

Western Oregon University Board of Trustees:
Finance & Administration Committee (FAC)
Meeting No. 29 – November 1, 2022 | 8:00-11:00am
Public Meeting: via [Zoom](#) | Meeting ID: 852 0739 7295
Password: 231366 | Phone: +1-253-215-8782

AGENDA

- I. **CALL-TO MEETING / ROLL CALL** (8:00-8:05am)
- II. **COMMITTEE CHAIR'S WELCOME / INTRODUCTIONS** (8:05-8:10am)
- III. **CONSENT AGENDA** (8:10-8:15am)
 - 1) Approval [May 25, 2022 Meeting Minutes](#) (page 3)
- IV. **ACTION ITEMS:**
 - 1) [FY2023 Revised Budget](#) (page 14) (8:15-9:00am) | *Dr. Jesse Peters, President and Dr. Ana Karaman, Vice President Finance & Administration*
[Staff Recommendations](#) (page 35)
 - 2) [Transfer of \\$150K out of Quasi-Endowment to support Equity Audit](#) (page 39) (9:00-9:05am) | *Dr. Ana Karaman, Vice President Finance & Administration*
[Staff Recommendations](#) (page 39)
 - 3) [FY2023 Management Report \(as of Sept 30, 2022\)](#) (page 40) (9:05-9:20am) | *Camarie Moreno, Director of Budget & Planning*
[Staff Recommendations](#) (page 41)
- V. **REPORTS & DISCUSSION ITEMS:**
 - 1) [Discussion of FAC Contributions to Strategic Priorities](#) (page 47) (9:20-10:05am) | *Gayle Evans, Chair of the Finance & Administration Committee*
 - 2) [Capital Projects Update](#) (page 50) (10:05-10:20am) | *Jason Krawczyk, Director of Capital Planning & Construction*
 - 3) [University Budget Advisory Committee \(UBAC\)](#) (page 54) | *In Docket*
 - 4) [University Technology Advisory Committee \(UTAC\)](#) (page 55) | *In Docket*
 - 5) [Finance & Administration Report](#) (page 56) | *In Docket*
 - a. [Update on Quasi Endowment Performance Projections](#) | *Dr. Ana Karaman, Vice President Finance & Administration and Darin*



Silbernagel, Treasurer

- b. [Status Report on Audit of Financial Statements and Single Audit](#) | *Dr. Ana Karaman, Vice President Finance & Administration and Shadron Lehman, Controller*
- c. [Update on Cleaning & Safety Protocol](#) | *Rebecca Chiles, Assistant Vice President of Safety & Operations*

VI. November 16, 2022 BOARD MEETING PREPARATION (10:20-10:35am)

VII. UPDATES AND AROUND-THE-TABLE (10:35-11:00am)

VIII. ADJOURNMENT (11:00am)

**Western Oregon University Board of Trustees:
Finance & Administration Committee (FAC)
Meeting No. 28 – May 25, 2022 | 12:00-4:00pm
Public Meeting: via Zoom | Meeting ID: 815 1024 2521
Phone: +1-253-215-8782**

Draft Minutes

I. CALL-TO MEETING / ROLL CALL

Chair Cec Koontz called the meeting to order at 12:04 pm.

The following trustees were present:

Jerry Ambris, Trustee
David Foster, Trustee
Cec Koontz, Chair
Leah Mitchell, Trustee

Others Present Included:

Jay Kenton, President
Ana Karaman, Vice President
Bill Kernan, Director of UCS
Cara Groshong, Co-chair of UBAC
Camarie Moreno, Director of Budget and Planning
Samantha Cameron, Budget Analyst
Darin Silbernagel, Treasurer
Dona Vasas, Bursar
America Sepulveda Vasquez, student
Chelle Batchelor, Co-chair

II. COMMITTEE CHAIR'S WELCOME / ANNOUNCEMENTS

Chair Koontz thanked the supporting staff for helping get through the agenda. Chair Koontz added that she wanted to keep the meeting brief and may need to leave early; if she must go, she asked if Trustee Mitchell may finish the agenda. Trustee Mitchell agreed.

III. CONSENT AGENDA

- 1) Approval April 6, 2022 Meeting Minutes

Concerning the minutes from April 6, 2022, Koontz entertained any additions, corrections, or a motion to approve the minutes as submitted. Mitchell motioned to approve, as submitted. Ambris seconded. The vote to approve the April 6, 2022 draft minutes was passed unanimously.

IV. ACTION ITEMS:

1) FY2022 Management Report (as of April 30, 2022)

Dr. Karaman noted that the Management Report was as of April 30, 2022. She asked Camarie Moreno to summarize month-to-month comparison and more importantly, where we expect to be near the end of the year. Moreno mentioned that we are near the end of the fiscal year, with only two months to go.

Education & General Fund: On the revenue side, we are down on tuition & fees, as we have been all year, due to decreased enrollment. We are approximately down 12% in fall and 10% for winter and spring. Government resources and allocations were quite a bit higher than last year due to more funding in this biennium. We also had one-time HEERF funds allocated to WOU during the COVID-19 pandemic; \$6M are moving into Education & General fund this year; a portion will be transferred out to support auxiliaries (\$1.5M), which is included in the year-end projection. We ultimately expect to see \$4M feed to the bottom line of E&G.

For expenses, personnel costs have been slowly catching up to last year. Although we had significant vacancies, approximately 40 to 50, we did not fully realize those savings, due to pay increases; we settled classified and faculty contracts, and unclassified staff received a 1% COLA and bonuses. Supplies & Services continue to be a wild card due to the pandemic. Last year, these expenses were atypical, as we did not spend as much on supplies & services due to fewer people on campus. We have spent more this year, but we do not have a good benchmark to compare for this portion of the budget.

Auxiliaries: On the revenue side, there was a dramatic increase compared to last year. Again, there are more people on campus, and that is the game-changer for auxiliaries: housing has more occupants, dining services are up, Bookstore, Café Allegro, and various areas like that. Where there's a big swing on revenues, there is a big swing in expenses; for example, Dining Services must purchase the food that they prepare to serve to customers, so with increased business comes increased costs. We also need personnel to support all of these services for increased activity on campus.

Designated Operations, Service Departments, Clearing Funds are primarily Telecommunications and the Oregon Council of Presidents. These areas are holding steady. Moreno asked if there were any questions before she moved on to the Year-End Projections; there were none.

Education & General Fund: Revenues are projected to be \$68.235M, a bit better than budgeted. Net student fees and tuition are estimated to come in about \$654K more than budgeted; we have assessed fall, winter, and spring for tuition revenues, and there will be a small portion of summer tuition that comes in at the end of the fiscal year. The other important note is on our final fee remission numbers, which were budgeted at \$5.5M but had been trailing under budget all year, so \$5M is incorporated in the year-end projections, which means \$500K of savings, which shows in our \$654K projected over budget. Government resources and allocations came in a bit above budget; the number comes from the HECC and also reflects the support for the new benefits navigator position. Gift, grants, and contracts revenues has picked up, with WOU receiving some large grants and thus indirect grant revenues have increased.

On the expense side, we still project to be under budget for personnel. The salary savings projected earlier on were estimated at \$1M. We have slightly decreased the overall vacancies, which were 40 to 50 and now is closer to 30 to 40. This is reflected, along with the pay increases. For Services & Supplies, it continues to be a wild card, as she mentioned earlier. Moreno said the projection is that we will come in on-budget for this area. Transfers for Athletics and Child Development Center (CDC) will be our usual support for these areas.

Overall our recurring revenues less expenses show a deficit of \$1.6M, versus the budgeted deficit of \$4.3M; so, we are about \$2.7M to the better, which is good news. For one-time activities, quite a large HEERF reimbursement was federal assistance related to the pandemic associated costs; when you take the net of our HEERF expenses versus reimbursement, there was \$4M that helped support the bottom line of Education & General Fund. There is an action item proposed later on—because of the relatively strong position that we project to end this fiscal-year in—it is proposed to transfer out \$850K to the quasi endowment. Just recently, we received a HEERF-SIP award of \$543K from HEERF for the Strengthening Institutions Program. That plus \$350K from the Fund Balance would be transferred out to the quasi endowment to earmark and save for later. Report on quasi endowment is included in the docket.

Altogether, that shows us gaining \$940K in our Fund Balance and projecting an ending fund balance for this year at \$11.8M. This is a strong position for this year, and HEERF funds are a primary reason for this.

Dr. Karaman called attention to the fact that our fee remission budgets for \$5.5M from Financial Aid, but as Moreno noted we are currently under budget. We are waiting on the final numbers from Kella Helyer, but we estimate it will be \$5M at the most, which means \$500K will contribute to a better bottom line.

She also noted that RNL has been working with Western Oregon University to optimize Financial Aid, and they are awarding based on a new model in the upcoming year. We are a bit in the dark about what implications that will have for what will be offered next

year. As the number of students goes up, so does financial aid and tuition revenue, so that is another thing to keep in mind.

On transfers, we are going to talk separately on the quasi endowment, but again that's \$543K of HEERF SIP, which we just received and have a whole year to spend. We will have a separate action item where she discusses this later.

Dr. Karaman asked for any questions on the report. Trustee Foster had a question related to summer. One week of summer term is included in this fiscal year, how do we account for that? Moreno said that because this crosses fiscal years, we perform calculations to prorate the revenues and we consider the remainder as deferred or unearned revenue. All the revenue feeds through when summer tuition is assessed in FY22, but the calculation shows that roughly 15% of summer 2023 revenue is recognized in FY22. The calculations are updated every year. As for expenses, payroll is our biggest one in summer, and June payroll is included in FY22, whereas July and August payroll is incorporated in FY23.

Chair Koontz added that she had only recently heard about the Benefits Navigator position, so it is great to see that it is in the budget and funding is covered. If there are no other questions or observations about where we are, and once again, it looks super positive, we have a recommendation to accept the Management Report as of April 30th and she would take a motion to that effect. Mitchell motioned to accept the recommendation as written. Ambris seconded. The vote was passed unanimously.

2) Preliminary FY2023 Budget

Dr. Karaman discussed the budget creation process first. Creating the budget is a collaborative process, which is now decentralized. We meet with every area on campus: every college, division, and department, to discuss expenses. We also discuss revenues, as appropriate, with Auxiliary areas. What is new this year, with Jay Kenton coming onboard as the Interim President, we really increased involvement in the budget process for the University Budget Advisory Committee. UBAC was asked to help Karaman and Moreno to determine the budget scenario for enrollment that UBAC felt comfortable endorsing for our preliminary budget. UBAC Co-Chair, Cara Groshong, will discuss the process in a minute, but Karaman noted that this year there are two scenarios. One scenario is endorsed by UBAC, but for information purposes, we will show an alternative scenario in which enrollment is a bit more optimistic to demonstrate the impact on our budget. The budget is not complete, and we will continue working on it through summer and into fall. In fall, we will get our official enrollment numbers, but also Karaman expects to work with cabinet members on the expense side, which she will detail more later.

Cara Groshong said that UBAC met on April 28, 2022 to review two FY23 budget scenarios provided by Karaman and Moreno. They also invited Anna Hernandez-Hunter and Kella Helyer to provide insight in terms of Admissions and Financial Aid numbers. Hernandez-Hunter noted that applications and admits are up; however, the numbers are

still significantly lower compared to 2020. Helyer also noted that FAFSA filings are down 8% compared to last year; although award letters and acceptance rates are up, packaging is down. Moreno also reported that housing numbers continue to be down compared to the last two years.

The committee was incredibly involved and asked many questions, and Moreno was very helpful in discussing potential scenarios and running projects based on their discussions. UBAC continues to agree about leaning on the side of caution, as opposed to being overly optimistic about our projections. Therefore, the committee chose scenario 1, which was a -5% undergraduate enrollment decrease and 0% increase in graduate enrollment. There will be another two meetings to review enrollment numbers and the preliminary budget before the end of the fiscal year.

Chair Koontz mentioned that it is somewhat heartening to hear that -5% is conservative, which we haven't achieved in a while. She asked Cara Groshong to detail how they chose -5% when there were other scenarios, such as -10%. Groshong added that the committee wanted to agree on a scenario that was not too pessimistic but still showed caution for our enrollment numbers.

Trustee Mitchell asked how we can proactively predict the applications and conversions to admits on campus. Karaman said that there is an Enrollment Management group that meets weekly to discuss applications and admit numbers for the current year compared to prior years. The typical conversion is about 25%, and one data assessment difficulty we have is that we don't require admitted students to submit a deposit. Other universities ask for a deposit, whereas WOU asks for intent to enroll confirmations instead. We do require a Housing deposit, which has been a good predictor in past years to determine whether students will attend. One of the reasons the committees used caution in selecting enrollment numbers has to do with inconsistencies in data and numbers. For example, applications were increased by over 13%, admits are up by 5.5%, but the number of Housing deposits are significantly down compared to last year. We do not know exactly why that is, but it could be because WOU is attracting local students who can live at home or because people are hesitant due to the pandemic and will make the decision later on. Because Housing has been our best indicator of the incoming class, that is another reason why UBAC was cautious in selecting an enrollment scenario.

Dr. Karaman asked if President Kenton had any notes to add, as he was leading the group. President Kenton noted that we are looking at how we onboard students and process things. As of last week, 700 students have indicated their intent to enroll, which is good. We need to get them enrolled in the fall. For Housing, we are worried about it; from what he was hearing, outreach to students have indicated that students have not had an opportunity to think about it yet. Another note is that we have many local students and those within 30 miles of Monmouth do not need to reside on campus. EAB is also processing, and we are getting applications on the graduate side from them. He

supports being conservative in their budget, and he hopes that enrollment will be positive in the fall.

Chair Koontz added that students are coming from different places. Some students come from high school, but we also have students who enroll for the first time coming from community colleges. The population changes in our student body will be interesting to observe in coming years. It will be tough to use old ways for future projections. Foster suggested that we do need a new metric around this, perhaps the Intent to Enroll is that. As we shift demographics on campus, who do we require to live on campus? He would encourage us to come up with a new metric to better gauge our progress. President Kenton noted that is great point, and another variable is the prevalence of online education and that many students are learning from home. Koontz mentioned that we should also pay attention to what happens in the Oregon Legislature and how Central School District can help collaborate with WOU to effectively use one-time funds for initiatives to support the bottom line in terms of recruitment and retention. President Kenton mentioned that those funds would come in as a deposit as a liability on our balance sheet, and as teachers come forward with vouchers the money is converted to revenue. He thinks it would be a great opportunity to work with local school districts in this way.

Dr. Karaman thanked UBAC once again for supporting the process and selection of a scenario to endorse. The endorsed scenario is -5% UG and 0% GR. They will also entertain a scenario for 0% UG and 5% GR.

Education & General: For UBAC's endorsed scenario, we estimate total revenue from Tuition & Fees net Fee Remissions will be slightly under what we have in the current budget. We budget \$5.5M for Fee Remissions. For Government Resources & Allocation, we are in the second year of the biennium. The allocation is split 49% in year one and 51% in year two, so we always received more funds in the second year; HECC discovered some errors in their formula for the SSCM, so we have seen this number change and it may continue to change. Grants is one area where we have an exciting increase in activity in this area, and Dean Hilary Fouts is doing a great job in reviving our grant activity. We have also implemented a new indirect grants policy, which will incentivize grant writing and activity. Overall, we are looking at almost \$68M in total revenue, which is an increase of \$1.3M from FY22. Even with the negative enrollment scenario, we do expect to see some positive increases in these other areas which will impact total revenue. The biggest changes you may see in October would be changes in our enrollment numbers and the SSCM, if HECC updates the number. More or less, the other numbers are settled in terms of revenue.

Expenses are a little more complex. Our biggest expenses are always personnel, and 85% of our budget is tied to it. We incorporate it in our budgets as much as possible, and we are able to account for contracts with WOUFT and SEIU; however, one group of employees is not accounted for in this preliminary budget. Unclassified staff received a 1% COLA and a one-time bonus, which was their first raise in several years. We

continue to have conversations about what should be set aside in terms of raises, including equity adjustments for unclassified employees. 1% COLA plus OPE for unclassified employees is \$137,000, and setting aside 5% would be appropriate for the increases estimated at 3-4% and the remainder for equity or other types of adjustments. This is in comparison to other universities, such as OSU, which is having a 5% increase and another 2% for equity adjustments. We are experiencing turnover and lose employees to other places, including universities; thus, she believes that we must look at our compensation for unclassified employees. It also creates unequal treatment between the classes of employees, so hopefully an increase will help increase morale on campus and help WOU retain staff. For Services & Supplies, we budgeted in-line with FY22. As Moreno noted, last year spending was down but now areas are catching up to regular spending. Internal Sales are in-line with FY22, there is a slightly optimistic assumption for Auxiliaries, but there are still challenges such as Koontz noted with Housing. Altogether, expenses should be about \$2M more than FY22 expenses. Transfers are similar for our Athletics, for expenses such as personnel, in addition to our Child Development Center (CDC) as we continue to support their operations. Recurring deficit in this scenario is \$6.3M. This is a conservative approach that UBAC endorsed based on an enrollment scenario is -5% UG and 0% GR. Additionally, Karman noted that in FY23 there was no one-time federal money from HEERF, as there was in the last two years. We expect the beginning Fund Balance to be \$11.8M and a projected ending fund balance percentage of revenues at 8.15%.

For information purposes, Dr. Karaman discussed a more optimistic scenario in which there is a 0% UG increase and 5% GR increase. This makes a difference in increased Tuition & Fee revenue at approximately \$1.7M, and expenses were kept the same. The impact on the projected fund balance would be almost \$2M. Trustee Foster asked about the estimated number of staff and relevant numbers, and Karaman noted that all positions in the budget are fully-funded positions. There is salvage savings for turnover, however, as a decentralized budget we do not have control over any salvage savings from vacant positions. We had unprecedented savings in FY22 due to unprecedented turnover. The savings was about \$2M this year, whereas we would typically have \$1M. Human Resources is working hard to recruit and fill vacant positions, but we would not incorporate the entire amount of anticipated salary savings in the budget because units take on the expenses needed to cover a vacant position, recruit, and hire a new employee to fill the vacancy.

Trustee Foster followed up with another question related to the SSCM. Is there a way to demonstrate how WOU impacts their outcome on the model? Chair Koontz noted that these allocation formulas from the state are like a pie, meaning there is a limited amount. We control our slice, but if everyone else is also doing great, it also impacts our funding. Karaman added that the amount is allocated for all seven universities, so their relative performance is very important. There are three components: number of degrees, characteristics of the degrees, student characteristics, number of credit hours, and the university's characteristics, and the institution's mission. Keep in mind there is a

lag effect, because the model is calculated on a 3-year moving average. Perhaps for next year, UBAC can educate our community to better understand the model.

Auxiliaries & DesOps: Moreno said that the two components of Auxiliaries are IFC and other auxiliaries. The IFC budget is determined by the IFC committee, led by students and therefore the budget shows a separation between IFC and other auxiliaries. The IFC budget does show a \$300K projected deficit, which is expected to be covered by their fund reserves. For the main Auxiliary components, it is primarily composed of Housing, approximately 40% of expenses. They are presenting a cautiously optimistic budget in-line with the number of students they had in FY22, estimating 730 students. They are actively monitoring the Housing reservation numbers to ensure they change staffing levels as appropriate, in case of fewer or more than projected. Campus Dining is another big piece of our Auxiliaries, at roughly 25% of expenses. They are projecting a deficit budget of about \$85K, because fewer students on campus impacts the amount of activity at Campus Dining. They have also put out a RFQ for an outside vendor to use space at Werner University Center, which we could use to charge rent and a percentage of sale, which would help their budget overall. Allegro continues to do better than anticipated. Student Health & Counseling Center is about 12% of Auxiliaries and funded by the mandatory Health Service Fee students pay, specifically on-campus Monmouth students. Other students may opt into the Fee for \$154 per term, so online learning and students attending our Salem Campus have impacted that fee adversely. If we have an enrollment boost, then we would expect that to help SHCC. Athletics takes about 30% and projects a break-even budget. Parking is about 3% of Auxiliaries and project a budget deficit but has reserves to cover that, as well. Looking at the big picture, Auxiliaries continue to slowly recover, we still are not fully recovered from pre-pandemic numbers. All Auxiliaries that show budgeted deficits have sufficient reserves to carry them through next year.

