



**Western Oregon University Board of Trustees:  
Finance & Administration Committee (FAC)  
Meeting No. 33 – October 23, 2023 | 10:00AM-2:00PM  
Public Meeting: Hamersly Library 301-A or via [Zoom](#)  
[Webinar](#) |**

**AGENDA**

- I. CALL-TO MEETING / ROLL CALL (10:00-10:01am)**
- II. COMMITTEE CHAIR'S WELCOME / ANNOUNCEMENTS (10:01-10:05am)**
- III. CONSENT AGENDA (10:05-10:10am)**
  - 1) [Approval May 25, 2023 Meeting Minutes](#) (page 3)
- IV. ACTION ITEMS:**
  - 1) [Accept FY2024 Management Report \(as of September 30, 2023\)](#) (10:10-10:30am) | *Dr. Ana Karaman, Vice President Finance & Administration and Camarie Moreno, Director of Budget & Planning* (page 5)
  - 2) [Recommend for Approval FY2024 Adjusted Budget](#) (10:30-11:10am) | *Dr. Ana Karaman, Vice President Finance & Administration; Dr. Jesse Peters, President; Randi Lydum, Director of Athletics; and Camarie Moreno, Director of Budget & Planning* (page 14)
  - 3) [Recommend for Approval Quasi Endowment Transfer](#) (11:10-11:20am) | *Dr. Ana Karaman, Vice President Finance & Administration* (page 40)
  - 4) [Recommend for Approval Capital Project Submission to HECC for 2025-27 Biennia](#) (11:20-12:00pm) | *Dr. Ana Karaman, Vice President Finance & Administration and Jason Krawczyk, Director of Capital Planning & Construction* (page 41)
- V. REPORTS & DISCUSSION ITEMS:**
  - 1) [University Budget Advisory Committee](#) (UBAC) (12:30-12:45pm) | *co-chairs Cara Groshong & Melanie Landon-Hays* (page 55)
  - 2) [University Technology Advisory Committee](#) (UTAC) (12:45-1:00pm) | *co-chairs Chelle Batchelor & Amy Clark* (page 57)

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- 3) [Finance & Administration Report](#) (1:00-1:10pm) | *Dr. Ana Karaman, Vice President Finance & Administration* (page 58)
  - a. Cash flow projections | *Dr. Ana Karaman, Vice President Finance & Administration and Darin Silbernagel, Treasurer*
  - b. Update on Quasi Endowment Performance | *Dr. Ana Karaman, Vice President Finance & Administration*
  - c. Update on Student Success Center | *Dr. Ana Karaman, Vice President Finance & Administration*
  - d. Sustainability Funds | *Dr. Ana Karaman, Vice President Finance & Administration*
  - e. [Update on Budget Dashboard](#) | *Camarie Moreno, Director of Budget & Planning*
- 4) [Campus Master Plan Update](#) (1:10-1:20pm) | *Dr. Ana Karaman, Vice President Finance & Administration and Jason Krawczyk, Director of Campus Planning & Construction*
- 5) [Finance & Administration Committee Goals & Guardrails to achieve NWCCU 5 Year Financial Sustainability Model](#) (1:20-2:00pm) | *Dr. Ana Karaman, Vice President Finance & Administration*

**VI. NOVEMBER 14-15, 2023 BOARD MEETING PREPARATION**

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

**VIII. ADJOURNMENT**



**Western Oregon University Board of Trustees:  
Finance & Administration Committee (FAC)  
Meeting No. 32 – , May 25, 2023 | 8:00AM-12:00PM**

**Public Meeting:** via Zoom | **Meeting ID:** 852 8295 4209 **Phone:** +1-253-215-8782

**DRAFT MINUTES**

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

Chair Evans called the meeting to order at 8:35am. The following Trustees were present: Chair Gayle Evans, Lupe Diaz, Angela Fasana, Cec Koontz, and Leah Mitchell.

Others Present: Jesse Peters, Ana Karaman, Camarie Moreno, Cara Groshog, Michael Ellis, Sean Roush, Shadron Lehman, Dona Vasas, Heather Brophy, Kristie Rudich, Meriby Salgado Ydrac, Erin Baumgartner, Jason Krawczyk, Evan Sorce

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

President Peters gave an update regarding the budget situation. He emphasized that the university made \$ 5 million in reductions ahead of time. People appreciated the communication and transparency of the \$5 million in cuts. No one lost their job and it is clear that everyone on campus is committed to student success and the mission of the university.

**III. CONSENT AGENDA**

Trustee Koontz moves and Trustee Mitchell seconded the approval of the April 7, 2023 minutes. The motion was passed unanimously.

**IV. ACTION ITEMS:**

**I. Accept FY 2023 Management Report (as of April 30, 2023)**

Dr. Ana Karaman gave an update on the budget management report which can be reviewed in the docket. Trustees shared some cautious optimism to the improved budget outlook. Trustee Koontz moves to accept and Trustee Mitchell seconds the FY 2023 Management Report (as of April 30, 2023). (Note that Trustee Fasana stepped out of the meeting before the vote). The motion passes unanimously.

**II. Recommendation for Approval of proposed FY2024 Preliminary Budget**

Dr. Ana Karaman led the presentation of the proposed FY2024 Preliminary Budget which can be reviewed in the docket for review. The proposed budget reflects budget reduction decisions that were made during this year. The proposed budget shows an improvement of the education and general fund budget of \$ 4 million. It is important to note that this is a preliminary budget. The committee will see an revised budget in October with the current fall

**Board of Trustees**

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enrollment and actual state allocations. (**Note: Trustee Fasana returned to the zoom meeting**). Dr. Karaman added that Auxiliary funds are hoping to rebuild their reserves after using their reserves during the pandemic. Trustee Koontz moved and Trustee Fasana seconded the motion to recommend to the Western Oregon University Board of Trustees the approval of the proposed FY2024 preliminary budget. Motion passed unanimously.

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

- I. Capital Improvement & Renewal Projects  
Jason Krawczyk gave a capital improvement and renewal projects report that included an updated list of projects for 2023-2025 which can be found in the docket for review. Dr. Ana Karaman added that WOU continues to feel pressure from inflation and supply chain issues. It is very difficult to get a capital project delivered on time and on budget.
- II. University Budget Advisory Committee (UBAC)  
Cara Groshog and Erin Baumgartner presented the UBAC report which can be found in the docket for review. 35 people were present for their last meeting. Chair Evans expressed appreciation to the work of UBAC and she is very excited to hear the stories that come from the new budget tool put together by the UBAC committee.
- III. University Technology Advisory Committee (UTAC)  
Dr. Chelle Batchelor & Michael Ellis presented the UTAC report which can be found in the docket for review.
- IV. Finance and Administration Report  
Dr. Ana Karaman presented her Finance and Administration report which can be found in the docket for review.

### **V. JUNE 13-14, 2023 BOARD MEETING PREPARATION**

Nothing additional to report.

### **VI. UPDATES AROUND THE TABLE**

President Peters and our Director of Government Relations are monitoring the situation at the State Capitol. The Walkout has caused a massive backup of legislation, threatening the ability to pass budget before the constitutionally required Sine Die date of June 25<sup>th</sup>. The Oregon Council of Presidents (OCOP) as well as our team are internally putting together contingency plans in case the higher education budget does not pass before sine die.

### **VII ADJOURNMENT**

Meeting was adjourned at 11:30 am





## Finance & Administration Committee (FAC), October 23, 2023, FY2024 Management Report

### FY2023 Year-End Update:

#### Education & General (E&G) Fund:

##### Revenues:

Revenues totaled \$69.007M, \$3.138M more than the FY23 Adjusted Budget revenue total of \$65.869M. Net student fees & tuition totaled \$30.898M, \$775K more than the FY23 Adjusted Budget, with the difference primarily due to fee remissions being \$440K under budget. Government resources & allocations totaled \$32.394M, \$428K more than budgeted as the true-up for three-year rolling average came in better than anticipated. Gift grants and contracts totaled \$2.674M, \$1.494M more than budgeted as a result of increased grant indirect. Other revenue totals \$3.042M, \$442K more than the adjusted budget.

##### Expenses & Net Transfers:

Expenses and transfers totaled \$70.164M, \$3.601M under the FY23 Adjusted budget of \$73.765M. Personnel totaled \$55.614M, \$3.879M under budget as a result of campus efforts related to a soft hiring freeze and to delay hiring as well as the difficulty in hiring for some positions, and \$2.05M staff salary savings being held centrally. Services & supplies totaled \$9.462M, \$1.633M under budget due to campus efforts to conserve fund balance by minimizing travel and reducing departmental S&S budgets by 10%. Net transfers totaled \$5.088M, \$1.911M more than budgeted, primarily due to athletic support that was \$823K more than budgeted, and \$660K transferred out for the Student Success Center XI-G match, which was not budgeted for.

##### Net Revenues less Expenses:

Net revenues and expenses totaled a deficit of \$1.156M, which is \$6.739M better than the Adjusted Budget deficit of \$7.896M. This results in a FY23 Ending Fund balance of \$14.025M, 20.32% of revenues.

### **Period 3 YTD Actual to Actual Variance:**

This report provides three months of actual revenue and expense activity (as of September 30, 2023) as compared to the same period in prior fiscal year.

#### **Education & General Fund:**

##### Revenues:

Tuition revenues are \$593K more than the prior year due to a combination of tuition increases (3.1% for resident & WUE UG, 0% for nonresident UG and all GR) due to an approximate 1.2% UG enrollment increase in Fall 2023 respective to the same term prior year. The modest enrollment increase also results in slight increases of online course fees (\$97K) and other fees (\$93K). Fee remissions have increased \$36K from the prior year. Altogether, this results in net tuition and fees for Period 3 being \$748K more than the prior year.

Government resources & allocations have increased by \$1.693M from the prior year based on the state's increased funding to the Public University Support Fund (PUSF) for the 2023-25 biennium of \$1B. 49% of PUSF is distributed in year 1 (FY24) and the remaining 51% will be distributed in year 2 (FY25) and allocated among the public universities according to the Student Success and Completion Model (SSCM). The \$13.162M received so far reflects the first quarter distribution of \$12.139M (36% of the total for FY24, but not yet trued up for the rolling three-year average data), as well as \$1.022M of sustainability funds. In FY23, Benefits Navigator funding (\$43K) was included in E&G; in FY24 this will be handled as a grant.

Gift grants and contracts revenue has increased by \$14K from prior year. Other revenues have increased by \$303K from the prior year.

Overall, total revenues are \$27.753M, \$2.758M more than the prior year.

##### Expenses:

Personnel expenses are \$81K more than the prior period and reflect variations in faculty/staff from the prior year. T/TT faculty received step increases, NTT faculty received a 1.7% COLA effective September 2023, unclassified staff received a 4% COLA effective July 1, 2023, and classified staff received step increases.

Services and supplies expenses are \$74K less than the prior year.

Overall, total expenses are \$11.619M, \$7K more than the prior year.

##### Net Revenues less Expenses:

Net revenues less expenses have increased by \$2.751M 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 increased by \$388K, due to a combination of increased enrollment, increase to the incidental fee (in FY23 the fee was \$372, with a reduced fee of \$200 for students not enrolled on the Monmouth campus; in FY24 this increased to \$415 and \$210, respectively), and increase to the health service fee (in FY23 the fee was \$154 mandatory for Monmouth-campus students only, in FY24 this increased to \$162, with a reduced fee of \$120 for students not enrolled on the Monmouth campus). Health Service Fee revenue is up \$222K and incidental fee revenue is up \$162K from the prior period. Sales and Services are up \$84K from the prior year. Other Revenue decreased by \$184K, primarily in Housing due to decreased internal sales from Destination Western. Altogether, auxiliary revenue totals \$4.045M and has increased \$289K from the prior year.

#### Expenses:

Personnel expenses are \$53K more than the prior year. Service & Supplies are \$910K more than the prior year, primarily in Housing/Dining (\$494K) and Athletics (\$386K). Altogether, auxiliary expense total \$5.796M, an increase of \$963K from the prior year.

#### Net Revenues less Expenses:

Net revenues less expenses total -\$1.751M and have decreased by \$674K 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. The Clearing Fund is cleared on a quarterly basis.

Revenues are comparable to prior year, up \$8K. Expenses are up \$578K from the prior year (\$280K in Telecommunications), for a net difference from prior year of \$570K.

**FY24 Projected Year-End:**

This report provides year-end projections. With three months of actuals, our projection for the year matches our Proposed FY24 Adjusted Budget.

**STAFF RECOMMENDATION:**

It is recommended that the Western Oregon University Finance and Administration Committee accept the FY24 Projected Year-End Report and the overall Management Report as of September 30, 2023.

