely worries over inflation and slowing economic growth, continued to be in the forefront and led to several milestones during the quarter. On January 15th, the Swiss Central Bank stunned global currency markets by removing its peg that had anchored the currency at 1.2 Swiss francs (sf) per €. The euro fell dramatically to 0.85sf immediately following the announcement before settling at around 1.05sf. Just a week later, in a less surprising move, the European Central Bank (E.C.B.) announced its long-awaited quantitative easing program. The E.C.B. will purchase €60 billion worth of bonds per month through at least September 2016. The bond buying commenced in March 2015. Not surprisingly, this announcement put a strong bid under the European equity markets and drove many developed markets bond yields to fresh lows. Rates were cut by more than 20 central banks in calendar Q1. Sweden also launched a quantitative easing (Q.E.) program at the beginning of 2015 and concurrently pushed its central bank policy rate into negative territory, joining Switzerland, Denmark and the E.C.B. (deposit facility) in imposing negative policy rates. Short term sovereign debt yields have dropped below 0% in many European countries with more than €1.5 trillion worth of bonds trading with yields below zero. Moving out in maturity does tip yields back into the black; however, the German yield curve is currently negative out to 7 years and Switzerland beyond 10 years. Negative rates are also no longer unique to sovereign issues; short-term mortgage rates in Denmark have dipped below zero and yields on bonds issued by Swiss chocolatier Nestle have also been negative. The U.S. dollar continued its rally relative to several other major currencies. The “U.S. Dollar Index,” which measures a basket of 6 foreign currencies, rose 9 percent in the quarter. The weakness in the euro had a major impact on the Dollar Index performance as it carries a 57 percent weight in the Index and fell more than 11 percent against the U.S. dollar. Finally, oil prices continued to exhibit substantial volatility in the quarter and twice slipped below \$45/barrel for West Texas Intermediate Crude. Oil inventories in the U.S. began the second calendar quarter at 80-year highs of nearly 500 million barrels.

In the U.S. the economic picture was mixed in calendar Q1 and suggested that the recovery could be losing momentum given headwinds from a snowy winter, strong U.S. dollar and weak global demand. Uncertainty over the timing of the Federal Reserve's widely expected eventual rate hike also contributed to market volatility during the quarter. Economic growth since the end of the recession in 2009 has been modest and averaged 2.3 percent, well below the 50-year average of 3.0 percent. In its March meeting, the Fed trimmed its outlook for U.S. gross domestic product (G.D.P.) growth with annual real G.D.P. estimates for 2015 and 2016 now forecast in the 2.3-2.7 percent range, down from the 2.5-3.0 percent figures released in the December meeting minutes. While these growth rates are somewhat disappointing in historical terms, the U.S. still enjoys better economic growth than much of the rest of the developed world. In Europe, for example, growth is expected to trail the U.S. by as much as 1 percent in 2015.

Inflation remains contained in the U.S. and most of the developed world. In fact, deflation is seemingly of greater concern in many parts of the developed world. In the U.S., core consumer price index (C.P.I.) registered at 1.7 percent for the year ended February 2015; however, headline C.P.I. (including food & energy) actually declined by 0.1 percent, its first negative reading since 2009. The mild deflation showing in headline C.P.I. was almost entirely due to plummeting energy prices, which will remain in the data through most of 2015. The Energy component fell nearly 19 percent in the twelve months ended February, 2015. The only other C.P.I. component to show a negative reading was Apparel at -0.8 percent while Food and Housing topped the list at 3.0 percent each. Elsewhere in the developed world deflationary impacts were also being felt. Much of Europe is experiencing inflation of less than 1 percent and several countries are seeing deflation. Japan is also again flirting with deflation as the impact of its recent sales tax hikes have rolled out of the 12-month measurement window. The unemployment rate in the U.S. has continued to fall and declined to 5.5 percent as of the March 2015 reading. However, the labor force participation rate has also continued to fall and has accounted for some of the declining unemployment rate alongside actual hiring. Also of some concern is that wage growth in the U.S. has been far below the long-term average since the great recession. Europe appears to be in a worse state on the employment front. The unemployment rate in Europe is over 11 percent with Greece and Spain both well over 20 percent. Youth unemployment (under 25 years old) is of particular concern with a rate well over 20 percent in Europe broadly and countries such as Greece and Spain in excess of 50 percent.

Valuations in global equity markets remained at moderately elevated levels at the end of calendar Q1. U.S. equities approached 17x forward earnings, a level in excess of the 15.2x at the market peak in October 2007 and above the 25-year average of 15.7x, but well short of the dizzying heights of over 25x reached at the peak of the Internet bubble in 2000. Foreign developed equities sit at 16x forward earnings, also above their 2007 peak yet well below levels from 2000. Emerging market equities sit just below 12x forward earnings, slightly above their 10-year average.

The earnings picture in the U.S. has soured notably in the past six months as the impacts of margin compression and plummeting oil prices have taken their toll. Standard & Poor's (S&P) earnings for calendar Q1 are projected to decline by 4.6 percent versus the year ago quarter and to decline in calendar Q2 a further 1.9% year-over-year. The Energy sector alone accounts for nearly half of the decline as calendar Q1 earnings estimates for the sector have been cut by more than 50 percent. Health Care and Financials are expected to have the strongest earnings growth at 10.6 percent and 8.3 percent, respectively. Profit margins are expected to make a recovery after a brief dip below 10 percent in calendar Q1.

Equity Results

Developed foreign equities, when measured in local currency terms, dominated performance tables in calendar 1Q as Europe rallied more than 15 percent in the wake of the E.C.B. Q.€ announcement. However, currency weakness tempered much of those gains when measured in U.S. dollar terms. U.S. mid and small capitalization issues trailed slightly but finished ahead of both emerging markets equities and U.S. large caps, which returned slightly less than 1 percent.

In the U.S., small caps performed best followed closely by microcaps and midcaps (Russell 2000: +4.3 percent, Russell midcap: +4.0 percent, Russell microcap: +3.1 percent) while large caps struggled to stay in positive territory (Russell Top 200: +0.5 percent, Russell Top 50: -0.5 percent). Style generated its biggest differential in six years as growth sharply outperformed value across capitalization (Russell 1000 Growth (R1G): +3.8 percent, Russell 1000 Value (R1V): -0.7 percent, Russell Midcap Growth (RMG): +5.4 percent, Russell Midcap Value (RMV): +2.4 percent, Russell 2000 Growth (R2G): +6.6 percent, Russell 2000 Value (R2V): +2.0 percent). Conversely, high quality and low quality experienced their smallest divergence since calendar 1Q2010 (S&P High Quality: +1.2 percent, Low Quality: +1.7 percent). Within the S&P 500, the Utilities sector (-5.2 percent) reversed course from a double digit gain in calendar 4Q14 to be the worst performing sector in calendar 1Q15 while Energy continued its calendar 4Q14 slide and fell a further 2.9 percent in calendar 1Q15. Health Care and Consumer Staples led S&P sector performance and rose 6.5 percent and 4.8 percent, respectively.