Designated Operations & Service Departments are composed primarily of Telecommunications and the Oregon Council of Presidents (OCOP) expects to break even in FY23. Moreno asked if Karman had any additional notes on Auxiliaries and DesOps. Karaman added that this budget doesn't include all fund types, for example capital fund grants. Chair Koontz asked if there were any further questions about this report. Foster asked if the IFC name is mandatory. President Kenton noted that it was mandated in the statute before the Oregon University System (OUS) ended. Koontz asked for any further questions and reminded everyone that this would be an action item on the upcoming Board of Trustees meeting and there will be a presentation on the preliminary budget. Mitchell motioned to accept the recommendation to approve the FY23 Preliminary Budget as presented in the docket. Ambris seconded. The vote was unanimously passed.

3) Quasi Endowment Transfer

Karaman noted that we have had the quasi endowment for approximately three years. We added a \$1M allocation in year one, and last year we added \$850K at year-end.

The current market environment is volatile, but we are currently doing well at \$2.1M. Day to day it can fluctuate between \$1.9M to \$2.2M, and the best performance has been close to \$2.3M. There are two components to the quasi endowment proposal this year, totaling \$850K. First, we received a portion of HEERF funds in the amount of \$543K and have one year to spend the funds, so it would be great to have that available for needs next year. The second portion is \$350K from the fund balance, which was especially positive thanks to the federal funding WOU received this year for pandemic related impacts. The Treasury invests in the quasi endowments in tranches in order to prevent disturbing the market value too extremely. If this transfer is approved, then our year-end fund balance would be 15.77%, and there will be many needs to fund next year. There are also two caveats to consider. WOU cannot draw from the quasi endowment without approval from the Board of Trustees, and with market value comes risk and when we decide to draw funds. Karman feels cautiously optimistic that we can grow the funds but notes that she cannot predict the market. Trustee Foster asked if the incoming president would have enough funds for strategic investments. President Kenton mentioned that these funds will still be available in the quasi endowment, if needed. We are also working on strategies to turn enrollment around. Chair Koontz added that we also have a strategic partnership with EAB in a three-year contract. She also thanked President Kenton for establishing and continuing to support the quasi endowment. Chair Koontz then asked for a motion as written. Trustee Mitchell motioned to approve the recommendation, and Trustee Ambris seconded. The vote was passed unanimously.

V. REPORTS & DISCUSSION ITEMS:

1) Supplemental Tuition & Fee Book (including new SEIU Tuition Rate Discount)

Dr. Karaman mentioned that there is a Supplemental Tuition & Fee book. It does not require Board action, which was confirmed with the Board of Trustees Secretary. It is a supplemental book of information to compile information how students in certain categories may receive certain benefits. For example, there was an arrangement between WOU College of Education and school districts, where teachers could use vouchers to continue their education. It also includes benefits for WOU employees and their dependents, along with links to the relevant HR websites. Additionally, it includes information on a new agreement to benefits SEIU employees with a 20% discount. Karaman personally thanked Dona Vasas for her work on the Supplemental Tuition & Fee book.

2) University Budget Advisory Committee (UBAC)

FAC skipped this agenda item, because Cara Groshong detailed UBAC's enrollment scenario endorsement and process reflection earlier in the meeting.

3) University Technology Advisory Committee (UTAC)

Dean Chelle Batchelor mentioned that in the March 2022 meeting, UTAC discussed their responsibility to review technology proposals on campus. Given that UBAC has not been reviewing funding proposals, UTAC never geared up with a mechanism to review technology proposals. They reviewed aspects of technology project implementation that would trigger UTAC involvement, such as technology that would impact multiple areas of campus. One great thing about UTAC is representation from multiple areas on campus. The Reporting Needs & Tools subcommittee is sunsetting. One thing that emerged during their work was the reconfiguring of the Institutional Research (IR) department under Academic Affairs, along with some great hires who have provided reports to assess campus area needs for data. The group has received ample feedback from campus constituents that the needs have been met, so they are ready to sunset their work. The Technology Accessibility subcommittee worked to create an internal web accessibility class that UCS will be working to have folks complete before they become web-editors, which will raise our profile for accessibility. The Technology Plan subcommittee found that it would be helpful for WOU to hear advice from peers and reach out for assistance on what to put in our plan. There was one final UTAC meeting last week to wrap up their work for the current year and discuss goals for next year.

4) Finance & Administration Report

Karaman mentioned we are currently focusing on FY22 year-end and are preparing for next year. She referred to her reports for each area and wants to highlight a couple of things. There is a beautiful, new mural on campus that was installed in four parts. We continue to monitor our cash position on a monthly basis. There is a Cash Flow Forecast provided. We are also in the midst of implementing new software, including Banner Financial Aid; additionally, we have had many emergencies on campus that UCS has helped work hard to resolve.

Karaman noted that she previously discussed the quasi-endowment performance and that it is now included in her reports for FAC. There is a lot of work to be done from technology implementation to maintenance to closing the books. Last time we met, Jackson Stalley discussed the custodians and their working conditions. We used to have thirteen custodians but now we are down to eight. Rebecca Chiles and Ana Karaman had a dinner with custodians to help improve their workload in terms of assignments, and they appreciated it greatly to be part of the conversation to make their jobs easier. Chiles followed up with an email to campus to help our custodians, such as put trash outside your door. Karaman also put out an additional budget request to hire another custodian to support their team, because they hurt most when someone gets sick. On a personal and positive note, Karaman has been accepted to the Leadership Academy of the Hispanic Association of Colleges & Universities. It is a one-year program designed to support leaders with diverse backgrounds and she personally thanked Cec Koontz, Jay Kenton, and Jaime Arredondo for their recommendations in support of her application. Chair Koontz congratulated Karaman on her acceptance to the program and thanked her for her proactive leadership to address and respond to

classified staff issues. Trustee Mitchell echoed her gratitude for Karaman and Chiles' work to address the highlighted workload of our custodial staff. Trustee Ambris also echoed that efforts to support custodial staff makes a huge impact on the workload of those who make day-to-day operations happen at our institution.

VI. JUNE 8, 2022 BOARD MEETING PREPARATION

Chair Koontz mentioned that we will forward the relevant FAC action items to the Board of Trustees, in the upcoming meeting, whether as stand-alone action items or as part of the consent agenda. There will be some additional reports from other committees, in addition to the Board agenda item to vote on the hiring of our next president. Koontz noted gratitude for those who have adapted with the transition from one candidate for President to another candidate. At that meeting, we will hopefully learn what Dr. Jesse Peters needs and wants of the Finance & Administration Committee.

VII. UPDATES AND AROUND-THE-TABLE

VIII. ADJOURNMENT

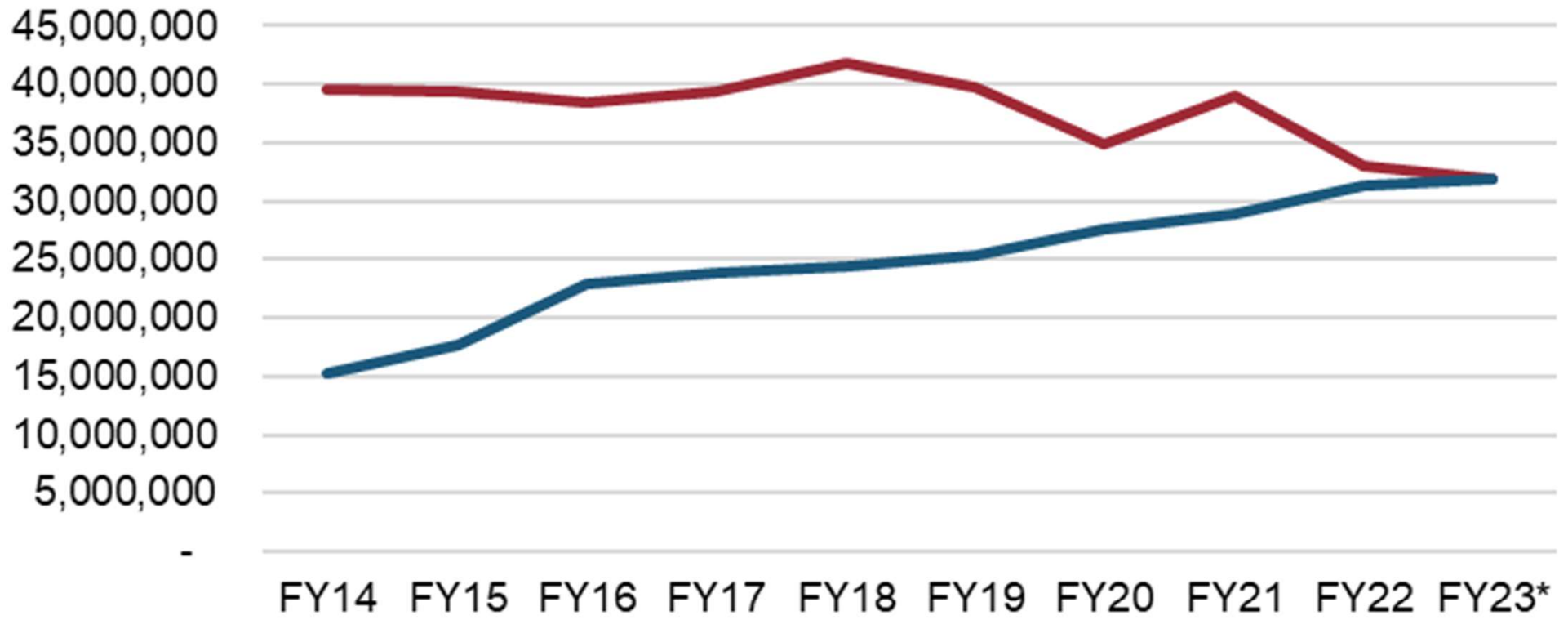
Chair Koontz said unless there are any further questions or comments, she would entertain a motion to adjourn. Trustee Mitchell motioned to adjourn; Trustee Ambris seconded. The vote was passed unanimously.

Imagining the Future Together

The Power of WOU

- The Employees Have a Passion for Our Mission
- The Board of Trustees Believe in and Support our Success
- The Alumni Speak Highly of the Education They Received
- The Students we Serve are Exceptional
- The Place WOU is Located is Exceptional

