

OREGON INSTITUTE OF TECHNOLOGY

Faculty Administrator Meeting
2 p.m. Tuesday, October 4, 2016

ANNOUNCEMENTS AND COMMUNICATIONS

United Way Campaign – Dr. Anthony Rosilez

Dr. Anthony Rosilez discussed the benefits of having the United Way led by local citizens. Last year, 9.5% of the Oregon Tech faculty participated compared to 6% of KCC faculty and was 12th in Oregon for average employee contribution. The Oregon Tech employee gift per capital increased from \$16.56 in 2014 to \$23.06 in 2015. Dr. Rosilez thanked the faculty for their participation and encouraged them to consider donating again in 2016.

Blue Zones – Dr. Jay Kenton

Dr. Jay Kenton announced that Oregon Tech is looking at becoming a Blue Zone Employer. There are certain requirements that would need to be accomplished to be recognized as Blue Zone but it is important for Oregon Tech to help lead the rest of the community in these changes.

Sustainability – Dr. Jay Kenton

Dr. Jay Kenton discussed some of the practices implemented at Portland State that may be applicable at Oregon Tech, including increasing the number of recycling bins, conducting a waste analysis, and installing automatic water conservation faucets and water fountains. Dr. Kenton expressed interest in working with the sustainability committee to introduce some of these techniques since potential students may find them valuable on a campus. Oregon Tech teaches students how to implement those techniques so we should practice them as well.

OMIC – Dr. Jay Kenton

Dr. Jay Kenton announced that the Board of Trustees unanimously voted to approve the OMIC project. There are six confirmed industry partners and more pending. The intent is to close on the building purchase by October 31. The NWCSM has become the new OMIC enterprise. Oregon Tech, OSU, PSU, are all Tier 1 industry partners, and every five Tier 2 industry partners will have a seat on the OMIC Board. Oregon Tech is the owner of the property and a partner in the project with many decisions likely to be made by the OMIC Board rather than Oregon Tech directly.

Catalyze Klamath Falls – Dr. Jay Kenton

Dr. Jay Kenton announced the Catalyze Klamath Falls kickoff on November 9.

Video Marketing – Di Saunders

Di Saunders announced that the contract for the creation of marketing videos was awarded to AdSMASH from Medford. Di asked staff and faculty to email recommendations of individual students for interviews and locations on campus that would be interesting on camera. There will be six videos – one for each campus, one for each college, and two broad compilation videos.

Vice President of Strategic Enrollment Management – Steve Neiheisel

Dr. Jay Kenton introduced the new Vice President for Strategic Enrollment Management, Steve Neiheisel. Steve said he planned to begin work on Monday addressing each of the major

enrollment channels. Steve expressed excitement at the many enrollment opportunities, including the Klamath Falls and Wilsonville campuses, online, and through partnerships like OMIC and Boeing.

Vice President of Finance and Administration – Brian Fox

Dr. Jay Kenton introduced the new Vice President for Finance and Administration, Brian Fox. Brian briefly reviewed his background and qualifications. Brian worked for Dr. Kenton in the Oregon University System (OUS) and worked in many of the finance operations with the OUS office. Much of that time was spent helping restructure schools in eastern and southern Oregon during the transition from the OUS to more independent, entrepreneurial entities. He transitioned into the new Higher Education Coordinating Commission (HECC) when the OUS office closed and helped investigate ways in which the state should invest in the higher education institutions like Oregon Tech. There was an overall shift from funding institutions based on the number of students enrolled versus the number of students that completed degrees. After that, Brian moved to a consulting firm in Washington, D.C., where he assisted other states in many of the same procedures that he had worked on in Oregon.

Brian also mentioned that he was very excited to come work for Oregon Tech and that his brother is an alumni and so Brian is familiar with the mission and goals. Brian compared some of the major functions of a higher education institution to two funnels with a connection – the first funnel is enrollment, the connection is the value added by the faculty and staff during a student's time enrolled, and the second funnel is the connection to the workforce upon graduation. Brian said that Oregon Tech already does the latter two well, that he was excited Steve was hired to improve enrollment, and that Oregon Tech is positioned to make great improvements in the next couple of years.

Brian answered the following questions that he received in a request from the Faculty Senate and held additional Q&A during his presentation.

Question: What is the status of the 4% mid-year salary increase?

Answer: The increase is for non-classified administrators and faculty members. It is triggered if OIT meets 3% student credit hour enrollment growth, excluding dual enrollment, or meets enrollment targets. It is a 4% increase for employees with one or more years at Oregon Tech. It is effective on January 1 for employees with 12 month contracts and February 1 for employees with 9 month contracts.

Q: Why is it not retroactive?

A: It takes a few months to assess enrollment and the salary increase so the increase is budgeted to be effective January 1.

Q: Why the different start date for 12-month versus 9-month contracted employees?

A: Each is effective at the halfway point of the contract term, which is historic practice.

Q: What about 9-month employees with their salaries distributed over 12 months?

A: They will still receive a half-year raise out of it. Half of their year will be paid at the increased rate.

Q: Why was there a 5% reduction in S&S this year?