Developed foreign equities soared in local currency terms; however, continued dollar strength versus most currencies pushed returns sharply lower in U.S. dollar terms for the first calendar quarter (Morgan Stanley Capital Index - Europe, Australasia, Far East (M.S.C.I. E.A.F.E.) Local: +10.9 percent, E.A.F.E. US\$: +4.9 percent). Similar to U.S. results, growth outperformed value overseas, albeit to a smaller degree (E.A.F.E. Growth: +5.8 percent, Value: +3.9 percent). Small caps (S.C.) outperformed larger issues (E.A.F.E. SC: +5.6 percent). Emerging market (E.M.) equities trailed developed in local and U.S. dollar terms (M.S.C.I. E.M. Local: +4.9 percent, E.M. US\$: +2.3 percent). On a country specific basis, Danish equities generated the strongest returns among developed nations (M.S.C.I. Denmark US\$: +16.7 percent) while Canadian equities fell (M.S.C.I. Canada US\$: -5.9 percent) due entirely to the currency headwind. Greece (M.S.C.I. Greece US\$: -29.3 percent) was the worst performing emerging country as further political turmoil and renewed fear of a Greek exit “Grexit” sent equities tumbling. Russia (M.S.C.I. Russia US\$: +18.6 percent) recovered somewhat from its calendar 4Q14 rout to be the best performing emerging country in the first calendar quarter.

Fixed Income Results

Interest rate volatility increased in the first calendar quarter of 2015 as investors speculated over the timing of the Fed's widely expected interest rate hike while the European Central Bank announced a massive asset purchase program to stimulate growth and combat deflation. The 10-year U.S. Treasury note began the year at 2.17 percent, hit an intra-quarter low of 1.68 percent on January 30th and a peak of 2.24 percent on March 6th before closing the quarter at 1.94 percent, 23 basis points (bps) lower than at year-end. The 30-year Treasury bond hit an all-time low in January of 2.35 percent and closed the quarter at 2.54 percent.

The Barclays U.S. Aggregate Index returned 1.61 percent for the quarter. Within the Aggregate Index, corporates outperformed like-duration U.S. Treasuries by a modest 27 bps as investors easily absorbed record new issuance. At nearly \$440 billion, U.S. corporate bond issuance this year has exceeded the record level hit in 2013. Notably, the proportion of issuance related to merger and acquisition activity is also at an all-time high. Mortgages trailed Treasuries by 50 bps and were the worst performing sector in the Barclays Aggregate. Treasury Inflation Protected Securities (T.I.P.S.) had a strong January and February relative to nominal U.S. Treasuries, in spite of soft inflation data, but gave back some of the outperformance in March. The 5-year

breakeven spread, which represents the amount of inflation investors are expecting over the next five years, hit a low of 1.05 percent in early January, but ended the quarter at 1.51 percent. High yield rebounded from a poor calendar Q4FY14 with many of the higher quality energy names bouncing back. The Barclays High Yield Index was up 2.5 percent for the quarter.

Overseas, rates fell in twelve of the thirteen countries in the J.P. Morgan (J.P.M.) Global Bond Index (G.B.I.), with Japan being the one exception. For the quarter, the Barclays Global Aggregate ex-U.S. Index (hedged) returned 2.0 percent. The U.S. dollar continued to strengthen against most currencies and the unhedged version of the Index fell 4.6 percent. Emerging markets debt was a tale of two worlds, with U.S. dollar-denominated sovereign debt posting solid returns as rates dropped, but most emerging markets currencies depreciating against the U.S. dollar. The dollar-denominated J.P.M. Emerging Market Bond Index (E.M.B.I.) Global Diversified Index returned 2.0% in the calendar Q1 with Argentina (+11 percent) and Russia (+11 percent) being standout performers. Conversely, Ukraine's debt plunged 30 percent as talks with creditors loomed amid a \$15 billion shortfall in funding. Emerging markets currencies, however, were broadly weaker versus the U.S. dollar. Currencies in 13 out of the 16 countries represented in the J.P.M. G.B.I.-E.M. Global Diversified Index lost value versus the greenback and as a result, this Index was down 4.0 percent for the quarter. Russian local debt was a lone outperformer; up 15.5 percent for the quarter but still down more than 40 percent year-over-year.

Closing Thoughts

As 2015 unfolds, global economic trends remain divergent with U.S. growth moderating but still well ahead of most of the rest of the developed world. Much anticipation rests on the timing and path of U.S. Federal Reserve interest rate policy; however, until the status quo changes equities seem content to push further into record territory.

With expectations of muted returns and higher volatility, prudent asset allocation and risk assessment based on future capital needs for both plan sponsors and individual investors remains Callan's recommended course.

Public University Fund *(Prepared by the Public University Fund Administrator)*

The Public University Fund's (P.U.F.) total return for the quarter was 0.7 percent. During the quarter, both the Oregon Short-Term Fund and Oregon Intermediate-Term Pool performed in-line with or slightly better than their respective benchmarks. The Long Term Pool underperformed its benchmark by 70 basis points.

In late April, a fiscal third quarter P.U.F. investment performance review was conducted by Oregon State Treasury Fixed Income Portfolio Managers, Tom Lofton and Garrett Cudahey, with University staff and it's investment advisor. Mr. Lofton commented on the Long Term Pool's relative underperformance by stating it was due, in large part, to lower average portfolio duration (average maturity profile 3.29 years) versus the benchmark (average maturity profile 5.05 years). Mr. Lofton remains committed to a conservative positioning versus the benchmark, given risk of rising interest rates in future months.

HIED Endowment Fund *(Prepared by Oregon State Treasury)*

The Higher Education (HIED) Endowment Fund returned 2.4 percent for the quarter and 4.0 percent for fiscal year through March 31, 2015, with a balance of \$46.3 million (including, \$37 million in cash at month-end). This fiscal year-to-date performance was 80 basis points above the policy benchmark return of 3.2 percent.

As noted earlier, there was a significant “disconnect” between U.S. and Non-U.S. equity markets during the quarter. For the fiscal period ended March 31, 2015, the Blackrock S&P 500 portfolio returned 7.1 percent while the Genesis Emerging Markets portfolio declined 8.9 percent.

The fixed income mandate managed by Western Asset delivered a return of 4.1 percent versus a 3.6 percent return on the Barclays Aggregate Bond Index, for the fiscal year-to-date performance.

For the five-years ended March 31, the HIED Fund returned an average of 10.1 percent annually, nearly 80 bps above the policy benchmark.

However, the most significant and meaningful change to the portfolio over the quarter was the near complete liquidation of all of the fund’s assets to accommodate individual university requests for their pro-rata share of the fund. As a result, all but three System portfolios have been completely liquidated or transferred. The investment liquidations and pending asset transfers places the HIED portfolio in violation of the policy asset allocation ranges.