**Western Oregon University**  
**P3 YTD Actual to Actual Variance**

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

**As of September 30, 2023**  
**For the Fiscal Year Ended June 30, 2024**

	P3 FY23 Actuals	P3 FY23 Realization/ Burn Rate %	P3 FY24 Actuals	P3 FY24 % of Budget	Variance		Note
					Actuals	%	
<b>Education &amp; General Fund</b>							
<b>Revenues</b>							
Tuition	12,174		12,767		593		
Online Course Fees	1,283		1,380		97		
Other Fees	621		715		93		
Less: Fee Remissions	(1,430)		(1,466)		(36)		
Net Student Fees & Tuition	12,648	40.93%	13,395	42.86%	748	1.93%	
Government Resources & Allocations	11,469	35.40%	13,162	37.76%	1,693	2.35%	FY24 includes \$1.022M of Sustainability funds
Gift Grants and Contracts	374	13.99%	389	17.71%	14	3.72%	
Other Revenue	505	16.60%	808	31.07%	303	14.47%	
<b>Total Revenues</b>	<b>24,995</b>	<b>36.22%</b>	<b>27,753</b>	<b>39.14%</b>	<b>2,758</b>	<b>2.92%</b>	
<b>Expenses</b>							
Personnel	8,561	15.39%	8,642	14.93%	(81)	-0.47%	
Service & Supplies	3,052	32.25%	2,977	24.97%	74	-7.28%	
<b>Total Expenses</b>	<b>11,612</b>	<b>17.84%</b>	<b>11,619</b>	<b>16.64%</b>	<b>(7)</b>	<b>-1.20%</b>	
<b>Net Revenues less Expenses</b>	<b>13,383</b>		<b>16,134</b>		<b>2,751</b>		

**Western Oregon University**  
**P3 YTD Actual to Actual Variance**

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

**As of September 30, 2023**  
**For the Fiscal Year Ended June 30, 2024**

	P3 FY23		P3 FY24		Variance		Note
	P3 FY23 Actuals	Realization/ Burn Rate %	P3 FY24 Actuals	P3 FY24 % of Budget	Actuals	%	
<b>Auxiliary Enterprises Funds</b>							
<b>Revenues</b>							
Enrollment Fees	1,858	36.51%	2,247	40.10%	388	3.59%	
Sales and Services	973	8.61%	1,058	8.73%	84	0.13%	
Other Revenue	925	34.60%	741	34.32%	(184)	-0.28%	
<b>Total Revenues</b>	<b>3,757</b>	<b>19.70%</b>	<b>4,045</b>	<b>20.36%</b>	<b>289</b>	<b>0.66%</b>	
<b>Expenses</b>							
Personnel	2,393	22.66%	2,447	22.85%	(53)	0.19%	
Service & Supplies	2,440	19.54%	3,350	26.89%	(910)	7.34%	
<b>Total Expenses</b>	<b>4,833</b>	<b>20.97%</b>	<b>5,796</b>	<b>25.02%</b>	<b>(963)</b>	<b>4.05%</b>	
<b>Net Revenues less Expenses</b>	<b>(1,077)</b>		<b>(1,751)</b>		<b>(674)</b>		
<b>Designated Operations, Service Departments, Clearing Funds</b>							
<b>Revenues</b>							
Enrollment Fees	73	139.30%	112	232.02%	38	92.72%	
Sales and Services	19	13.11%	17	13.43%	(2)	0.32%	
Other Revenue	299	13.83%	270	12.92%	(29)	-0.90%	
<b>Total Revenues</b>	<b>391</b>	<b>16.58%</b>	<b>399</b>	<b>17.60%</b>	<b>8</b>	<b>1.03%</b>	
<b>Expenses</b>							
Personnel	173	19.94%	261	26.64%	(88)	6.71%	
Service & Supplies	264	19.26%	754	58.60%	(490)	39.34%	
<b>Total Expenses</b>	<b>437</b>	<b>19.53%</b>	<b>1,015</b>	<b>44.79%</b>	<b>(578)</b>	<b>25.26%</b>	
<b>Net Revenues less Expenses</b>	<b>(46)</b>		<b>(616)</b>		<b>(570)</b>		

Western Oregon University  
 FY24 Projected Year-End  
 (Unaudited, non-GAAP, for management purposes only)  
 (in thousands)

As of September 30, 2023  
 For the Fiscal Year Ended June 30, 2024

	FY23 Year-End Actuals	FY24 Projected Year-End	FY24 Proposed Adjusted Budget	Variance FY24 Projected Year-End to Budget	Note
<b>Education &amp; General Fund</b>					
Student Fees & Tuition (net of remissions)	30,898	31,255	31,255	-	
Government Resources & Allocations	32,394	34,859	34,859	-	
Gift Grants and Contracts	2,674	2,194	2,194	-	
Other Revenue	3,042	2,600	2,600	-	
<b>Total Revenues</b>	<u>69,007</u>	<u>70,908</u>	<u>70,908</u>	<u>-</u>	
Personnel	55,614	57,896	57,896	-	
Service & Supplies	9,462	11,921	11,921	-	
<b>Total Expenses</b>	<u>65,076</u>	<u>69,818</u>	<u>69,818</u>	<u>-</u>	
Net Transfers	5,088	5,105	5,105	-	
<b>Total Expenses and Transfers</b>	<u>70,164</u>	<u>74,923</u>	<u>74,923</u>	<u>-</u>	
<b>Net Revenues less Expenses</b>	<b>(1,156)</b>	<b>(4,015)</b>	<b>(4,015)</b>	<b>-</b>	
<b>Fund Balance at the Beginning of the Year</b>	15,090	14,025	14,025		
<b>Additions/Deductions to Fund Balance</b>	92	-	-		
<b>Fund Balance at the End of the Year</b>	<u>14,025</u>	<u>10,010</u>	<u>10,010</u>		
<b>Fund Balance as a Percentage of Revenues</b>	20.32%	14.12%	14.12%		

Western Oregon University  
 FY24 Projected Year-End  
 (Unaudited, non-GAAP, for management purposes only)  
 (in thousands)

As of September 30, 2023  
 For the Fiscal Year Ended June 30, 2024

	FY23 Year-End Actuals	FY24 Projected Year-End	FY24 Proposed Adjusted Budget	Variance FY24 Projected Year-End to Budget	Note
<b>Auxiliary Enterprises Funds</b>					
Enrollment Fees	5,090	5,602	5,602	-	
Sales and Services	11,307	12,107	12,107	-	
Other Revenue	2,673	2,160	2,160	-	
<b>Total Revenues</b>	<b>19,070</b>	<b>19,869</b>	<b>19,869</b>	<b>-</b>	
Personnel	10,561	10,705	10,705	-	
Service & Supplies	12,486	12,459	12,459	-	
<b>Total Expenses</b>	<b>23,047</b>	<b>23,164</b>	<b>23,164</b>	<b>-</b>	
Net Transfers	(4,213)	(3,335)	(3,335)	-	
<b>Total Expenses and Transfers</b>	<b>18,834</b>	<b>19,829</b>	<b>19,829</b>	<b>-</b>	
<b>Net Revenues less Expenses</b>	<b>236</b>	<b>40</b>	<b>40</b>	<b>-</b>	
<b>Additions/Deductions to Fund Balance</b>	<b>(1,873)</b>	<b>(1,910)</b>			
<b>Fund Balance at the Beginning of the Year</b>	<b>7,017</b>	<b>5,380</b>			
<b>Fund Balance at the End of the Year</b>	<b>5,380</b>	<b>3,511</b>			
<b>Fund Balance as a Percentage of Revenues</b>	<b>28.21%</b>	<b>17.67%</b>			
<b>Designated Operations, Service Departments, Clearing Funds</b>					
Enrollment Fees	53	48	48	-	
Sales and Services	146	127	127	-	
Other Revenue	2,162	2,092	2,092	-	
<b>Total Revenues</b>	<b>2,360</b>	<b>2,266</b>	<b>2,266</b>	<b>-</b>	
Personnel	870	980	980	-	
Service & Supplies	1,368	1,287	1,287	-	
<b>Total Expenses</b>	<b>2,238</b>	<b>2,266</b>	<b>2,266</b>	<b>-</b>	
Net Transfers	(1)	-	-	-	
<b>Total Expenses and Transfers</b>	<b>2,237</b>	<b>2,266</b>	<b>2,266</b>	<b>-</b>	
<b>Net Revenues less Expenses</b>	<b>123</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Additions/Deductions to Fund Balance</b>	<b>(243)</b>	<b>(234)</b>			
<b>Fund Balance at the Beginning of the Year</b>	<b>2,741</b>	<b>2,621</b>			
<b>Fund Balance at the End of the Year</b>	<b>2,621</b>	<b>2,387</b>			
<b>Fund Balance as a Percentage of Revenues</b>	<b>111.06%</b>	<b>105.32%</b>			



**Western Oregon University**  
**Transfers Schedule - Projected FY24**  
(Unaudited, non-GAAP, for management purposes only)

	E&G		Auxiliary		Des Ops - Serv Dept.	Plant fund	Other	Total
<b>Transfers In E&amp;G</b>							(a)	
<b>Actual</b>							-	-
<b>Upcoming</b>							408,893	408,893
<b>Transfers Out E&amp;G</b>			(b)	(c)		(d)	(a)	
<b>Actual</b>			-	-		-	2,684	2,684
<b>Upcoming</b>			5,000,000	150,000		294,000	67,583	5,511,583
<b>Transfers In AUX</b>	(b)	(c)				(e)	(f)	
<b>Actual</b>	-	-				2,162	2,684	4,846
<b>Upcoming</b>	5,000,000	150,000				-	-	5,150,000
<b>Transfers Out AUX</b>							(f)	
<b>Actual</b>							-	-
<b>Upcoming</b>							1,814,917	1,814,917
<b>Transfers In DO, SD</b>								
<b>Actual</b>								-
<b>Upcoming</b>								-
<b>Transfers Out DO, SD</b>								
<b>Actual</b>								-
<b>Upcoming</b>								-

<b>Type</b>	<b>Description</b>
(a)	Miscellaneous (endowment matches, cost shares, etc.)
(b)	Athletic operations support
(c)	Child Development Center 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), October 23, 2023**

**FY24 Proposed Adjusted Budget**

**M-Report (Fall 2023 as of October 9<sup>th</sup>):**

	This Year	Last Year	Difference	Pct Change
Total Enrollment	3,949	3,747	202	5.4%
Total Credit Hours	46,932	45,772	1,160	2.5%
Total FTE	3,192.2	3,104.4	87.9	2.8%
<b>Undergraduate</b>				
Total UG Enrollment	3,341	3,318	23	0.7%
Total UG Credit Hours	43,126	42,599	527	1.2%
Total UG FTE	2,875.1	2,839.9	35.1	1.2%
<b>Graduate</b>				
Total GR Enrollment	608	429	179	41.7%
Total GR Credit Hours	3,806	3,173	633	19.9%
Total GR FTE	317.2	264.4	52.7	19.9%
<b>Undergraduate Breakout</b>				
Resident	2,734	2,639	95	3.6%
WUE	477	535	-58	-10.8%
Non-Resident	130	144	-14	-9.7%
Total	3,341	3,318		
<b>Undergraduate by Class</b>				
Freshmen	904	742	162	21.8%
Sophomores	560	586	-26	-4.4%
Juniors	801	870	-69	-7.9%
Seniors	974	1,040	-66	-6.3%
Post Bacc / Non-Graduate	66	54	12	22.2%
Graduate Masters	537	410	127	31.0%
Non-Admit Undergraduate	36	26	10	38.5%
Non-Admit Graduate	71	19	52	273.7%
Total	3,949	3,747		

**Education & General (E&G) Fund Component:**

The FY24 Education & General Fund totals \$69.886M in revenues and \$72.926M in recurring expenses and transfers. Combined with one-time activities of \$975K, this results in a budget deficit of \$4.015M. Beginning FY24 Fund Balance totals \$14.025M; this deficit level would reduce the fund balance to \$10.010M, or 14.32% of revenues by the end of FY24. See the FY24 Education & General Fund Detail worksheet for a comparison of the FY24 Proposed Adjusted Budget to the FY24 Preliminary Budget, as well as FY23 Actuals.

## Revenue Assumptions:

Total Revenues for the FY24 Adjusted Budget are \$69.886M, up \$2.877M from the FY24 Preliminary Budget. The changes in assumptions resulting in the increased revenue are detailed below.

### Tuition & Fees

- FY24 Preliminary Budget Tuition assumed 3% UG and GR enrollment declines from Fall 2022. Actual fall enrollments are approximately a 1.2% increase for UG and a 19.9% increase for GR. These enrollment increases do not translate directly to revenue increases, as different undergraduate residencies pay different tuition rates and many graduate students pay a discounted cohort rate.
  - Annual tuition and fee revenue budget is a combination of actual Fall 2023 and projected Winter & Spring 2024 based on 6% attrition between terms. This results in a projected 119,720 undergraduate (99,673 Resident, 19,059 WUE, and 988 Non-Resident) and 8,753 graduate credit hours. Applying the applicable tuition rates as approved at the April 19, 2023 Board of Trustees meeting results in total undergraduate tuition of \$26.283M and graduate tuition of \$4.026M, for a total increase of \$1.127M from the FY24 preliminary budget.
- Summer tuition revenues remain unchanged from the FY24 Preliminary Budget, totaling \$2M. 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 2023 resulted in \$1.793M of FY24 revenue, with the remaining budgeted summer revenue of \$207K expected from Summer 2024.
- Online course fee revenues have been updated to a projected 57,285 online course credit hours based on actual fall enrollments and projected Winter & Spring 2024, resulting in a budget of \$3.036M, an increase of \$162K from the preliminary budget.
- Fee remissions remain budgeted at \$5.5M in collaboration with Financial Aid.