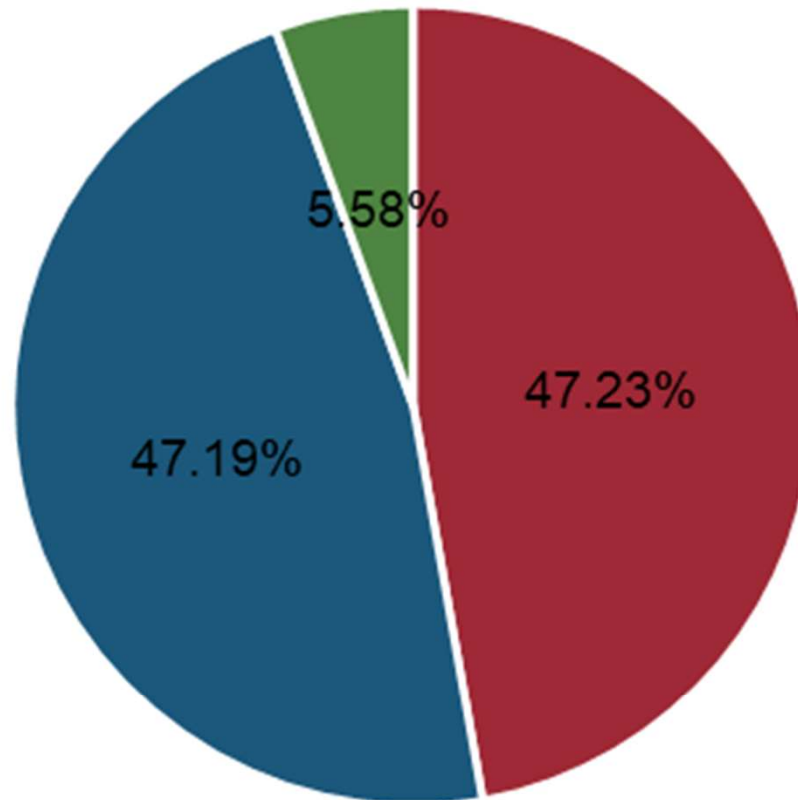
Education & General Fund Revenues



*FY23 based on Preliminary Budget

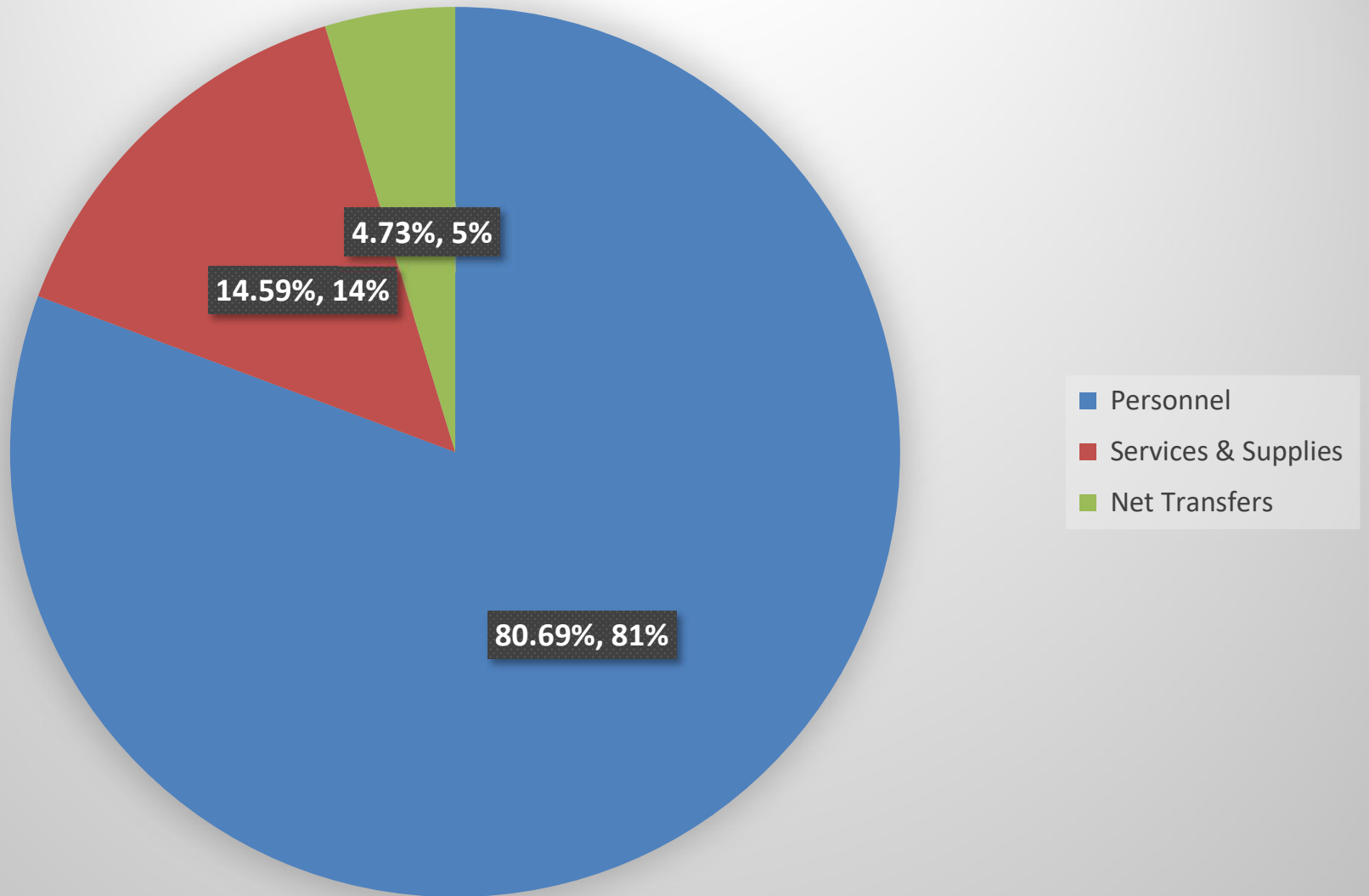
— Tuition & Fees — State Appropriations

FY23 Education & General Fund Revenues

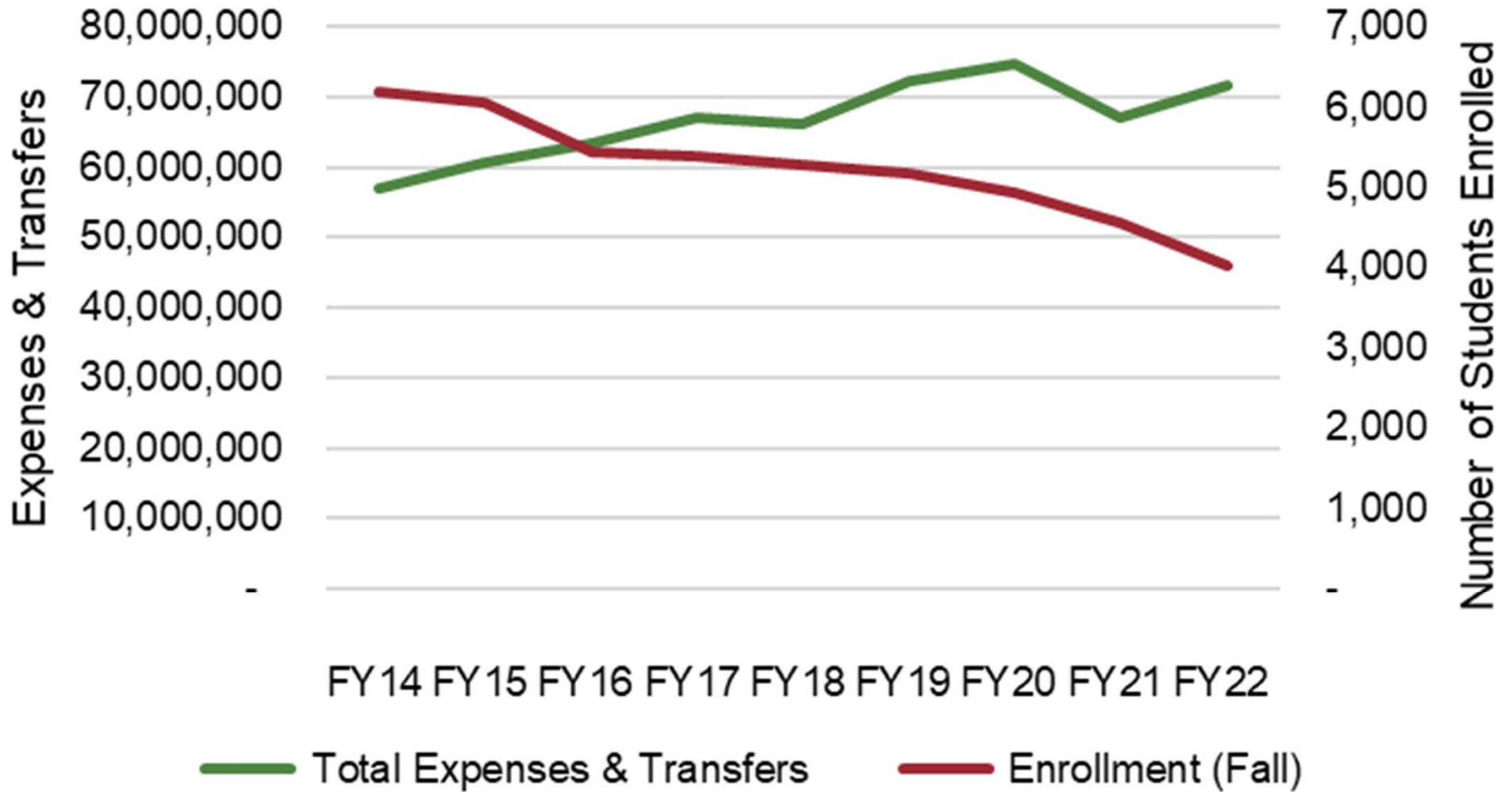


■ Tuition & Fees ■ State Appropriations ■ Other

FY23 Education & General Fund Expenses



Enrollment & E&G Expense Trends

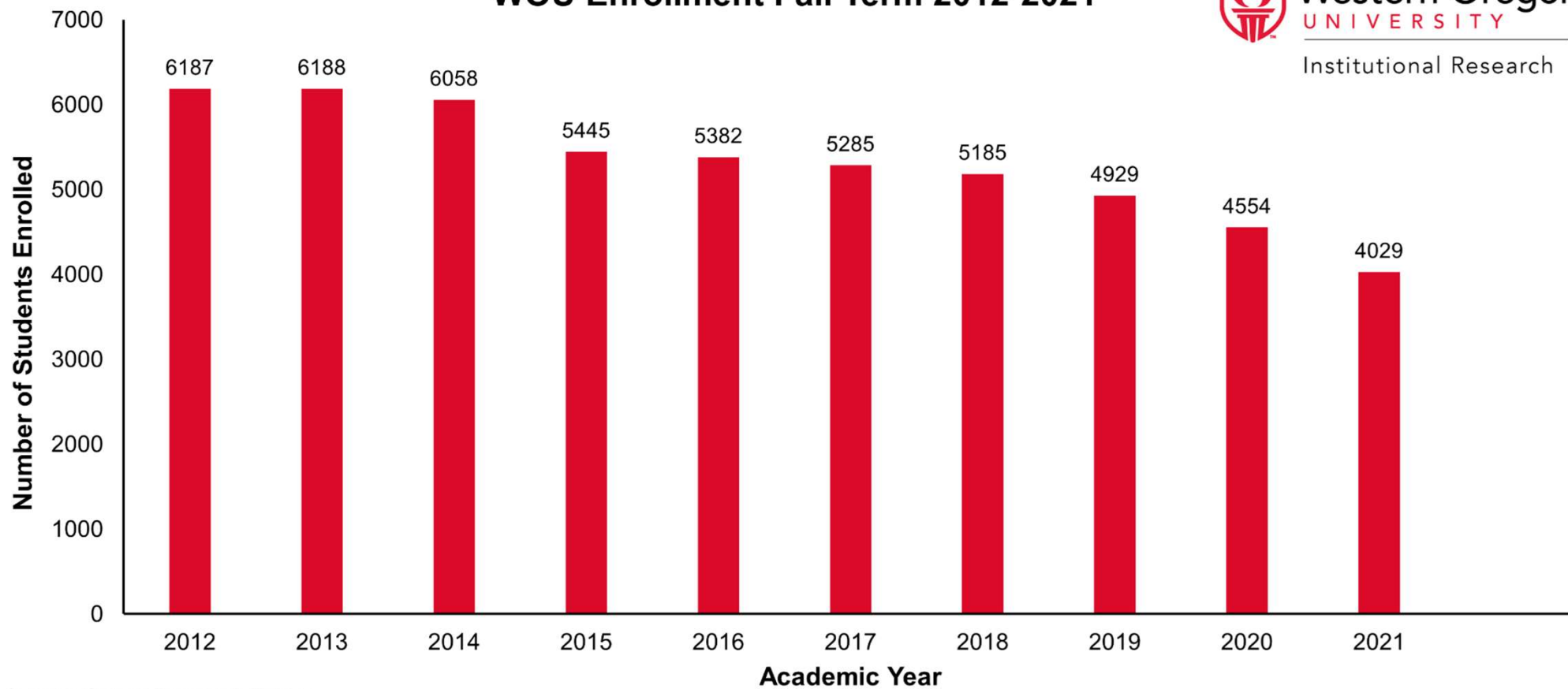


WOU Enrollment Fall Term 2012-2021



Western Oregon
UNIVERSITY

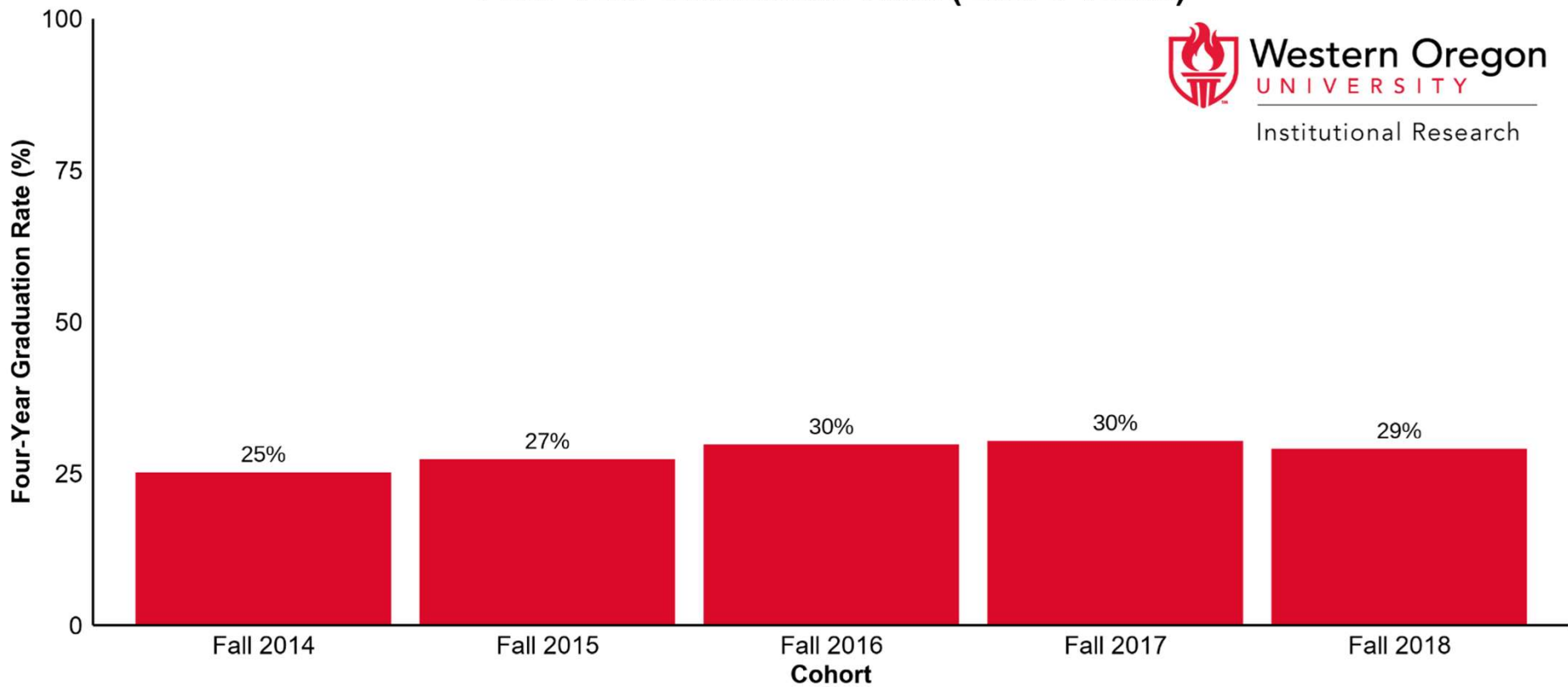
Institutional Research



Source: Saturn Research Tables

TOGETHER WE SUCCEED

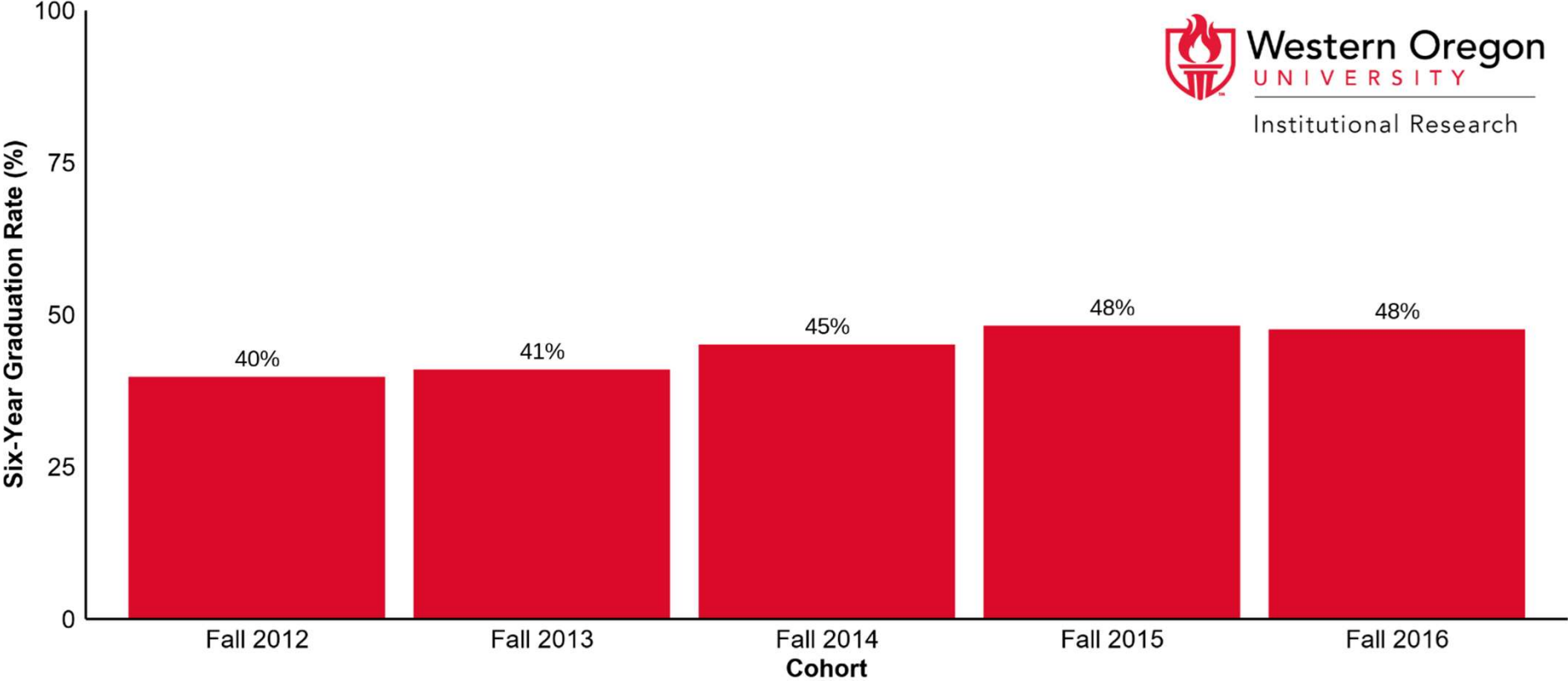
Four-Year Graduation Rate (Last 5 Years)



Source: SCARF and Saturn Tables

TOGETHER WE SUCCEED

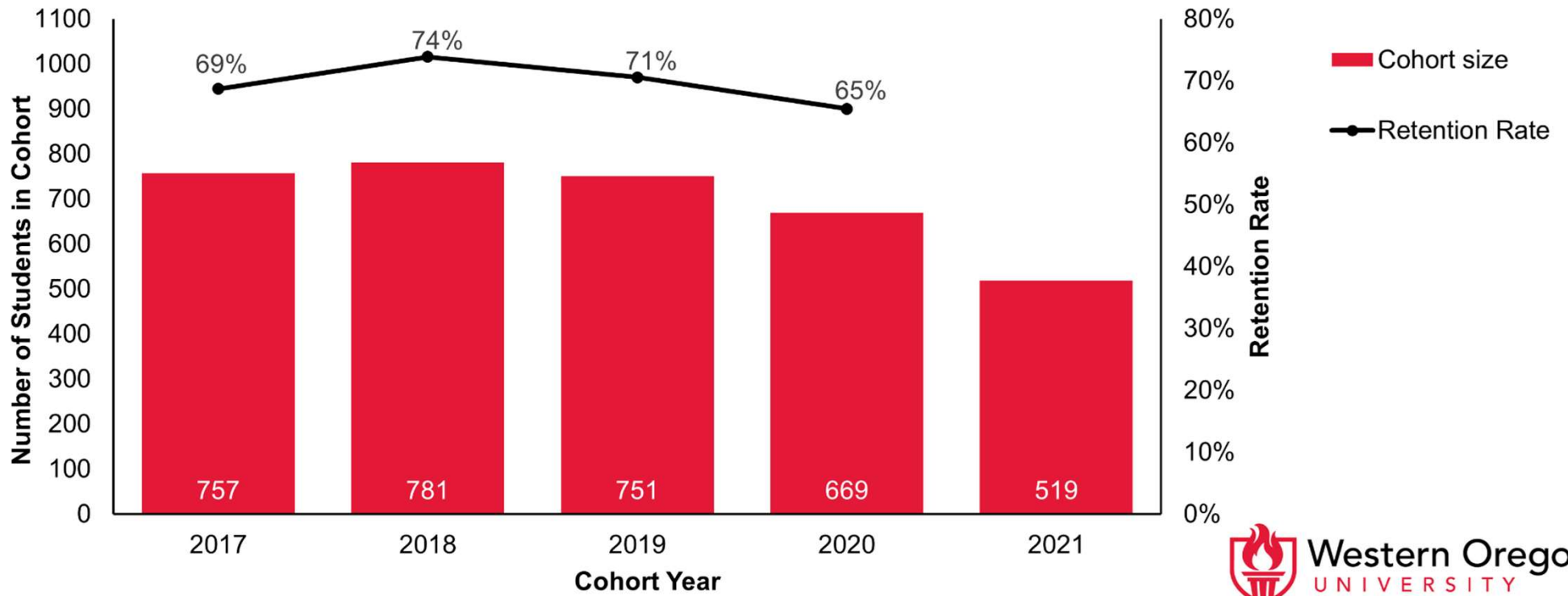
Six-Year Graduation Rate (Last 5 Years)



Source: SCARF and Saturn Tables

TOGETHER WE SUCCEED

WOU Retention Rate 2017-2021



Source: SCARF and Saturn Research Tables



TOGETHER WE SUCCEED

Strategies for the Future

- Data Driven Admissions Strategies
- Clear and Robust Marketing and Communications (Digital Presence)
- Academic Programs that Attract New Students & Serve Community
- Articulation of how DEIA Informs WOU's Identity
- Focused Combined Campaign & Fundraising
- Strengthening Student Support Systems (Student Success Building)
- Visionary & Executable Strategic Plan

Strategies for the Future

- Data Driven Admissions Strategies (EAB Partnerships)
- Clear and Robust Marketing and Communications (Digital Presence)
- Academic Programs that Attract New Students & Serve Community
- Strategic Use of WOU Salem
- DEIA Shaping WOU's Identity (Equity Audit; HSI Steering Committee)
- Focused Combined Campaign & Fundraising
- Expand Grant Opportunities (Seeking Title III Grant 22-23)
- Explore COPLAC Membership
- Visionary & Executable Strategic Plan (2023)

■ **TOGETHER WE SUCCEED**

Finance & Administration Committee (FAC), November 1, 2022

FY23 Proposed Adjusted Budget

Education & General (E&G) Fund Component:

The FY23 Education & General Fund totals \$65.869M in revenues and \$73.613M in recurring expenses and transfers. Combined with one-time activities of \$152K, this results in a budget deficit of \$7.896M. Beginning FY23 Fund Balance totals \$15.090M; this deficit level would reduce the fund balance to \$7.194M, or 10.92% of revenues by the end of FY23. See the FY23 Education & General Fund Detail worksheet for a comparison of the FY23 Proposed Adjusted Budget to the FY23 Preliminary Budget, as well as FY22 Budget.

Revenue Assumptions:

Total Revenues for the FY23 Adjusted Budget are \$65.869M, down \$1.866M from the FY23 Preliminary Budget. The changes in assumptions resulting in the decreased revenue are detailed below.

Tuition & Fees

- FY23 Preliminary Budget Tuition assumed a 5% UG enrollment decline and flat (0%) GR enrollment from Fall 2021. Actual fall enrollments are approximately a 7.6% decline for UG, and a 0.6% decline for GR.
 - Annual tuition and fee revenue budget is a combination of actual Fall 2022 and projected Winter & Spring 2023 based on 6% attrition between terms. This results in a projected 118,663 undergraduate and 7,906 graduate credit hours. Applying the applicable tuition rates as approved at the April 20, 2022 Board of Trustees meeting results in total undergraduate tuition of \$25.681M and graduate tuition of \$3.637M, for a total decrease of \$1.521M from the FY23 preliminary budget.
- Summer tuition revenues were assumed to be approximately the same as FY22 in the preliminary budget, totaling \$2.311M. However, Summer 2022 enrollment was down approximately 8.7% from Summer 2021. Summer tuition crosses two fiscal years, with approximately 15% of revenues recognized in the fiscal year just ending and 85% in the fiscal year beginning. Summer 2022 resulted in \$1.642M of FY23 revenue, with the remaining budgeted summer revenue of \$358K expected from Summer 2023.
- Online course fee revenues have been updated to a projected 56,508 online course credit hours based on actual fall enrollments and projected Winter & Spring 2023, resulting in a budget of \$2.995M, a decrease of \$34K from the preliminary budget.

- Fee remissions remain budgeted at \$5.5M in collaboration with Financial Aid. While we have fewer students, we are still waiting to see the full impact of the RNL optimization to fee remissions.