Oregon Institute of Technology											
Investment Summary											
as of March 31, 2015											
(Net of Fees)											
			Quarter Ended 3/31/2015	Prior Fiscal YTD	Current Fiscal YTD	3 Yr Avg	5 Yr Avg	10 Yr Avg	Market Value	Actual Asset Allocation	Policy Allocation Range
OIT Operating Assets Invested in Public University Fund											
Oregon Short Term Fund			0.1%	0.4%	0.4%	0.6%	0.5%	2.0%	\$ 10,093,581	39.9%	¹
Benchmark	- 91 day T-Bill		0.0%	0.0%	0.0%	0.1%	0.1%	1.5%			
Oregon Intermediate Term Pool			1.0%	2.0%	1.5%		N/A	N/A	8,339,172	32.9%	¹
Benchmark	BAML 1-5Yrs US Corp & Govt A & Above		1.0%	1.4%	1.5%	1.6%					
² Combined Historical Returns						2.5%					
P.U.F. Long Term Pool			1.4%	N/A	2.8%		N/A	N/A	6,898,918	27.2%	¹
Benchmark	BAML 5-7Yrs US Corp & Govt AA & Above		2.1%	0.8%	3.8%	2.4%					
² Combined Historical Returns				2.2%		3.0%					
Total Public University Fund Investment			0.7%	N/A	1.4%				\$ 25,331,671	100.0%	
OIT Endowment Assets Invested in Pooled Endowment Fund											
Total Pooled Endowment			2.4%	14.3%	4.0%	11.1%	10.1%	6.4%			
³ Target Alloc Policy Benchmark			2.7%	12.3%	3.2%	9.8%	9.3%	6.7%			
Growth											
BlackRock S&P 500 Index			1.0%	18.4%	7.1%	16.1%	14.5%	N/A	\$ 8,945	2.9%	
Benchmark	- S&P 500 Stock Index		1.0%	18.4%	7.1%	16.1%	14.5%				
Arrowstreet Capital			7.9%	26.5%	2.3%	16.9%	12.4%	N/A	2,777	0.9%	
Benchmark	- MSCI World Ex US IMI Net		3.9%	19.2%	-6.0%	8.3%	6.0%				
Genesis Asset Management			0.2%	8.4%	-8.9%	2.1%	3.9%	N/A	11,046	3.6%	
Benchmark	- MSCI Emerging Markets IMI Net		2.4%	7.4%	-5.5%	0.7%	1.9%				
Total Growth									22,768	7.5%	50%-75%
Diversifiers											
Western Asset Core Plus Bond Fund			2.5%	3.9%	4.1%	4.9%	6.2%	6.1%	4,779	1.6%	
Benchmark	- BC Aggregate Index		1.6%	2.3%	3.6%	3.1%	4.4%	4.9%			
Cash			0.1%	0.4%	0.4%	0.6%	0.5%	2.0%	277,740	⁴ 91.0%	
Benchmark	- 91 day T-Bill		0.0%	0.0%	0.0%	0.1%	0.1%	1.5%			
Total Diversifiers									282,519	92.6%	20%-30%
Endowment Fund Payable									(40)	⁵ 0.0%	
Total Endowment Funds									\$ 305,247	100.1%	
¹ The Public University Fund (P.U.F.) policy guidelines define investment allocation targets based upon total participant dollars committed. Core balances in excess of liquidity requirements for the participants are available for investment in the Intermediate-Term Pool and the Long-Term Pool. Maximum core investment allocations are determined based upon anticipated average cash balances for all participants during the fiscal year. ² The historical returns presented combine the investment returns from the predecessor fund with the investment returns of the P.U.F. for investments with an identical mandate. The predecessor fund commingled all public universities operating assets into a cash and investment pool. ³ Notes on Policy Benchmark: From November 2012 to current the policy benchmark is 25% Russell 3000, 25% MSCI ACWI Ex US, 25% BC AGG, 10% Russell 3000 +300bps, 7.5% BC Treasury Inflation Protection Index, and 7.5% NCREIF Index. ⁴ Final cash receipt for sale of Blackrock TIPs received on April 1, 2015; reported above as cash on March 31, 2015. ⁵ Outstanding payables deducted from market value to derive net OUS Pooled Endowment balance prior to final disbursement of Endowments to institutions. Balance shown represents OIT's proportion of net payable due on March 31, 2015. Note: Outlined returns underperformed their benchmark.											

DISCUSSION

Agenda Item No. 4.2

Report on 2015-17 Biennium Education and General Operating Summary of Funding Levels

Staff Recommendation

No action required.

2015-17 Biennium Education & General Operating Summary of Funding Levels

General enrollment growth 3% per year; Tuition 5% per year (except for \$755M Version-see note)

Funding Scenario	Projected Budget 2015-16	Projected Budget 2016-17
\$670M Co-Chair Funding *		
Revenue	\$51,955	\$54,994
Expenses	55,179	57,643
Change in Fund Balance (Revenue less Expenditures)	(3,224)	(2,649)
Beginning Fund Balance (Prior Year Ending Balance Projected)	6,210	2,986
Ending Fund Balance*	2,986	337
Ending Fund Balance % to Revenue	5.7%	0.6%
*includes debt service of \$35M		
\$700 Funding*		
Revenue	\$52,420	\$55,478
Expenses	55,179	57,643
Change in Fund Balance (Revenue less Expenditures)	(2,759)	(2,165)
Beginning Fund Balance (Prior Year Ending Balance)	6,210	3,451
Ending Fund Balance*	3,451	1,286
Ending Fund Balance % to Revenue	6.6%	2.3%
*includes debt service of \$35M		
\$755M Funding*		
Revenue **	\$53,423	\$56,381
Expenses	55,179	57,643
Change in Fund Balance (Revenue less Expenditures)	(1,756)	(1,262)
Beginning Fund Balance (Prior Year Ending Balance)	6,210	4,454
Ending Fund Balance*	4,454	3,192
Ending Fund Balance % to Revenue	8.3%	5.7%

*includes debt service of \$35M

**Tuition increase 2% in 2nd year except for Engineering & Health differentials, which remain at 5%.

DISCUSSION

Agenda Item No. 4.4

University Space Inventory, Capital Construction/ Renovation, and Deferred Maintenance Report

Staff Recommendation

No action required.

Attachments

- Facilities Standards and Guidelines
- Oregon Tech Residence Occupancy Report
- Campus Space Inventory Summary – Klamath Falls
- Wilsonville Assignable Area Spreadsheet
- Type of Space Definitions
- Capital Construction/Renovation and Deferred Maintenance Summary



Oregon
University
System

FACILITIES STANDARDS AND GUIDELINES

8.01 The purpose of Chapter VIII is to set forth standards and planning
INTRODUCTION guidelines to be used in the physical development, evaluation, and
assignment of spaces of institutions in the State System. The
standards are flexible and must be interpreted consistent with the
mission, goals, and objectives of the institution. Physical
requirements and limitations, such as the confines of existing spaces
in remodeling, as well as outsize equipment which should be noted in
programs and evaluations, may necessitate deviations from the
guidelines.

8.02 The facility needs of an institution are projected on the basis of the
SPACE mission, approved programs of an institution and enrollment
STANDARDS projections. (Refer to Section 7.02)

Three biennia enrollment projections, which are used to project
instruction *and* related space, need to be reliable because the
planning and construction of a facility typically has a lead time of at
least five or six years. If appropriate, more than one enrollment
projection for which assumptions and reliability are stated should be
made to target planning period. For facility needs, enrollment
projections must be reconciled with enrollment ceilings established by
the Board.

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mission, approved programs of an institution and enrollment
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least five or six years. If appropriate, more than one enrollment
projection for which assumptions and reliability are stated should be
made to target planning period. For facility needs, enrollment
projections must be reconciled with enrollment ceilings established by
the Board.

Projection Standards - Projection standards are for use in the
institution's planning process and the Board's Office of Administration,
Facilities Division in estimating total space needs of an institution and
may not reflect an exact spatial configuration for any one category
because it may vary depending on the special characteristics of the
functions housed.

Design Guidelines - Design guidelines are for use by institutional

Oregon University System, Facilities Standards and Guidelines, August 1998
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personnel and planning consultants in identifying optimums of unit size and efficiency in the design of proposed facilities.

8.03 Classrooms are defined as general purpose instructional rooms with equipment suitable for lecture, discussion and dry-demonstration formats. Rooms which are known as lecture halls, classrooms and seminar rooms are all expected to be subject to regular central assignment in order to achieve utilization at the maximum practical level. The objective shall be to achieve at least the following minimum hours of scheduled occupancy of classrooms and student stations as an average on an institution-wide basis:

<i>Classroom Scheduled Occupancy</i>	<i>Classroom Student Station Scheduled Occupancy</i>
33 hours per week	20 hours per week (which is a Classroom Student occupancy of 60 percent for 33 hours per week of Classroom scheduled occupancy)

8.04 Classroom space needs will be projected on the basis of student stations in conformance with classroom space use objectives (Section 8.03). Area requirements will be determined utilizing a norm of 16 square feet per student station including related service areas (weighted mean derived from survey of the typical distribution of classroom sizes and related service areas). This standard will generally provide adequate space for student seating and related area such as audio/visual and instructional equipment.

