

**Western Oregon University Board of Trustees:
Finance & Administration Committee (FAC)
Meeting No. 23 – March 30, 2021 | 1:00-5:00pm
Public Meeting: via WebEx
Phone: +1-415-655-0002 | Access Code: 133 356 4211**

MINUTES

I. CALL-TO MEETING / ROLL CALL

Chair Cec Koontz called the meeting to order at 1:02 PM

The following Trustees were present:

Jim Baumgartner
David Foster
Leah Mitchell (left the meeting at 5:02PM)
Cec Koontz
Jerry Ambris (joined the meeting at 1:17 PM)

Others Present Included:

Ana Karaman
Camarie Moreno
Lacey Davis
Gabe Dougherty
Michael Smith
Rebecca Chiles
Dona Vasas
Michele Van Deusen
Bill Kernan
Darin Silbernagel
Tad Shannon
Cara Groshong
Shadron Lehman
Rebecca McCannell
Earlene Camarillo
NJ Johnson
Dave McDonald

II. COMMITTEE CHAIR'S WELCOME / ANNOUNCEMENTS

III. CONSENT AGENDA

1) Approval February 4, 2021 Meeting Minutes

Trustee Leah Mitchell motioned to approve the minutes, Trustee Jim Baumgartner seconded the motion, and approval of the minutes passed unanimously.

IV. REPORTS & DISCUSSION ITEMS:

1) University Budget Advisory Committee (UBAC)

UBAC Co-Chair Cara Groshong shared that the February Campus Budget Conversation topic was the Student Success and Completion Model (SSCM). The presentation materials are on the UBAC website. Tri-Chair Hunter Weeks graduated winter term. ASWOU will be appointing a Business and Finance Director who will hopefully continue to work with UBAC. The March Budget Conversation was postponed due to finals and will be presented in April on the topic of the tuition setting process. The May Budget Conversation topic is Capital Funding.

2) University Technology Advisory Committee (UTAC)

UTAC Co-chair Bill Kernan stated that the reporting subcommittee developed a reporting needs tools assessment survey which was distributed to faculty and staff on February 4, 2021 and closed on the 22nd. UTAC unanimously approved a draft LMS policy review that had previously gone through the Academic Affairs executive committee and Faculty Senate executive committee. The Academic Innovation unit reported that WOU is continuing to transition from Moodle to Canvas. Starting in the summer of 2021 all active instruction will be in Canvas. UCS migrated from Cognos 10 to Cognos 11. There are training videos on the [UCS website](#).

3) Finance & Administration Report

Vice President for Finance & Administration Ana Karaman highlighted the Higher Education Emergency Relief Fund (HEERF) information on page 9 of the docket. WOU Students received 2.1 million dollars in financial aid from HEERF I: CARES Act and will receive an additional 2.1 million dollars in financial aid from HEERF II: Coronavirus Response and Relief Supplemental Appropriations (CRRSAA). WOU is awaiting guidance on how to utilize funding from the HEERF III: American Rescue Plan (ARP), early estimates from HECC indicate ARP will consist of \$6,175,000 designated for students and \$6,176,000 for the institution.

Trustee Jim Baumgartner asked how these funds will impact the fiscal year 2021-2022 budget. Ana Karaman explained that WOU can use CARES III funding for E&G or auxiliaries, and that a portion may be applied to reimbursing payroll (as was done with CARES I) which would increase the fund balance for the current year and bring WOU into a stronger position for the fiscal year 2022 budget. Ana Karaman also cautioned that the CARES dollars are one-time funds.

Chair Cec Koontz asked if CARES funding has impacted state funding for higher education. Associate Vice President for Public Affairs and Strategic Initiatives Dave McDonald provided an update on the state legislature and explained that because of federal COVID relief funding, Oregon has shifted general fund dollars to other areas (for example, forest fires response and prevention and homelessness).

The budget for the last biennium for all of the 7 public universities combined was \$837 million. For the upcoming biennium, the 7 universities requested \$900 million (current service level) for the PUSF, and the Senate's Tri-Chair's framework was recently released with a budget of \$886 million. Dave shared that the way the state of Oregon computes these numbers does not account for university increases in labor contracts such as SEIU. The public universities are aiming to get closer to \$900 million and will know the final number after the April and May hearings.

Oregon is considering using the federal dollars as a one-time infusion into the Oregon Opportunity Grant. Higher education is also looking at ways to support recent high school graduates with transitioning to college since they may not be as prepared as previous graduates due to missing out on in person instruction due to COVID-19.