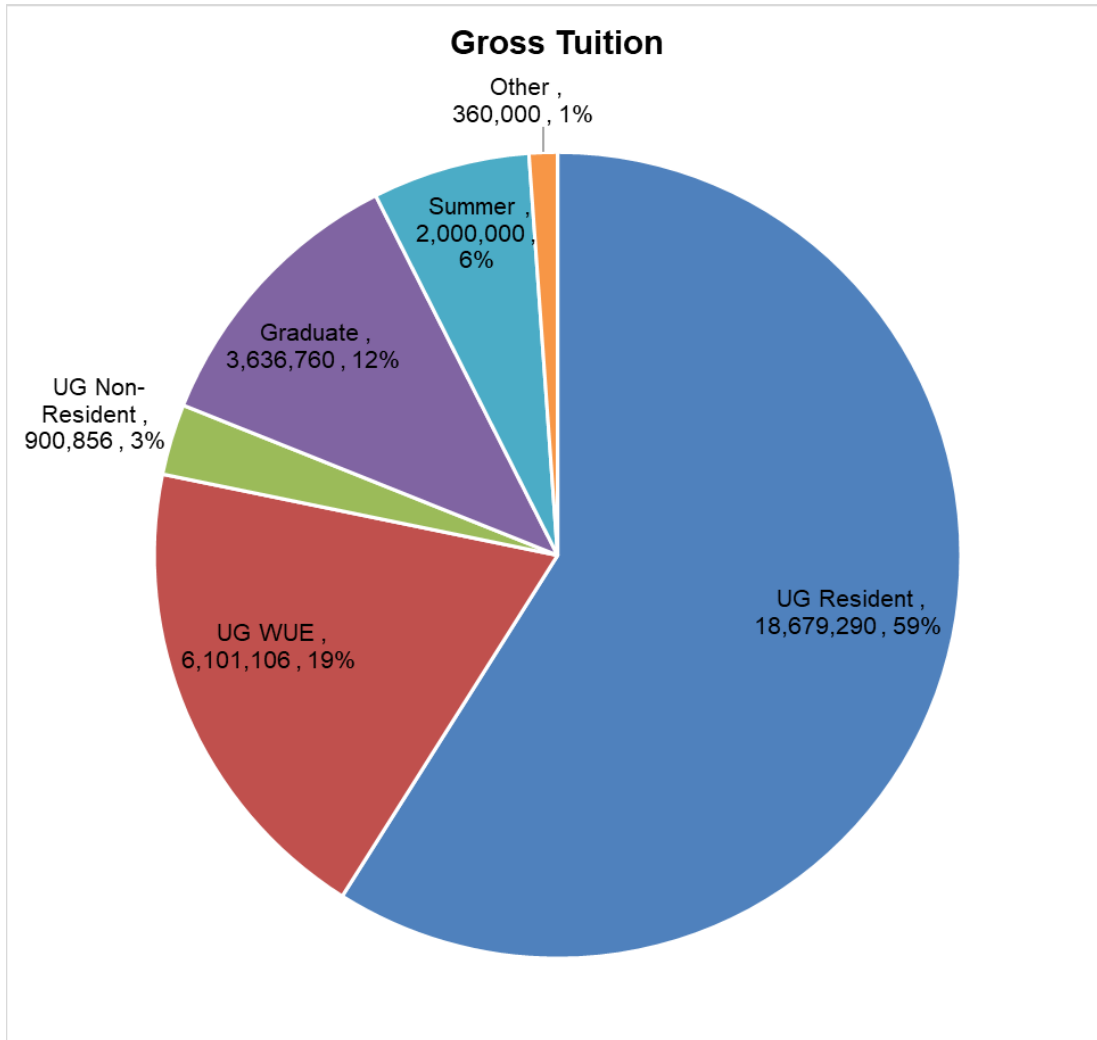


Figure 1: Tuition Revenue by category

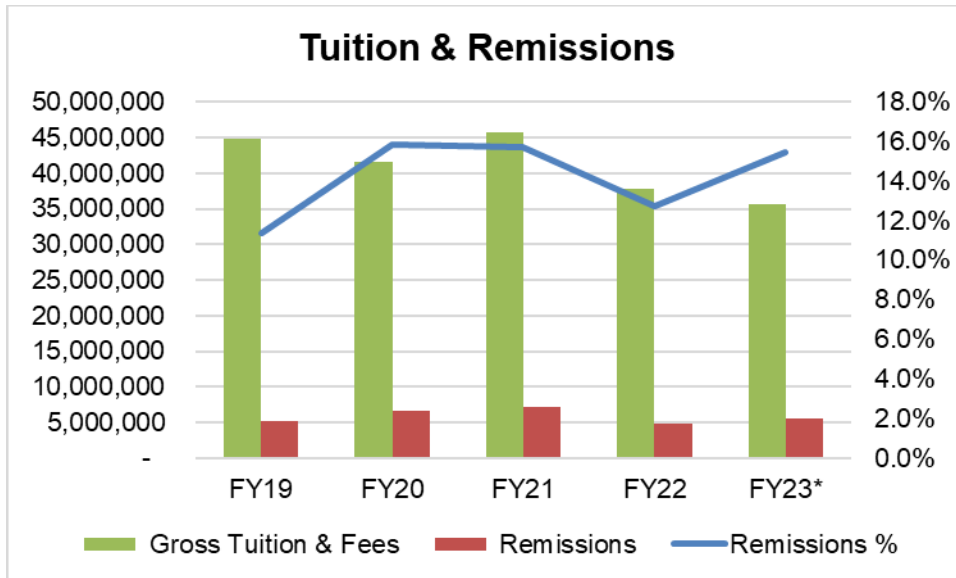


Figure 2: Total gross tuition & fees, total remissions, and remissions as a percentage of gross tuition & fees for FY19 – FY23 (FY23 based on proposed adjusted budgeted numbers).

Government Resources & Allocations

- Government Resources & Allocations total \$31.966M with no change from the Preliminary Budget. We are still awaiting final allocation amounts trued up for the latest three-year rolling data (the included amount is based on the estimate provided from HECC, which is based on FY20, FY21, and FY21 as a placeholder for FY22).
 - FY23 is the second year of the biennium, with 49% of PUSF being distributed in year 1 and the remaining 51% distributed in year 2.

Other Revenues

- Other Revenues total \$3.780M with no change from the Preliminary Budget. These revenues include Gift Grants and Contracts of \$1.180M, Interest Earnings/Investment of \$2M, Sales & Services of \$500K, and Other Revenues of \$100K.

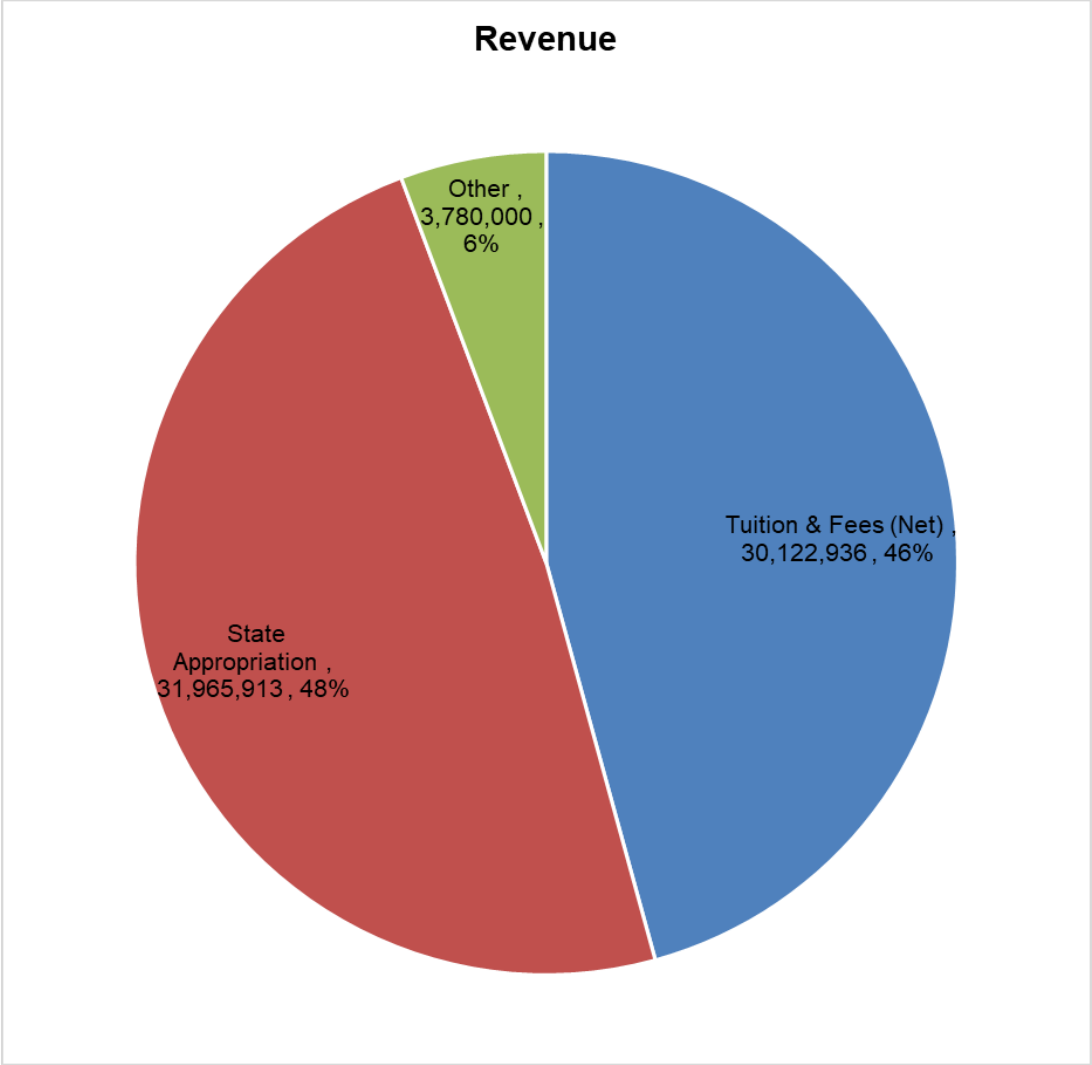


Figure 3: Total revenue by category.

Expense Assumptions:

Total Expenses for the FY23 Adjusted Budget are budgeted at \$69.986M.

Personnel

- Personnel budget totals \$60.033M, \$305K more than the FY23 Preliminary Budget, and \$2.787M more than the FY22 Budget.
- Faculty Salaries are budgeted at \$17.965M, \$458K less than the Preliminary Budget, which is reflective of removing five vacant T/TT lines (Natural Science, Creative Arts, Mathematics, and two from Humanities) where it was determined no search to replace the lines would happen and the funding was returned to the base budget.

- The FY23 Preliminary Budget for faculty salaries had incorporated: 5 new T/TT lines in Business, Computer Science, Special Education, Deaf & Professional Studies, & Social Sciences; increase in salaries for annual step increases, 0.5% COLA February 2022 (not reflected in FY22 Budget) and 1.5% COLA September 2022, and promotions (resulting in 4 step increases) for 19 faculty; approximately \$313K of budget savings generated from the remaining Article 15 T/TT reductions; an increase in the NTT pool average salary rate of 3.8% (\$5,500/month); and an approximate 7 FTE decrease in NTT pool allocations based on realizing the remainder of Article 15 savings and other efficiencies.
- Budgeted amount for unclassified salaries totals \$10.801M, \$675K more than the preliminary budget, which incorporates a 4.5% COLA effective July 1, 2022 (\$437K), added position for Program Director of Occupational Therapy (\$133K), added position for Title IX Coordinator (\$80K), and increasing General Funded portion of Student Conduct position (\$25K).
 - The FY23 Preliminary Budget already incorporated a 1% COLA effective January 1, 2022 (which was not in the FY22 Budget), and the following 6 new positions and 3 increases: Benefits Navigator (funded by new state appropriation), President Office support staff, Admissions Office Transfer Specialist Assistant Director, Business Dept Recruitment & Retention Advisor, Education Advisor, an increase in pay/FTE for Associate Provost position resulting from a reorganization, and an increase in both DEI positions to full year (were only budgeted for partial year in FY22's Budget).
- Faculty & Unclassified Supplemental pay is budgeted at \$583K. This category is largely reflective of stipends paid to faculty and unclassified staff, but also includes temporary employee and allowance funds.
- Budgeted amount for classified salaries totals \$6.721M, an increase of \$75K from the preliminary budget reflective of an additional custodial position and other small budget corrections.
 - The FY23 Preliminary Budget already incorporated COLAs according to the SEIU Collective Bargaining Agreement of 3.1% effective January 1, 2022 (not reflected in FY22 Budget) and 2.5% effective July 1, 2022 and 2 new positions including an Admissions Slate Analyst and Registrar Services Specialist (OS2).
- Classified Pay is budgeted at \$260K and includes \$50K budgeted for longevity pay differential. This category includes pay for differentials, overtime, and temporary employees.
- Student pay is budgeted at \$1.822M and reflects allocation of the student pay reserve that was added in the FY23 Preliminary Budget.
- Budgeted Other Payroll Expense (OPE) totals \$21.881M. This is comprised of multiple components – health insurance (which is budgeted at a flat annual rate of \$17,004 per eligible individual), retirement (which is budgeted at a composite

percentage of 27.5% applied to each employees' specific budgeted pay), and other rate of 8.15% (FICA, etc.).

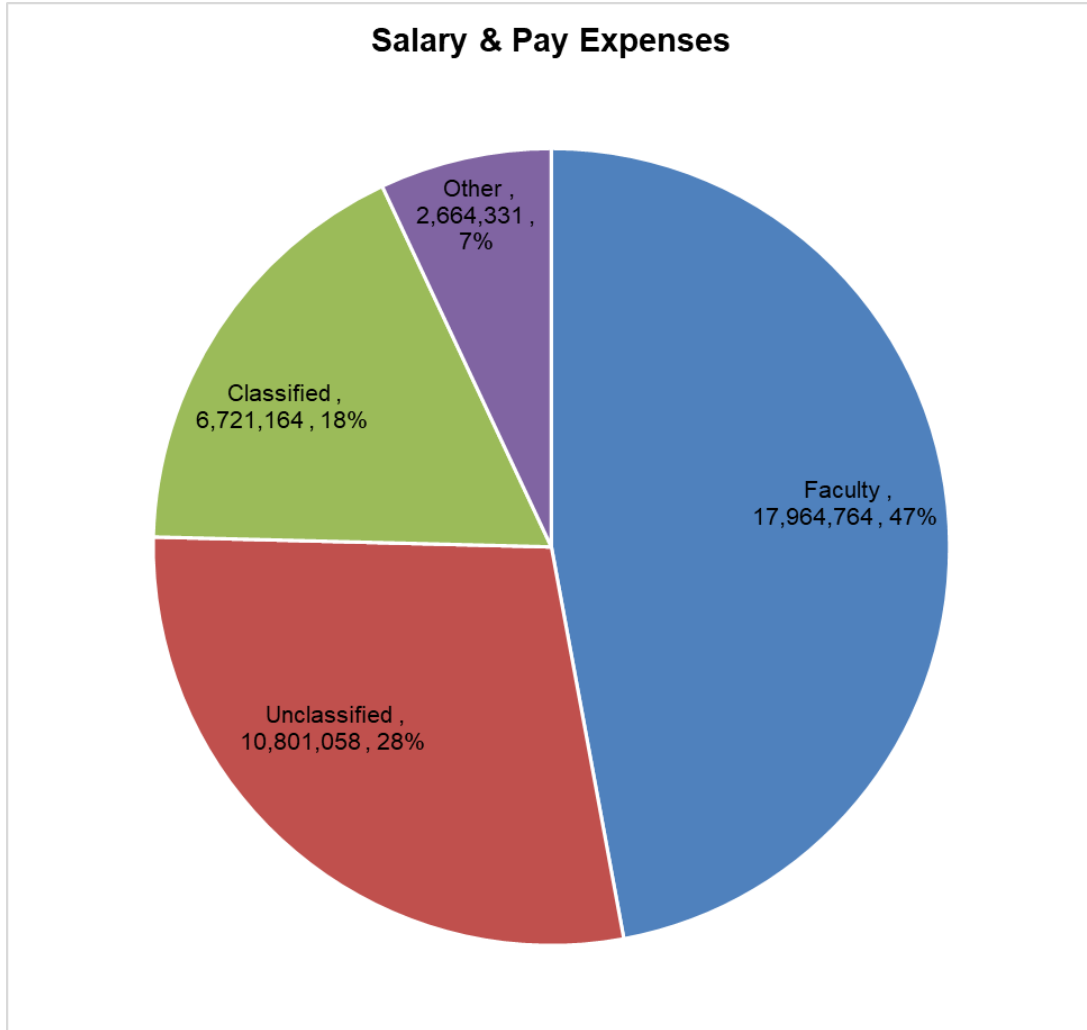


Figure 4: Total salary & pay by category.

Services & Supplies (S&S)

- Services & Supplies net of Internal Sales budget totals \$9.763M. With Services & Supplies increasing approximately \$198K, and Internal Sales increasing approximately \$150K from FY23 Preliminary Budget.
 - S&S funds were added to the marketing budget (\$40K), DEI for Title IX training development (\$5K), UCS (\$40K) offset by increase in internal sales), and Legal to cover increased PURMIT dues (\$113K).
 - Internal sales were increased by \$100K to bring FY23's budget up to actual FY22 general admin overhead received, and \$50K for UCS (with an offsetting \$50K of expense in S&S/student pay).

Capital Expense

- Capital Expense (Library and University Computing Solutions purchases) is budgeted at \$190K, remaining unchanged from the Preliminary Budget.

Net Transfer Assumptions:

Total Net Transfers are budgeted at \$3.627M.

- Athletics Subsidy is increased to \$3.288M, by \$111K to cover the 4.5% COLA for unclassified staff (as well as OPE and General Administrative Overhead associated).
 - The FY23 Preliminary Budget incorporated increasing men's soccer coaches to be budgeted for a full year (only partially budgeted in FY22's Budget), and adding two new positions, a part time sports performance coach and an athletic trainer.
- Other transfers of \$150K subsidy to the Child Development Center and \$175K transfer for SELP funding match remain consistent, while misc. other transfers were updated to reflect a cost share match.

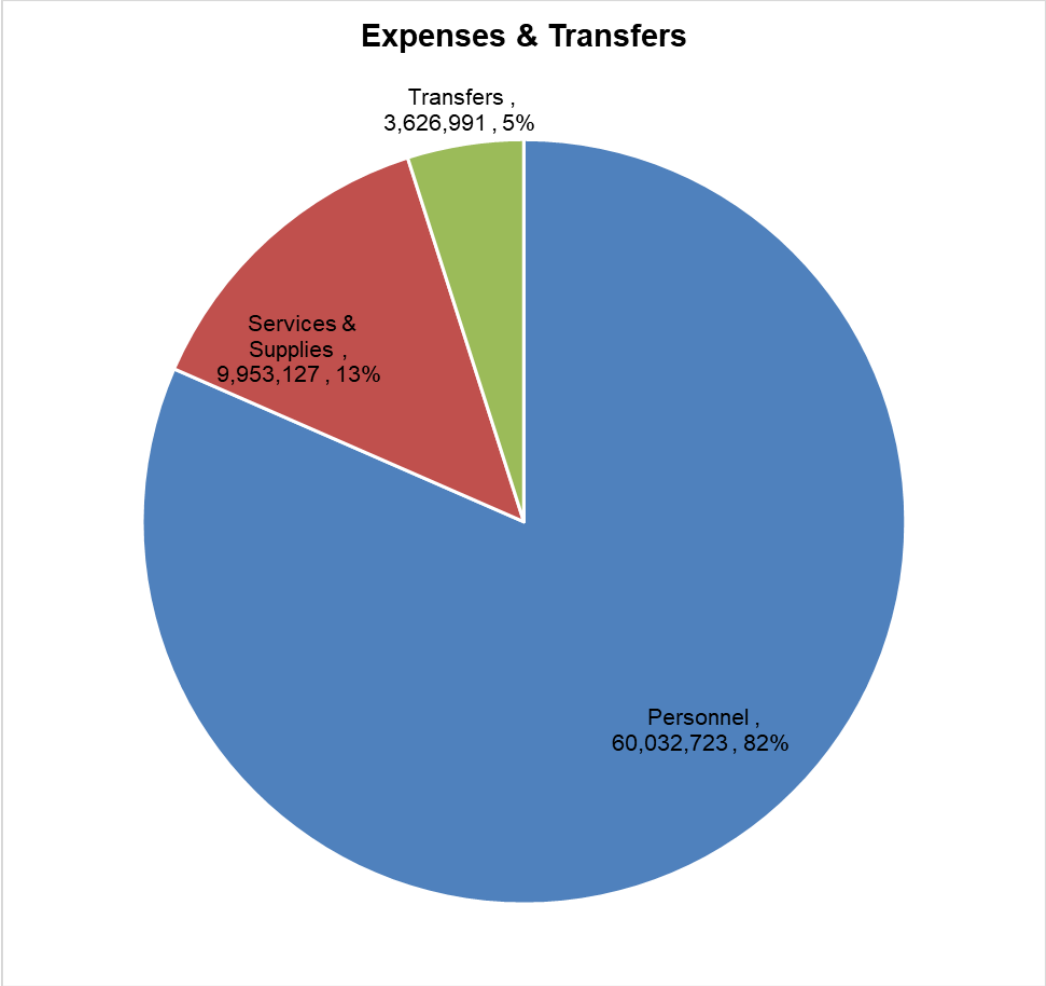


Figure 5: Total recurring expenses and transfers.