8.05 The number of square feet per station in general purpose classrooms will vary with the size of the room and the type of station, ranging from chairs around a table in a seminar room to a fixed-seat lecture hall. Additional square footage for special equipment may be required. This guideline is based upon usage of standard seat spacing of 42" from back to back and 26" from center to center. Adjustments will need to be made if the size of the student station installed differs from the above standard. Typical classroom sizes are:

<i>No. of Student Stations</i>	<i>Sq. Ft. per Student Station</i>	<i>Sq. Ft. Area of Room</i>
15	20	300
20	17.5	350
25	16	400
30	15	450
40	14.2	568
50	13.5	675
60	13	780
80	12	960
100	11	1,100
125	10	1,250
200	9	1,800

8.06 Class laboratories are defined as rooms used by regularly scheduled

*Oregon University System, Facilities Standards and Guidelines, August 1998
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CLASS LABORATORY SPACE USE OBJECTIVES classes, which require special-purpose equipment for student participation, experimentation, observation, or practice in a field of study.

The expected utilization of laboratory space at each institution shall be the maximum practicable level. The objective shall be to achieve at least the following minimum hours of scheduled occupancy of laboratories and laboratory student stations as an average on an institution-wide basis:

	<u>Class Laboratory Scheduled Occupancy</u>	<u>Class Laboratory Student Station Scheduled Occupancy</u>
Lower Division	22 hours per week	18 hours per week (which is a Class Laboratory Student Station Scheduled Occupancy of 80 percent for 22 hours per week of Class Laboratory Scheduled Occupancy)
Upper Division	16 hours per week	12 hours per week (which is a Class Laboratory Student Station Scheduled Occupancy of 75 percent for 16 hours per week of Class Laboratory Scheduled Occupancy)

8.07 CLASS LABORATORY PROJECTION STANDARD Class laboratory space needs will be projected on the basis of student stations in conformance with laboratory space use objectives (Section 8.06). Area requirements will be determined by the discipline, the character of special-purpose equipment, the number of students expected to be served, and any associated service area requirements.

8.08 CLASS LABORATORY DESIGN GUIDELINES The design guidelines for class laboratories vary with the academic discipline and must conform to the student station size, equipment and service requirements. Examples of area allowances for some disciplines, including the student station and the ancillary service areas, are as follows:

<u>Discipline</u>	<u>Net Assignable Square Feet per Student Station (fully developed academic program)</u>
Animal Science	160
Chemical Engineering	160
Electrical Engineering	110
Theater	100
Chemistry	68
Dairy Science	68
Geology	68
Physics	65
Plant Pathology	65
Anthropology	50
Zoology	50
Business Administration	32
Speech	32

8.09 OTHER INSTRUCTION RELATED FACILITIES STANDARDS There are instructional spaces on most campuses, which are used for instructional programs not included within the previously identified categories outlined in this chapter. These include spaces such as open laboratories, music practice rooms, individual study laboratories, drama facilities, museums and galleries related to the instructional program. The justification of these facilities is related directly to the mission and guidelines for the institution and the areas are determined by an analysis of the specific requirements.

Examples of groupings of disciplines are suggested below, but space entitlement for each institution must be justified by programmatic needs.

- Group I - Disciplines suggested which have very little, if any, special instructional space needs:
 - Economics
 - History
 - Sociology
- Group II - Disciplines suggested which have minimal special instructional space needs:
 - Business Administration
 - English
 - Political Science
- Group III - Disciplines suggested which have moderate special instructional space needs:
 - Applied Science
 - Entomology
 - Foreign Languages
 - Vocational Training

Group IV - Disciplines suggested which have considerable special instructional space needs:

Chemistry
Engineering
Health Sciences
Physics

Group V - Disciplines suggested which have extensive special instructional space needs:

Art
Drama
Music
Zoology

8.10 Office facilities include both offices and office related service areas.
OFFICE An office is defined as a room or suite of rooms equipped with desks,
FACILITIES chairs, files, bookcases, word processing equipment, etc., that is
PROJECTION assigned to one or more persons primarily for the performance of
STANDARDS administrative, clerical or faculty duties, other than the meeting of
classes. (The projection standard includes active office service areas
such as reception-waiting areas, conference rooms directly associated
with instructional and administrative office, file rooms and work rooms.)
An office service area is defined as an area which directly supports an
office (or group of offices) as an extension of the activities in an office.
Included would be conference rooms, waiting areas, work rooms, file
rooms, etc.

Office facility needs will be projected at an institutional level based
upon the number of FTE faculty (including post doctoral fellows and
employed graduate students), staff, (the head count of) and non-
employed (advanced) graduate students. The projection standard,
which will include all office and office related facilities, is 190 net
assignable square feet per FTE faculty, staff and non-employed
(advanced) graduate students (three non-employed (advanced)
graduate students head count equals one FTE for purposes of office
facilities projections).

8.11 The following office facilities design guidelines will be used except
OFFICE where special equipment, such as pianos and drafting tables, requires
FACILITIES larger areas. When office facilities sizes and lay-out are determined, it
DESIGN is important that flexibility be maintained so that assignments can be
GUIDELINES made without regard to rank for efficient functioning and ease of
reassignment.

A.	Faculty offices (<i>academic</i>):	<u>Sq. Ft. per Station</u>
	(Senior) Faculty (Instructor-Professor)	135
	Department Head	150
	Employed Graduate (and/or Teaching Assistant) Student	65

B. Administrative offices (*academic and non-academic*):

Presidents	300
Vice Presidents/Deans	225
Assoc./Ass't. Vice Presidents/Director	180
Professional/Technical/Management	135

C. Staff offices (*non-academic*):

Support Personnel	90
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D. Other:

Non-employed Graduate Students	50
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E. Office Service Areas

1. Areas with Minimum Space Requirements

Conference rooms	20
Waiting areas	10

2. Other Support Areas (no minimum space requirements. Spaces and area to be determined by program needs).

Photocopy rooms
 FAX machines area
 Terminal/micro computer room
 Work room
 Computer printer room
 Filing areas
 Storage areas

8.12 LIBRARY STANDARD Libraries are defined as a room or group of rooms used for the collection, storage, circulation, and use of books, periodicals, manuscripts, and other reading or reference materials.

Libraries in the State System are to be programmed to provide for the space outlined below. Stack space and non-book material space will be based on the estimated size of collections six years following the completion of a facility or facility addition. Do not include warehouse operations.

Library Reader Space - Reader stations are to be provided for 15% of the Fall Term FTE undergraduate students and 25% of the Fall Term FTE graduate students at all institutions. Reader station space will allow 25 square feet for each FTE undergraduate student and 30 square feet for each FTE graduate student.

Faculty Research Reader Space - Research space standards are outlined under Section 8.15 RESEARCH STANDARD. In addition, there is an entitlement of 15 square feet of carrel space in the library for each FTE faculty identified primarily in Groups I and II of Section 8.15, such as the humanities, social sciences, etc. There is an entitlement of three square feet of carrel space for each FTE faculty identified primarily in Groups III, IV and V of Section 8.15, such as the life, physical and behavioral sciences, agriculture, etc.

