

**Western Oregon University Board of Trustees:  
Finance & Administration Committee (FAC)  
Meeting No. 24 – May 25, 2021 | 1:00-5:00PM  
Public Meeting: via [WebEx](#)  
Phone: +1-415-655-0002 | Access Code: 177 405 6677**

**DRAFT MINUTES**

**I. CALL-TO MEETING / ROLL CALL**

Chair Cec Koontz called the meeting to order at 1:00PM.

The following Trustees were present:

Cec Koontz  
Dave Foster  
Leah Mitchell  
Jerry Ambris  
Jim Baumgartner

Others present:

Ana Karaman  
Camarie Moreno  
Lacey Davis  
Tad Shannon  
Michael Smith  
Rebecca Chiles  
Bill Kernan  
Darin Silbernagel  
Rex Fuller  
Michele Van Deusen  
Chelle Batchelor  
Kevin Thibeault  
Dave McDonald  
Dona Vasas

**II. COMMITTEE CHAIR'S WELCOME / ANNOUNCEMENTS**

**III. CONSENT AGENDA**

[Approval March 30, 2021 Meeting Minutes](#)

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

#### **IV. REPORTS & DISCUSSION ITEMS:**

##### [University Budget Advisory Committee \(UBAC\)](#)

UBAC Co-Chair Tad Shannon provided an update on next year's plans for UBAC. UBAC has paused the monthly budget conversations until Fall 2021. Ana Karaman, Vice President for Finance and Administration, highlighted the last paragraph on the UBAC report on page 9 of the docket and explained that three members of UBAC are currently serving on the DEI (Diversity, Equity, and Inclusion) Task Force. The DEI Task Force includes members from the University, Diversity, Inclusion Advisory Committee (UDIAC), the University Cultural Competency Advisory Committee (UCCAC) and UBAC. The DEI task force is currently focused on proposals for developing a Freedom Center for students and hiring an Executive Director of Diversity & Inclusion.

##### [University Technology Advisory Committee \(UTAC\)](#)

UTAC Co-chair Chelle Batchelor provided an update on the goals UTAC set for the past year and discussed the UTAC report on page 10 of the docket. UTAC developed a process to determine what the reporting needs for data are across the WOU campus. A subcommittee developed and administered a survey and is now evaluating the survey results. UTAC also formed a subcommittee in April to do an inventory to look at tools, resources, trainings, and competencies that are already on campus to address accessible technology. A survey will be administered as more people are back on campus.

##### [Finance & Administration Report](#)

Ana Karaman discussed the Finance & Administration report on page 11 of the docket and highlighted the CARES I, CARES II, and CARES III funding on page 12. This summer, the WOU campus is preparing to bring students back for fall term. Rebecca Chiles, Director of Campus Public Safety, Emergency Preparedness, & Risk Management, explained that Public Safety is looking at how to communicate and educate faculty, staff, and students about COVID-19 safety and policies as more people return to campus. WOU is part of a Disaster Resilient Universities (DRU) network that started at the University of Oregon. Director of Facilities Services, Michael Smith, stated that WOU has purchased 57 air purifying units that will be placed in specific classrooms and conference rooms on campus. WOU has also purchased additional sneeze guards for professors to use during lectures. Facilities Services is distributing cleaning kits for cleaning chairs and desks by individual students as they enter the classrooms. Faculty will be able to order more supplies as needed by using an information sheet and the MSDS sheets posted at the front of the classrooms. Facilities Services has also been changing out HVAC System filters in all the campus buildings and ensuring that the proper amount of air exchange is occurring in each space. Michael Smith shared the 2021 Summer Capital Projects on page 24 of the docket.

Trustee Jim Baumgartner asked how the 57 air filter number was determined and prioritized. Michael shared that Provost Winningham worked with Natural Science, the Library, and the Student Health and Counseling Center to assist facilities with getting numbers. The size of the air filter units is determined by the square footage of each room which is why the number of air filters is an odd number. Trustee Jim Baumgartner asked about how WOU will confirm if students are vaccinated if vaccinated students are allowed to not wear a mask and how a professor will know if a student who is not wearing a mask is vaccinated. Rebecca Chiles shared that as of May 25, 2021 everyone will be wearing a mask on the WOU campus because there is no way to determine who is vaccinated until more guidance is shared or herd immunity is reached. Trustee Leah Mitchel shared that the EPIC (the largest electronic medical records software in the United States) is developing a universal app to track vaccine data.