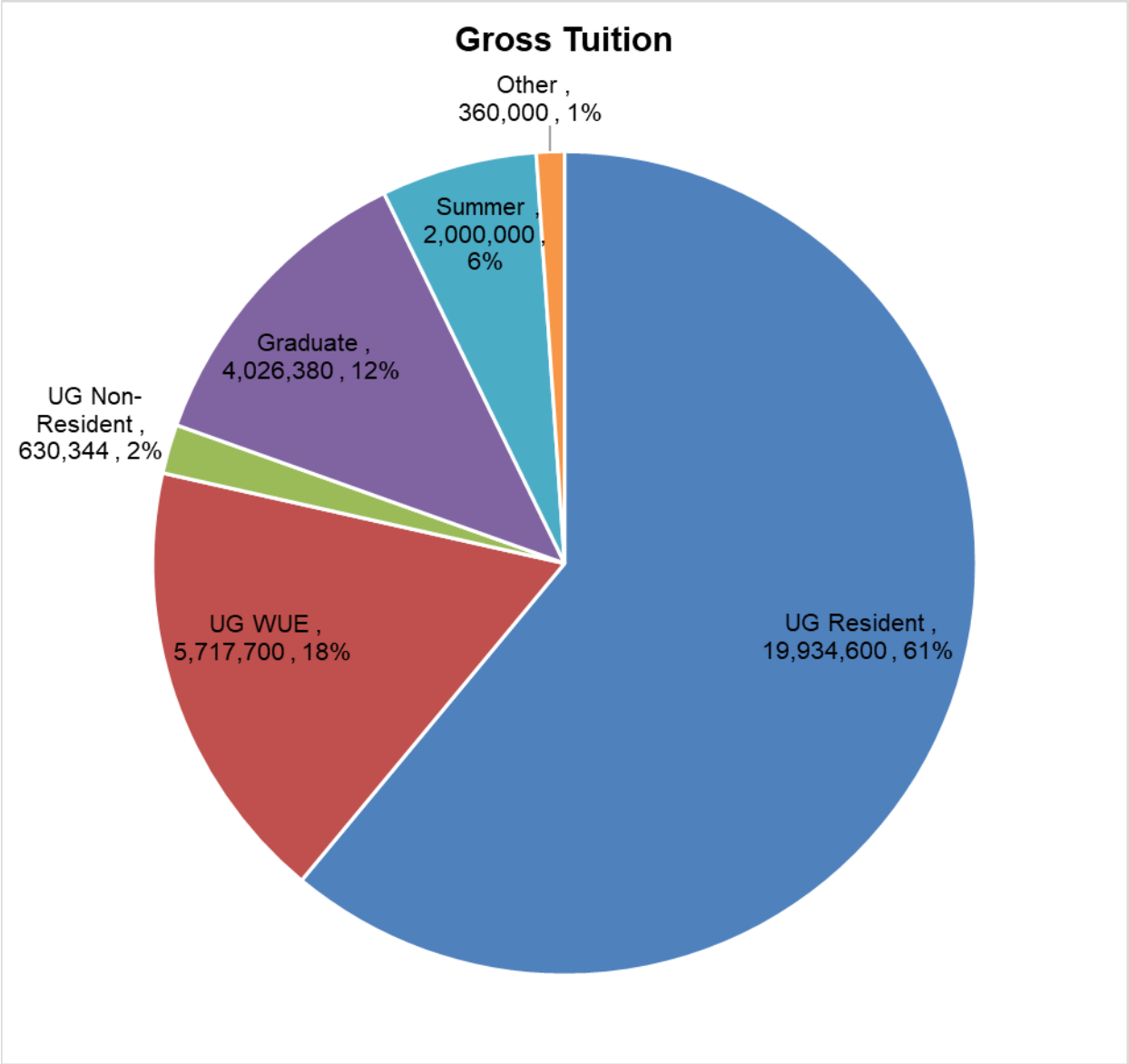


Figure 1: Tuition Revenue by category

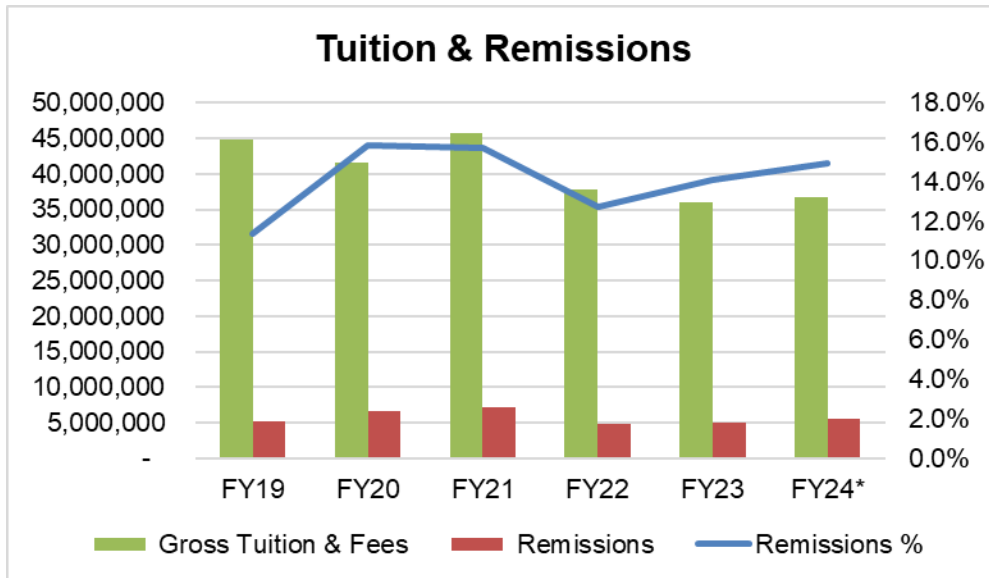


Figure 2: Total gross tuition & fees, total remissions, and remissions as a percentage of gross tuition & fees for FY19 – FY24 (FY24 based on proposed adjusted budgeted numbers).

### Government Resources & Allocations

- Government Resources & Allocations total \$33.837M. The Preliminary Budget assumed the co-chair’s estimated budget of \$947.7M to the Public University Support Fund, while the state actually allocated \$1B. 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 FY21, FY22, and FY22 as a placeholder for FY23).
  - FY24 is the first year of the biennium, with 49% of PUSF being distributed in year 1 and the remaining 51% distributed in year 2.
- Benefits Navigator funding of \$118K (as well as associated expenses) has been removed from the E&G budget as new direction from HECC was received that these funds will be treated as a grant going forward.

### Other Revenues

- Other Revenues total \$4.794M, a \$514K increase to Gift Grants and Contracts from the Preliminary Budget. \$480K of the increase was in collaboration with the Dean of Graduate Studies and Sponsored Research as a result of increased grant awards. The remaining \$34K relates to Foundation reimbursement for two employees.

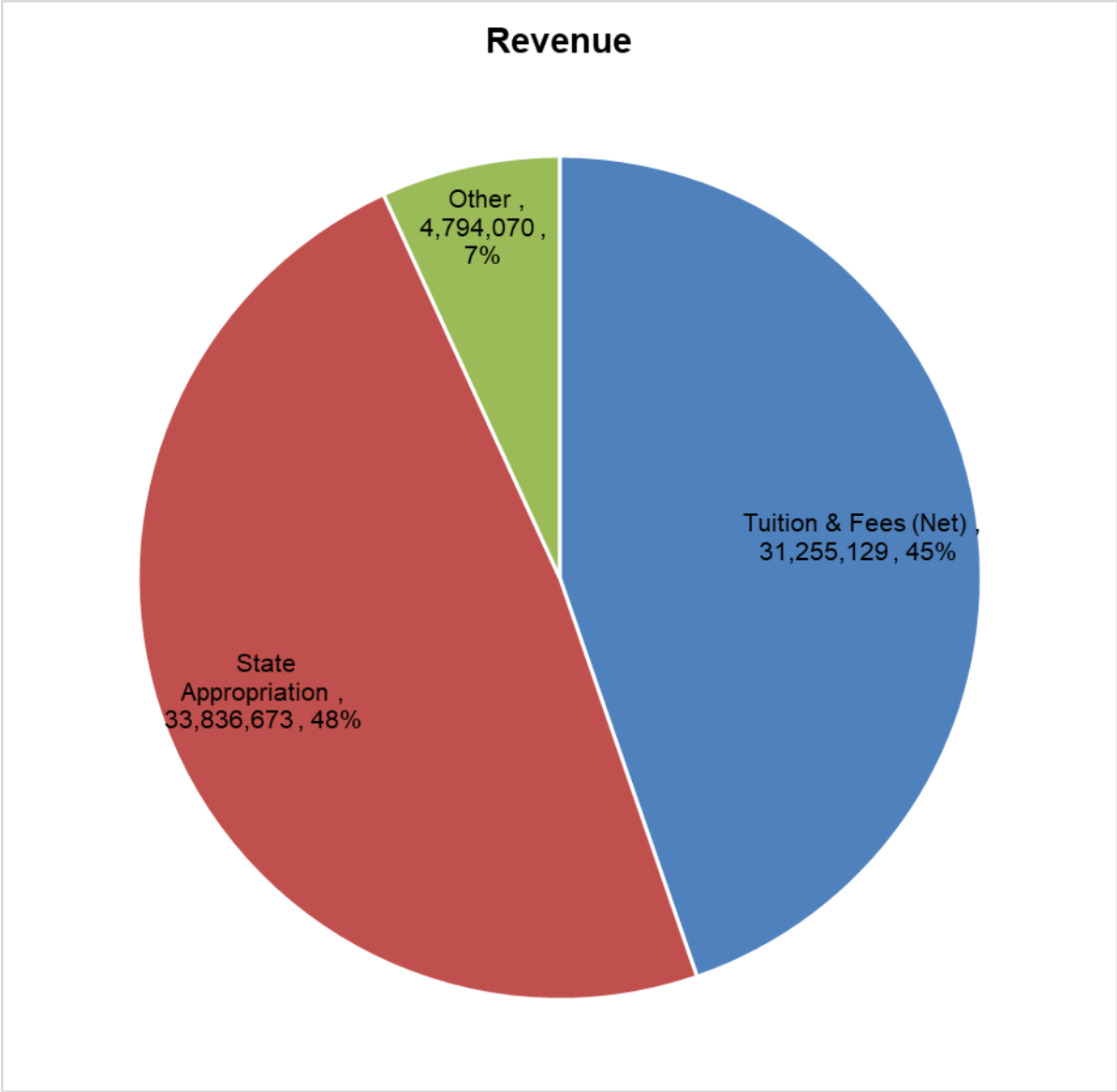


Figure 3: Total revenue by category.

**Expense Assumptions:**

Total Expenses for the FY24 Adjusted Budget are budgeted at \$67.468M.

**Personnel**

- Personnel budget totals \$57.576M, \$1.255M more than the FY24 Preliminary Budget.
- Faculty Salaries are budgeted at \$16.631M, \$117K more than the FY24 Preliminary Budget as a result of increasing the salary rate used for the Computer Science and Business NTT pools. According to the Collective

Bargaining Agreement, T/TT faculty in Computer Science and Business receive 22% marketplace advances, and as such salary rates for NTTs in these disciplines also tend to be higher than others.

- Budgeted amount for unclassified salaries totals \$11.688M, \$565K more than the preliminary budget, which incorporates a 4% COLA effective July 1, 2023 and funds held centrally for the unclassified salary study to take place (\$250K), added Assistant Director position for MSSP (\$50K), removed Benefits Navigator position (\$50K, to be handled as a grant), and added 0.5 HRIS Analyst (\$38K).
- Faculty & Unclassified Supplemental pay is budgeted at \$567K, reflecting a small reallocation from S&S funds. 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 \$6.819M, an increase of \$215K from the preliminary budget reflective of funds held centrally for upcoming bargaining.
- Classified Pay is budgeted at \$260K, unchanged from the preliminary budget. This category includes pay for differentials, overtime, and temporary employees.
- Student pay is budgeted at \$1.576M, unchanged from the preliminary budget.
- Budgeted Other Payroll Expense (OPE) totals \$21.393M, an increase of \$345K from the preliminary budget, as a result of the changes to personnel mentioned above.
  - 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.).

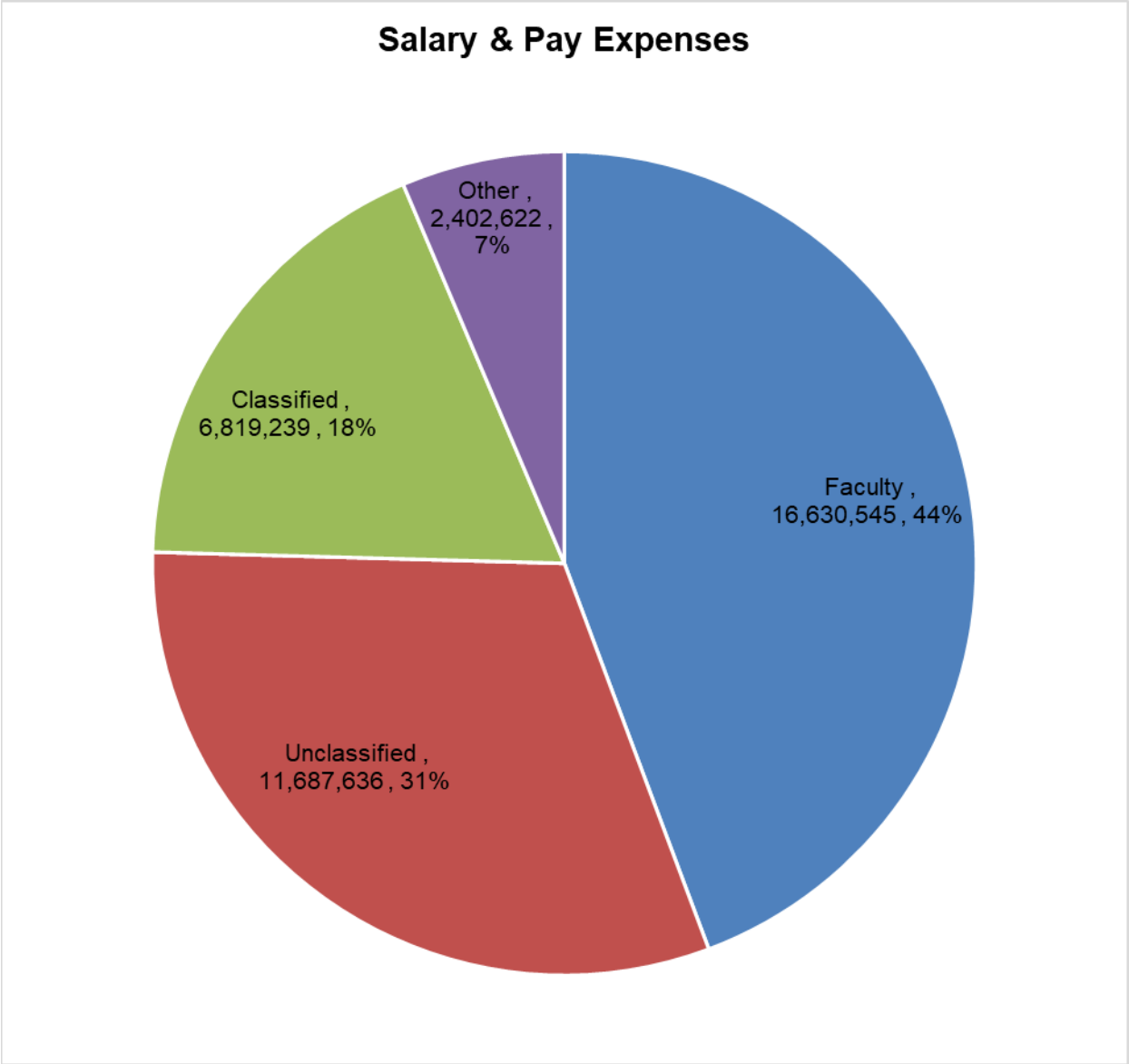


Figure 4: Total salary & pay by category.