Stack Space - The following allowances, which reflect a higher percentage of bound periodicals at Health Science and Law libraries will be used in providing stack space:

	<u>NASF/Volume</u>	
<u>HS & Law</u> <u>All Others</u>		
100,000 volumes	0.12	0.10
next 900,000 volumes	0.08	0.07
next 1,000,000 volumes	0.05	0.05

or by:

	<u>Volumes/NASF</u>	
<u>HS & Law</u> <u>All Others</u>		
100,000 volumes	9	10
next 100,000 volumes	10	12
next 800,000 volumes	12	14
next 1,000,000 volumes	15	16

Non-Book Material - The following space allowances, which have been developed by measuring collections and the space required for storing, handling and using non-book materials, will be used in projecting their space needs.

<u>Item</u>	<u>Formula</u> <u>Items per Sq. Ft.</u> <u>of Floor Space</u> <u>Suggested Standard</u>	<u>Space to be Allotted</u> <u>in Minimum Units</u> <u>of Square Feet</u>
Microcards	6,000	10
Microprints	1,400	10
Microfiche 4"x6"	2,500	10
Microfiche 3"x5"	6,000	10
Microfilm reels	60	10
Film strips	200	10
Slides	700	12
Transparencies	500	10
Motion picture reels	12	12
Video tape reels	3	10
Computer tape reels	9	10

<u>Item</u>	<u>Formula</u> <u>Items per Sq. Ft.</u> <u>of Floor Space</u> <u>Suggested Standard</u>	<u>Space to be Allotted</u> <u>in Minimum Units</u> <u>of Square Feet</u>
Tape reels	30	10
Phonograph records	75	10
Picture files	500	10
Maps	50	30
Pamphlets	150	10
Test files	150	10
Multi-media kits	9	10
Government documents	50	10
Unbound periodicals	15 bibliographical units	10

Archives - Space requirements for collection will be submitted by institutional librarian.

Manuscripts - Space requirements for collection will be submitted by institutional librarian.

Library Services and Administration - An additional area equal to 25% of the space generated by the reader and stack space will be allocated for library services and administration.

8.13 COMPUTER FACILITIES Computer facility needs beyond instruction and research vary at each institution and may or may not be separated into instructional, research and administrative components. Inasmuch as the amount of equipment may range from input/output terminals to centralized system-wide components, space requirements will reflect the equipment housed and the size of the supporting staff.

Technological advances may reduce the area required for equipment or permit expansion of capabilities without increasing facilities.

8.14 SPECIAL SERVICE FACILITIES In general, facility projection and space standards are associated with specific functions. Special and independently administered services such as central printing and duplicating, media production, animal quarters, central mail service, hazardous materials, cafeterias independent of student unions and housing, museums, parking structures, and intercollegiate athletics which are not identified elsewhere in these standards and guidelines, will be programmed in accordance with institutional needs. These spaces are in addition to other spaces provided such as office and office related service areas.

8.15 RESEARCH STANDARD These standards recognize research as a broad category of activities including, but not limited to, creative inquiry, sponsored projects, applied research, clinical trials, product development, non-sponsored projects, etc. The definition of the amount of research space generated by an institution is dependent on these unique characteristics:

1. Consistency with the mission of the institution.
2. Level of involvement in research.
 - a. Consistency with teaching appointments for "instruction and related research".
 - b. Levels of grant funded research in addition to that which can be integrated with research expected as a part of an instructional appointment.
3. Types of facilities required to carry out the research.
 - a. The facilities will vary from complex wet and dry laboratories to reading rooms to outdoor field studies.

Research space requirements will vary over time within an institution and a process should be established to recalculate and redistribute this resource on a regular basis.

The entitlement to the space by any one individual or department is responsive and flexible; it must relate to the extent of faculty involvement in research, the level of research and the needs of the discipline. It is implicit that under-utilized research space should be promptly reassigned by the appropriate administrator.

Departments will be expected to share, as far as practical, specialized equipment as well as common and/or interdisciplinary support space. It is expected that the design and layout of research space will allow for maximum flexibility for reassignment.

The derivation of research space entitlement will require officials at each institution to develop a distribution of the programs into the appropriate space projection group as outlined hereinafter. The space entitlement is a function of the number of FTE researchers where FTE researcher is defined as the sum of the professors, associate professors, assistant professors, instructors, research assistants unclassified, research associates, graduate teaching and research assistants, as well as one-third of the graduate students associated with the activity but not included above. (Classified support personnel associated with research do not generate space but are accommodated by the proper Group assignment of the FTE researcher.) See also 8.12 LIBRARY STANDARD, Faculty Research Reader Space. Office facilities associated with research appointments are provided for in Section 8.10, OFFICE PROJECTION STANDARD.

The Group distribution outlined below is based upon functions required by research undertaking. Groups II through V include research activities which require minimal to extensive amounts of laboratory, laboratory service, studio and studio service space for research, while Group I includes disciplines with primarily library and office space needs only. The disciplines for each Group are subject to adjustment to a higher, lower or inter-group level depending upon the substantiated differing character of the research.

All functions of the research activity are included within the space standard (i.e., core laboratories, related service areas, etc.).

- Group I - Research activities with primarily library and office associated space needs only.
- Group II - Office-based research activities requiring computer support, group project rooms, reading/study areas. Limited service and support needs. This group generates 50 square feet per FTE researcher.
- Group III - Research activities using small individual studios, shared rehearsal facilities, production studios and project areas. Accommodates both solo and group activities. Specialized facilities often used on a shared basis for teaching, research, and performance activities. Special storage facilities required. Also included are combination

office/laboratory based research activities. Laboratories, project rooms or observation/practice facilities often are shared among several research teams. Limited service areas with some special storage needs. This group generates 150 square feet per FTE researcher.

Group IV - Research activities generally requiring fewer laboratory services and less bench space for individual work stations. Greater proportion of core laboratories shared among research teams, often housing bulky experimental apparatus. Requires service areas and support space ranging from 10% to 25% of core laboratories. Faculty and graduate students also involved in field research. This group generates 350 square feet per FTE researcher.

Group IV - Research activities generally activities in complex wet and dry laboratories, typically assigned to research teams. High density of utility services, fume hoods, other built-in equipment, bench space, and movable equipment. Requires service areas and support space ranging from 25% to 50% of core laboratories. Large individual studios for faculty and graduate student creative activity, usually occurring on a solo basis, would also be included in this group. Specialized support areas required for specific equipment based on techniques, such as photography, computing arts, or media editing. This group generates 500 square feet per FTE researcher.

8.16
PHYSICAL
EDUCATION
AND
RECREATIONAL
SPORTS
ACTIVITIES
FACILITIES

Physical Education areas are those used principally by students and faculty for physical education instruction.

Recreational activity areas are those that are used for physical recreational sports, which include intramural sports, club sports and open recreation.

Physical Education activity and support areas are used frequently for recreational sports activities. It is expected that many of the areas used for instruction be available for recreation. Facility requirements for the categories may be combined for translation into an overall facility program.

Intercollegiate athletic team areas (other than Club Sports) are used for inter-institutional team sports and are not available, nor included in the guidelines for P.E. and recreational sports space needs. At the regional universities it is expected that there will be some use of athletic fields for physical education and/or recreational sports.

(It is acknowledged that larger institutions may experience somewhat more intensive use of facilities due to diversity of recreational sports activities offered.)