Ana Karaman discussed the two cash flow documents on pages 25 and 26 of the docket. Darin Silbernagel, University Treasurer, highlighted that the April 2021 net cash position was \$40,922,062. The 2021-2022 forecast assumes a 10% decline in enrollment. The projection tracks similar to 2020-2021, but drops by approximately 3.7 million over the next fiscal year. Ana Karaman added that CARES III guidance continues to be shared with WOU from the Department of Education and was not included in the cash flow projection as it will be on a reimbursement basis.

Trustee Jim Baumgartner suggested having a narrative document to go with future cash flow forecasts. Ana Karaman stated that the narrative will be created and included in the docket for the June 9, 2021 Board of Trustees meeting and future FAC meetings.

## **V. ACTION ITEMS:**

### [FY2021 Management Report \(as of April 30, 2021\)](#)

Camarie Moreno, Director of Budget & Planning, discussed the management report on page 31 of the docket. Camarie compared April 2020 period 10 with April 2021 period 10. Tuition is 2.5 million dollars less than where the university was last year due to decreased enrollment and fewer students on campus. This year fees are about 6.7 million dollars higher due to the online course fee and more students taking online courses due to COVID-19. Other fees have decreased due to less students enrolled and on campus. Fee remissions are about \$500,000 more than last year for period 10. WOU received more state appropriations due to being in the second year of the biennium. In the first year 49% of Public University Support Funds (PUSF) is allocated, and in the second year 51% of the PUSF is allocated. Other revenue is down about 1 million dollars. This is primarily interest that WOU receives from the treasury as well as interest assessed on outstanding student account balances. As WOU continues to clean up writing off old student debt the interest that is assessed on the account balances continues to decline, reflecting what WOU will actually collect instead of being artificially high. Personnel costs are about 6 million dollars less than they were in April

2020. About 1 million dollars is due to a retirement window payment in FY2020, and about 5 million is due to the leave without pay/furlough savings and layoffs. Services and Supplies is catching up to last year due, as it had been trailing behind due to less people working on campus. Auxiliaries (housing, dining, bookstore, health services, etc.) are down. Designated Operations and Services are holding steady. For the FY21 projected year-end (page 35 of the docket), gifts, grants, and contracts are faring better than the adjusted budget due to increased grant activity, as grant indirect revenues flow through the Education and General (E&G) fund. For personnel, departments have held position vacancies as long as possible and used caution with filling positions which has saved about 1 million dollars. For the year, the E&G fund balance is projected to end at 14.82%.

Trustee Dave Foster asked why WOU is expecting to use about 45% of the services and supplies budget in the last two periods. Camarie Moreno explained that bad debt expenses and contracts and other year-end things are significant factors at the end of the year that impact services and supplies. Additionally, due to COVID-19 businesses submitted invoices to WOU at a slower pace than expected for a typical year. Ana Karaman added that last year WOU had to expense an additional 1 million dollars for bad debt.

Trustee Jim Baumgartner commented that the projected year-end fund balance (14.82%) is significantly higher than FAC anticipated with the adjusted budget. WOU started out the year projecting a negative fund balance and now WOU is 5.5 million dollars ahead. The Committee discussed what contributed to the 14.8% fund balance and how to explain this so that the WOU community understands the unusual circumstances that resulted in a higher than expected fund balance. The emphasis was placed on one-time increases in revenues of ~\$5.5M from online course fee revenue (due to 95% of courses being delivered online due to COVID-19), one-time CARES funds that provided relief to E&G and auxiliaries, and ~\$5.2M of savings in personnel. Ana Karaman shared that the role of FAC is to look at long term financial stability of the institution. Ana shared that this year WOU received about 7 million dollars (online course revenue and CARES fund) that the university does not expect to generate in the long run (unless WOU becomes an online university and continues to offer 95% of WOU's courses online). Data from Academic Affairs shows that only 25% of courses will be online for the 2021-2022 academic year. Another factor that influenced the fund balance to be higher than expected was that Spring 2021 was still 95% online when the adjusted budget assumed that Spring 2021 courses would be back to the normal in-person/online format. Being fully online does not align with WOU's mission or the type of students the university serves. Trustee Jim Baumgartner suggested having the Management Report be a discussion item on the full board agenda. President Rex Fuller explained that roughly a year ago at the June meeting a preliminary budget was passed and WOU had just completed CARES 1 funding and never anticipated that there would be a CARES 2. The CARES funding gave the university more time to address the deficit, but ultimately sustainable enrollment increases are essential. Dave McDonald, Associate Vice President for Public Affairs & Strategic Initiatives, stated that