**Services & Supplies (S&S)**

- Services & Supplies net of Internal Sales budget totals \$9.892M. With Services & Supplies increasing approximately \$489K, and Internal Sales increasing \$170K from FY24 Preliminary Budget.
  - SELP S&S was decreased by \$119K to \$115K (with a corresponding increase to transfers out) to better reflect current principal/interest split.
  - \$18K of Creative Arts S&S was reallocated to unclassified pay and associated OPE.



- A correlating \$163K increase in indirect grant spending was budgeted (in line with the grant indirects policy).
- Utilities were trued up to FY23 actuals with anticipated 3.3% inflation for electricity (an increase of \$165K), anticipated 5% for water (\$11K), 15% for gas (\$277K – given the steampipe work currently underway), and \$45K for WOU:Salem. Internal sales were trued up as well, resulting in an increase of \$170K.
- \$35K of S&S correlating to Benefits Navigator funding was removed.

### **Net Transfer Assumptions:**

Total Net Transfers are budgeted at \$5.458M, an increase of \$1.119M from the Preliminary Budget.

- Athletics subsidy was increased by \$1M to \$5M recurring.
- The SELP funding match (transfer out towards SELP principal) was increased to \$294K, with a corresponding decrease to SELP S&S (covers interest expense), to better reflect current principal/interest split.
- Other transfers include a \$150K Child Development Center subsidy and \$14K misc. other transfers.

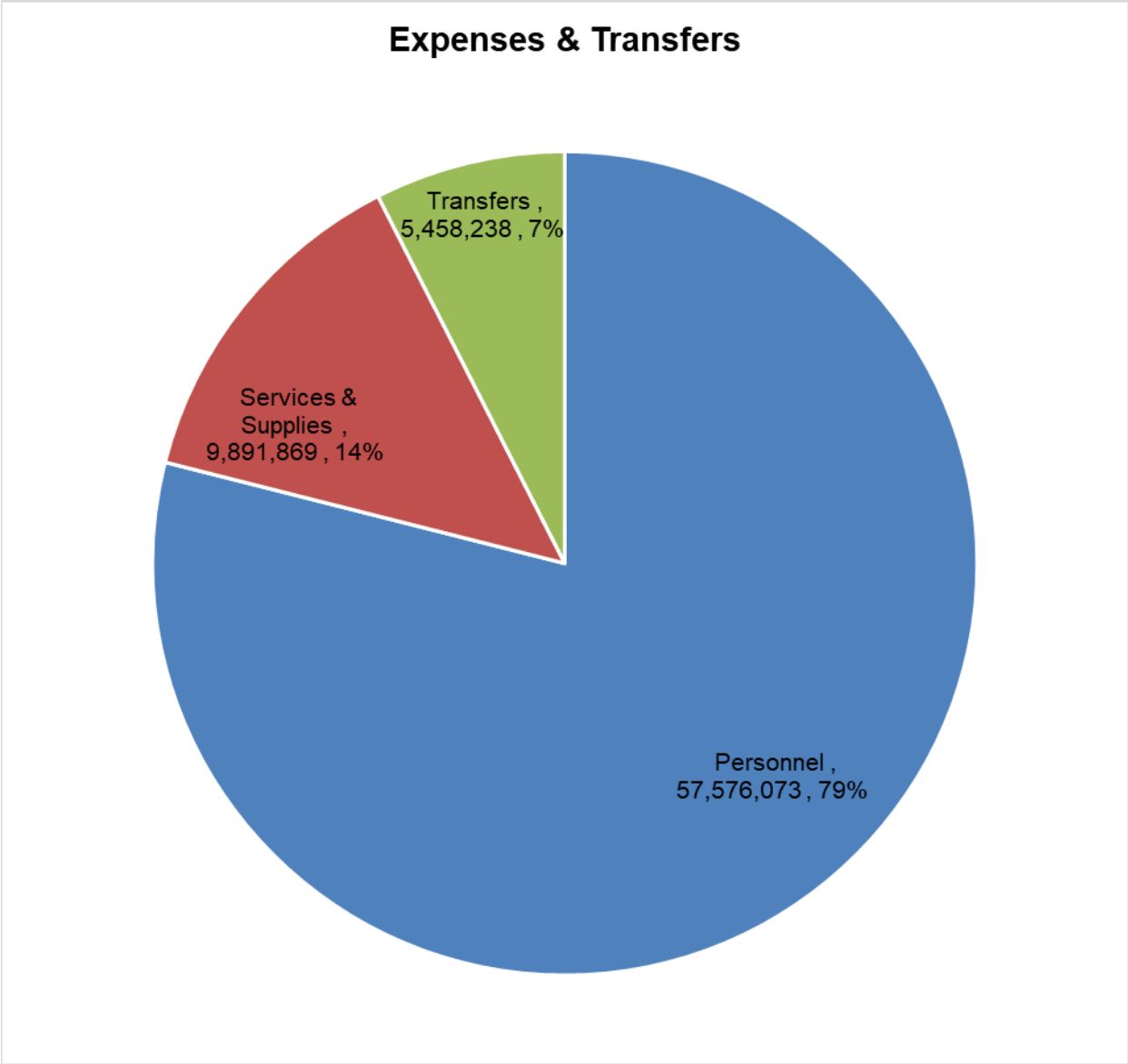


Figure 5: Total recurring expenses and transfers.

**Other Activity Assumptions:**

Total Other Activities representing one-time resources and expenses are budgeted at \$975K, an increase of \$609K from the FY24 Preliminary Budget.

- \$1.022M of sustainability funds have been added (\$871K from HECC and \$161K from PSU) as well as corresponding expenses (as the state has directed these funds cannot be used to subsidize operations) including \$200K to support Destination Western staffing to net 0.
- \$1M one-time transfer to athletics has been added to cover the FY23 overage. Additionally, a potential \$1M transfer in from the quasi endowment has been

budgeted, shown separately so the impact on fund balance can be seen with and without the transfer.

- \$380K has been added for the third and final year of the EAB Contract.
- \$120K has been added (in combination with the \$200K of sustainability funds above) to support 3.25 FTE for Destination Western.
- \$108K of rollover has been added for Marketing S&S.
- The FY24 Preliminary Budget totaled \$366K and included:
  - \$300K for Occupational Therapy start-up costs
  - \$200K for College of Education initiatives (to be held centrally)
  - \$47K transfer out in support of Smith Fine Arts personnel
  - \$74K for the RNL contract to optimize financial aid
  - \$30K for Freedom Center (offset by quasi transfer in)
  - \$35K for Public Safety radios
  - \$80K for equity assessment (offset by quasi transfer in)
  - \$400K transferred in from the quasi endowment (\$172K in support of diversity equity and inclusive initiatives in athletics, \$30K for Freedom Center, \$118K Associate Director for HSI initiative, and \$80K equity assessment)

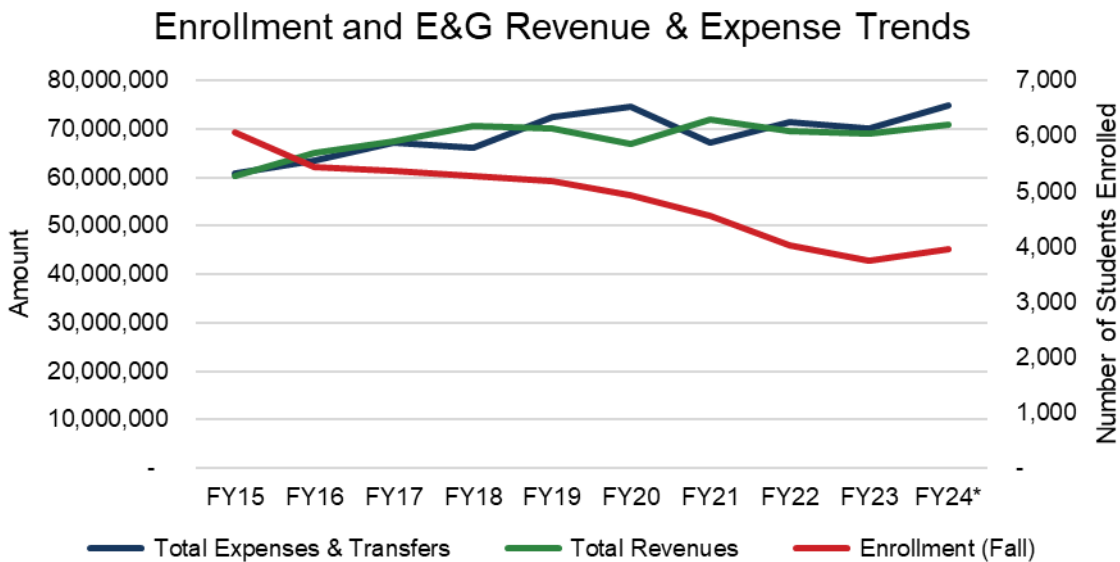


Figure 6: Enrollment (headcounts) and E&G Expense trends over the last 10 years (FY24 based on proposed adjusted budget).

**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. See the Auxiliary Detail worksheet below for a budget summary by major auxiliary. The net budget deficit for all Auxiliaries (excluding IFC) totals \$204K. Auxiliary budgets have been updated for the 4% unclassified COLA, \$1M additional E&G subsidy to athletics (offset by additional S&S) and other minor adjustments. See the Auxiliary Detail worksheet included for a budget summary by auxiliary area.

**Incidental Fee (IFC) Component:**

Incidental Fee has a net positive budget of \$244K, with intentions to restore their reserve to the 10% recommended, as it was depleted during FY23. Unclassified salaries have been updated for the 4% Unclassified 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 FY24 Preliminary Budget.

**FY24 Adjusted 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 \$3.975M.

**STAFF RECOMMENDATION:**

It is recommended that the Western Oregon University Finance and Administration Committee recommends to the Board of Trustees to approve the FY24 Adjusted Budget as presented in the docket.

Western Oregon University  
FY24 Proposed Adjusted Budget  
Component Funds Budget Summary

	Education & General (E&G)	Auxiliary (excluding IFC)	Incidental Fee (IFC)	Designated Operations & Service Depts	Total	Total FY24 Prelim Budget
<b>Revenues</b>						
Enrollment Fees	31,255,129	1,952,456	3,649,854	48,134	36,905,573	35,639,475
Government Resources & Allocations	33,836,673	1,396,015	-	-	35,232,688	34,063,348
Gift Grants and Contracts	2,194,070	148,921	3,000	-	2,345,991	1,712,626
Investment	2,000,000	7,000	-	4,175	2,011,175	2,011,175
Sales & Services	500,000	11,926,261	180,574	126,630	12,733,465	12,746,172
Other Revenues	100,000	414,799	190,000	2,087,550	2,792,349	2,779,030
<b>Total Revenues</b>	<b>69,885,872</b>	<b>15,845,452</b>	<b>4,023,428</b>	<b>2,266,489</b>	<b>92,021,241</b>	<b>88,951,826</b>
<b>Expenses</b>						
Personnel	57,576,074	8,889,735	1,815,091	979,856	69,260,756	67,656,673
Services & Supplies	9,891,869	10,546,312	1,912,752	1,286,633	23,637,566	22,399,209
<b>Total Expenses</b>	<b>67,467,942</b>	<b>19,436,047</b>	<b>3,727,843</b>	<b>2,266,489</b>	<b>92,898,322</b>	<b>90,055,882</b>
<b>Net Transfers</b>	<b>5,458,238</b>	<b>(3,386,186)</b>	<b>51,103</b>	<b>-</b>	<b>2,123,155</b>	<b>2,064,905</b>
<b>Total Expenses &amp; Transfers</b>	<b>72,926,180</b>	<b>16,049,861</b>	<b>3,778,946</b>	<b>2,266,489</b>	<b>95,021,477</b>	<b>92,120,787</b>
<b>Net Recurring Budget</b>	<b>(3,040,308)</b>	<b>(204,409)</b>	<b>244,482</b>	<b>-</b>	<b>(3,000,236)</b>	<b>(3,168,961)</b>
One Time Activities	1,974,588	-	-	-	1,974,588	365,779
<b>Net Budget</b>	<b>(5,014,896)</b>	<b>(204,409)</b>	<b>244,482</b>	<b>-</b>	<b>(4,974,824)</b>	<b>(3,534,740)</b>
Potential Quasi Transfer In (Athletics FY23 Overage)	1,000,000	-	-	-	1,000,000	-
<b>Net Budget</b>	<b>(4,014,896)</b>	<b>(204,409)</b>	<b>244,482</b>	<b>-</b>	<b>(3,974,824)</b>	<b>(3,534,740)</b>

Western Oregon University  
FY24 Proposed Adjusted Budget  
Education & General Fund Detail