- 8.17 PHYSICAL EDUCATION AND RECREATIONAL SPORTS PROJECTION STANDARDS Space needs for physical education instructional areas and recreational sports activities shall be made on the basis of Fall Term FTE total undergraduate and graduate enrollment. The projection standards are:
1. Indoor space is projected at 16 square feet per FTE student as defined above. This includes the activity areas and the ancillary service areas of lockers, showers, dressing rooms, etc. The space allocation must be made in units of complete teaching stations/activity areas. The minimum facility should be projected on the basis of a 3,000 FTE student enrollment as defined above.
 - B. Outdoor activity areas are projected at 100 square feet per FTE student as defined above. The space allocation must be made in units of complete teaching stations/activity areas for all types of field sports. The areas need to be convenient to locker and shower rooms, and those areas used for classes should be within a ten-minute walking distance from academic classrooms. The minimum total facility should be projected on the basis of a 3,000 FTE student enrollment as defined above.
- 8.18 PHYSICAL EDUCATION AND RECREATIONAL SPORTS DESIGN GUIDELINES Recreation Sports Areas - In addition to the indoor and outdoor areas outlined in "A" and "B" above, there may be provisions to allow for additional square footage in sports fields and buildings for recreational sports activities as appropriate to meet the specific needs of the institution.
- The design guidelines should conform to recognized planning criteria such as those outlined in publications by the American Association for Health, Physical Education, and Recreation, the National Intramural-Recreational Sports Association (NIRSA), and other standard sources.
- 8.19 STUDENT HEALTH SERVICES STANDARD The type of health service facilities required is usually a matter of institutional policy as well as proximity to and working arrangements with local hospitals. They include such areas as examination/treatment rooms, observation rooms, laboratories, reception-waiting areas, supply rooms, and infirmary facilities. The latter are appropriate primarily at larger institutions.
- Space projections of this category should be based upon the number of people served, typically on the basis of one to one and a half square feet per Fall Term FTE student. Office facilities for physicians and supporting staff is projected under Section 8.10 OFFICE PROJECTION STANDARD.
- 8.20 STUDENT UNION FACILITIES The functions which student union facilities house and the composition of the university community served may vary considerably from one campus to another but they exhibit an overall balance in relation to the size of the student body. Student unions are institutional centers that provide services as required and/or desired by the users to complement those provided in the community.

A nominal level of student union facilities may include the following functions:

1. Organizational Activities
 - a. Publications
 - b. Rooms for meetings
 - c. Organizations and interest groups - offices, workspace and storage
 - d. Broadcast - radio, television
2. Recreation
 - a. Active - table tennis, bowling, etc.
 - b. Passive - lounge, music listening, television viewing, etc.
 - c. Hobbies - crafts, arts, etc.
3. Socio-Cultural
 - a. Galleries
 - b. Auditoria
 - c. Ballrooms
 - d. Etc.
4. Administration
5. Food Service
 - a. Cafeteria
 - b. Snack Bar
 - c. Dining Room
 - d. Service
6. Specialized Services
 - a. Bookstores
 - b. Concessions
 - c. Etc.
7. Building Service Areas
 - a. Circulation
 - b. Lobbies
 - c. Restrooms
 - d. Janitor Closets
 - e. Loading Docks
 - f. Etc.

Other student controlled recreation facilities, (outdoor program, canoe facilities, etc.) including some off-campus facilities (boathouse) may be considered outside the guidelines.

8.21 STUDENT UNION FACILITIES PROJECTION STANDARDS Space needs are developed using Fall Term student FTE as a base, the projecting on a straight line with a minimum of 18 usable square feet per Fall Term student FTE for institutions with 2,400 FTE enrollment to 12 usable square feet per Fall Term student FTE for those with 20,000 or more FTE enrollment. An institution with fewer than 2,400 Fall Term student FTE may use the standard for 2,400 or provide a smaller amount of space as appropriate to the needs of the institution.

8.22 Design Guidelines are the area required for a student union must be responsive to the services expected to be provided, and varies with the size of the institution.

STUDENT
UNION
FACILITIES
DESIGN
GUIDELINES

8.23 It is expected that institutions will provide a reasonable amount of residential housing to supplement living accommodations available within the community. While projections of need may be appropriate for an individual institution, diversity of student populations and campus locations do not lend themselves to system-wide standards.

RESIDENTIAL
HOUSING
STANDARD

Residential housing areas may include food service, as well as central food storage, furniture storage, and maintenance as appropriate for the institution. The facilities must be adequate to carry out the mission of the housing department and to compliment the mission of the institution.

Administration of the college/university housing and/or dining facilities is designed to make the physical environment attractive, conducive to academic success, functional, in compliance with codes (such as the Americans with Disabilities Act), and provide safety features.

Guidelines for housing facilities:

1. Administrative facilities must include: Private offices for counseling, interviewing, or other meetings of a confidential nature; office, reception, and storage space sufficient to accommodate assigned staff, supplies, equipment, library resources, and; conference space.
2. Residential facilities, whether residence halls, apartments or other living accommodations (i.e., Family Student Housing) may be furnished and must be maintained in a manner designed to provide for security, comfort, and an atmosphere conducive to study, growth, and development. Public, common, study, lounge, meeting, and recreational areas must be provided and adequately furnished to accommodate the number of residents that use them. Any remodeling or new construction must comply with existing standards for accessibility.
3. Residential facilities must provide for adequate custodial work and storage space in close proximity to the area of custodial responsibility and provide laundry facilities in close proximity to residential facilities. Family housing facilities should also consider day care facilities.
4. Residential facilities, whether residence halls, apartments, or other living accommodations must consider food service areas and its relationship in supporting the housing program. This may include vending machines, small communal kitchens and dining

areas, kitchenettes in the room, central food service cafeteria, convenience stores or snack shops and or satellite arrangements for food service support. Food service must be viewed at least as a convenience, and in some cases a necessity to residential living.

5. Other support activities should be considered including bicycle storage, personal locked storage, mailrooms, recycling areas, loading docks, etc. All facilities should include telecommunication services such as cable TV, computer network access and basic telephone system. Recreational facilities for children of families living in institutional housing should also be provided.
6. Residential facilities also include infrastructure improvements such as lighting systems, landscaping, pathways and walks, and utilities. Parking and roadways must also be considered.

8.24 Areas required for the operation and maintenance of the campus
PHYSICAL physical plant are identified in two categories: for the support of (1)
PLANT central service functions and (2) building custodial functions.
SERVICE
AREA
STANDARD

1. Central Service Functions - This encompasses all of the areas used for buildings and grounds operation and maintenance, including heating plants, service shops, garages, storerooms, and warehouses. Central and building area required for the delivery, pick-up and holding/storage of materials should be included also, and should be located in conjunction with custodial areas outlined in 2 below. The area is calculated at 6% of the net assignable square feet of the buildings fully served. It may or may not include various auxiliary enterprise areas or structures and other areas such as agricultural facilities. If these are included, they should be in proportion to the amount of service rendered. Additional area may be required for vehicle/equipment storage in areas where snow conditions preclude leaving the equipment outdoors.
2. Building Custodial Functions - This encompasses all of the area used for regular custodial functions, including deliveries of supplies, collection and pick-up of waste and materials for recycling within each building. The area is calculated as approximately one percent (1.%) of the usable area of a building, excluding mechanical rooms. To allow for satisfactory and efficient use and storage of equipment and supplies, the basic custodial area should have the following minimal characteristics for those buildings requiring custodial services:
 - A. An approximately 120 square foot custodial supply and equipment room, including utility sink, close to an elevator (if applicable) on the main floor.
 - B. An approximately 40 square foot custodial supply and equipment room, including utility sink, close to the elevator (if

applicable) on all other floors.

C. For all floors with 15,000 usable square feet or more, an additional supply closet adjacent to the restrooms.

8.25 CHILD CARE FACILITIES Childcare facilities provide services for student, faculty, and staff families. The primary function of childcare facilities is to provide care for children while their parents may attend classes, study, and work. In addition, they may provide opportunities for practicum, research, and observational experiences for faculty and students. Although state facilities are exempt from state licensing requirements and standards, all campus childcare facilities will adhere to these standards.