the importance of an accurate and inclusive narrative is critical given where higher education is with the final budget decisions that are being made in Salem. Dave cautioned that without a narrative, the 14% could create a false presumption that WOU is flush with money. Dave explained the narrative needs to include an explanation about how CARES funding is only temporary, the sacrifices made by WOU through furloughs and layoffs, and WOU's uncertain future with enrollment pathways. Dave also emphasized that a narrative explaining all the decisions that were made can show legislators that WOU is responsible and proactive with finances.

Trustee Jim Baumgartner moved to accept the management report, Trustee Leah Mitchell seconded the motion and the motion passed unanimously.

The committee took a break from 2:41PM-2:51PM.

### [FY2022 Preliminary Budget](#)

Ana Karaman discussed the preliminary budget on page 45. Ana highlighted that this is a preliminary budget instead of an adopted budget like previous years. In the past, WOU would bring an adopted budget to the June FAC meeting, and then in October the board would be presented with a revised budget. However, this year it was decided to just call it preliminary as there are many unknowns such as enrollment and the level of state appropriations. Three years ago, the enrollment assumption was that enrollment for resident undergraduate students would increase by 1%, then the following year the assumption was that WOU would break even, and the year after that was a 5% enrollment decline. Therefore, Ana and Camarie will be discussing the enrollment trend that has occurred the past three years with the understanding that WOU will not know the actual enrollment numbers until fall 2021. Ana stated that unlike other institutions that would have some kind of measure that is more precise such as deposits, WOU has to look at past experiences, attendance at the Summer Orientation, Advising, and Registration (SOAR), the total number of admitted students, and campus housing numbers. Because these numbers are not as precise as deposits, WOU has to continue to reevaluate these numbers going into the fall 2021 term.

Camarie Moreno discussed the budget creation process on page 38. In the fall, WOU tries to get an idea of where the revenues are going to be. For E&G the main components are tuition and enrollment. The Budget Office also rebases the roster based on current personnel and works with departments across campus on this piece. For enrollment, assumptions of a 10% enrollment decline and a 5% enrollment decline were modeled. Ana recommends going with the 10% enrollment decline because of how the new student numbers are tracking.

Dave McDonald discussed the assumptions on state appropriations for E&G. The three possibilities consist of the PUSF remaining flat, receiving \$886M, or \$900M. In McDonald's opinion, the revenue forecast that was shared last week appeared that the \$900M was realistic. President Rex Fuller shared that for every additional 10 million in

PUSF the university receives about an additional \$350,000 under the current allocation model.

Trustee Jim Baumgartner moved to approve the staff recommendation on page 44. Trustee Leah Mitchell seconded, and the motion passed unanimously.

### [Quasi Endowment Transfer](#)

Ana Karaman discussed the history of WOU's quasi endowment. Three years ago, \$1M from E&G was allocated, with the intent to use the earnings to support scholarship initiatives and other university programs. The investment has done well and the quasi endowment was at \$1.2 million as of March 1, 2021. In response to campus discussions around diversity, equity, and inclusion, \$150K of these earnings have been identified as one source of immediate funding for campus initiatives relating to these topics. Additionally, to sustain funding for multi-year initiatives relating to diversity, an additional \$1M from E&G could be invested into the quasi endowment. Rather than doing two separate transactions, it is suggested to do one transfer of \$850K into the quasi endowment.

Trustee Jim Baumgartner moved to accept the staff recommendation on page 57 of the docket. Trustee Leah Mitchell seconded the motion and the motion passed unanimously.

## **VI. JUNE 9, 2021 BOARD MEETING PREPARATION**

## **VII. UPDATES AND AROUND-THE-TABLE**

## **VIII. ADJOURNMENT**

The meeting adjourned at 4:44PM.