A: At convocation, there was a graph presented that showed the fund balance for Oregon Tech with various projections depending on different state funding scenarios. The fund balance is currently quite strong, but it will decrease by \$3 million this year as approved by the board. While that is ok for this year, the S&S budgets were cut to lessen the overall reduction of the fund balance this year. There are some departments that do not have money left over at the end of the year and where a budget cut just won't work. Those departments will be revisited to make sure that they get the S&S funding they need to function.

Q: Why were the S&S carry-forward balances not distributed to their departments?

A: There is a list being created for individuals that had plans for the carry-forward balances that didn't get to spend the money before June 30. The deans prioritized those lists and sent them to me with almost \$1 million in requests. Academic equipment is a high priority and there should be money moving back into accounts for those purchases in the next couple of days. If that doesn't happen, contact your dean or vice president to make that happen. Some of the lower priority items have been placed on hold due to enrollment and state funding uncertainty. Enrollment will not be final until the fourth week and there is a ballot measure that could affect our funding for the next few biennia. If your request is directly affecting your ability to effectively teach students, let us know and we will make it right.

Q: What is the plan moving forward for S&S budgets at the department level?

A: We are currently working on revising the budget system to set up incentives that make sense. If we remove all the carry-forward balances at the end of the year, the incentive to spend is the knowledge that you will lose that money otherwise. We would like to create a system that allows for some carry-forward balances to be budgeted for appropriate investments. In the past, all budgetary decisions have been made directly through Snell Hall, and we are looking to share some of the authority and responsibility for creating an appropriate budget with the deans and departments directly. We need a more comprehensive and thoughtful budget development process, which we are starting to work on this year. There will be changes to the training for budget authorities this year, helping authorities better understand what their budgets are, what their responsibilities are, and the processes around spending money.

Q: The message we received this summer was very clearly "spend money or lose it", but you are saying that you are looking to shift some of the responsibility for wise and thoughtful spending down to us in the future. There seems to be a direct contradiction there.

A: This year, we are budgeted to be in the red \$3 million, so there was a decision made to pull the funding back this year to reduce that amount.

Comment: Next spring, I could see many people spending money they don't need to because this dynamic was created.

A: Yes, that dynamic has been created. The question going forward is how to create effective budget processes that give departments the resources and training they need.

Q: And the confidence that we won't lose that money.

A: There has been almost a complete change in leadership at Oregon Tech in the past year. What has happened in the past will be different than what happens in the future. There will be a learning process from both the leadership team and the faculty in what to expect in the future. There have been dynamics that have been created in the past that we are going to need to change so there is a more rational decision making process in creating a budget. It is going to take some time. I think what people need to see from the leadership team is consistency and a willingness to change ineffective processes. When the budget was approved to be in the red, there was a response to arrest that deficit. There were some unfortunate incentives created by that decision, but those can be managed by clear communication between the leadership and faculty towards developing that more appropriate budgeting system.

Q: There are some departments that either have open faculty searches that weren't filled last year or known positions that will open soon. Are those searches going to proceed quickly this fall or will they put on hold?

A: There are a few angles to this issue. The first is a process flow question. We have hired a new HR director that is helping to speed up the hiring process. I am confident that we can continue to improve that component of the search process. The next question is whether the searches are moving forward. There are indeed open searches. The most pressing searches are those that fill spots in courses that currently have no faculty teaching. The final piece of that question is regarding faculty capacity and future investments in certain departments. That is really a PLT question outside of my scope.

Q: What about the faculty compensation report/study?

A: The university has engaged an outside consulting firm to look at faculty compensation. The analysis was supposed to be completed last year but is still ongoing. Hopefully this data will help drive our decision making in this area in the future. It will likely not result in the same changes for everyone.

Q: What about enrollment?

A: Right now our enrollment looks really high for this year. As of Saturday, the headcount is up 26% and student credit hours are up 9.6%. Credit intensity is down, which means there are fewer full time students. Student credit hours by modality are:

- Klamath Falls – -3.5% (-1000 student credit hours)
- Wilsonville – +0.5%
- Online – +16% (+1000 student credit hours)
- Dual Credit – (+4000 student credit hours)

We are doing well and it seems like we will come in above. Many of the other TRUs are down in enrollment, so even if we remain flat, that is good news.

Oregon Tech is in a good financial position moving forward. We have a strong fund balance, even if our state funding is reduced. Other institutions are not in that position. We are not going to have to make cuts to make it over the next few years. I am excited to see us grow as we improve our systems and strengthen our position.

Dr. Jay Kenton stated that enrollment has reached over 5000 for the year.

Q: If we don't meet the enrollment target or revenue target, what is the compensation?

A: We have reserves for this. I do believe that we would implement some increase. It may not be 4%, but maybe 3 or 2%. I am hopeful that we will meet our goals though.

Q: For the salary compensation study that is ongoing, what about departments that have many industry changes? Is there some way to update the industry that our department is being compared to?

A: All the data the team is using is internally driven, so they have to use the codes that we previously identified. They are able to update those codes on an annual basis, which is coming up soon. They have offered to run additional codes informally, but let us know so we can have them update the codes formally at the annual update.

Q: Since we are boosting our enrollment, is that going to change our investing in marketing and recruitment? Will that be program specific?

A: It hasn't in the past, but that may be changing now that Steve is onboard. The video marketing is used an extra piece of funding since Oregon Tech is far behind the times in that regard.

Meeting adjourned: 2:59 pm

Respectfully submitted,

Office of the President