Oregon Institute of Technology
Residence Occupancy Report 2014/15
As of Close of 4th Week of Spring Term

Design Capacity	Marketable Capacity	Current Occupancy	Fall				Winter				Spring			
810	767	458	MP1	MP2	MP3	MP50%	MP1	MP2	MP3	MP50%	MP1	MP2	MP3	MP50%
			225	79	9	28	234	68	8	30	228	63	7	35

Total Actual 313

Total Estimated:
 214 75 9

Total Estimated Fall:
 203 71 8

Total
 Actual: 310

Total Estimated Winter:
 222 65 8

Total Residency Hall Occupancy by Student Classification:

Total Actual: 298

	Fall	Winter	Spring
Freshman	265	289	146
Sophomore	108	94	144
Junior	77	73	86
Senior	43	23	81
Other		4	1
Total*	493	483	458

* Actual Residence Hall Occupancy should equal the total occupancy by student classification

CAMPUS SPACE INVENTORY SUMMARY - Klamath Falls Campus

Updated 5-30-2015

ASSIGNABLE AREA																											
Summary			Archives	Athletics	Ath	Misc	Boivin	CU	Cornett	Dow 1	Dow 2	Facilities	Fac - Misc	ISHC	LRC	Mech/Elect	Misc Blg	Moehl	Owens	Purvine	Res Hall	Semon	Snell	VLG A	VLG B	VLG C	
FICM Code	Name	Sq/Ft																									
100	Classroom Facilities	34,703																									
200	Lab Facilities	139,574																									
250	Research Labs	2,668																									
300	Offices	62,565																									
400	Study Facilities	26,124																									
500	Special Use Facilities	40,317																									
600	General Use Facilities	53,988																									
700	Support Facilities	41,939																									
800	Student Health Care	1,082																									
900	Residential	148,526																									
Total Assignable Area			551,486	<	1,095	35,258	2,034	29,760	61,031	67,699	25,792	24,863	17,438	10,606	1,669	35,171	0	6,463	467	24,456	28,329	76,623	22,410	9,047	24,436	30,475	16,364
UNASSIGNED AREAS																											
Itemized			Archives	Athletics	Ath	Misc	Boivin	CU	Cornett	Dow 1	Dow 2	Facilities	Fac - Misc	ISHC	LRC	Mech/Elect	Misc Blg	Moehl	Owens	Purvine	Res Hall	Semon	Snell	VLG A	VLG B	VLG C	
FICM Code	Name	Sq/Ft																									
11	Receiving Area	317																									
12	Janitor	7,752																									
21	Hall	88,814																									
22	Elevator	1,375																									
23	Lobby	33,359																									
24	Stairs	20,885																									
25	Vestibule	3,099																									
31	Mech-Elect Equipment	58,345																									
32	Restroom	12,964																									
41	Inactive	14,484																									
Total Unassigned Area			241,394	<	37	19,362	0	15,510	14,856	23,901	14,559	21,172	2,827	0	671	11,196	23,426	0	734	12,781	17,042	27,306	13,099	5,411	6,315	7,507	3,682
SERVICE AREA																											
Itemized			Archives	Athletics	Ath	Misc	Boivin	CU	Cornett	Dow 1	Dow 2	Facilities	Fac - Misc	ISHC	LRC	Mech/Elect	Misc Blg	Moehl	Owens	Purvine	Res Hall	Semon	Snell	VLG A	VLG B	VLG C	
FICM Code	Name	Sq/Ft																									
74	Mailroom	323																									
80	Pressbox	614																									
96	Vending Machine	456																									
97	Workroom	170																									
Total Service Area			1,563	<	0	0	0	0	323	0	0	0	85	0	0	170	0	0	614	0	103	268	0	0	0	0	0
TOTALS			Archives	Athletics	Ath	Misc	Boivin	CU	Cornett	Dow 1	Dow 2	Facilities	Fac - Misc	ISHC	LRC	Mech/Elect	Misc Blg	Moehl	Owens	Purvine	Res Hall	Semon	Snell	VLG A	VLG B	VLG C	
BLD NET USABLE SQ/FT			794,443	<	1,132	54,620	2,034	45,270	76,210	91,600	40,351	46,035	20,350	10,606	2,340	46,537	23,426	6,463	1,815	37,237	45,474	104,197	35,509	14,458	30,751	37,982	20,046
BLD GROSS SQ/FT			863,347	<	1,248	62,689	2,034	47,400	84,193	100,902	45,228	51,797	24,388	10,606	2,705	50,596	23,426	6,463	2,179	39,330	50,222	109,619	36,290	14,771	33,810	41,208	22,243

WILSONVILLE ASSIGNABLE AREA

Summary

FICM Space Code	Name	Assignable Sq/Ft
100	Classroom Facilities	7,882
200	Lab Facilities	33,330
250	Research Labs	0
300	Offices	14,812
400	Study Facilities	3,209
500	Special Use Facilities	564
600	General Use Facilities	7,199
700	Support Facilities	2,389
800	Student Health Care	0
900	Residential	0
Total		69,385

Itemized

FICM Space Code	Name	Assignable Sq/Ft
111	Classroom	7,715
119	Classroom Facilities Serv	167
211	Lower Division Classlab	26,282
219	Class Lab Facilities Serv	2,881
221	Open Laboratory	4,167
311	Administrative Office	3,848
312	Faculty Office	4,615
313	Staff Office	1,737
314	Graduate Student Office	747
319	Office Facilities Service	1,701
351	Conference Room	1,668
359	Conference Room Facilities Serv	496
411	Reading Room	2,222
414	Group Study Room	987
593	Other Special Use Facilities	564
631	Cafeteria	1,598
633	Dining Room	1,423
639	Food Facilities Service	775
651	Lounge	2,976
661	Bookstore	427
716	Telecommunications Rm	1,029
721	Physical Plant Shops	345
732	Storage	891
761	Hazardous Materials	124
Total		69,385

WILSONVILLE UNASSIGNED AREAS

Itemized

FICM Space Code	Name	Unassigned Sq/Ft
12	Janitor	285
21	Hall	11,163
22	Elevator	612
23	Lobby	7,346
24	Stairs	910
25	Vestibule	759
31	Mech-Elect Equipment	1,589
32	Restroom	3,030
41	Inactive	0
Total		25,694

WILSONVILLE SERVICE AREA

Itemized

FICM Space Code	Name	Service Sq/Ft
86	Shower Room	360
Total		360

TYPE OF SPACE DEFINITIONS

*

000 - UNASSIGNED AREAS

Unassigned areas are those types of spaces that are necessary for the general use and operation of a building but are not assigned to any organizational unit.

100 - CLASSROOM FACILITIES

Classroom facilities are those types of spaces that are subject to regular assignment by the Registrar and are a necessary and vital part of the instructional facilities.

200 - LABORATORY FACILITIES

Laboratory facilities are characterized by special equipment or specific room configuration which tie instructional or research activities to a particular discipline or a closely related group of disciplines.

These activities may be individual or group in nature, with or without supervision. Laboratories may be found in all fields of study including letters, humanities, natural sciences, vocational and technical disciplines.

300 - OFFICE FACILITIES

Office facilities are those types of spaces that consist of rooms or suites of rooms with office type equipment that are assigned to one or more persons primarily for the performance of administrative, clerical, or faculty duties other than the meeting of classes.

400 - STUDY FACILITIES

Study facilities are those types of spaces used for the collection, storage, circulation and use of books, periodicals, manuscripts and other reading or reference materials.