Trustee Dave Foster asked how CARES funding is distributed to students. Ana Karaman explained that CARES I dollars were distributed directly to students, while CARES II is allowed to cover the student's institutional account balances as long as they have permission from the student. University Bursar Dona Vasas shared that about 88.5% of students have elected to apply their HEERF II: CRRSAA money to their outstanding accounts receivable balance.

Director of Facilities Services, Michael Smith, discussed the Welcome Center completion and described the Jack Morton Center and the courtyard. The Instructional Technology Center (ITC) is 90% complete. April 13-14th is the move in date for ITC. WOU Salem is 85% complete.

Michael Smith and Director of Campus Public Safety, Rebecca Chiles, provided an update on how WOU handled the ice storm in February and how WOU has added lessons learned from this experience to the emergency preparedness plan. Rebecca Chiles discussed the future actions that WOU will implement on page 12 of the docket.

Ana Karaman highlighted that Todd Hall is on the list for summer projects since the building currently has no HVAC system.

University Treasurer Darin Silbernagel provided an overview of the cash flow forecast on page 13. Darin stated that the net cash position as of February 28, 2021 is \$34,982,784 and the projected ending balance for FY 2021 is \$28,094,351.

The committee took a 10-minute break from 2:19-2:29PM.

V. ACTION ITEMS:

1) Tuition & Fees for 2021-22 Academic Year

The Tuition and Fee Advisory Committee (TFAC) shared the recommendation letter to President Fuller and the WOU Board of Trustees. Faculty member Earlene Camarillo and ASWOU President NJ Johnson discussed the purpose of TFAC and the process that takes

place to determine a recommendation for resident undergraduate tuition and fees for the following academic year. 822 WOU Students participated in an online survey via the WOU portal to provide input on undergraduate resident tuition. Based on the survey, WOU students indicated that affordability is the reason they attend and continue to stay at the university. TFAC recommended a 0% increase to resident undergraduate tuition for the FY22 academic year. Ana Karaman shared that President Fuller supports the TFAC recommendation. The committee recommended an increase of \$5/term to the student health service fee (from \$145 to \$150/term).

The Committee had an extensive discussion about FAC's role in reviewing the TFAC recommendation before the Board of Trustees meeting on April 21, 2021. Trustee Leah Mitchell asked if TFAC has done surveys in the past, and if so, if affordability was not the biggest priority, and if not, what was the priority for that year. Ana Karman referenced the 2019 academic year when TFAC unanimously decided on a 2.33% tuition increase. Although affordability is always a priority, the degree to how much tuition is increased varies each year based on student input. For example, in 2020 the TFAC students surveyed about 150 students and the students supported a 4.55% increase. Earlene Camarillo shared that TFAC spent a lot of time deliberating the health services fee and that the decision was not unanimous. Earlene Camarillo explained that the Student Health and Counseling Center (SHCC) is currently running in a deficit, that has only been enhanced this year due to students not being on campus. Therefore, SHCC requested that TFAC consider a \$5 per term increase. TFAC recommended the \$5 increase to help increase revenues so that SHCC can continue to provide services since students have indicated that they appreciate those services on campus. Ana Karaman shared that health and mental health are important to WOU students. Approximately 200 students that were only taking online courses elected to opt in to the health service fee so they could use the SHCC services in order to be successful in their courses.

Budget Director, Camarie Moreno, explained that TFAC used a calculation model to determine the estimated impact on university revenues from various increases in tuition and fees. Camarie Moreno also emphasized that this year's survey was much more formal since it was in the WOU portal instead of open forums like previous years. TFAC based their calculations on the assumption of a 10% decline in enrollment. Ana Karaman stated that WOU's worst case scenario assumption for the 2021-2022 budget is a 10% enrollment decline which is not unrealistic because the 2020-21 academic year had a 7% decline in enrollment and WOU had 8.6% decrease in students enrolled from fall 2020-winter 2021, which is not typical because based on prior years, the attrition rate is 6% from fall to winter term and another 6% from winter to spring term. Ana Karaman added that the survey results prompted TFAC to consider how many more students they will lose if tuition is raised. TFAC weighed the benefits of increasing tuition by 3% against lost revenue due to attrition. A 3.26% increase leads to \$860,000 in gross revenue. NJ Johnson added that raising tuition alone wasn't going to fix WOU's budget deficit and TFAC did not want to risk losing more students by increasing tuition during a pandemic. Ana Karaman shared that EOU has a 0% increase, and that OSU and University of Oregon have a small increase, however both universities have a growing student population. Ana Karaman explained that there is no way of knowing what the enrollment will be for fall 2021 in time for the April 21, 2021 Board of Trustees

meeting. Therefore, an assumption was made based on the trend in declines from previous years. Ana Karaman also pointed out that a 0% tuition increase is a tactic for WOU to remain competitive with other institutions.