Other Activity Assumptions:

Total Other Activities representing one-time resources and expenses are budgeted at \$152K, a decrease of \$740K from the FY23 Preliminary Budget.

- Other misc. activities total \$1.151M, an increase of \$260K from the Preliminary Budget, incorporating \$150K for an equity audit, \$35K for the accreditation visit, \$6K for Title IX outsourcing, and \$69K for misc. one-time expenses.
 - The FY23 Preliminary Budget incorporated \$268K for Banner Financial Aid implementation, \$72K for the RNL contract to optimize financial aid, \$382K for the EAB contract, and \$169K for Freedom Center, Stitch Closet, and President’s relocation.
- WOU has been awarded \$299K in SSARP funds, which will be used to reimburse lost revenue in the general fund as a one-time source of relief.

- To support the equity audit, a transfer in of \$150K of the quasi-endowment funds has been incorporated (pending board approval).
- Estimated one-time budgetary savings of \$550K total, \$500K of which result from sweeping salary savings centrally (rather than letting units use them for other one-time expenses as has been the practice; typical salvage is \$1M in a year) and \$50K of savings resulting from an Academic Affairs grant that will cover some staff personnel expense.

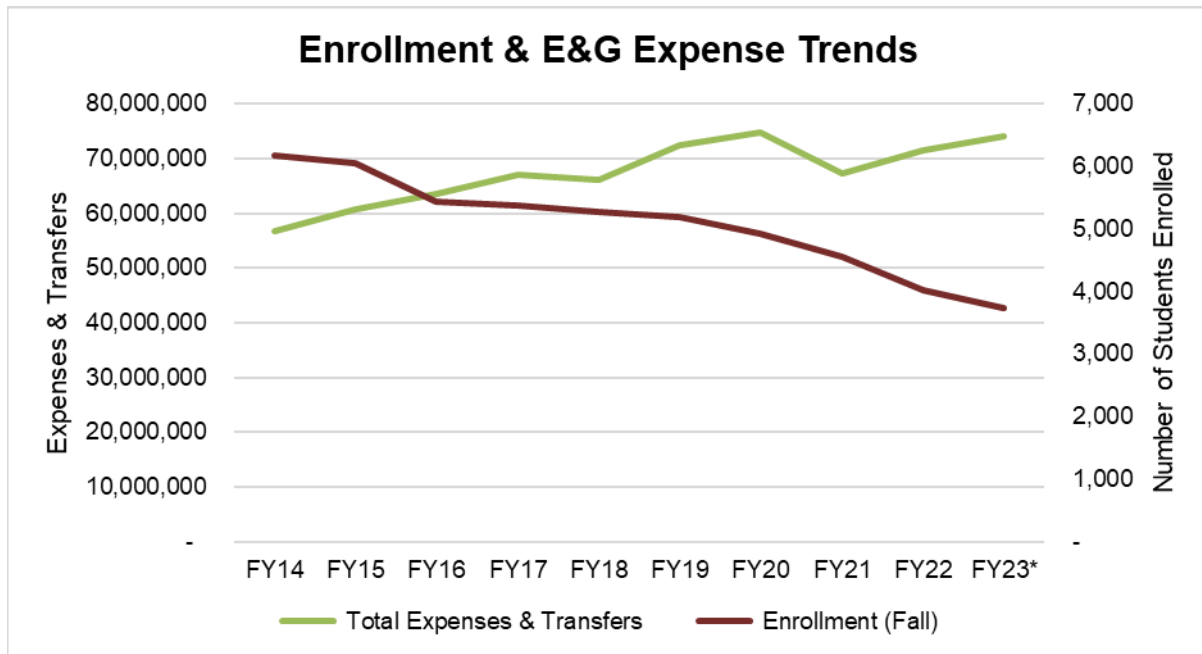


Figure 6: Enrollment (headcounts) and E&G Expense trends over the last 10 years (FY23 based on proposed adjusted budget).

Auxiliary Component:

The auxiliary component is composed of Athletics, Housing, Dining, Parking, Conference Services, Bookstore, Student Health & Counseling Center (SHCC), Child Development Center (CDC), and other minor operations. The net budget deficit for all Auxiliaries (excluding IFC) totals \$726K, with auxiliaries having sufficient reserves to cover the deficit. Auxiliary budgets have been updated for the 4.5% unclassified COLA and increased transfer into athletics from general fund, but no other adjustments were deemed necessary at this time.

Incidental Fee (IFC) Component:

Incidental Fee has a net deficit budget of \$309K, with plans to cover the deficit from reserves. Unclassified salaries have been updated for the 4.5% COLA, with the difference coming from S&S budgets (as incidental fee allocations are determined by the Incidental Fee Committee).

Designated Operations & Service Departments Component:

Designated Operations & Service Department budgets are inclusive of primarily Council of Presidents and Telecommunications, as well as other small miscellaneous budgets. As such, the budgets have no significant changes from the FY23 Preliminary Budget.

FY23 Preliminary Budget across Component Funds:

As shown on the Component Funds Budget Summary worksheet included below, combined component budgets results in a total net budget deficit across these funds of \$8.959M, or 10% of revenues.

STAFF RECOMMENDATION:

It is recommended that the Western Oregon University Finance and Administration Committee recommends to the Board of Trustees to approve the FY23 Adjusted Budget as presented in the docket.

**Western Oregon University
FY23 Proposed Adjusted Budget
Component Funds Budget Summary**

	Education & General (E&G)	Auxiliary (excluding IFC)	Incidental Fee (IFC)	Designated Operations & Service Depts	Total
Revenues					
Enrollment Fees	30,122,936	1,621,319	3,987,165	48,134	35,779,554
Government Resources & Allocations	31,965,913	1,300,000	-	-	33,265,913
Gift Grants and Contracts	1,180,000	29,626	83,649	-	1,293,275
Investment	2,000,000	9,000	21	4,175	2,013,196
Sales & Services	500,000	10,778,567	185,443	126,630	11,590,640
Other Revenues	100,000	401,554	177,103	2,074,156	2,752,813
Total Revenues	65,868,849	14,140,066	4,433,381	2,253,095	86,695,391
Expenses					
Personnel	60,032,723	8,464,420	2,127,264	1,019,023	71,643,431
Services & Supplies	9,763,436	8,056,068	2,422,306	1,261,556	21,503,366
Capital Outlay	189,691	-	-	-	189,691
Total Expenses	69,985,850	16,520,488	4,549,571	2,280,579	93,336,488
Net Transfers	3,626,991	(1,653,959)	192,797	750	2,166,579
Total Expenses & Transfers	73,612,841	14,866,529	4,742,368	2,281,329	95,503,067
Net Recurring Budget	(7,743,992)	(726,463)	(308,987)	(28,234)	(8,807,676)
One Time Activities	151,770	-	-	-	151,770
Net Budget	(7,895,762)	(726,463)	(308,987)	(28,234)	(8,959,446)

Western Oregon University
 FY23 Proposed Adjusted Budget
 Education & General Fund Detail

	FY23 Proposed Adjusted Budget	FY23 Preliminary Budget	Increase/ (Decrease)	FY22 Budget	Increase/ (Decrease)
Revenues					
Tuition & Fees					
Undergraduate Tuition					
Resident	18,679,290	19,436,860	(757,570)	19,420,776	(741,486)
WUE	6,101,106	6,128,169	(27,063)	7,004,598	(903,492)
Non-Resident	900,856	1,248,060	(347,204)	1,353,460	(452,604)
Total Undergraduate Tuition	25,681,252	26,813,089	(1,131,837)	27,778,834	(2,097,582)
Graduate Tuition	3,636,760	4,026,380	(389,620)	3,700,240	(63,480)
Summer					
Undergraduate	1,400,000	1,575,200	(175,200)	1,900,000	(500,000)
Graduate	600,000	736,000	(136,000)	800,000	(200,000)
Total Summer	2,000,000	2,311,200	(311,200)	2,700,000	(700,000)
Other Tuition	360,000	360,000	-	360,000	-
Total Tuition	31,678,012	33,510,669	(1,832,657)	34,539,074	(2,861,062)
Fees					
Matriculation	500,000	500,000	-	550,000	(50,000)
Course	300,000	300,000	-	300,000	-
Online Course	2,994,924	3,028,632	(33,708)	2,233,376	761,548
Other	150,000	150,000	-	150,000	-
Total Fees	3,944,924	3,978,632	(33,708)	3,233,376	711,548
Fee Remissions	(5,500,000)	(5,500,000)	-	(5,500,000)	-
Total Tuition & Fees (net of remissions)	30,122,936	31,989,301	(1,866,365)	32,272,450	(2,149,514)
Government Resources & Allocations					
Student Success & Completion (SSCM)	31,179,017	31,179,017	-	30,293,705	885,312
Benefits Navigator	115,000	115,000	-	-	115,000
Engineering Technology (ETSF)	292,648	292,648	-	307,728	(15,080)
Small-Energy Loan Program (SELP)	379,248	379,248	-	382,188	(2,940)
Total Government Resources & Allocations	31,965,913	31,965,913	-	30,983,621	982,292
Other Revenues					
Gift Grants and Contracts	1,180,000	1,180,000	-	622,260	557,740
Interest Earnings/Investment	2,000,000	2,000,000	-	2,000,000	-
Sales & Services	500,000	500,000	-	500,000	-
Other Revenues	100,000	100,000	-	100,000	-
Total Other Revenues	3,780,000	3,780,000	-	3,222,260	557,740
Total Revenues	65,868,849	67,735,214	(1,866,365)	66,478,331	(609,482)

Western Oregon University
 FY23 Proposed Adjusted Budget
 Education & General Fund Detail

	FY23 Proposed Adjusted Budget	FY23 Preliminary Budget	Increase/ (Decrease)	FY22 Budget	Increase/ (Decrease)
Expenses					
Personnel					
Faculty Salaries	17,964,764	18,422,700	(457,936)	17,876,075	88,689
Unclassified Salaries	10,801,058	10,126,174	674,884	9,078,781	1,722,277
Faculty & Unclassified Supplemental Pay	582,647	570,647	12,000	572,206	10,441
Classified Salaries	6,721,164	6,646,464	74,700	6,545,170	175,994
Classified Pay	260,061	260,061	-	260,311	(250)
Student	1,821,623	1,897,830	(76,207)	1,785,055	36,568
OPE	21,881,406	21,804,341	77,065	21,128,003	753,403
Total Personnel	60,032,723	59,728,218	304,506	57,245,601	2,787,122
Services & Supplies					
Services & Supplies	13,265,015	13,067,155	197,860	13,295,408	(30,393)
Internal Sales	(3,501,579)	(3,351,579)	(150,000)	(3,273,841)	(227,738)
Total Services & Supplies	9,763,436	9,715,576	47,860	10,021,567	(258,131)
Capital Outlay	189,691	189,691	-	209,691	(20,000)
Total Expenses	69,985,850	69,633,485	352,365	67,476,859	2,508,991
Transfers					
Athletics Subsidy	3,287,753	3,176,817	110,936	2,979,025	308,728
Child Development Center Subsidy	150,000	150,000	-	150,000	-
SELP Funding Match	175,000	175,000	-	175,000	-
Other Transfers	14,238	(4,089)	18,327	13,342	896
Total Transfers	3,626,991	3,497,728	129,263	3,317,367	309,624
Total Recurring Expenses & Transfers	73,612,841	73,131,213	481,628	70,794,226	2,818,615
Net Recurring	(7,743,992)	(5,395,999)	(2,347,993)	(4,315,895)	(3,428,097)
Other Activities					
HEERF Reimbursement	(299,487)	-	(299,487)	(3,000,000)	2,700,513
Quasi Endowment Transfer In	(150,000)	-	(150,000)	-	(150,000)
Salvage Savings Sweep	(550,000)	-	(550,000)	-	(550,000)
Other Misc. Activities	1,151,257	891,366	259,891	924,811	226,446
Total Other Activities	151,770	891,366	(739,596)	(2,075,189)	2,226,959
Net	(7,895,762)	(6,287,365)	(1,608,397)	(2,240,706)	(5,655,056)
Beginning Fund Balance	15,089,728	11,810,809		10,870,294	
Projected Ending Fund Balance	7,193,966	5,523,444		8,629,588	
Fund Balance as a Percentage of Revenues	10.92%	8.15%		12.98%	

Finance & Administration Committee (FAC), November 1, 2022

Request to Transfer Funds out of Quasi-Endowment

June 9, 2021 the Board of Trustees voted to transfer \$850,000 out of E&G Fund into Quasi-Endowment to support Diversity Equity and Inclusion initiatives. Currently, WOU is seeking to undertake the equity audit.

This Fall 2022, WOU will engage in qualitative data collection, utilizing focus groups and one on one meetings. Data from this collection time will be analyzed and findings will be shared with the university community early in the Winter Term session. Then by the end of Winter Term the consultant will share a full report and recommendations with the university.

During the Spring 2023 and Summer 2023 terms the consultant will work with university stakeholders to review student and employee related policy and procedures, to help teach the community how to utilize an equity lens when creating policies and procedures and to revise those already in place. WOU will begin to utilize some of the data and implement recommendations during the 2023-2024 academic year.

Then in Fall 2024 WOU will engage in a university-wide campus climate survey. This will begin WOU's journey of engaging in regular campus climate feedback, in three-year increments to allow time for data collection, analysis, action planning, implementation, and then be prepared for the next round of data collection.

FY2023 Expense for Equity Audit is \$150,000.

Staff Recommendation:

It is recommended that the Western Oregon University Finance and Administration Committee recommends to the Board of Trustees to authorize transfer of \$150,000 out of Quasi-Endowment to Education & General Fund to support Equity Audit expenses in FY23. Staff will work with Q-E investment managers to determine transfer time.

Finance & Administration Committee (FAC), November 1, 2022

Management Report as of September 30, 2022

Period 3 YTD Actual to Actual Variance:

This report provides three months of actual revenue and expense activity (as of September 30, 2022) as compared to the same period in prior fiscal year (September 30, 2021).

Education & General Fund:

Revenues:

Tuition revenues are \$901K less than the prior year despite having a modest tuition increase (3.19% for resident undergrad) due to an approximate 7.0% enrollment decrease in Fall 2022 (relative to the same term prior year). Online course fees have decreased by \$222K because of decreased enrollment. Other fees are \$54K more than the prior year, and fee remissions have decreased \$48K from the prior year. Altogether, this results in net tuition and fees for Period 3 (encompassing fall term and majority of Summer 2022) being \$1.117M less than the prior year.

Government resources & allocations have increased by \$13K from prior year based on the HECC's Public University Support Fund (PUSF) allocation formula. This is the fifth quarterly distribution for the 2021-23 biennium. A true up in the allocation for the updated 3-year rolling averages is expected in the sixth quarter distribution.

Gift grants and contracts revenue has increased by \$118K from prior year, primarily reflecting increased grant indirect revenue. Other revenues have increased by \$50K from the prior year.

Overall, total revenues are \$24.995M, \$936K less than the prior year, primarily because of decreased enrollment.

Expenses:

Personnel expenses are \$92K more than the prior period and reflect variations in faculty/staff from the prior year.

Services and supplies expenses are \$353K more than the prior year.

Overall, total expenses are \$11.612M, \$438K more than the prior year.

Net Revenues less Expenses:

Net revenues less expenses have decreased by \$1.374M compared to prior year.

Auxiliary Enterprises:

Auxiliary Enterprises is comprised of Athletics, University Housing, Campus Dining, Parking, Bookstore, Student Health & Counseling Center (SHCC), Child Development Center (CDC), Incidental Fee, and other minor operations.

Revenues:

Enrollment Fees have decreased by \$259K, primarily because of the change to the incidental fee structure (in FY22, fee of \$355 was charged to all students at credit 1; in FY23, the fee is \$372, but a reduced fee of \$200 is charged to students not enrolled on the Monmouth campus). Sales and Services are up \$182K from the prior year. Other Revenue increased by \$205K. Altogether, our auxiliary revenue totals \$3.757M and has increased \$127K from the prior year.

Expenses:

Personnel expenses are \$469K more than the prior year. Service & Supplies are \$594K more than the prior year.

Net Revenues less Expenses:

Net revenues less expenses total -\$1.533M and have decreased by \$936K compared to prior year.

Designated Operations, Service Departments, Clearing Funds:

Designated Operations, Service Departments, and Clearing Funds is comprised primarily of Telecommunications and Oregon Council of Presidents.

Revenues and expenses are comparable to prior year, with revenues up \$67K and expenses down \$147K, for a net difference from prior year of \$214K.

FY23 Projected Year-End:

This report provides year-end projections. With three months of actuals, our projection for the year matches our Proposed FY23 Adjusted Budget.

STAFF RECOMMENDATION:

It is recommended that the Western Oregon University Finance and Administration Committee accept the FY23 Projected Year-End Report and the overall Management Report as of September 30, 2022.