500 - SPECIAL USE FACILITIES

Special use facilities are those types of spaces that are generally thought of and referred to as instructional related space. Their main function is to support the instructional programs of an institution.

600 - GENERAL USE FACILITIES

General use facilities are those types of spaces generally associated with student related activities. These general use facilities are the supporting services for the general student body.

700 - SUPPORTING FACILITIES

Supporting facilities are those types of spaces that generally support the entire institution by providing the necessary services and facilities for the day to day operation of the institution.

800 - HEALTH CARE FACILITIES

Health Care Facilities are those types of spaces that are associated with student health facilities, medical or dental schools, and veterinary facilities.

900 - RESIDENTIAL FACILITIES

Residential facilities are those spaces used to house undergraduate and graduate students and occasionally faculty or staff members. This category could include residences that are owned by an institution but are occupied by non-institutional personnel.

**Oregon University System Physical Facilities Inventory Manual*

OREGON INSTITUTE OF TECHNOLOGY						
Capital Construction/Renovation & Deferred Maintenance Summary						
Requests		GSF	Estimated Cost of New Construction ¹	Estimated Cost of Renovation ¹	Deferred Maintenance Backlog ²	
EDUCATION & GENERAL (E&G) BUILDINGS CAPITAL CONSTRUCTION & DEFERRED MAINTENANCE						
2015-17 Request	Center for Engineering Excellence Phase I Building & Cornett Hall Renovation Design	40,000	\$12,500,000			
2017-19	Center for Engineering Excellence Phases II & III (Cornett Hall Renovation)	100,902		\$27,500,000	\$14,190,000	
	Boivin Hall Renovation	47,400		\$7,400,000	\$6,380,000	
	Semon Hall Renovation	36,290		\$6,300,000	\$4,830,000	
	Learning Resource Center Renovation	50,596		\$7,400,000	\$5,920,000	
	Purvine Hall Renovation	50,222		\$7,000,000	\$1,050,000	
	Facilities Building Renovation	24,388			\$3,130,000	
	Estimated Total	349,798	\$12,500,000	\$55,600,000	\$35,500,000	
AUXILIARY BUILDINGS						
	Student Service Building	40,000	\$15,500,000			
	Recreation Center Building	43,000	\$17,000,000			
	Athletic Building Renovation	62,689		\$9,000,000	TBD	
	Residence Hall Renovation	109,619	TBD	TBD	TBD	
	Track & Field Renovations ³		\$1,850,000			
	Estimated Total		\$34,350,000	\$9,000,000		
CAPITAL RENEWAL						
	ADA Barrier Removal		\$3,500,000			
	Fire Life Safety Upgrade		\$2,400,000			
	Asbestos Removal		\$4,600,000			
	Tunnel Repair Phase II		\$3,000,000			
	Estimated Total		\$13,500,000			
¹ Based primarily on estimates provided by DiMella Shaffer April 2014 ² Based on May 2014 sightlines report for FY2013 for E&G buildings ³ Budget goal summer 2014; architect estimated costs fall 2014 62% higher; revisions in process						

DISCUSSION

Agenda Item No. 4.5

Facility Master Planning Update

Background

Updating Facility Master Plan

Oregon Tech is a vibrant and sustainable organization which requires a Facility Master Plan that is continually living and evolving to meet current needs, which anticipate future opportunities and best practice utilization. Plans are currently underway to develop an Oregon Tech Facilities Master Plan beginning this summer with completion within 18 months. The last formal updating of the Facility Master Plan was in 2006. The Facility Master Planning includes an assessment of existing conditions and space utilization, additional renewable energy opportunities, exploration of development options and a resulting master plan that captures priorities, costs and timelines. The plan is integrated with the overall university strategic plan that will outline future land use, building locations and use, traffic circulation and parking, infrastructure and capital improvements. The planning process tools will also serve to improve the Klamath Falls and Wilsonville campuses database of existing building documentation, which will be integrated into other data tools such as energy monitoring, security, maintenance, and technology and used as a facility management tool. The Facility Master Planning process will be linked to academic programs and include faculty and student participation, especially those in the Civil Engineering, Renewable Energy Engineering and Geomatics programs.

Capital Plan

A capital plan outlines capitalized expenditures for new construction, major repairs and renovation, and major equipment. The capital plan incorporates programmatic needs, capital renewal, structure improvements, and major deficiencies of existing facilities. The plan includes a priority listing and description of individual capital projects for major repairs and renovations, new construction and functional modifications. The process begins with a preliminary evaluation that classifies projects by possible funding sources. Self-amortizing projects, which are typically auxiliary centers, provide their own source of funding of the debt for a major project, i.e. student housing. The Facilities Planning Commission is an integral part of the planning process. The Commission's responsibilities include: 1) to recommend to the President the priority for building construction, remodeling, and equipment use on the basis of demonstrated need and optimal utilization; 2) to review building plans with particular regard to space requests for classrooms, laboratories, offices, and student facilities; 3) to review requests for additional space and equipment which would become a part of the building inventory; and 4) to review requests for changes in use of space, additions, and/or removal of equipment which would alter room use.

Capital Request Process

Within the institution, long range planning of capital projects is driven by Oregon Tech's Strategic Plan and Facility Master Plan. Capital project requests must be submitted to Oregon Tech Board of Trustees (Board) for approval. Projects requiring state funding (bonds) must also be submitted to the Higher Education Coordinating Commission (HECC) during the biennium capital request

process. The submittal includes detailed capital investment budgets, funding sources and cash flow projections, an analysis of how the project supports the university's goals as stated in its master plan and any other data that supports the need for the project. In addition, an outcome analysis for the project based on enrollment projections, student retention and graduation rates must be submitted. The HECC determines funding priorities using a point system that takes into consideration criteria that include each request's consistency with the institution's master plan, demonstrated need and the ability of the project to raise matching non-state funds. Once underway, the project costs are tracked weekly and reviewed regularly by a committee made up of the Project Manager(s), the Executive Director of Facility Management Services, Director of Business Affairs, the Executive Director of Procurement and Contracts, and the Vice President for Finance and Administration.

Debt Capacity and Policy

Debt for capital outlay purposes is periodically reviewed, carefully controlled, and justified, so as not to create an unreasonable drain on resources available for educational purposes. Currently, Oregon Tech follows the adopted State Board of Higher Education (SBHE) policy that requires debt to stay within a 7% burden ratio. This policy can be changed by the Board, if found necessary. Taxable and tax-exempt state debt can be issued through the state of Oregon with legislative approval in the form of G Bonds (100% match of raised funds), and F Bonds (self-liquidating and self-supporting).

Facility Challenges & Capital Renewal, Code, and Safety (Deferred Maintenance)

Oregon Tech continually seeks to attract and train new and existing students. To meet the expectations of a technical university, it is essential that key areas of the Klamath Falls campus reflect this, exemplify a state of the art institution, provide desired resources, and show value of attending Oregon Tech. Currently, there are buildings on the Klamath Falls campus that only marginally meet programmatic infrastructure and technology needs. A struggle remains in how to update these facilities and still provide the best value to students without excessive tuition increases. The Klamath Falls campus is showing its age and this is evidenced on its back log of deferred maintenance. The approximate cost for educational and general use buildings deferred maintenance on the Klamath Falls campus is \$35.5M. Additionally, as a university with a technology focused curriculum, it is imperative that Oregon Tech facilities are equipped with cutting edge technology. As Oregon Tech enrollment grows, it is necessary for the university to accommodate students with diverse needs, including ADA access and non-traditional, and veteran student support.

Staff Recommendation

No action required.

Attachments

None.