

**Board of Trustees**  
**Minutes**

**Thursday September 10, 2015**

**Trustees Present:**

Lisa Graham, Chair  
Steve Sliwa, Vice-Chair  
Melissa Ceron  
Jessica Gomez

Kathleen Hill  
Gary Johnston  
Christopher Maples  
Kelley Minty Morris

Dan Peterson  
Steve Sliwa  
Paul Stewart  
Fred Ziari

**University Staff and Faculty Present:**

Brad Burda, Provost, VP for Academic Affairs  
Erin Foley, VP for Student Affairs and Dean of Students  
Sandra Fox, Board Secretary  
Laura McKinney, VP of Wilsonville  
Michelle Meyer, Interim VP of Finance and Administration and Director of Business Affairs  
Tracy Ricketts, Associate VP of Development and Alumni Relations  
Paul Rowan, Associate VP for Information Technology Services  
Di Saunders, Assoc. VP for Communications and Public Affairs

**Others in Attendance:**

Dee Thompson, President of the Oregon Tech Foundation Board

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

**Chair Graham** called the meeting to order at 1:00pm. The secretary called roll and a quorum was declared.

**2. Financial Strategies and Tactics**

**Vice Chair Sliwa** stated that the Board would benefit from a snapshot of where the university is financially, a discussion of where we want to go, and strategies and tactics of how we can get there. One of the jobs of the Board is to make sure the university is fiscally sound; the new environment is requiring the university to not rely on state funding. Executive staff was asked to look at four priorities related to growth: 1. investments that can be made to increase revenue, 2. investments that can be made to reduce expenses, 3. the kind of investments that can be made to support the university's strategic initiatives, and 4. how it can be ensured that there are funds to address the backlog of projects. No critical decisions need to be made today but **executive staff will take the Trustees' comments into consideration and come back with a dashboard.**

**Interim VP Meyer** gave an overview of the budget, explaining the Education and General Fund. The Finance Division proposes to run reports every four months to reflect the calendar of the university and the availability of accurate data. Student enrollment growth is, on average, 3%. Approximately \$1.4 million will roll forward from FY14-15; \$400,000 is estimated to not be spent in FY15-16. Reserves have typically been held at a department program level; there is not a true Reserve Account. Salaries and the funding of PERS are the most significant changes in the future year budget. It is necessary to identify levers to adjust to address future costs. **Interim VP Meyer will look at another report breaking down the information by delivery source (Klamath Falls, Wilsonville, etc.). Executive Staff should report back in October on the revenue from the sale of property in Milwaukie, Oregon.** Discussion regarding looking at best and worst case (conservative) scenarios, health care costs, deferred maintenance, enrollment management and the need for accurate data from institutional research, and programs that are growing. **Request for staff to look at the budget without any state funding.** Consensus that the university must move forward with what it thinks is best for the university in spite of perceived “no’s” it might run into; and the need to remind the state in the future that the funding Oregon Tech received this year did not make the university whole. Items that are not included in the budget scenario are potential legislatively mandated items that are not funded, and unknown debt issuance costs.

**Break** (2:20-2:35pm)

**Chair Graham** acknowledged a letter from faculty member Nathan Mead.

**Interim VP Meyer** stated she researched the data currently available, what can be calculated based on that data, what the results of the calculations are, what the transition period looks like, how long the transition period might be, what the industry standards are, and what the targets/goals should be. She walked the Board through four financial metrics and two facility metrics, expressed in ratios, that will be reviewed on a periodic basis: 1. Debt Burden ratio: industry standard upper threshold is 7%, OT is at 4.8% as of June 30, 2014; this is a healthy figure and shows OT has capacity for additional debt; a note was made that it is necessary to keep the Foundation funds identified; 2. Primary Reserve ratio: industry standard lower threshold is 0.4x, OT is at 0.42x as of June 30, 2014; this shows that OT can carry 40% of 12 months of costs; no recommendation other than to monitor and compare; 3. Viability ratio: OT is at 0.54 with a goal of 0.7-0.85 during the transition period; 4. Return on Net Position: industry standard threshold is 3%-4% real rate of return, OT is at 0.6% for FY 2014 but there was an anomaly with a library asset - normalizing the data brings OT to 2.5%, the goal is to be at 3%-4%; **there are other ratios that staff can track and will propose at the October meeting.** Facility metrics include: 1. Physical Asset ratio: OT is at 0.82 as of June 30, 2014; the goal is 0.9 during the transition period of 4 years; a lower number shows an underinvestment in campus facilities; 2. Facility Investment: industry standard is 10 years for research and 15 years for undergraduate; OT is at 15.51 years; the goal is to decrease to 12-13 years; this shows the average age of the facilities; lower numbers are better. Additional facility ratios to track include Facilities Burden ratio, Deferred Maintenance ratio, and Classroom Space Utilization.