Western Oregon University
P3 YTD Actual to Actual Variance

(Unaudited, non-GAAP, for management purposes only)
(in thousands)

As of September 30, 2022
For the Fiscal Year Ended June 30, 2023

	P3 FY22 Actuals	P3 FY22 Realization/ Burn Rate %	P3 FY23 Actuals	P3 FY23 % of Budget	Variance		Note
					Actuals	%	
Education & General Fund							
Revenues							
Tuition	13,074		12,174		(901)		Decreased enrollment.
Online Course Fees	1,478		1,256		(222)		
Other Fees	594		648		54		
Less: Fee Remissions	(1,382)		(1,430)		(48)		
Net Student Fees & Tuition	13,765	41.71%	12,648	41.99%	(1,117)	0.27%	
Government Resources & Allocations	11,456	36.65%	11,469	35.88%	13	-0.77%	
Gift Grants and Contracts	256	21.86%	374	31.70%	118	9.85%	
Other Revenue	455	10.66%	505	19.42%	50	8.76%	
Total Revenues	25,931	37.21%	24,995	37.95%	(936)	0.74%	
Expenses							
Personnel	8,469	15.19%	8,561	14.26%	92	-0.93%	
Service & Supplies	2,695	27.20%	3,048	31.21%	353	4.01%	
Capital Expense	11	4.47%	4	2.15%	(7)	-2.33%	
Total Expenses	11,174	16.96%	11,612	16.59%	438	-0.36%	
Net Revenues less Expenses	14,757		13,383		(1,374)		

Western Oregon University
P3 YTD Actual to Actual Variance

(Unaudited, non-GAAP, for management purposes only)
(in thousands)

As of September 30, 2022
For the Fiscal Year Ended June 30, 2023

	P3 FY22 Actuals	P3 FY22 Realization/ Burn Rate %	P3 FY23 Actuals	P3 FY23 % of Budget	Variance		Note
					Actuals	%	
Auxiliary Enterprises Funds							
Revenues							
Enrollment Fees	2,118	37.26%	1,858	33.13%	(259)	-4.13%	
Sales and Services	792	7.31%	973	8.88%	182	1.57%	
Other Revenue	720	31.20%	925	46.23%	205	15.03%	
Total Revenues	3,630	19.28%	3,757	20.23%	127	0.95%	
Expenses							
Personnel	1,924	19.93%	2,393	22.60%	469	2.67%	
Service & Supplies	2,303	21.15%	2,896	27.64%	594	6.49%	
Capital Expense	-	100.00%	-	100.00%	-	0.00%	
Total Expenses	4,227	20.58%	5,289	25.10%	1,063	4.53%	
Net Revenues less Expenses	(597)		(1,533)		(936)		
Designated Operations, Service Departments, Clearing Funds							
Revenues							
Enrollment Fees	3	8.88%	73	152.17%	70	143.29%	
Sales and Services	25	17.75%	19	15.06%	(6)	-2.69%	
Other Revenue	296	15.07%	299	14.38%	3	-0.69%	
Total Revenues	324	15.15%	391	17.36%	67	2.22%	
Expenses							
Personnel	215	27.60%	173	17.02%	(42)	-10.57%	
Service & Supplies	360	25.11%	264	20.89%	(96)	-4.22%	
Capital Expense	8	8566.96%	0	100.00%	(8)	-8466.96%	
Total Expenses	584	26.37%	437	19.16%	(147)	-7.21%	
Net Revenues less Expenses	(260)		(46)		214		

Western Oregon University
 FY23 Projected Year-End
 (Unaudited, non-GAAP, for management purposes only)
 (in thousands)

As of September 30, 2022
 For the Fiscal Year Ended June 30, 2023

	FY22 Year-End Actuals	FY23 Projected Year-End	FY23 Preliminary Budget	Variance FY23 Projected Year-End to Prelim Budget	FY23 Proposed Adjusted Budget	Variance FY23 Projected Year-End to Prop Adj Budget	Note
Education & General Fund							
Recurring Operating Activities							
Student Fees & Tuition (net of remissions)	33,000	30,123	31,989	(1,866)	30,123	-	
Government Resources & Allocations	31,257	31,966	31,966	-	31,966	-	
Gift Grants and Contracts	1,171	1,180	1,180	-	1,180	-	
Other Revenue	4,270	2,600	2,600	-	2,600	-	
Total Revenues	69,697	65,869	67,735	(1,866)	65,869	-	
Personnel	55,759	60,033	59,728	305	60,033	-	
Service & Supplies	9,907	9,763	9,716	48	9,763	-	
Capital Expense	238	190	190	-	190	-	
Total Expenses	65,904	69,986	69,633	352	69,986	-	
Net Transfers	4,809	3,627	3,498	129	3,627	-	Projection is based on transfer schedule.
Total Expenses and Transfers	70,713	73,613	73,131	482	73,613	-	
Operating Net Revenues less Expenses	(1,016)	(7,744)	(5,396)	(2,348)	(7,744)	-	
One-Time Activities							
HEERF Reimbursement	5,168	299	-	299	299	-	
Quasi Endowment	(850)	150	-	150	150	-	
Salvage Savings Sweep	-	550	-	550	550	-	
Other	-	(1,151)	(891)	(260)	(1,151)	-	
Total One-Time Activities	4,318	(152)	(891)	740	(152)	-	
Total Net Revenues less Expenses	3,301	(7,896)	(6,287)	(1,608)	(7,896)	-	
Fund Balance at the Beginning of the Year	10,870	15,090	11,811		15,090		
Additions/Deductions to Fund Balance	918	-	-		-		
Fund Balance at the End of the Year	15,090	7,194	5,523		7,194		
Fund Balance as a Percentage of Revenues	20.16%	10.92%	8.15%		10.92%		

Western Oregon University
 FY23 Projected Year-End
 (Unaudited, non-GAAP, for management purposes only)
 (in thousands)

As of September 30, 2022
 For the Fiscal Year Ended June 30, 2023

	FY22 Year-End Actuals	FY23 Projected Year-End	FY23 Preliminary Budget	Variance FY23 Projected Year-End to Prelim Budget	FY23 Proposed Adjusted Budget	Variance FY23 Projected Year-End to Prop Adj Budget	Note
Auxiliary Enterprises Funds							
Enrollment Fees	5,683	5,608	5,608	-	5,608	-	
Sales and Services	10,836	10,964	10,964	-	10,964	-	
Other Revenue	2,309	2,001	1,998	3	2,001	-	
Total Revenues	18,828	18,573	18,571	3	18,573	-	
Personnel	9,654	10,592	10,420	171	10,592	-	
Service & Supplies	10,888	10,478	10,500	(22)	10,478	-	
Capital Expense	-	-	-	-	-	-	
Total Expenses	20,542	21,070	20,920	150	21,070	-	
Net Transfers	(2,827)	(1,461)	(1,350)	(111)	(1,461)	-	Projection is based on transfer schedule.
Total Expenses and Transfers	17,716	19,609	19,570	39	19,609	-	
Net Revenues less Expenses	1,112	(1,036)	(999)	(36)	(1,036)	-	
HEERF Funds	1,487	-	-	-	-	-	
Additions/Deductions to Fund Balance	(1,921)	(1,825)					
Fund Balance at the Beginning of the Year	6,339	7,017					
Fund Balance at the End of the Year	7,017	4,157					
Fund Balance as a Percentage of Revenues	37.27%	22.38%					
Designated Operations, Service Departments, Clearing Funds							
Enrollment Fees	34	48	113	(65)	48	-	
Sales and Services	140	127	127	0	127	-	
Other Revenue	1,965	2,078	2,034	44	2,078	-	
Total Revenues	2,139	2,253	2,274	(21)	2,253	-	
Personnel	781	1,019	1,034	(15)	1,019	-	
Service & Supplies	1,433	1,262	1,261	0	1,262	-	
Capital Expense	0	-	-	-	-	-	
Total Expenses	2,213	2,281	2,295	(15)	2,281	-	
Net Transfers	(46)	1	1	-	1	-	Projection is based on transfer schedule.
Total Expenses and Transfers	2,168	2,281	2,296	(15)	2,281	-	
Net Revenues less Expenses	(29)	(28)	(22)	(6)	(28)	-	
Additions/Deductions to Fund Balance	(277)	(239)					
Fund Balance at the Beginning of the Year	3,047	2,741					
Fund Balance at the End of the Year	2,741	2,474					
Fund Balance as a Percentage of Revenues	128.17%	109.81%					

Western Oregon University
Transfers Schedule - Projected FY23
(Unaudited, non-GAAP, for management purposes only)

	E&G		Auxiliary		Des Ops - Serv Dept.	Plant fund	Other	Total
Transfers In E&G							(a)	
Actual							-	-
Upcoming							8,893	8,893
Transfers Out E&G			(b)	(c)		(d)	(a)	
Actual			-	-		-	-	-
Upcoming			150,000	3,287,753		175,000	23,131	3,635,884
Transfers In AUX	(b)	(c)				(e)		
Actual	-	-				127,047		127,047
Upcoming	150,000	3,287,753				-		3,437,753
Transfers Out AUX						(e)	(f)	
Actual						-	-	-
Upcoming						128,372	1,975,371	2,103,743
Transfers In DO, SD							(g)	
Actual							-	-
Upcoming							-	-
Transfers Out DO, SD							(g)	
Actual							-	-
Upcoming							750	750

Type	Description
(a)	Miscellaneous (endowment matches, student vaccine initiative, etc.)
(b)	Child Development Center support
(c)	Athletic operations support
(d)	Small-Scale Energy Loan Program debt service
(e)	Auxiliary transfers to/from building/equipment reserves
(f)	Misc. auxiliary transfers, including debt payments for Housing and Recreation Center Building Fee
(g)	Misc. designated operations and service departments transfers

Finance & Administration Committee (FAC), November 1, 2022

Finance and Administration Committee's Contribution to Strategic Priorities

Academic Year 2022-2023

Finance and Administration Committee Mission

The Finance & Administration Committee (FAC) is charged with ensuring effective operations and sound stewardship of the University's financial, human, technology, and physical assets in support of the University's mission. The FAC is responsible for making decisions delegated to it and making recommendations to the Board, consistent with Board Statements and University policy.

2022-23 FAC Work Plan

The committee will carry out its work with particular attention to 5 strategic goals: campus climate, campus morale, enrollment, strategic planning, comprehensive campaign.

- Implement training module to help new committee members come up to speed on WOU's business model and financial structure.
- Review FAC Charter and recommend changes to align with WOU structure, strategy, and best practices. Recommend updates to related Statements and Policies accordingly.
- Receive HR reports and recommendations from President or his designee until the HR leader role is filled. Bring recommendations and reports to the Board as appropriate.
- Enhance stakeholder involvement in the development of recommendations and presentations brought to the Board by the FAC.
- Conduct data and reporting needs assessment to support governance, development, strategic planning, and accountability. The outcome could be the elimination of some reports and the creation of new dashboards and analytics.
- Carry out duties of Audit Committee for internal risk assessment process and internal audit plan.
- Conduct regular business with emphasis on providing data, insights, and recommendations that further the strategic goals and return WOU to fiscal sustainability.
 - Oct/Nov- Revised budget incorporating actual Fall enrollment and State allocation
 - Jan/Feb – Annual Financial statements and audit
 - March/April – Tuition and fee rates for upcoming academic year
 - May/June - Preliminary budget for upcoming academic year
 - Ongoing – Management reports, quasi-endowment activity, emergency preparedness plan, major contracts >500k, capital projects.

Furthermore, the Finance Division is positioned to support the five strategic goal areas as follows:

1. Campus Morale

The Finance and Administration (F&A) Division houses the largest number of classified employees on campus. Area leaders in Facilities, University Computing Solutions (UCS), Accounting and Business Services, and Public Safety are working daily to improve working conditions and provide opportunities for growth and development to their staff. We are engaged in listening sessions to identify challenges and working collaboratively with the staff to find acceptable solutions. The Budget and Planning Office and the Accounting and Business Services Office strive to provide transparent, up-to-date, and easily comprehensible financial data to all constituents on campus. In addition, employees in the division play a critical role in keeping our campus safe, beautiful, and accessible. All these measures contribute positively to improving morale on campus. To further improve campus morale the division will continue to engage across all levels of staff to continually assess workload and implement best practices to ensure that WOU is the best place to work.

2. Campus Climate

The F&A Division is one of the most diverse divisions on campus in terms of employees. In the last two years the division made special efforts to recruit and retain diverse employees from all walks of life. The members of the division actively participate in Diversity, Equity Inclusion and Accessibility (DEIA) training. As WOU takes additional steps to obtain the Hispanic-Serving Institutions (HSI) status, the division will continue to participate in a variety of cross-cultural training, strive to hire and retain employees from diverse and marginalized groups, and to serve as a training ground for our students. As a division of many professions such as programmers, engineers, accountants, project managers, public safety officers, the F&A Division will serve as a perfect training ground for students while they are in school, especially those who may have difficulty gaining employment in these professional areas on campus.

3. Enrollment

As the University undertakes efforts to reverse more than a decade of enrollment decline, the F&A Division partners with student affairs, academic affairs, and marketing to provide projections and scenarios to reach financial stability. The division will continue to help the enrollment management group to inform their decisions by providing current and transparent financial information. In addition, the division will continue to actively educate the campus community about interconnection between enrollment and financial reality.

4. Strategic Planning

The F&A Division seeks to provide input into identifying priorities for the next strategic plan. Ensuring a financially sustainable and prosperous future for the institution is the top priority for the division. In addition, the division will continue work to make sure that WOU is a safe and welcoming campus to all. Furthermore, once the strategic plan is adopted, the division will help to implement it by allocating resources to strategic priorities.

5. Comprehensive Campaign

F&A will assist comprehensive campaign plan and execution through identifying areas for budget replacement to make additional funds available for strategic investments into the areas of priority. For example, currently the Education and General Fund (E&G) remits annually \$5.5M in tuition discount. As additional scholarship funds are raised, they could provide budget relief to the tuition discount category allowing for reallocation of tuition discount dollars to other areas of need to ensure student success. In addition, the new Higher Education Coordinating Committee (HECC) guidelines for capital requests assign additional points for an institutional match on a capital project. Fundraising capital for that purpose will reduce burden on E&G to provide a match for capital projects and allow the redirection of released funds for other strategic priorities.

Finance & Administration Committee (FAC), November 1, 2022

Capital Planning & Construction:

WOU is currently in design and predesign phases of the Student Success Center and Steam. Tunnel

- **Student Success Center Project:**

Oregon Senate Bill 5701 is providing \$21 million in funding to design and build the Student Success Center, which is schedule to be open fall 2024.

- WOU has hired Gensler Architects to design the new Student Success Center, with an early floor plan and rendering to be released Nov. 2nd, 2022.
- WOU will be sending out a Requests for Propose to General Contractors in December to get them onboard to start demolition of existing Old Education building spring of 2023.



- **Steam Tunnel Project**

Oregon Senate Bill 5202 provided WOU with \$16 million to design and install a utility tunnel system. This project is being done in two phases, with phase one work in Monmouth Ave. concluding Summer 2024 and phase two work on Jackson St. concluding Winter 2025

- WOU is working with Systems West Engineering to design a utility tunnel from Church Street to Jackson Street to replace aging steam lines and utilities.
- WOU will be sending out a Requests for Propose to General Contractors in January to get them onboard to start excavation summer 2023.



- **Campus Roofing Project**

Capital Improvement and Renewal funds provided the \$1.2 million to replace the roofs of three campus buildings, Advising, Maple Hall and Welcome Center. Due to Oregon’s usually wet falls, winters and springs we are anticipating all roofing complete in early Summer 2023.

- The Advising Center Roof and gutters replaced

- New roofing and gutters finished October 5th
- Project close out walk conducted October 7th no issues



- Welcome Center Roofing has been measured and will start fabrication in late October but due to weather install will not happen until May.
- Maple Hall Roofing and siding replacement
 - Maple Hall is getting quote to change shingle roof to metal roof and replace decaying siding with metal siding, will increase lifespan of building.
 - CPC is waiting on revised cost to compare shingles to metal
- Welcome Center Roofing
 - Replacement metal roofing has been selected, measured and should start fabrication in January with delivery expected in March 2023.

- Install of roofing will be in late spring depending on weather.

- **New Physical ED Flooring Project.**

Capital Improvement and Renewal funds provided the \$.5 million to replace the flooring in New Physical ED. This work occurred over summer and fall of 2022.

- New hardwood flooring installed



Finance & Administration Committee (FAC), November 1, 2022

University Budget Advisory Committee (UBAC) Report

DATE: 19 OCTOBER 2022

TO: WESTERN OREGON UNIVERSITY BOARD OF TRUSTEES:

FINANCE & ADMINISTRATION COMMITTEE

FROM: UNIVERSITY BUDGET ADVISORY COMMITTEE

RE: UBAC REPORT

2022 Update

UBAC co-chairs met with President Peters to discuss this year's agenda on September 27th, 2022. UBAC continues to engage and focus on ways to facilitate opportunities for the campus community to contribute ideas that save money, increase enrollment, and generate revenue for the university. In addition, UBAC will continue campus-wide educational series. This past year, UBAC covered the following topics: FY22 budget and CARES funding, student retention, graduate and undergraduate enrollment, and the FY23 budget.

Finance & Administration Committee (FAC), November 1, 2022

University Technology Advisory Committee (UTAC) Report

DATE: 19 OCTOBER 2022

TO: WESTERN OREGON UNIVERSITY BOARD OF TRUSTEES:

FINANCE & ADMINISTRATION COMMITTEE

FROM: UNIVERSITY TECHNOLOGY ADVISORY COMMITTEE

RE: UTAC REPORT

2022 Update

The University Technology Advisory Committee will hold its first meeting of Academic Year 2022-2023 on Friday October 21, 2022. At the committee's last meeting of Academic Year 2021-2022, the committee decided that the work of the Reporting Needs and Tools Subcommittee was complete. They also discussed possible goals for the upcoming year. In consultation with President Peters, the committee will begin the year with an update to their charge (last updated in 2018) and a re-examination of the committee membership structure.

Finance & Administration Committee (FAC), November 1, 2022

Finance & Administration Report

This report identifies major summer and fall projects

Accounting & Business Services (ABS):

Shadron Lehman, Controller

Summer Happenings:

- Audit of Financial Statements and Single Audit: Auditors have completed their fieldwork and are currently going through their own internal review. The Single Audit of Federal Expenditure and Awards is also in the review phase.
- New Director of Accounting, Heather Brophy, has hit the ground running with several projects since joining the team in June. Those projects include P-card merchant category codes and travel policy review.

Fall Projects:

- Vendor maintenance - ABS will be reviewing all of our vendors for inactivity, addresses, 1099 information, and other various information.
- Credit Memos - ABS will be reviewing WOU's credits with vendors and assess their collectability.

Budget & Planning:

Camarie Moreno, Director of Budget & Planning

Fall Projects:

- Revised FY23 budget based on actual Fall enrollment.
- Working on developing financial projections to support multi-year enrollment projection.

Bursars' Office:

Dona Vasas, Banner Systems Auditor/Bursar

Summer Happenings:

- Created accessible financial information for students and their families:
 - Tuition & Fee Calculator
 - Financial Literacy Info

- Built the fall term fee table, processed tuition reductions/discounts, applied private scholarships, applied private loans, sent refunds to students, continued collection letters/assignments, completed our section of the FISAP, completed HB 3509 and reorganized the office to be more functional.

Fall Project:

- Creating a monthly receivables report.

Campus Public Safety and Facilities Services:

Rebecca Chiles, Assistant Vice President for Safety & Operations, Campus Public Safety

FAC

- Window washing, power washing of sidewalks/curbs, painting, OSHA and Safety training for all staff and student works, and stump removal.

CPS

- DEIA and Gender Equity training for staff and student workers, parking lots were power washed and some cleaned and sealed, OSHA training was provided as well as de-escalation training.

Top Projects for Fall

FAC

- Remodel of Smith restrooms for ADA access.
- Relocation of air compressor in Financial Aid office.
- Hang lights on Giant Sequoia November 15th.

CPS

- Joint active shooter training with Polk County Sheriff's Office October 18th at Old Ed.
- Finalize contract for EV stations and restart process for Pay Stations.
- Earthquake TTX (tabletop exercise) October 20th.

Capital Planning & Construction:

Jason Krawczyk, Director of Capital Planning & Construction

[Capital Projects Update](#)

Treasury Services:

Darin Silbernagel, Treasurer

- [Click Here](#) to view September Cash Flow Narrative and Cash Flow Forecast.

University Computing Solutions:

William (Bill) Kernan, Director, University Computing Solutions

Banner Financial Aid

- This is an 18-month project that went into Production on 10/17/2022.

People Admin

- This is an HR project that will significantly streamline/automate the hiring process.
- The project implementation team includes HR, UCS, and People Admin professional services group.
- This project began in June and should be completed by the end of February.

Completion of network private address space and network security redesign

- All network connections were moved to private IP address space, reducing our threat surface from outside WOU.
- Two thirds of the hub and spoke firewall/FTD infrastructure was completed, and implementation has started on the third phase.