	FY24 Proposed Adjusted Budget	FY24 Prelim Budget	Increase/ (Decrease)	FY23 Actuals	Increase/ (Decrease)
<b>Revenues</b>					
<b>Tuition &amp; Fees</b>					
<b>Undergraduate Tuition</b>					
Resident	19,934,600	18,679,000	1,255,600	18,830,697	1,103,903
WUE	5,717,700	6,100,800	(383,100)	6,291,178	(573,478)
Non-Resident	630,344	874,060	(243,716)	787,421	(157,077)
<b>Total Undergraduate Tuition</b>	<b>26,282,644</b>	<b>25,653,860</b>	<b>628,784</b>	<b>25,909,295</b>	<b>373,349</b>
<b>Graduate Tuition</b>	<b>4,026,380</b>	<b>3,527,740</b>	<b>498,640</b>	<b>3,530,093</b>	<b>496,287</b>
<b>Summer</b>					
Undergraduate	1,400,000	1,400,000	-	1,266,686	133,314
Graduate	600,000	600,000	-	536,335	63,665
<b>Total Summer</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>-</b>	<b>1,803,021</b>	<b>196,979</b>
<b>Other Tuition</b>	<b>360,000</b>	<b>360,000</b>	<b>-</b>	<b>300,711</b>	<b>59,289</b>
<b>Total Tuition</b>	<b>32,669,024</b>	<b>31,541,600</b>	<b>1,127,424</b>	<b>31,543,120</b>	<b>1,125,904</b>
<b>Fees</b>					
Matriculation	500,000	500,000	-	507,744	(7,744)
Course	400,000	400,000	-	403,481	(3,481)
Online Course	3,036,105	2,873,713	162,392	3,252,452	(216,347)
Other	150,000	150,000	-	252,242	(102,242)
<b>Total Fees</b>	<b>4,086,105</b>	<b>3,923,713</b>	<b>162,392</b>	<b>4,415,919</b>	<b>(329,814)</b>
<b>Fee Remissions</b>	<b>(5,500,000)</b>	<b>(5,500,000)</b>	<b>-</b>	<b>(5,061,028)</b>	<b>(438,972)</b>
<b>Total Tuition &amp; Fees (net of remissions)</b>	<b>31,255,129</b>	<b>29,965,313</b>	<b>1,289,816</b>	<b>30,898,011</b>	<b>357,118</b>
<b>Government Resources &amp; Allocations</b>					
Student Success & Completion (SSCM)	33,147,936	31,952,574	1,195,362	31,582,867	1,565,069
Benefits Navigator	-	118,450	(118,450)	118,450	(118,450)
Engineering Technology (ETSF)	309,489	313,076	(3,587)	313,076	(3,587)
Small-Energy Loan Program (SELP)	379,248	379,248	-	379,248	-
<b>Total Government Resources &amp; Allocations</b>	<b>33,836,673</b>	<b>32,763,348</b>	<b>1,073,325</b>	<b>32,393,641</b>	<b>1,443,032</b>
<b>Other Revenues</b>					
Gift Grants and Contracts	2,194,070	1,680,000	514,070	2,673,997	(479,927)
Interest Earnings/Investment	2,000,000	2,000,000	-	2,164,542	(164,542)
Sales & Services	500,000	500,000	-	423,117	76,883
Other Revenues	100,000	100,000	-	453,942	(353,942)
<b>Total Other Revenues</b>	<b>4,794,070</b>	<b>4,280,000</b>	<b>514,070</b>	<b>5,715,598</b>	<b>(921,528)</b>
<b>Total Revenues</b>	<b>69,885,872</b>	<b>67,008,661</b>	<b>2,877,211</b>	<b>69,007,250</b>	<b>878,622</b>

**Western Oregon University  
FY24 Proposed Adjusted Budget  
Education & General Fund Detail**

	<b>FY24 Proposed Adjusted Budget</b>	<b>FY24 Prelim Budget</b>	<b>Increase/ (Decrease)</b>	<b>FY23 Actuals</b>	<b>Increase/ (Decrease)</b>
<b>Expenses</b>					
<b>Personnel</b>					
Faculty Salaries	16,630,545	16,513,259	117,286	15,137,869	1,492,676
Unclassified Salaries	11,687,636	11,122,692	564,944	9,907,756	1,779,880
Faculty & Unclassified Supplemental Pay	566,748	553,748	13,000	2,556,768	(1,990,021)
Classified Salaries	6,819,239	6,604,239	215,000	6,222,737	596,502
Classified Pay	260,061	260,061	-	286,443	(26,382)
Student	1,575,813	1,575,813	-	1,566,188	9,625
OPE	21,392,532	21,047,498	345,034	19,936,277	1,456,255
Centralized Salary & OPE Savings	(1,356,500)	(1,356,500)	-	-	(1,356,500)
<b>Total Personnel</b>	<b>57,576,074</b>	<b>56,320,810</b>	<b>1,255,264</b>	<b>55,614,038</b>	<b>1,962,035</b>
<b>Services &amp; Supplies</b>					
Services & Supplies	13,668,609	13,179,698	488,911	13,459,772	208,836
Internal Sales	(3,776,740)	(3,606,740)	(170,000)	(3,998,159)	221,419
<b>Total Services &amp; Supplies</b>	<b>9,891,869</b>	<b>9,572,958</b>	<b>318,911</b>	<b>9,461,613</b>	<b>430,256</b>
<b>Total Expenses</b>	<b>67,467,942</b>	<b>65,893,768</b>	<b>1,574,174</b>	<b>65,075,651</b>	<b>2,392,291</b>
<b>Transfers</b>					
Athletics Subsidy	5,000,000	4,000,000	1,000,000	4,000,000	1,000,000
Child Development Center Subsidy	150,000	150,000	-	80,995	69,005
SELP Funding Match	294,000	175,000	119,000	286,677	7,323
Other Transfers	14,238	14,238	-	359,891	(345,653)
<b>Total Transfers</b>	<b>5,458,238</b>	<b>4,339,238</b>	<b>1,119,000</b>	<b>4,727,563</b>	<b>730,675</b>
<b>Total Recurring Expenses &amp; Transfers</b>	<b>72,926,180</b>	<b>70,233,006</b>	<b>2,693,174</b>	<b>69,803,215</b>	<b>3,122,966</b>
<b>Net Recurring</b>	<b>(3,040,308)</b>	<b>(3,224,345)</b>	<b>184,037</b>	<b>(795,964)</b>	<b>(2,244,344)</b>
<b>Other Activities</b>					
Sustainability Funds	(1,022,214)	-	(1,022,214)	-	(1,022,214)
Sustainability Fund Expenses	1,022,214	-	1,022,214	-	1,022,214
Athletics FY23 Overage	1,000,000	-	1,000,000	-	1,000,000
EAB Contract	380,000	-	380,000	-	380,000
Destination Western	120,067	-	120,067	-	120,067
Marketing Rollover	108,000	-	108,000	-	108,000
Occupational Therapy start-up	300,000	300,000	-	-	300,000
College of Education initiatives	200,000	200,000	-	-	200,000
Other Misc. Activities	266,521	266,521	-	-	266,521
Quasi Transfer In	(400,000)	(400,742)	742	-	(400,000)
HEERF Reimbursement	-	-	-	(299,487)	299,487
Student Success Match	-	-	-	660,000	(660,000)
<b>Total Other Activities</b>	<b>1,974,588</b>	<b>365,779</b>	<b>1,608,809</b>	<b>360,513</b>	<b>1,614,075</b>
<b>Net</b>	<b>(5,014,896)</b>	<b>(3,590,124)</b>	<b>(1,424,772)</b>	<b>(1,156,477)</b>	<b>(3,858,419)</b>
<b>Beginning Fund Balance</b>	<b>14,024,877</b>	<b>13,118,480</b>		<b>15,089,728</b>	
<b>Projected Ending Fund Balance</b>	<b>9,009,981</b>	<b>9,528,356</b>		<b>14,024,877</b>	
<b>Fund Balance as a Percentage of Revenues</b>	<b>12.89%</b>	<b>14.22%</b>		<b>20.32%</b>	
Potential Quasi Transfer In (Athletics FY23 Overage)	(1,000,000)				
<b>Projected Ending Fund Balance</b>	<b>10,009,981</b>				
<b>Fund Balance as a Percentage of Revenues</b>	<b>14.32%</b>				

**Western Oregon University  
FY24 Proposed Adjusted Budget  
Auxiliary Detail**

	<b>Athletics (excluding IFC)*</b>	<b>Bookstore</b>	<b>Dining</b>	<b>Parking</b>	<b>Student Health &amp; Counseling</b>	<b>University Housing</b>	<b>Other Auxiliaries</b>	<b>Total</b>
<b>Revenues</b>								
Enrollment Fees	-	-	-	-	1,670,400	(50,000)	332,055	1,952,456
Government Resources & Allocations	1,396,015	-	-	-	-	-	-	1,396,015
Gift Grants and Contracts	44,552	-	-	-	-	-	104,369	148,921
Investment	-	-	-	-	-	7,000	-	7,000
Sales & Services	226,000	700,000	3,645,610	427,845	-	6,604,230	322,576	11,926,261
Other Revenues	-	-	226,294	-	32,005	154,000	2,500	414,799
<b>Total Revenues</b>	<u>1,666,567</u>	<u>700,000</u>	<u>3,871,904</u>	<u>427,845</u>	<u>1,702,405</u>	<u>6,715,230</u>	<u>761,500</u>	<u>15,845,452</u>
<b>Expenses</b>								
Unclassified Salaries	1,868,471	68,604	220,608	65,862	276,333	536,964	213,844	3,250,686
Unclassified Pay	-	-	500	-	10,124	2,900	27,000	40,524
Classified Salaries	91,519	173,921	669,575	60,454	342,938	195,355	26,240	1,560,002
Classified Pay	-	10,000	9,500	5,000	58,478	12,900	4,000	99,878
Student	-	15,000	361,048	30,000	-	201,000	49,022	656,070
OPE	1,248,271	175,570	665,133	81,873	432,270	516,048	163,410	3,282,575
<b>Total Personnel</b>	<u>3,208,261</u>	<u>443,095</u>	<u>1,926,364</u>	<u>243,189</u>	<u>1,120,143</u>	<u>1,465,167</u>	<u>483,516</u>	<u>8,889,735</u>
Services & Supplies	<u>3,458,306</u>	<u>629,448</u>	<u>1,688,859</u>	<u>224,656</u>	<u>537,394</u>	<u>3,885,899</u>	<u>121,750</u>	<u>10,546,312</u>
<b>Total Expenses</b>	<u>6,666,567</u>	<u>1,072,543</u>	<u>3,615,223</u>	<u>467,845</u>	<u>1,657,537</u>	<u>5,351,066</u>	<u>605,266</u>	<u>19,436,047</u>
<b>Net Transfers</b>	<u>(5,000,000)</u>	<u>-</u>	<u>208,000</u>	<u>(40,000)</u>	<u>-</u>	<u>1,260,814</u>	<u>185,000</u>	<u>(3,386,186)</u>
<b>Total Expenses &amp; Transfers</b>	<u>1,666,567</u>	<u>1,072,543</u>	<u>3,823,223</u>	<u>427,845</u>	<u>1,657,537</u>	<u>6,611,880</u>	<u>790,266</u>	<u>16,049,861</u>
<b>Net Budget</b>	-	(372,543)	48,681	-	44,868	103,350	(28,766)	(204,409)

\*Athletics also receives \$835,333 of funding from incidental fee.



**Western Oregon University**  
**FY24 Proposed Adjusted Budget & NWCCU Plan**  
**Education & General Fund**

	<b>NWCCU Plan</b>	<b>FY24 Prelim Budget</b>	<b>FY24 Proposed Adj Budget</b>
<b>FY23</b>			
Recurring Deficit	(8,000,000)		
Expense containment (one-time)	<u>3,000,000</u>		
Use of Fund Balance	(5,000,000)	(1,156,477)	(1,156,477)
<b>FY24</b>			
Beg Fund Balance	10,000,000	14,024,877	14,024,877
Tuition & Fee Revenue (net)		29,965,313	31,255,129
State Appropriation		32,763,348	33,836,673
Other Revenues		<u>4,280,000</u>	<u>4,794,070</u>
Total Revenues		67,008,661	69,885,872
Total Expenses & Transfers		<u>70,233,006</u>	<u>72,926,180</u>
Recurring Deficit	(4,500,000)	(3,224,345)	(3,040,308)
Expense containment (one-time)	<u>1,000,000</u>	<u>(365,779)</u>	<u>(974,588)</u>
Use of Fund Balance	(3,500,000)	(3,590,124)	(4,014,896)
<b>FY25</b>			
Beg Fund Balance	6,500,000	10,434,753	10,009,981
Recurring Deficit	(3,500,000)		
Expense containment (one-time)	<u>1,000,000</u>		
Use of Fund Balance	(2,500,000)		
<b>FY26</b>			
Beg Fund Balance	4,000,000		
Recurring Deficit	(1,500,000)		
Expense containment (one-time)	<u>1,000,000</u>		
Use of Fund Balance	(500,000)		
<b>FY27</b>			
Beg Fund Balance	3,500,000		
Recurring Deficit	-		
Expense containment (one-time)	<u>-</u>		
Use of Fund Balance	-		
<b>FY28</b>			
Beg Fund Balance	3,500,000		