**Additional items suggested to track include: 1. the percentage of budget in KF and in Wilsonville being spent on instruction; 2. tuition discounting percentage; 3. breakdown of**

**student population by location and Pell eligibility; and 4. the straight operating margins (profit and loss).**

Discussion regarding ways to encourage industry associated with the University to locate in Klamath Falls. Suggestion to look into enterprise zones and creative partnerships with local governments; invite a local representative to discuss enterprise zones and opportunities at the October meeting.

**Trustee Minty Morris** exited the meeting at 3:30pm.

### **3. Higher Education Opportunities**

**President Maples** mentioned Oregon Tech's recent rankings in *US News and World Report* and follow up articles in various newspapers. **AVP Saunders** summarized the rankings: Oregon Tech is tied at #1 as the top public western regional college; is the #5 regional western college; received the highest peer assessment score in the regional college market; is ranked #46 in the country as the best undergraduate engineering program; and is ranked #18 among public universities for best undergraduate engineering program. **AVP Saunders** requested Board members submit ideas for commentary pieces to her. She stated **the Marketing group is looking to revamp key messages, monikers and tag-lines and will bring those to the Board in October.** Discussion of where press releases are sent; **request to expand the number of media sites to which we send items;** engineering and health focused magazines and Oregon newspapers were also suggested. This expanded marketing method could help raise funds and assist recruitment.

#### **a. Oregon Tech's Footprint**

**President Maples** identified the four focus areas of Oregon Tech: the Klamath Falls campus, Wilsonville campus, on-line courses, and extension programs; and the strengths of each. The goal is to grow in a way to remain nimble. Discussion regarding growth opportunities to provide students to obtain additional skills, and the opportunity to partner with OHSU and Sky Lake Medical Center to provide highly educated workers additional skills.

#### **b. Trends in Higher Education and the Impact on Oregon Tech and**

#### **c. New Areas to Consider**

**President Maples** walked through a PowerPoint presentation (on record). He stated access to a university is no longer the biggest issue facing universities, completion is now the challenge. Some of the hurdles addressing this challenge include the types of students the university has: almost 68% Pell eligible students (financial aid runs out after 6 years), 50% first time family member going to college, and many 5th year undergraduates. There is a need to focus on when the students borrow money during the year and during their time at OT, and what can be done to assist the students to encourage graduation. The university ranks in the top 5 universities of students who have debt, but the same students' starting salaries are \$59K/year; the average student at Oregon Tech has \$30K of debt; 73% of students have debt. OT is still a great investment and the discussion needs to be changed from the amount of debt incurred to focusing on the ROI for the student. OT has a low graduation rate which could correlate to the amount of Pell eligible students and the fact

that the student body is non-traditional. Discussion regarding the possibility of offering an in-house loan program for students and what the university currently offers students as far as assistance. Discussion regarding creating intensive degree programs and a mix of on-line and extension courses; could be used to be address three issues: students who did not complete their degree and left, students who are on the verge of leaving, and industry professionals who want to get another degree in an efficient manner. Discussion regarding the difference between students who cannot finish because of finances and those who have difficulties in the basic courses because of poor college preparation; need to focus on reasons for undergraduates not graduating.

**President Maples** walked board members through university metrics (handout on record) comparing 2008-09 through 2014-15, and stated that the university will advertise soon for a VP of Enrollment Management. He identified national concerns public universities are addressing, including a decline in state financial support, hitting a tuition ceiling - the point when students turn away, and the need for student services to assist students in graduating. Despite the economic downturn, having a bachelor's degree is the only degree which is associated with an overall increase in the average income. There is a trend to invest money to make money and then to focus on reducing expenses.

**Chair Graham** stated that there is a need to review the President's contract. She reminded the Trustees that most University Presidents have a 3-5 year contract and asked that Trustees think about anything they might want to address in a new contract with President Maples as his existing contract is only for one year.