Cash Flow Narrative FY23

Executive Summary:

- **Beginning cash balance is \$35,288,183**
- **Projected ending cash balance is \$42,666,492**
- **Projected ending cash balance includes \$13,000,000 restricted to the steam pipeline project**
- **The operating projected cash ending balance net of the restricted steam line fund is \$29,666,492.**
- **Projected operating cash outflows will exceed projected operating cash inflows by \$5,621,691.**

The statement of cash flows enables users of the financial statements to determine how well an entity's income generates cash and to predict the potential of an entity to generate cash in the future. The purpose of the cash flow forecast is to present cash inflows and outflows for a reporting period to the reader of the report. Cash flows are not readily apparent when just reviewing the income statement, especially when that document is created under the accrual basis of accounting. Accrual accounting requires that certain non-cash revenue and expense items be included in the income statement, potentially in substantial amounts.

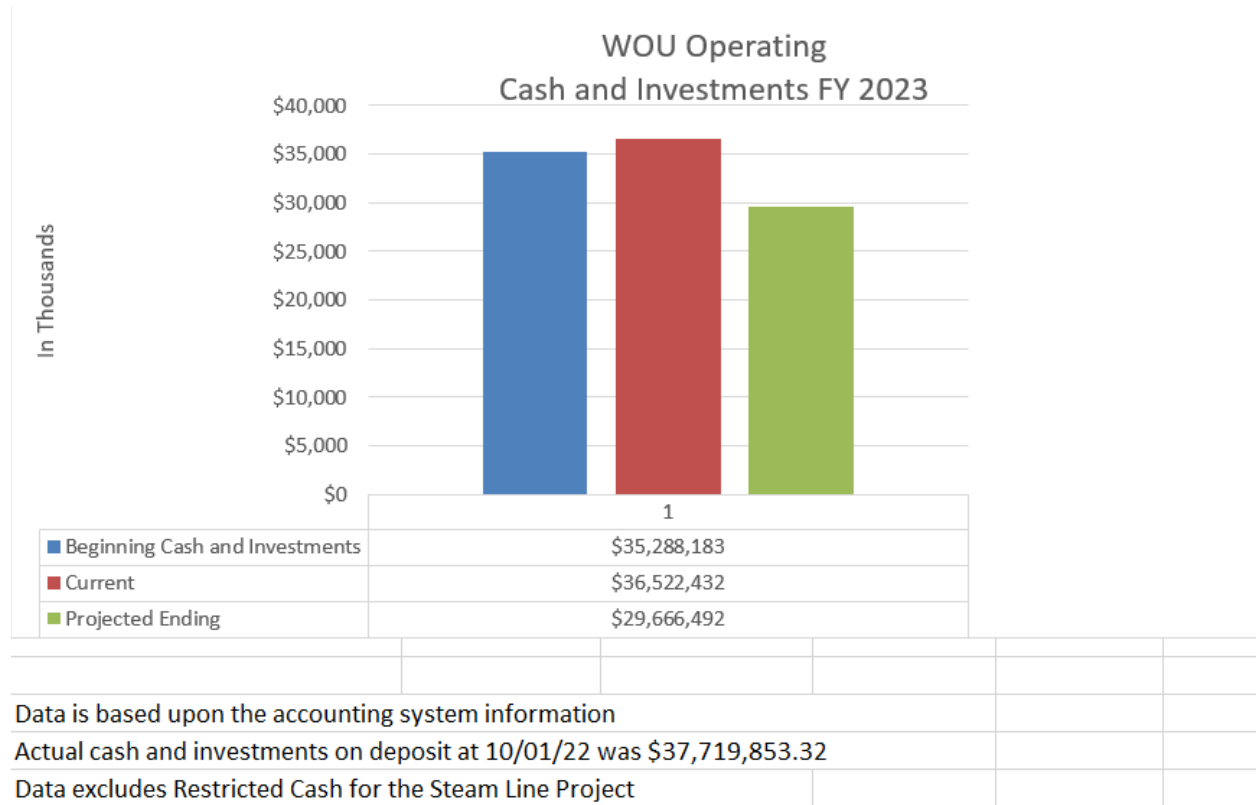
We began FY2023 with a cash & investment balance of \$35.288M.

You will note this does not have a one-to-one relationship with the Management Report, this is due to two reasons. The Management Report looks at individual fund activity for Education & General, Auxiliaries, and Designated Operations & Service funds; while these funds are the main funds for the University, other funds exist as well (such as Capital and Grant funds). The Cash Flow forecast incorporates all cash & investments for the University other than the cash balance related to Perkins loans (\$677,929 as mandated) and the quasi endowment. Additionally, the Management Report shows accounting activity using accrual-based accounting. Accrual accounting creates timing differences between income statement accounts (revenues & expenses as shown on the Management Report) and cash. A revenue transaction may be recorded in a different fiscal year than the year the cash related to that revenue is received. One purpose of the statement of cash flows is that users of the financial statements can see the amount of cash inflows and outflows during a year in addition to the amount of revenue and expense shown on the income statement.

For FY2023, the cash flow projection is based on actuals through September then several assumptions including a slight reduction in enrollment revenue overall for the year, the Board approved tuition increases, a 3% increase in services & supplies (S&S). The Steam Line Project is included but noted below the cash flow since are restricted dollars and cannot be used for operations. Salary increases and Other Payroll Expenses (OPE) rate increases have been included as of what we understand currently. Overall, the cash flow projection shows a \$7.378M increase but is deceiving

with the Steam Line Pipe Project included. Operations only we are showing a projected net loss of \$5.621M over the fiscal year.

We will continue to monitor and adjust monthly. Current financial conditions continue to put pressure on cash flow.



**Western Oregon University
Monthly Cash Flow Forecast**

	July 2022	Actuals August 2022	September 2022	October 2022	November 2022	December 2022	January 2023	Estimates February 2023	March 2023	April 2023	May 2023	June 2023
<i>Starting Cash and investment FY2023 (June 30, 2022)</i>												
	<u>\$35,288,183</u>											
Beginning Cash Estimate	\$ 35,288,183	46,895,641	50,500,793	45,962,158	58,509,779	51,664,778	51,854,815	64,654,165	58,171,990	59,270,196	64,434,915	56,358,157
<i>Adjusted Beginning Cash and investment Balance (Actual)</i>	35,288,183	39,529,497	34,136,650	36,522,432	-	-	-	-	-	-	-	-
Inflows												
Monthly Revenue Estimates	13,661,256	16,253,179	9,145,754	21,119,393	7,727,802	22,022,862	13,447,429	5,833,792	20,875,382	12,978,271	4,886,985	6,334,044
Estimated Cash Impacts GL Accrual Activity	4,239,566	(5,489,119)	2,011,079	5,607,161	(4,701,906)	(4,837,232)	13,014,683	(2,706,300)	(35,419)	2,445,551	(3,535,920)	(5,627,909)
Total Revenue and GL Inflows	17,900,821	10,764,059	11,156,833	26,726,554	3,025,896	17,185,630	26,462,112	3,127,492	20,839,963	15,423,822	1,351,065	706,135
Outflows												
Monthly Labor Estimates	4,297,625	4,163,241	4,611,031	6,829,009	6,886,648	7,161,087	6,867,841	7,083,001	7,205,150	7,312,612	6,893,233	7,003,626
Monthly Expense Estimates	1,479,417	2,995,666	11,084,436	7,349,924	2,984,250	9,834,505	6,708,556	2,526,666	12,536,606	2,946,492	2,534,589	7,394,174
Monthly Debt Estimates	516,322						86,366					
Total Operating Ledger Outflows	\$ 6,293,364	\$ 7,158,907	\$ 15,695,467	\$ 14,178,933	\$ 9,870,898	\$ 16,995,592	\$ 13,662,763	\$ 9,609,667	\$ 19,741,756	\$ 10,259,104	\$ 9,427,823	\$ 14,397,800
Net Flows	11,607,457	3,605,152	(4,538,634)	12,547,621	(6,845,002)	190,038	12,799,349	(6,482,175)	1,098,207	5,164,718	(8,076,758)	(13,691,665)
Ending Cash Estimate	46,895,641	50,500,793	45,962,158	58,509,779	51,664,778	51,854,815	64,654,165	58,171,990	59,270,196	64,434,915	56,358,157	42,666,492
<i>Actual Ending Cash Balance (Banner)</i>	\$ 39,529,497	\$ 34,136,650	\$ 36,522,432									
<i>Actual Less Forecast</i>	(7,366,144)	(16,364,142)	(9,439,726)	(58,509,779)	(51,664,778)	(51,854,815)	(64,654,165)	(58,171,990)	(59,270,196)	(64,434,915)	(56,358,157)	(42,666,492)
<i>% Deviation from Original Forecast</i>	-15.71%	-32.40%	-20.54%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%
30 Day Cash Outflow Requirement	6,293,364	7,158,907	15,695,467	14,178,933	9,870,898	16,995,592	13,662,763	9,609,667	19,741,756	10,259,104	9,427,823	14,397,800
Excess/(Shortfall) over 30 Day Outflow Requirement	\$ 28,994,820	\$ 32,370,590	\$ 18,441,183	\$ 22,343,499	\$ (9,870,898)	\$ (16,995,592)	\$ (13,662,763)	\$ (9,609,667)	\$ (19,741,756)	\$ (10,259,104)	\$ (9,427,823)	\$ (14,397,800)
60 Day Cash Outflow	13,452,271	22,854,375	29,874,401	24,049,831	26,866,490	30,658,355	23,272,430	29,351,423	30,000,860	19,686,926	23,825,622	14,397,800
Excess/(Shortfall) over 60 Day Outflow	\$ 21,835,912	\$ 16,675,122	\$ 4,262,250	\$ 12,472,601	\$ (26,866,490)	\$ (30,658,355)	\$ (23,272,430)	\$ (29,351,423)	\$ (30,000,860)	\$ (19,686,926)	\$ (23,825,622)	\$ (14,397,800)

Footnote:

**Steam Pipe Line Project Cash Impact Included Above
(Restricted Dollars for project)**

												Total for Year
Steam Pipe Line Revenues Included			4,125,000	4,125,000			4,125,000		4,125,000			16,500,000
Steam pipe Line Expenses Included			2,500,000						250,000	750,000		3,500,000
												Net 2022-2023 Impact on Cashflows
												13,000,000

FY2022 Q4 Investment Report

BACKGROUND

The Western Oregon University (university) investment report for the fourth quarter (Q4) of FY2022 is presented in the following sections:

- **FY2022 Q4 Western Oregon University Investment Report** – This section includes a report on the investments of the operating and endowment assets of the university. This report reflects the university's operating assets that are invested in the Public University Fund and the university's quasi-endowment investments managed by the Oregon State Treasury.
- **FY2022 Q4 Market Commentary** – This section provides a general discussion of the investment markets and related performance data for the fourth quarter of FY2022 (i.e., April 1 – June 30, 2022).

FY2022 Q4 WESTERN OREGON UNIVERSITY INVESTMENT REPORT

The schedule of Western Oregon University's investments is shown in the investment summary below.

Public University Fund

(Prepared by the Public University Fund Administrator)

Western Oregon University's operating assets are invested in the Public University Fund (PUF). As of June 30, 2022, WOU had \$35.5 million invested in the PUF. The PUF decreased 1.0% for the quarter and 2.6% for the fiscal year. The PUF's three-year and five-year average returns were a positive 2.1% and 2.2%, respectively.

The Oregon Short-Term Fund returned 0.2% for the quarter, outperforming its benchmark by 10 basis points. The Core Bond Fund declined 2.3% for the quarter, outperforming its benchmark by 10 basis points. Interest rates continued their upward climb due to expectations for continued rate increases by the Federal Reserve amid persistently high inflation. While the portfolio management team continues to be concerned about long-term inflation, there are increasing signs of economic weakness pertaining to the slowing housing demand, changing consumer spending behaviors due to food and energy prices, and increasing job layoffs. The Core Bond Fund remains underweight duration and corporate credit while retaining exposure to structured credit, primarily through floating rate bonds.

The PUF investment yield was 0.4% for the quarter and 1.3% for the fiscal year.

Western Oregon University Quasi-Endowment Fund

The WOU Quasi-Endowment Fund (Fund) decreased 11.8% for the quarter and 15.6% for the fiscal year, underperforming its benchmark by 1.1% and 2.5%, respectively. The Fund ended the fiscal year with a balance of \$2.7 million.

The Fund's assets are allocated to a global equity index strategy (BlackRock All-Country World Index – 45.5%) and an “actively” managed fixed income fund (Western Asset Core Plus Bond – 34.0%). The remaining assets are invested in the Oregon Short Term Fund (20.5%).

For the three months ended June 30, 2022, the Blackrock All-Country World Index was negative by 15.7%, outperforming its benchmark by 10 basis points. The Western Asset Core Plus Bond Fund's return was negative 8.0% for the period, underperforming the Bloomberg Barclays U.S. Aggregate Bond Index by 3.3%.

In June 2022, \$850,000 of university operating assets were deposited into the Quasi-Endowment Fund, of which \$411,800 was invested into equity and fixed income assets during June. The remainder will be considered for investment into the mutual funds during the Fall of 2022, with allocations aligned to the investment policy targets.

Western Oregon University
Investment Summary
as of June 30, 2022
(Net of Fees)

	Quarter Ended 6/30/2022	Current Fiscal YTD	Prior Fiscal YTD	3 Yr Avg	5 Yr Avg	10 Yr Avg	Market Value	Actual Asset Allocation	Policy Allocation Target
WOU Operating Assets Invested in Public University Fund									
Oregon Short - Term Fund	0.2%	0.6%	0.8%	1.2%	1.6%	1.1%	\$ 16,717,767	47.1%	1
Benchmark - 91 day T-Bill	0.1%	0.2%	0.1%	0.6%	1.1%	0.6%			
PUF Core Bond Fund	-2.3%	-6.7%	2.7%	0.7%	1.6%	N/A	18,804,721	52.9%	1
Benchmark - Bloomberg Barclays Intermediate U.S. Gov't./Credit Index ²	-2.4%	-7.3%	0.2%	-0.2%	1.1%	1.4%			
Public University Fund Total Return	-1.0%	-2.6%	1.4%	1.0%	1.7%		<u>\$ 35,522,488</u>	<u>100.0%</u>	
Public University Fund Investment Yield ³	0.4%	1.3%	1.8%	2.1%	2.2%				
WOU Endowment Assets									
BlackRock ACWI IMI B	-15.7%	-16.3%	41.1%	6.2%	N/A	N/A	\$ 1,213,573	45.5%	55.0%
Benchmark - MSCI ACWI IMI Net	-15.8%	-16.5%	40.9%	6.0%	6.7%	8.7%			
Western Asset Core Plus Bond Fund	-8.0%	-16.3%	3.1%	-2.3%	N/A	N/A	908,551	34.0%	40.0%
Benchmark - Bloomberg Barclays Aggregate Index	-4.7%	-10.3%	-0.3%	-0.9%	0.9%	1.5%			
Cash	0.2%	0.6%	0.8%	1.2%	N/A	N/A	546,770	20.5%	5.0%
Benchmark - 91 day T-Bill	0.1%	0.2%	0.1%	0.6%	1.1%	0.6%			
Total Endowment Assets	-11.8%	-15.6%	22.9%	2.6%	N/A	N/A	<u>\$ 2,668,894</u>	<u>100.0%</u>	
Policy Benchmark ⁴	-10.7%	-13.1%	23.0%	3.4%	N/A	N/A			

¹ The Public University Fund (PUF) 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 Core Bond Fund.

Maximum core investment allocations are determined based upon anticipated average cash balances for all participants during the fiscal year.

² 100% Bloomberg Barclays Intermediate U.S. Gov't./Credit Index as of February 1, 2021. From April 1, 2017 to January 31, 2021, the benchmark was 75% Bloomberg Barclay's Aggregate 3-5 Years Index, 25% Bloomberg Barclay's Aggregate 5-7 Years Index.

³ The reported investment yield for the quarter and fiscal year-to-date represent earned yields for the period and are not annualized rates.

⁴ Policy Benchmark Composition: 55% Morgan Stanley Capital Indices All-Country World Investable Market Index Net , 40% Bloomberg Barclays Aggregate Bond Index, 5% 91 day T-Bill.

Note: Outlined returns underperformed their benchmark.

Oregon Short Term Fund

June 30, 2022

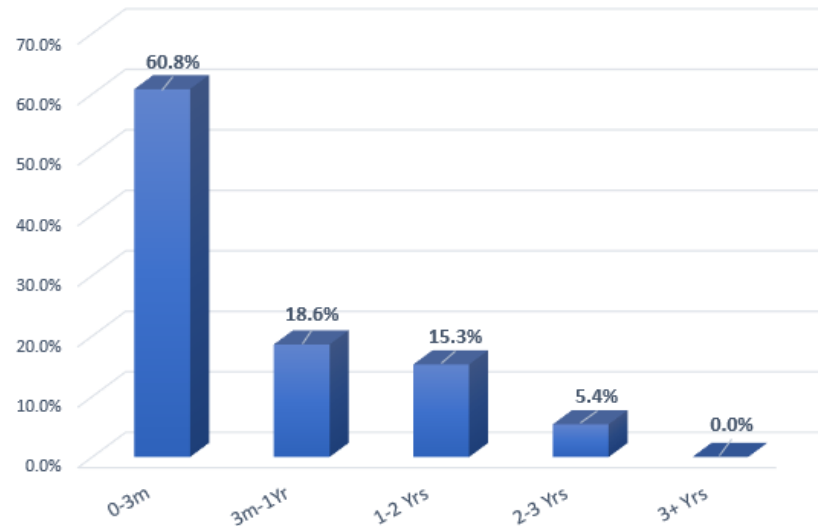
Portfolio Characteristics

Market Value 6/30/2022	\$ 286,514,711
Weighted Average Credit Quality	AA
Book Yield (%)	1.38%
Weighted Average Maturity (years)	1.05
Duration (years)	0.51
Spread Duration (rate)	0.79

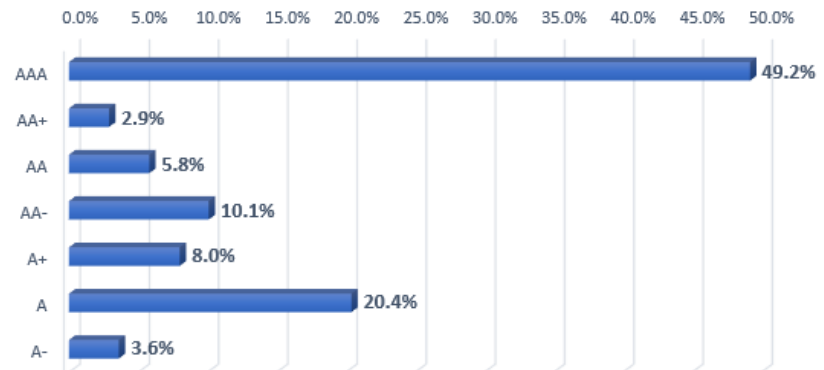
Top 10 Issuers

United States Treasury	21.4%
Federal Home Loan Banks	4.1%
Canada (Government of)	3.8%
Bank of America Corporation	2.8%
Royal Bank of Canada	2.4%
Federal Farm Credit Banks Funding Corporaton	2.3%
JPMorgan Chase & Company	2.3%
Toyota Motor Corporation	2.2%
Morgan Stanley	2.2%
Goldman Sachs Group Incorporated (The)	2.0%
Total	45.5%