Western Oregon University  
FY24 Incidental Fee Budgets

INDEX	DEPT NAME	Other Student Fees (+)	Gifts, Grants & Contracts (+)	Investment (+)	Sales & Services (+)	Other Revenues (+)	Svc Dept Sales Reimb (+)	Total Revenue	Unclass Salary (+)	Other Unclassified Pay (+)	Classified Salary (+)	Classified Pay (+)	Student Pay (+)	Uncl Health/Life OPE (+)	Uncl Retirement OPE (+)	Uncl Other OPE (+)	Classified Health/Life OPE (+)	Classified Retirement OPE (+)	Classified Other OPE (+)	Student OPE (+)	Total Personnel	Services and Supplies (+)	General Admin Overhead (+)	Travel (+)	Depreciation (+)	Transfer In Incidental Fee Allocation (-)	Transfer Out (+)	TOTAL EXP	NET (Ignoring depr.)		
		Acct 01700	Acct 03000	Acct 05100	Acct 06000	Acct 08000	Acct 09000		Acct 10103	Acct 10200	Acct 10301	Acct 10400	Acct 10501	Acct 10964	Acct 10967	Acct 10968	Acct 10974	Acct 10977	Acct 10978	Acct 10988		Acct 20000	Acct 28204	Acct 39000	Acct 80500	Acct 91105	Acct 92000				
<b>ADMINISTRATIVE</b>																															
GEN897	IFC Computer Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEN948	Extraordinary Travel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,560	11,560	-	-	
GEN950	SS Incidental Fees	151,950	-	-	-	-	-	151,950	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	151,950
GEN951	Acad Yr Incidental Fees	3,497,904	-	-	-	-	-	3,497,904	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,497,904
<b>TOTAL ADMINISTRATIVE</b>		3,649,854	-	-	-	-	-	3,649,854	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,560	3,405,374	3,405,374	-	244,480
<b>ABBY'S HOUSE/FOOD PANTRY</b>																															
D05975	SPEAK (Abby's House)	-	-	-	-	-	-	-	-	-	-	-	21,761	-	-	-	-	-	-	-	762	22,523	1,667	-	-	-	(24,190)	-	-	-	-
<b>TOTAL ABBY'S HOUSE/FOOD PANTRY</b>		-	-	-	-	-	-	-	-	-	-	-	21,761	-	-	-	-	-	-	-	762	22,523	1,667	-	-	-	(24,190)	-	-	-	-
<b>ACCESS</b>																															
D05923	Interpreters (Access)	-	-	-	-	-	-	-	11,680	-	-	-	-	-	3,212	952	-	-	-	-	-	15,844	-	1,173	-	-	(17,016)	-	1	(1)	
<b>TOTAL ACCESS</b>		-	-	-	-	-	-	-	11,680	-	-	-	-	-	3,212	952	-	-	-	-	-	15,844	-	1,173	-	-	(17,016)	-	1	(1)	
<b>ASSOCIATED STUDENTS OF WOU</b>																															
ASW903	ASWOU Administration	-	-	-	-	-	-	-	-	33,485	-	70,279	-	-	-	-	17,004	9,208	2,729	2,460	135,165	6,128	10,456	-	1,151	(151,749)	-	1,151	-	-	
ASW909	ASWOU Communications	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	677	51	-	-	(728)	-	-	-	-	
ASW915	Model United Nations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13,013	963	-	-	(13,976)	-	-	-	-	
ASW926	ASWOU Executive Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,448	108	-	-	(1,556)	-	-	-	-	
ASW934	Natural Science	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,717	572	-	-	(8,288)	-	1	(1)	-	
ASW936	Multicultural Student Union	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	18,337	1,357	-	-	(19,694)	-	-	-	-	
ASW937	Student Organization Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,203	238	-	-	(3,441)	-	-	-	-	
ASW942	ASWOU Elections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	238	18	-	-	(256)	-	-	-	-	
ASW943	ASW Multicultural Programs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,848	152	-	-	(2,200)	-	-	-	-	
ASW947	Business & Economics	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	871	65	-	-	(936)	-	-	-	-	
ASW948	M.E. Ch. A.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,920	365	-	-	(5,285)	-	-	-	-	
ASW951	Triangle Alliance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,987	148	-	-	(2,134)	-	1	(1)	-	
ASW969	Black Student Union	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,137	85	-	-	(1,222)	-	-	-	-	
ASW972	Math Club	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	490	37	-	-	(527)	-	-	-	-	
ASW973	American Sign Language Club	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	917	68	-	-	(985)	-	-	-	-	
ASW978	Hawai Club	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	93	7	-	-	(100)	-	-	-	-	
ASW988	Byte Club	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	610	46	-	-	(656)	-	-	-	-	
ASW989	Acapella Club	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	267	20	-	-	(287)	-	-	-	-	
ASW990	Student Veterans of America	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,822	135	-	-	(1,957)	-	-	-	-	
ASW991	UNIDOS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	610	46	-	-	(656)	-	-	-	-	
ASW992	Swing Dance Club	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	381	29	-	-	(410)	-	-	-	-	
ASW993	CFHD Public Health	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	381	29	-	-	(410)	-	-	-	-	
ASW994	Board Game Club	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	232	18	-	-	(250)	-	-	-	-	
ASW995	Pre Med Club	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	93	7	-	-	(100)	-	-	-	-	
ASW996	Phi Alpha Theta	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	93	7	-	-	(100)	-	-	-	-	
<b>TOTAL ASSOCIATED STUDENTS OF WOU</b>		-	-	-	-	-	-	-	-	33,485	-	70,279	-	-	-	-	17,004	9,208	2,729	2,460	135,165	67,713	15,027	-	1,151	(217,903)	-	1,151	-	(2)	
<b>ATHLETICS</b>																															
J11101	IFC - Administration	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	24,777	1,834	-	-	(26,611)	-	-	-	-	
J12101	IFC - Football	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	28,000	14,282	165,000	-	(207,282)	-	-	-	-	
J12201	IFC - Volleyball	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,070	55,000	-	-	(59,070)	-	-	-	-	
J12301	IFC-Womens Soccer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,070	55,000	-	-	(59,070)	-	-	-	-	
J12501	IFC - Mens Basketball	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,070	55,000	-	-	(59,070)	-	-	-	-	
J12601	IFC - W Basketball	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,070	55,000	-	-	(59,070)	-	-	-	-	
J12901	IFC - Baseball	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,290	85,000	-	-	(91,290)	-	-	-	-	
J13001	IFC - Softball	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,290	85,000	-	-	(91,290)	-	-	-	-	
J13101	IFC - Mens Soccer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,070	55,000	-	-	(59,070)	-	-	-	-	
J14201	IFC - M Cross Country	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,255	57,500	-	-	(61,755)	-	-	-	-	
J14301	IFC - W Cross Country	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,255	57,500	-	-	(61,755)	-	-	-	-	
<b>TOTAL ATHLETICS</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	52,777	57,556	725,000	-	(835,333)	-	-	-	-	

Western Oregon University  
FY24 Incidentals Fee Budgets

INDEX	DEPT NAME	Other Student Fees (+) Acct 01700	Gifts, Grants & Contracts (+) Acct 03000	Investment (+) Acct 05100	Sales & Services (+) Acct 06000	Other Revenues (+) Acct 08000	Svc Dept Sales Reimb (+) Acct 09000	Total Revenue	Unclass Salary (+) Acct 10103	Other Unclassified Pay (+) Acct 10200	Classified Salary (+) Acct 10301	Classified Pay (+) Acct 10400	Student Pay (+) Acct 10501	Uncl Health/Life OPE (+) Acct 10964	Uncl Retirement OPE (+) Acct 10967	Uncl Other OPE (+) Acct 10968	Classified Health/Life OPE (+) Acct 10974	Classified Retirement OPE (+) Acct 10977	Classified Other OPE (+) Acct 10978	Student OPE (+) Acct 10988	Total Personnel	Services and Supplies (+) Acct 20000	General Admin Overhead (+) Acct 28204	Travel (+) Acct 39000	Depreciation (+) Acct 80500	Transfer In Incidental Fee Allocation (-) Acct 91105	Transfer Out (+) Acct 92000	TOTAL EXP	NET (Ignoring depr.)		
<b>CAMPUS RECREATION</b>																															
DOS987	Health & Wellness Center				53,000			53,000	263,704				146,000	64,887	72,519	21,491				5,110	573,711	141,733	53,480	7,250	366,682	(723,174)		419,682	-		
DOS982	Health and Wellness Programs				14,000			14,000					38,000							1,330	39,330	8,410	3,533			(37,273)		14,000	-		
DOS983	Aquatic Center Operation				-			-					-							-	32,634	2,415				(35,049)		-	-		
DOS984	Aquatic Center Programs				45,271			45,271					40,725							1,425	42,150	3,120				-		45,270	1		
DOS985	Intramurals				2,000			2,000					37,000							1,295	38,295	3,000	3,056			(42,351)		2,000	-		
DOS986	Turf and Grass Fields				9,000			9,000					13,000							455	13,455	15,393	2,135			(21,983)		9,000	-		
DOS800	Men's Lacrosse				-			-					-							-	12,293	1,677	10,368			(24,338)		-	-		
DOS801	Men's Soccer				-			-					-							-	1,653	183	810			(2,646)		-	-		
DOS802	Men's Rugby				-			-					-							-	4,618	723	5,148			(10,489)		-	-		
DOS803	Women's Rugby				-			-					-							-	2,826	529	4,320			(7,675)		-	-		
DOS804	SORC Rock Climbing				-			-					-							-	180	67	720			(967)		-	-		
DOS806	Dance Team				-			-					-							-	5,005	371				(5,376)		-	-		
DOS812	Women's Soccer				-			-					-							-	1,653	183	810			(2,646)		-	-		
DOS814	Men's Basketball				-			-					-							-	450	34				(484)		-	-		
<b>TOTAL CAMPUS RECREATION</b>					123,271			123,271	263,704				274,725	64,887	72,519	21,491				9,615	706,941	229,848	71,506	29,426	366,682	(914,453)		489,952	1		
<b>CHILDCARE</b>																															
GEN949	Child Care Reserve				-			-					-							-	-	-	-	-	-	(39,540)		39,540	-	-	
<b>TOTAL CHILDCARE</b>					-			-					-							-	-	-	-	-	-	(39,540)		39,540	-	-	
<b>CREATIVE ARTS</b>																															
CAD935	Guest Artists				-			-		8,044			37,733		2,212	656				1,321	49,966	122,459	15,267	33,881			(221,573)		-	-	
CAD937	WOU Dance Theatre				-			-		-			-							-	-	-	-	879			(879)		879	-	
<b>TOTAL CREATIVE ARTS</b>					-			-		8,044			37,733		2,212	656				1,321	49,966	122,459	15,267	33,881	879		(221,573)		879	-	
<b>STUDENT ENGAGEMENT</b>																															
SE0901	Student Engagement Operations				50,250		190,000	240,250	271,006		113,962	5,877	121,287	85,020	74,527	22,087	44,210	32,955	9,767	4,245	784,943	306,852	80,793		482,609	(932,338)		722,859	-		
SE0902	Leadership, Inclusion, & Activities (LIA)				-			-					-							-	38,504	3,042	2,592			(44,137)		1	(1)		
SE0903	Student Activities Board				3,903			3,903					15,835							554	16,389	28,835	3,347			(44,670)		3,901	2		
<b>TOTAL STUDENT ENGAGEMENT</b>					54,153		190,000	244,153	271,006		113,962	5,877	137,122	85,020	74,527	22,087	44,210	32,955	9,767	4,799	801,332	374,191	87,182	2,592	482,609	(1,021,145)		726,761	1		
<b>STUDENT MEDIA</b>																															
SE0904	Student Media				-			-					-							-		3,364	242				(3,506)		-	-	
SE0905	Northwest Passage				-			-					5,023							176	5,199	2,558	575				(8,332)		-	-	
SE0906	Western Journal				-			-					41,321							1,446	42,767	4,732	3,515			(48,015)		2,999	1		
SE0907	KWOU Student Radio Station		3,000		-			3,000					150							177	3,243	2,170	549			(7,813)		149	1		
<b>TOTAL STUDENT MEDIA</b>			3,000		150			3,150					51,410							1,799	53,209	12,724	4,881			(67,666)		3,148	2		
<b>WOLF RIDE</b>																															
DOS979	WOLF Ride				3,000			3,000					29,093							1,018	30,111	5,364	2,618		8,499	(34,994)		11,498	1		
<b>TOTAL WOLF RIDE</b>					3,000			3,000					29,093							1,018	30,111	5,364	2,618		8,499	(34,994)		11,498	1		
<b>TOTAL IFC</b>		3,649,854	3,000	-	180,574	-	190,000	4,023,428	534,710	19,724	147,447	5,877	622,123	149,907	152,470	45,186	61,214	42,163	12,496	21,774	1,815,091	864,976	256,877	790,899	859,820	(3,405,371)	3,456,474	4,638,766	244,482		





## Budget Deficit Reconciliation

<b>FY23 Recurring Deficit</b>	<b>(7,743,992)</b>
\$5M Target Reductions Actual	4,657,054
Change in State Funding (from FY23 Adj budget which was 400K less than actual)	797,435
Net Change in Net Tuition	(257,623)
Net Change in Indirect Revenue	337,500
Increase to Athletics Transfer	(712,247)
Occupational Therapy	(864,151)
Accessible Software	(11,500)
CSD Lab Prep (net)	(56,678)
HSI Position	(118,742)
Incorporated classified step increases	(197,732)
Incorporated T/TT step increases	(230,956)
\$1M Centralized Salary Savings	1,356,500
Correction from FY23 Adj	(60,000)
Creative Arts Division - Rice Events Manager to move from .49 9 months to 1.0 12 months	(66,156)
Stud Affairs position to be 1.0 FTE instead of .88 out of E&G	(8,581)
University Computing Solutions - WebMaster (34I-2)	(94,471)
Misc adjustments	49,995
	<hr/>
<b>FY24 Prelim Budget Recurring Deficit</b>	<b>(3,224,344)</b>
Increase to Tuition/Fees due to higher enrollment	1,289,816
Increase to state funding due to \$1B	1,073,325
Increase to Grants/Contracts (grant indirects)	514,070
Increase to faculty rate for CSD/BUS NTT	(117,286)
Increase to unclassified (4% + salary study), added AD for MSSP, removed Benefits Navigator, and added .5 HRIS analyst	(564,944)
Increase to classified (held in reserve)	(215,000)
OPE on increases above	(340,205)
Increase to S&S - \$163K correlated to grant indirects	(162,500)
Increase to S&S - \$453K for utilities, offset by \$170K increase to internal sales	(328,240)
Other S&S adjustments (Benefits navigator funding removed)	35,000
Increase to Athletics subsidy	(1,000,000)
	<hr/>
<b>FY24 Proposed Adjusted Budget Recurring Deficit</b>	<b>(3,040,308)</b>

## Athletics Historical Spending

	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>
Labor	2,418,964	2,545,488	2,666,443	2,792,752	2,992,469	3,034,906	3,241,899	2,626,607	3,023,588	3,240,957
S&S	1,003,135	1,144,868	1,278,643	1,156,938	1,227,759	1,316,518	1,091,938	702,326	1,189,387	1,574,299
Travel	679,712	791,726	669,844	774,199	771,869	903,997	680,637	179,008	1,083,091	1,460,954
Scholarships	436,528	457,302	567,564	513,479	475,141	419,982	959,358	800,072	1,123,151	1,288,846
<b>Total</b>	<b>4,538,338</b>	<b>4,939,384</b>	<b>5,182,495</b>	<b>5,237,368</b>	<b>5,467,238</b>	<b>5,675,403</b>	<b>5,973,832</b>	<b>4,308,013</b>	<b>6,419,217</b>	<b>7,565,056</b>
Men's Soccer*	-	-	-	-	-	-	-	-	(150,909)	(522,292)
Laurel Fee Remissions	168,667	169,687	168,448	290,398	326,917	513,124	63,457	285,091	-	-
<b>Adjusted Total</b>	<b>4,707,005</b>	<b>5,109,071</b>	<b>5,350,943</b>	<b>5,527,766</b>	<b>5,794,155</b>	<b>6,188,527</b>	<b>6,037,289</b>	<b>4,593,104</b>	<b>6,268,309</b>	<b>7,042,764</b>
Athletics Aid Total	605,195	626,989	736,012	803,877	802,058	933,106	1,022,815	1,085,163	1,123,151	1,288,846

\*Men's soccer added in FY22, FY23 first year with athletes/games



## **Finance & Administration Committee (FAC), October 23, 2023**

### **Quasi Endowment Transfer**

In alignment with the NWCCU plan and to reduce WOU's overall budget deficit, the FY24 Preliminary Budget planned to transfer \$400K out of the quasi endowment into Education & General fund in support of the following:

- \$30K Freedom Center
- \$118K Associate Director for HSI initiative
- \$80K equity assessment
- \$172K diversity equity and inclusive initiatives in athletics

There is a potential need for up to an additional \$1M transfer from the quasi endowment. The staff will continue to monitor the Education & General fund balance performance prior to bringing final recommendation before the closing of the fiscal year 2024.