**At 5:00pm Trustee Johnston moved to adjourn the meeting until September 11, 2015 at 8:30am. Trustee Sliwa seconded. With all Trustees present voting aye, the motion passed unanimously.**

## **Friday September 11, 2015**

### **Trustees Present:**

Lisa Graham, Chair  
Steve Sliwa, Vice-Chair  
Melissa Ceron  
Jessica Gomez

Kathleen Hill  
Gary Johnston  
Christopher Maples  
Kelley Minty Morris

Dan Peterson  
Steve Sliwa  
Paul Stewart  
Fred Ziari

### **University Staff and Faculty Present:**

Brad Burda, Provost, VP for Academic Affairs  
Erin Foley, VP for Student Affairs and Dean of Students  
Sandra Fox, Board Secretary  
Laura McKinney, VP of Wilsonville  
Michelle Meyer, Interim VP of Finance and Administration and Director of Business Affairs  
Tracy Ricketts, Associate VP of Development and Alumni Relations  
Paul Rowan, Associate VP for Information Technology Services  
Di Saunders, Assoc. VP for Communications and Public Affairs

### **Others in Attendance:**

Doug Whitsett, Senator District 28

Gail Whitsett, Representative District 56

### **4. Call to Order/Roll/Declaration of a Quorum**

**Chair Graham** called the meeting to order at 8:30am. The secretary called roll and a quorum was declared.

**VP Saunders** relayed that the local newspaper, *The Herald and News*, covered the editorial board meeting held yesterday, on the front page. She also stated the OT team won \$10,000 and came in first place in the Clean Tech Challenge sponsored by Wells Fargo; the winning group designed and built an anaerobic digester with a water distillation system that can process waste, reduce methane emissions, produce clean water, and improve sanitary conditions.

### **5. Possible Directions & Prioritization**

**President Maples** addressed the quadrants the University focuses on: the Klamath Falls campus, Wilsonville campus, online, and extension. He stated there is a need to look at how to increase one or all of the quadrants. Discussion about options, ways the university can grow and things that can be done to increase revenue and decrease costs. **Laura McKinney** was introduced as the VP of Wilsonville. She gave a status update on previous funding associated with ETIC (no longer active) and potential funding through the Oregon Talent Council; funds are for program development, usually in high demand fields. She encouraged board members to take strong policy stances to protect this funding source; and to help identify industry matching funds. OTC falls under the State Employment Agency as it addresses industry growth. Suggestion that all university boards work with the OTC to grow the fund.

**Chair Graham** asked board members to identify strategic ideas for each of the four quadrants, opportunities for the university, and then narrow the list down to a few key areas for executive staff and the president to address and return to the board with. Board members brainstormed on ideas. Discussion regarding how to reduce the amount of time students must spend to obtain a degree or how to condense the time; and the number of badges and certificates offered. The importance of the relationship between the faculty and the Board was stressed.

**Break** (10:45am-11:10am)

**Senator Whitsett** and **Representative Whitsett** joined the Board meeting. **Representative Whitsett** stated she would like to see a reallocation of funds from the pre-birth - pre-kindergarten section to higher education because the return on investment is timelier. She acknowledged that the dissolution of the Chancellor's office has created additional steps and processes with less funding. Concern that the HECC could be a political ploy to control universities and what they teach. The state government understands how special Oregon Tech is. **Senator Whitsett** believes that the focus in higher education needs to be on completion and the future of higher education is in the coordination with the business community hiring graduates. He does not feel that there will be additional monies for higher education because of the PERS federal ruling and the recently negotiated SEIU (union) contract.

**Trustee Ziari** outlined three things that clients look at: price, premium, and prestige. Discussion regarding how OT is perceived in each of the categories.

**Trustee Minty Morris** exited the meeting at noon.

**Trustee Hill** exited the meeting at 12:15pm

**Lunch** (12:15pm-1:10pm)

**Trustee Gomez** exited the meeting at 1:10pm.

Suggestion to add a Foundation Report to the standard board agenda.

**Executive staff will review the ideas identified by the Trustees and bring the proposals back to the board with any common themes identified and with suggested prioritization of the ideas. The budget implications will also need to be evaluated. The intent is to create one page of experiments and initiatives addressing the quadrants in the next 2-3 years.**

Executive staff summarized what they took away from the executive staff retreat held in August. There was a focus on the ability to work with the Board and the new opportunities the governance structure offers.

**Request for metrics to be available at each board meeting and to address the overarching initiatives and where the University stands on those initiatives.**

**Request for an Executive Session to be scheduled for October per ORS 192.660(2)(a) and (i).**

**Trustee Stewart** exited the meeting at 2:15pm.

**6. How to Redirect Efforts to Free Up More Resources for New Directions**

No discussion.

**7. Roundtable**

**President Maples** stated **Bill Goloski** and **Jill Mason**, potential board members, are scheduled to go before the Senate Rules Committee for a recommendation to the Full Senate on September 28, 2015. Discussion regarding ideas for an on-boarding system for new Trustees.

**8. Public Comment**

None

**9. Adjournment**

**At 2:40pm Trustee Johnston moved to adjourn the meeting Trustee Sliwa seconded. With all Trustees present voting aye, the motion passed unanimously.**

Respectfully submitted,



Sandra Fox  
Board Secretary