Trustee Dave Foster addressed the impact of incidental fees on graduate students. Dean of Graduate Studies and Research Hillary Fouts explained the process for making the recommendation for graduate tuition. Hillary Fouts also pointed that even though undergraduate enrollment has been declining, graduate enrollment has been steady. Spring enrollment numbers for the graduate students are up 5% compared to last year and graduate student applications have increased by 11% compared to last fall's applications. Hillary Fouts also pointed out that during a recession, more undergraduates decide to go to graduate school and professionals start reevaluating going back to school to advance their careers. Hillary Fouts shared since TFAC focuses on a recommendation for resident undergraduate tuition, the graduate office collected input from an advisory committee which included four graduate students from four different graduate programs and graduate office staff. Hillary Fouts stated that setting the graduate tuition at \$460 per credit was decided without having any knowledge of what the incidental fee would be and to what modalities the fee would be applied. Hillary Fouts stated that regardless of COVID-19, 80% of graduate courses are offered online, 12 graduate programs are online, 3 programs are hybrid, and only one graduate program is an in-person program. Hillary shared that the incidental fee is going to hit graduate students much harder than previous years and increase graduate student fees to over \$1,000 per year. WOU graduate tuition and fees will only be below University of Oregon and Oregon State University, and above the other Oregon public universities. Hillary Fouts shared that she received complaints from graduate students after the Winter 2021 IFC was assessed (as it had not previously been assessed to online-only students). Trustee Dave Foster pointed out that no graduate students serve on IFC.

Ana Karaman cautioned setting tuition based on incidental fees because those fees are not part of the E&G fund and that those fees go to support service areas and athletics. Therefore, those fees are restricted to those areas and tailoring (reducing) WOU tuition to those fees will not be capturing the difference and WOU will face a reduction to E&G (which funds faculty and staff pay) while IFC will continue to collect fees. The primary concern for this year's IFC was to avoid laying off staff working in IFC funded areas. Oregon legislature leaves the definition of fee-paying students in the hands of the IFC.

NJ Johnson stated that an email was sent to currentstudents@wou.edu and that there were opportunities to attend two IFC open forums and about 400 students showed up to the two forums combined.

Hillary Fouts addressed that many graduate students do not live in Monmouth so they do not benefit from any of the on-campus services that they are paying fees toward. Affordability and flexibility are what graduate students look for when selecting graduate programs.

The Committee reviewed the four conditions of the Oregon Revised Statute 352.105 listed in the IFC Bylaws on the [IFC website](#).

Ana Karaman pointed out that summer registration is opening soon so students will need to know what the rates are for the summer since summer term is the first term the new tuition rates will go into effect.

After further discussion, the Committee modified the recommendation (on page 55 of the docket) as follows:

It is recommended that Western Oregon University Finance and Administration Committee recommend to the Board that it approve the 2021-2022 Academic Year and 2021 Summer Session Tuition and Fee Book as presented with the condition that they have a full discussion at the board with respect to making up all or a portion of the budget deficit resulting from a zero tuition increase and that the Board further consider the impact of changes in the way incidental fees are assessed to graduate students and the implications on the competitiveness of our graduate rates.

Trustee Jim Baumgartner moved to accept the recommendation, Trustee Leah Mitchell seconded the motion, and all trustees voted in favor of accepting the recommendation.

2) FY2020 Single Audit

Controller Gabe Dougherty clarified that the single audit items posted as addendums on the website are replacements for pages 31-53 of the docket. Ana Karaman discussed the 4 findings and explained why WOU management agreed with two findings and disagreed with two findings. Trustee Dave Foster motioned to accept the single audit, Trustee Jim Baumgartner seconded, and the motion passed.

Trustee Leah Mitchell left at 5:02PM.

3) FY2021 Management Report (as of Feb. 28, 2021)

Ana Karaman discussed the management report on page 71 of the docket. Trustee Jim Baumgartner moved that board accept the FY2021 Projected Year-End Report and the overall Management Report, Trustee Jerry Ambris seconded, and the motion passed.

VI. APRIL 21, 2021 BOARD MEETING PREPARATION

VII. UPDATES AND AROUND-THE-TABLE

VIII. ADJOURNMENT

The meeting was adjourned at 5:22PM.