#### **STAFF RECOMMENDATION:**

It is recommended that the Western Oregon University Finance and Administration Committee authorize the staff the transfer of up to \$400,000 out of the quasi endowment to the Education & General fund.



## **Finance & Administration Committee (FAC), October 23, 2023** **Capital Project Submission to HECC for 2025-27 Biennia**

Western Oregon University Capital Planning and Construction would like to present two capital projects for review and approval. The first project submitted for approval is the Performing Arts Remodel Project. This project will invest capital into the WOU Performing Arts buildings Leonard W. Rice Auditorium and Smith Music Hall.

Rice Auditorium will be given a new shop area, new roofs, and address accessibility issues in and around Rice Auditorium. Smith Music Hall will need to be 95 percent demolished and rebuilt in a large-scale remodel project. These two buildings demonstrate WOU's commitment to the Arts programs and the community.

The total project cost of the Performing Arts Remodel Project is estimated at \$24,200,000 with \$726,000 (3%) coming from institution match.

The second project to be submitted is the WOU Data Complex Project. WOU's servers and data center are currently located in an old elementary school classroom built in the late 1950's. The cooling system, dust control system, and seismic conditions in the room and building leave the equipment vulnerable to failure.

The new WOU Data Complex will be a newly constructed building located where the modular classrooms are currently located. This location will provide access to the campus tunnel systems, a loading dock area, and an abundance of parking in an emergency event. WOU will be working with different community groups to help define their needs and allocate space in the Data Complex for backup restoration for school and city servers and an Emergency Operations Center with studio and classrooms.

The total project cost of the WOU Data Complex is estimated at \$13,800,000 with \$690,000 (5%) coming from institution match.

WOU's Senior Leadership has selected the following order for the projects:

1. Performing Arts Remodel Project
2. WOU Data Center Complex

STAFF RECOMMENDATION:

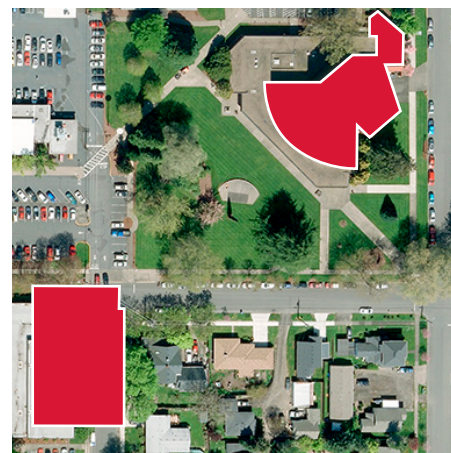
It is recommended that the Western Oregon University Finance and Administration Committee recommends to the Board of Trustees to delegate to staff the authority to submit rubrics for the Performing Arts Remodel Project for \$24.2 million and the WOU Data Center Complex for \$13.8 million to the Higher Education Coordinating Commission for scoring, and during 2025-2027 legislative cycle, if funded by the legislature, execute all necessary contracts and agreements for design and construction of the buildings.

# Performing Arts Remodel

*Remodel of and additions to Rice Auditorium and Smith Hall*



*Current Rice Auditorium and Smith Music Hall*



*Proposed location of Performing Arts*

## Project Executive Summary Statement

The Performing Arts project involves two adjacent buildings. Rice Auditorium built in 1976 and Smith Hall built in 1958 are used together to support academic programs in Performing Arts:

Music, Theatre and Dance. Both buildings are also used for community events that support music and theater performances. Both buildings are in need of significant mechanical upgrades and deferred maintenance projects. Deferred maintenance needs total \$2.5 million for the two buildings. Smith Music Hall, which seats 110, and Rice Auditorium, which seats 610, are both stretched beyond reasonable capacity.

Smith Hall has some spaces which will be reconfigured and the building will be expanded to support teaching and practice. Rice Auditorium is in need of additional and repurposed space to meet the current teaching and programmatic needs of dance, music, and theater. The proposal addresses two major areas of emphasis for the HECC – increasing capacity for degree production and addressing outstanding deferred maintenance issues.

Current WOU Master Plan has Rice Auditorium 14th and Smith Music Hall 21st on the list of Capital Projects. WOU has invested in Science, Athletics and student facilities but has failed to invest or request any funding for art programs and this lack of investment is apparent in the music and theater facilities. Western Oregon University’s Creative Arts division offers an integrated set of programs of vibrant programs that are sought out by students.

Modern facilities are needed to meet the demands and expectations of students and parents in a 21st century creative arts program. WOU’s creative arts program prepares students for careers and advanced graduate study in areas such as performance, creative arts education, creative arts history, and technical fields such as sound engineering and theatre design.



## Project Summary

*Project title: Performing Arts Renewal*

*Location: 344 Knox Street N., Monmouth, OR 97361*

*Academic programs served: Music, Theatre and Dance*

*Total project cost: \$24,200,000*

*State funding request: \$23,474,000*

*Committed external funds: Institutional match of: \$726,000. All fund are on hand.*

*Total gross square feet: Rice Auditorium – 27,667 sf and Smith Music Hall – 14,315 sf*

*Combined – 41,982sf*

*Total net square feet: 24,350*

*Project start and completion dates: Spring 2024 – Spring 2026*



*Rice Auditorium*



*Smith Music Hall*

### Detailed project description

The project will remodel and add on to Smith Hall and Rice Auditorium. Most of the major systems in Smith Hall and Rice Auditorium will be updated as a part of this project.

Smith Hall will be rebuilt as a performance space and a second floor will be added containing classrooms, a second recording studio, a student lounge, a conference room, instrument storage, percussion practice rooms, 20 soundproof practice rooms, and restrooms. Rice Auditorium will be modernized including reconfiguring the seating to better meet ADA standards and increase capacity, a black box theater will be added along with scenery and costume shops, classrooms, a design lab, a computer lab, and storage.

These improvements will create improved performance and teaching efficiencies. The improved performance spaces will serve campus and community efforts to provide additional creative arts programming. This will include the theater program, music and dance and the fine arts. The Smith Fine Arts Series, a community-based music program, and other on-campus and community groups will also benefit from the project.

### Resolves Unmet Needs

The campus' critical and significant need of **open labs** will be partially met by **the computer labs, the scenery and costume shops, the recording studio, and additional practice rooms.**

The project will result in a **net addition of classrooms** that will help decrease the **challenge of scheduling classroom space.** (HECC SCDP, PAGE 264)



## Business Plan

*“Western Oregon University creates lasting opportunities for student success through transformative education and personalized support.”* WOU MISSION STATEMENT

Providing opportunities for students, staff, faculty and community members to discover and experience an array of music, theater and dance productions and events are the impetus for creating a premier performing arts facility at Western Oregon University. The new addition and remodel

### Raises Facility Quality

Each of the **teaching spaces** will be configured to accommodate current teaching styles and will support the application of these styles with **new and appropriate technology**. The same is true for the **performance spaces**.

### Fulfills special need

Rice Auditorium is a **special space** that is used often by outside groups and hosts performers whose **audience** is drawn from beyond the confines of the campus community into the **town and the local region**.

would create new space and reconfigure existing space to alleviate current restrictions for the efficient use of the facility. It would also allow the department to consolidate many related academic functions economizing space and resources, and promote its vibrant theater, dance, and music programs that will attract top-notch faculty and talented students.

The campus has a strong and growing number of students seeking degrees in the performing arts. This project addresses an area of enrollment growth by building capacity for the future and renewing existing spaces to improve their effectiveness as teaching and learning spaces. According to the SCDP the campus is short on teaching spaces and open labs both for the current enrollment but also for projected levels of enrollment. This project meets both a campus need and a recognized emphasis for the HECC.

### Campus needs

Oregon’s Higher Education buildings built in the 1960’s and 70’s are often purpose built and inflexible, less efficient and more costly to operate, not in conformance with current codes and health/safety regulations, and are becoming worn out (SCDP, P. 11). This project addresses needs in these areas.

According to the HECC SCDP (PAGE 264) the campus has a significant shortage of classrooms and open lab space. This project includes both of these and will address that critical need

### Possible operational savings

Operational savings will occur when the project is completed in day-to-day operations such as new surfaces which are easier to clean (and need cleaning less often), and new mechanical equipment which uses less energy and requires less repair time.

### Funding sources

State Bonds in the amount of \$23,474,000 and Institutional matching funds in the amount of \$726,000

### Alternatives considered

The existing spaces were purpose built to support very specific and unique activities related to performance and the activities that support and lead to those performances including teaching and practice. There are not alternative spaces available that are suitable replacements nor could the current spaces be rebuilt new for less than the cost of remodeling them.

# Capital Project Evaluation: **Performing Arts Remodel**

Responses specific to elements of the 2019-21 University Capital Project Rubric

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## **COMPONENT A: STRATEGIC CAPITAL DEVELOPMENT PLAN (SCDP) ALIGNMENT**

### **Part 1: Space renewal, workforce or completion priorities**

*How does the proposal increase the capacity and effectiveness of instructional space?*

The project will add to the campus' inventory of classrooms and raise the quality of its current classrooms by remodeling existing classrooms and creating new state of the art classrooms.

*“Space needs may arise from changing pedagogical practices that are known to achieve better student success. Paired with the existence of a sizeable inventory of older buildings that do not offer much in the way of flexible learning spaces, Oregon’s capital strategic plan should attempt to renew such spaces in ways that achieve academic and workforce goals.” (HECC SCDP PAGE 48)*

This will effectively increase the capacity of the campus. When the new classrooms are added in the new capacity will significantly aid the campus in alleviating the shortage of classroom space in the SCDP models (CURRENT AND FUTURE—PAGES 264 AND 265).

*How does the proposal address workforce needs by providing clear pathways to aligning educational supply with employment demand?*

According to the Bureau of Labor Statistics, *Occupational Outlook Handbook*, the national job market for entertainers will grow at the national average over the next ten years. Actors, dancers, choreographers and musicians face different employment prospects in these highly competitive fields. However, professionals in these areas who attend schools that provide professional experiences have a much better chance of employment. For example, “Dancers who attend schools or conservatories associated with a dance company may have a better chance of finding work at that company than other dancers have.” (BUREAU OF LABOR STATISTICS, *OCCUPATIONAL OUTLOOK HANDBOOK*). WOU currently houses several instrumental ensembles, choir, and symphony orchestra.

*How does the proposal bring business and industry to campus by core sectors for research collaboration or economic development projects or to assist in an educational capacity?*

According to a recent study of the arts in Oregon, “the nonprofit arts and culture sector is a significant industry in the State of Oregon—one that generates \$687 million in total economic activity. This spending—\$364.1 million by nonprofit arts and cultural organizations and an additional \$323 million in event-related spending by their audiences—supports 22,299 full-time equivalent jobs, generates \$469.5 million in household income to local residents, and delivers \$53 million in local and state government revenue.” (p. 3, Americans for the Arts, *Arts & Economic Prosperity 5*, 1000 Vermont Avenue NW, Sixth Floor, Washington, DC 20005)

The partnership between Western Oregon University and the Smith Fine Arts Series is but one example of the economic impact that the arts have on Polk County and the surrounding community. From direct expenditures to spending on related activities and volunteerism, arts

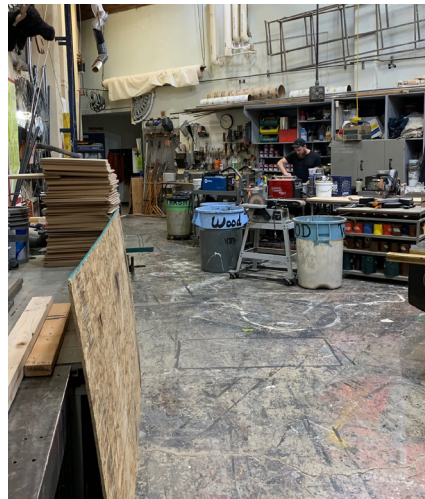
have a profound cultural and economic impact. External performance - Smith Fine Arts - support regional arts community

## Part 2: Addressing deferred maintenance issues

### *How does the proposal reduce deferred maintenance?*

As noted in the SCDP, WOU has the oldest average buildings in the pool of higher education facilities. Smith Hall and Rice Auditorium have significant deferred maintenance challenges to systems that are well-beyond their original useful life resulting in constant repairs and increasing costs. Practically every system is at or near failure, including the roofs, the windows, the plumbing and the remaining mechanical systems.

This project will completely eliminate the estimated \$830,000 of deferred maintenance for the building which represents about 2% of the campus' total backlog.



*Rice Auditorium: loading dock, set building area, storage*



*Smith Music Hall: air handler, restrooms, ductwork*



### Part 3: **Supports research and economic development**

*How does the proposal develop space in support of the expansion of research efforts or the potential for additional research grant funding? Or create and expand employment opportunities relative to the economy and workforce needs indicated in the SCDP by institution? Or support degree programs that are important to employers?*

[Economic development](#) for rural communities such as Monmouth and Polk County is largely dependent upon a vibrant college or university. Facilities such as the Performing Arts Center serve as a front door to university, but also allow communities to host large events that draw new visitors to Monmouth and Independence. These visitors occupy hotel rooms, eat at local restaurants, and shop in local stores. Improving the campus facilities will enable WOU to draw more and larger events to the campus, especially during the summer when there is lower student enrollment and activity. This project will allow the university to host more events that draw more patrons who in turn send more in the local economy.