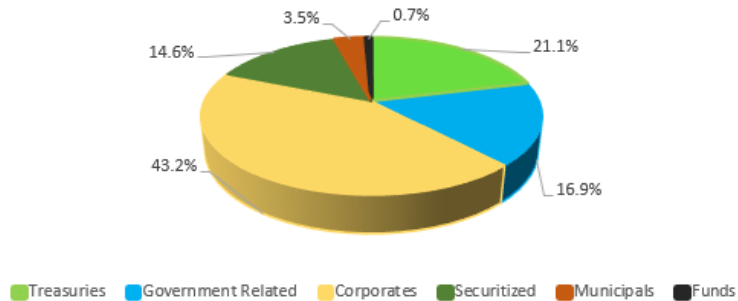
Maturity Breakdown



Credit Quality Distribution



Sector Allocations



Source: Oregon State Treasury

Core Bond Fund

June 30, 2022

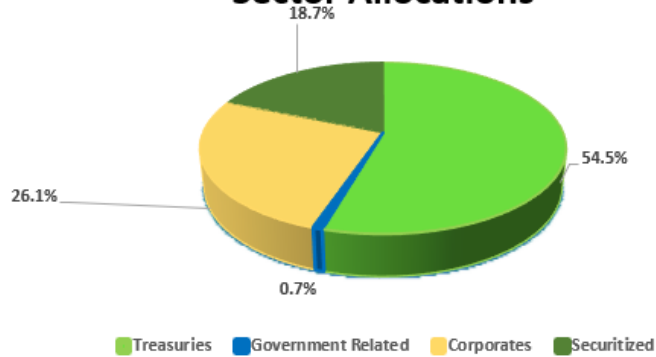
Portfolio Characteristics

Market Value 6/30/2022	\$ 322,281,619
Weighted Average Credit Quality	AA
Book Yield (%)	2.85%
Weighted Average Maturity (years)	4.54
Duration (years)	3.80
Spread Duration (rate)	1.71

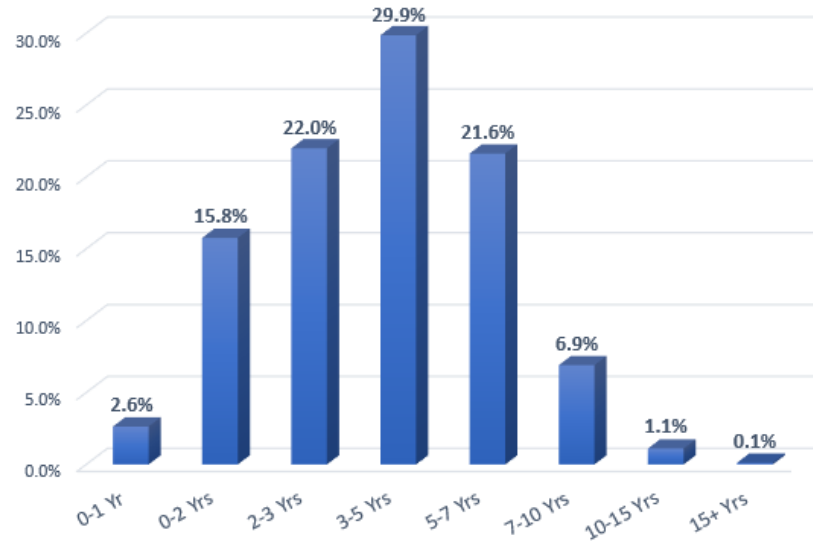
Top 10 Issuers

United States Treasury	55.9%
Deutsche Telekom AG	4.1%
Oscar US Funding Trust	2.7%
Franklin BSP Lending Corporation	2.4%
Monroe Capital MML	1.8%
Federal National Mortgage Association	1.8%
TRP LLC	1.7%
Sixth Street Specialty Lending Incorporated	1.7%
Fairfax Financial Holdings LTD	1.7%
F&G Global Funding	1.7%
Total	75.5%

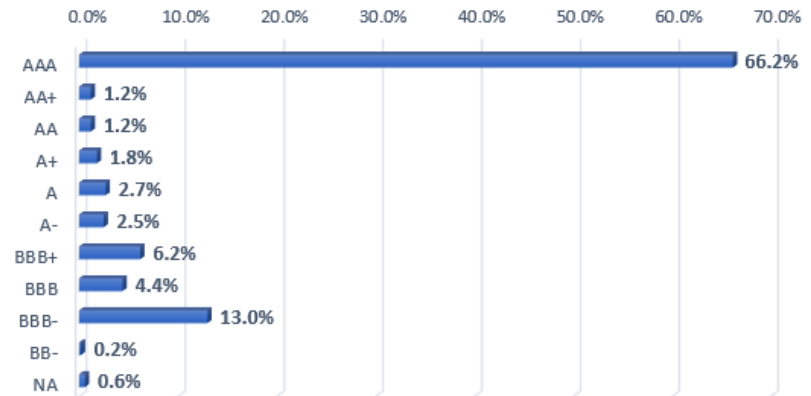
Sector Allocations



Maturity Breakdown



Credit Quality Distribution



Source: Oregon State Treasury

FY2022 Q4 MARKET COMMENTARY

(Prepared by Meketa Investment Group, consultants to the Oregon Investment Council)

Report on Investments – as of June 30, 2022

Economic and Market Update

Global markets resumed their sell-off in June as inflation surged in the U.S. and Europe.

- In response, the U.S. Federal Reserve increased interest rates 75 basis points (above prior expectations). Markets also repriced the growth outlook downward.
- All major equity indices suffered steep declines in June. Emerging markets proved slightly more resilient than developed markets on a partial re-opening in China from pandemic related lockdowns.
- In a reversal of the prior trend growth stocks outperformed value stocks in June.
- The global bond selloff resumed, as inflation fears and policy expectations weighed on all major bond markets.

Persistently high inflation and the expected policy response, the war in Ukraine, lingering COVID-19 issues, and lockdowns in China will all have considerable economic and financial consequences for the global economy.

Market Returns¹ June 30, 2022

	Month	Quarter	YTD	1-Year	3-Year	5-Year	7-Year	10-Year
S&P 500	-8.3%	-16.1%	-20.0%	-10.6%	10.6%	11.3%	11.1%	13.0%
MSCI EAFE-ND	-9.3%	-14.5%	-19.6%	-17.8%	1.1%	2.2%	2.7%	5.4%
MSCI EM-ND	-6.6%	-11.4%	-17.6%	-25.3%	0.6%	2.2%	2.8%	3.1%
MSCI China-ND	6.6%	3.4%	-11.3%	-31.8%	-0.6%	2.1%	1.7%	5.5%
Bloomberg US Aggregate	-1.6%	-4.7%	-10.3%	-10.3%	-0.9%	0.9%	1.4%	1.5%
Bloomberg US TIPS	-3.2%	-6.1%	-8.9%	-5.1%	3.0%	3.2%	2.8%	1.7%
Bloomberg US Corporate High Yield	-6.7%	-9.8%	-14.2%	-12.8%	0.2%	2.1%	3.5%	4.5%
ICE BofAML US 3-Month Treasury Bill	0.0%	0.1%	0.1%	0.2%	0.6%	1.1%	0.9%	0.6%
ICE BofAML 1-3 Year US Treasury	-0.6%	-0.5%	-2.8%	-3.3%	0.2%	0.9%	0.8%	0.8%
ICE BofAML 10+ Year US Treasury	-1.0%	-10.9%	-20.0%	-17.4%	-2.6%	0.7%	2.0%	1.7%

¹Source: Oregon State Treasury

For the quarter and fiscal year, all major asset classes posted negative returns on renewed inflation and economic growth fears, with equities experiencing the largest declines.

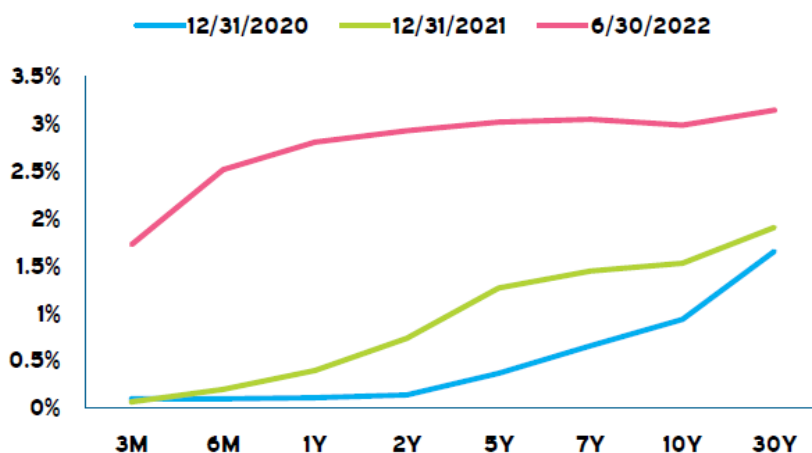
U.S. Equities: The S&P 500 experienced steep losses for the quarter and fiscal year, declining 16.1% and 10.6%, respectively. Declines during the quarter were led by the consumer discretionary sector (-26.2%) and the communications sector (-20.7%).

International Equities: The Morgan Stanley Capital International (MSCI) Europe, Australasia and Far East (EAFE) index - declined 14.5% for the quarter and the MSCI

Emerging Markets declined 11.4% for the quarter. Non-U.S. developed and emerging market stocks trailed the U.S. for the fiscal year, declining 17.8% and 28.3%, respectively. The war in Ukraine, high inflation, and the likely monetary policy response, and slowing growth continue to weigh on sentiment.

Fixed Income: The fixed income markets posted historical declines for the fiscal year as the Bloomberg Aggregate Bond Index fell 4.7% for the quarter and 10.3% for the fiscal year. Persistently high inflation readings (CPI) led to renewed inflation fears driving interest rates higher and weighing on the broad U.S. investment grade bond market. The nominal 10-year Treasury yield peaked at 3.47% before declining to 3.01% by month-end, while the 2-year Treasury yield declined from 3.43% to 2.95%. U.S. credit spreads widened, particularly for high yield debt, leading to it having the worst results among bonds for the month.

US Yield Curve¹



¹ Source: Bloomberg. Data is as of June 30, 2022.

Rates across the yield curve remain much higher than at the start of the calendar year. In June, rates rose across maturities (particularly short-dated), as markets continue to reflect elevated inflation and rate expectations. The curve continued to flatten in June with the spread between two-year and ten-year Treasuries falling from 30 basis points at the end of May to just 5 basis points by the end of June. Since June month-end, the spread between two-year and ten-year Treasuries became negative, which historically has often signaled a coming recession.

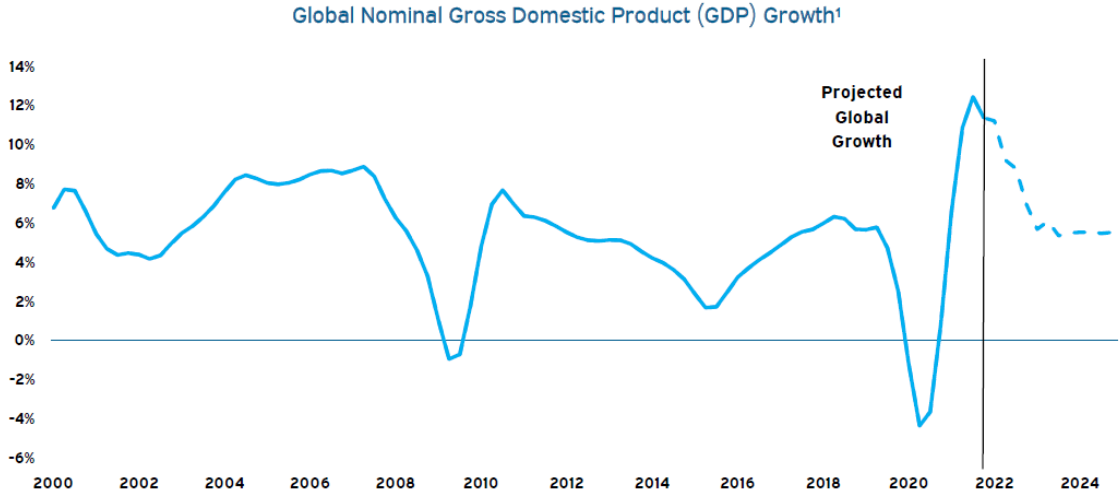
Inflation expectations (break-evens) fell further in June on declining growth expectations and anticipated tighter monetary policy. Trailing twelve-month CPI rose in June (9.1% versus 8.6%) and notably came in above expectations. Inflation levels in the U.S. remain well above the long-term average of 2.4%. Rising prices for energy (particularly oil), food, housing, and for new and used cars, remain key drivers of higher inflation.

Global Economic Outlook

The International Monetary Fund (IMF) significantly lowered global growth forecasts in their latest projections, driven by the economic impacts of the war in Ukraine. The IMF forecasts final global gross domestic products (GDP) growth to come in at 6.1% in calendar year 2021 and 3.6% in calendar year 2022 (0.8% below the prior calendar year 2022 estimate), both still above the past ten-year average of 3.0%. In advanced economies, GDP is projected to increase 3.3% in calendar year 2022 and 2.4% in calendar year 2023. The U.S. has limited economic ties with Russia but saw another downgrade in the calendar year 2022 growth forecast (3.7% versus 4.0%) largely due to policy tightening happening faster than previously expected. The euro area saw a significant downgrade in expected growth (2.8% versus 3.9%) in calendar year 2022 as rising energy prices particularly weigh on the region that is a net importer of energy. The Japanese economy is expected to grow 2.4% this calendar year.

Growth projections for emerging markets are higher than developed markets, at 3.8% in calendar year 2022 and 4.4% in calendar year 2023. China’s growth was downgraded (4.4% versus 4.8%) for calendar year 2022 given tight COVID-19 restrictions and continued property sector problems. The global inflation forecast was significantly increased for calendar year 2022 (7.4% versus 3.8%).

Global economies are expected to slow in calendar year 2022 compared to calendar year 2021 with fears of potential recessions in areas increasing recently given persistently high inflation and related tighter monetary policy. Looking forward, the delicate balancing act of central banks trying to reduce inflation without dramatically impacting growth will remain key.

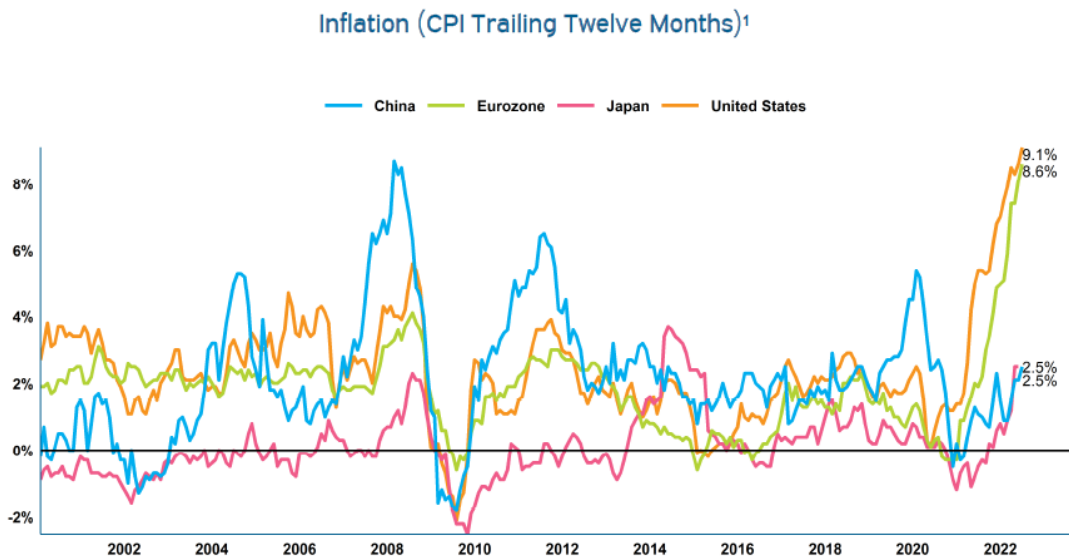


¹ Source: Oxford Economics (World GDP, US\$ prices & PPP exchange rate, nominal, % change YoY. Data is as of June 2022.

After global central banks took extraordinary action to support economies during the pandemic, including policy rate cuts and emergency stimulus through quantitative

easing (QE), many are reducing or considering reducing support, in the face of high inflation. The pace of withdrawing support will likely vary across central banks with the U.S. expected to take a more aggressive approach. The risk remains for a policy error, particularly overtightening, as record inflation, the war in Ukraine, and a tough COVID-19 policy in China could suppress global growth. The one notable central bank outlier is China, where the central bank recently lowered rates and reserve requirements in response to slowing growth.

Inflation increased dramatically from the lows of the pandemic, particularly in the U.S. and Eurozone where it has reached levels not seen in decades. Supply issues related to the pandemic, record monetary and fiscal stimulus, strict COVID-19 restrictions in China, and higher prices in many commodities driven by the war in Ukraine have been key drivers of inflation globally.



¹ Source: Bloomberg. Data is as of June 2022, except for Japan, data is as of May 31, 2022.

As economies have largely reopened, helped by vaccines for the virus, improvements have been seen in the labor market. U.S. unemployment, which experienced the steepest rise from the pandemic, declined back to pre-pandemic levels. The broader measure (U-6) that includes discouraged and underemployed workers declined and is currently at 6.7%.

The US dollar continued higher in June on safe-haven flows, relatively strong growth, and higher interest rates. The euro, yen, and yuan have all experienced significant declines versus the dollar, adding to inflation and slowing growth concerns.

Summary - Key Trends in Calendar 2022:

- The impacts of record high inflation will remain key going forward, with volatility likely to remain high.
- The war in Ukraine has created significant uncertainty, with a wide range of potential outcomes.
- Expect growth to slow globally in calendar year 2022 to the long-term trend or below. Inflation, monetary policy, and the war will all be key.
- The end of many fiscal programs is expected to put the burden of continued growth on consumers. Higher energy and food prices will depress consumers' spending in other areas.
- Monetary policy will likely tighten globally but will remain relatively accommodative. The risk of overtightening policy remains.
- Valuations have significantly declined in the U.S., approaching long-term averages.
- Outside the U.S., equity valuations remain lower in both emerging and developed markets, but risks remain, including continued strength in the U.S. dollar, higher inflation particularly weighing on Europe, and China maintaining its restrictive COVID-19 policies.
- hina maintaining its restrictive COVID-19 policies.

Finance & Administration Committee (FAC), November 1, 2022

Update on Cleaning & Safety Protocol

The Cleaning & Safety Protocol has remained the same since the beginning of the pandemic. There is a big concentration on cleaning public and “high touch” areas which include classrooms, meeting spaces, doorknobs, handrails, elevators, and restrooms. Trash will be collected once per week inside offices. If there is trash that needs attention more often, it should be placed in the hallway outside the office door at the end of the day and will be removed by the night custodian. Additionally, individual offices will be vacuumed once per week and recycled materials should be placed in the main collection bin in each building/floor to be removed.

In addition, Facilities Services provides cleaning caddies in all the classroom spaces for occupants to clean between classes if desired. These caddies contain a viral surface disinfectant, paper towels, and disposable gloves. The night custodians’ re-stock the caddies as needed.

Campus Public Safety is resuming in person disaster training and exercises so that our campus will be well positioned to respond to all types of disaster situations. The Great Shakeout Earthquake Drill took place on October 20, 2022 and included Emergency Preparedness Team and Emergency Policy Group.