This project will also likely allow the university to add employees to manage the increase in events and activities. A more vibrant Performing Arts calendar will also create additional student jobs such as show ushers and technical supports such as lighting and sound assistants.

### Part 4: **Collaboration between the public universities and interested parties**

*Does the proposal include space to support collaborative efforts between the university and other public service entities (or related parties) or the creation of consortia?*

Support of this project would enhance partnership with Oregon school districts to provide students dual credit opportunities that support student completion of high school and progression to college. These dual credit opportunities in the theatre and music expand the college platform to a broader set of students who are often not engaged in the more traditional science, math and English academic tracks.

Productions and events held in Rice Auditorium attract patrons from all over the Willamette Valley. This project would potentially expand this important cultural connection to the local and regional communities and enable the university to showcase its talented class of artists and high-quality productions that are available here at Western Oregon University.

## **COMPONENT B: OPERATIONAL SAVINGS AND SUSTAINABILITY**

*Does the proposal generate operational savings? Or the potential for sustainability?*

The renovation of both Smith Music Hall and Rice Auditorium will reduce operation and maintenance costs; increase energy efficiency; and make both buildings more accessible and safer for students, faculty and community members.

More importantly, funding for the Center for the Arts is critically needed to continue the sustainability and growth of the creative arts, music and dance programs. The numerous aging problems with the building along with the lack of necessary space for practice and rehearsal rooms, classrooms and stages severely hinder the university's mission to provide high-quality academic programs.

The university plans to seek LEED certification equivalency for the project.

## COMPONENT C: LIFE SAFETY, SECURITY, OR LOSS OF USE

*Does the proposal address facility deficiencies (code compliance) related to the health, safety, and welfare, or security of the occupants and the public? Do the deficiencies pose a significant hazard or risk? Do the deficiencies need to be addressed immediately? e.g. during the period requested? Does the proposal address imminent loss of use due to facility deficiencies?*

A major component of this project is the effective redress and elimination of serious safety-related problems and challenges. Among the issues that plague the existing buildings (see Appendix D for letter from expert verifying these and the [DOGAMI report](#)):

### **Life Safety:**

- Seismic event vulnerability (99% risk according to [2007 DOGAMI report](#)).
- Reduce the risk of accidents by replacing the existing stage rigging.
- Upgrade the HVAC system to improve the indoor air quality.
- Abate asbestos material to reduce exposure risk for building users.
- Make the building ADA compliant.
- Several other deferred maintenance and problems too numerous to list.

### **Security:**

- Improve the entrance including ticket office and lobby.
- Add elevator to make the new second floor balcony accessible.

### **Loss of Use:**

- Due to the limited space of the scene shop, sets have to be built on the stage, making the entire auditorium unusable for other events at least 75 percent of the time.
- Smith and Rice both lack adequate space to accommodate the demand for production and performance venues.

## COMPONENT D: INSTITUTIONAL PRIORITY

This project is the **first** institutional priority (first out of two projects).

## COMPONENT E: STUDENT SUCCESS FOR UNDERSERVED POPULATIONS

*Does the proposal improve degree or certificate attainment or reduce equity gaps, with special emphasis on those underserved populations that are similarly emphasized in the Student Success and Completion Model (e.g. low income, underrepresented minority, rural, or veteran)?*

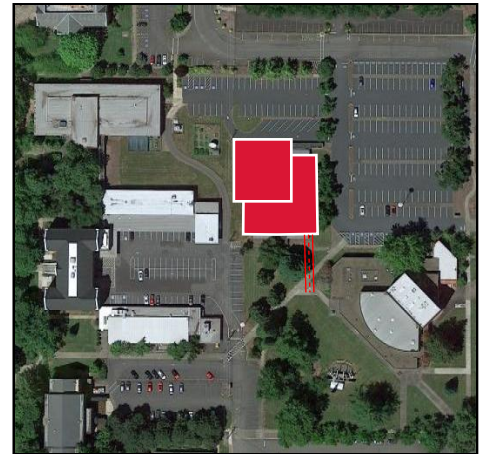
Renovations to Rice Auditorium and Smith Music Hall would increase the yearly number of dance, theatre and music performances. This would allow more WOU students the opportunity to see high-caliber arts performance. The project would potentially expand this important cultural connection to the local and regional communities and allow the university to showcase its talented student artists creating high-quality productions. The WOU population is, in general, underserved with many of our students having never attended a symphony, play or dance recital.

# WOU Data Center

New University Computing Services Building with upgraded servers and data storage



Current location of Campus servers computing help Desk and UCS Center



Proposed location of new Server building

Universities commonly operate data centers that have been built over time and in an ad hoc fashion. These facilities house critical IT gear which supports important prospective programs and is powered by antiquated data center infrastructure. The current Western Oregon University Data Center is housed in a 60-year-old masonry building that started its life as elementary school.

The servers are in an old classroom that has been upgraded with cooling equipment designed to condition spaces for humans not servers and data towers. This equipment operates at the top of its cooling threshold and during summer months has issues keeping up with the cooling load of the servers. But a data center needs more than just cool air to keep operating at its most efficient. Dust mitigation and humidity control are also key factors in keeping the servers operating and the current system at WOU is underperforming and requires constant maintenance and repair. The building itself is a major factor in the servers performance, its low thermal rating, seismic design and location are all problematic.

### **Thermal Rating:**

The wall and ceiling of the building are 1960 design, and their masonry units collect and trap heat. This heat then warms the server area and causes the cooling system to work harder and increases WOU energy consumption, increasing cost. The building is also not designed to breathe, the heat gained through masonry is trapped and is required to be conditioned to cool area. We can't move cooler fresh air into the space even when outdoor ambient air temperature air would allow it.

### **Seismic Concerns:**

The buildings age means that it was not built to resist a seismic event. This factor with the addition of a chilling unit on the roof means that the building will be very susceptible to shear in a seismic event. UCS has implemented many plans to ensure in a seismic event we can get the servers back up and operating unfortunate with the lack of shear walls the west end of ITC south would be prone to possible collapse in an earthquake.

### **Location:**

As outlined before the current center is located in an old classroom that has no added water infiltration protection system, no added protection from vehicle traffic and limited accessibility for new equipment. A burst pipe, a confused driver that gets gas and break switch could all result in our data center being taken off line and thus our campus being offline.



## Project Summary

**Project title:** WOU University Data Center

**Location:** 388 Knox Street N., Monmouth, OR 97361

**Total project cost:** \$13,800,000

**State funding request:** \$13,110,000

**Committed external funds:** Institutional match of: \$690,000. All fund are on hand.

**Total gross square feet:** Data Center – 6,450 sf, Classrooms, UCS Offices, and EOC with studio – 6,548 sf and Parking and loading – 3,974 sf  
Combined – 16,972 sf

**Total project area on Campus - 22,271 sf**

**Project start and completion dates:** Spring 2026 – Summer 2027



*Tilt-up construction with steel frame front offices will reduce cost*



*Server towers with racks*

## Detailed project description

The project will add a new University Data Center at 388 Knox Street north in Monmouth Oregon. This site currently has six underutilized modular classrooms that have reached the end of their life cycle and would cost the campus more than their value to upgrade.

The area is off the main campus avenue, but close to the university tunnel system to utilize existing fiber-optic lines. Being off our main avenue we can utilize a simpler construction method such as concrete tilt up to minimize cost and maximize usable space.

The new building would solve many of the issues with our current data center mentioned previously and provide the ability to serve future expansion of campus and the community.

This center will allow WOU to decrease its reliance on cloud bases servers, provide lease-able data space, and met Oregon's House Bill 2816 to get 80% of their energy from renewable sources.

WOU like all campuses have several boards, committees and other groups that require a large room set up with audio visual needs. WOU's current room set up takes 2 people 1 day for set up and 1 day for tear down costing our UCS department vital resources. By having a dedicated room set up we eliminate a burden on our UCS staff and can have a place that is easily accessible to the WOU students, staff and the community.

### Resolves Unmet Needs

While they might be out of sight and out of mind for most students and faculty, data centers represent the lifeblood of any university.

Their systems store and manage student data and other critical data, and support applications such as research computing, email, online coursework and more.

As more technology takes hold in the classroom and campuses become more mobile, data centers shoulder even heavier burdens

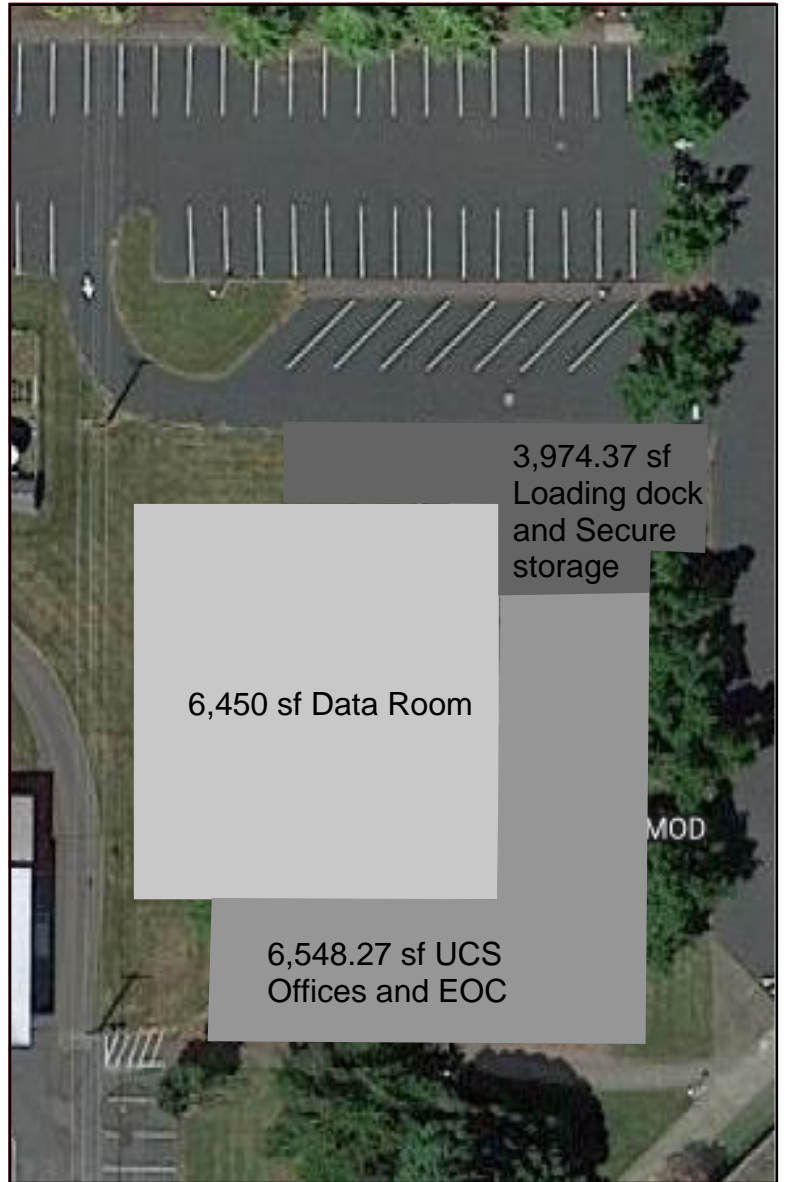
## Preliminary Building Layout

The WOU Data Center will need access to the existing university tunnel system to ensure we can use the already installed fiberoptic cables.

Current tunnel system passes in front of ITC South and travel between Rice Auditorium and Campbell Hall. From this tunnel our fiber-optic lines are dispersed through out campus. The ability to tie into the existing tunnel is a driving force for the Data Centers location at 388 Knox Street N. In addition to the proximity to the tunnel this location is also close to the existing Data Center which will lessen the cost and impact to campus of moving.

Building a new facility for the data center is key to this project since we can't shut down the data center for a year and remodel the area. We will need to have the new center up and running and transfer over the data little by little to ensure that there is no negative effect on campus.

In addition the the tunnel system parking, loading and unloading of equipment must be taken into account. The North side of the building will have a dedicated loading dock with security fencing and properly coverage from the Oregon weather.



Preliminary Building Layout and location



WOU tunnel system that carries the campus's fiber-optic lines, emergency power and other vital utilities



Data centers are facilities that host IT equipment and data for organizations and companies. For schools, data centers are essential since they are the central system that contains school records, student and teacher information and other sensitive information such as test scores. And for universities especially, they can hold invaluable research information that will propel us forward.

## Cyber-Infrastructure

The internal Data Center network is a mixture of 10, 40 and 100 Gigabit connections with redundant connections to all hosts and network components whenever possible.

The Data Center supports a robust virtual private cloud in which 98% of campus servers have been consolidated. This includes servers (both research and operational) on campus that were housed in poor environmental conditions within distributed locations.

"WOU Campus Cyber-Infrastructure Plan"

### Data Centers Provide Security:

Approximately 19 million students attended colleges and universities in the United States alone in 2021. That's a whole lot of data being shared, stored and accessed on a daily basis. Imagine the impact it could have on the students if that information was lost, disrupted, or even hacked?

In 2019, a data breach affected nearly 6,000 Montgomery County students, exposing data such as personal information, student IDs, emails, address and SAT scores of 5,962 students.

Many schools are using old network devices and servers that falter and fail under power conditions that current technology can easily withstand. With a data center, schools will have the latest technology at their fingertips and have peace of mind knowing that it provides reliable, secure storage.

With a third-party data center, schools can leverage 24/7 surveillance, redundancies in case of power outages and an IT professional on-demand for any maintenance request.

### Data Centers Improve Efficiency:

Universities such as Southern Connecticut State are leveraging data centers to conduct longitudinal studies that span from freshman orientation to graduation. They're using this data to create a tailored learning experience for each individual student. To make this possible, institutions need to have a scalable solution that allows seamless gathering and access to data, along with a secure place to store it.

The adoption of devices, apps and E-Learning has changed the way we view education. onsite data centers improves the online experience for students, faculty and staff by providing access to fast and reliable data. Pairing the power and security of a data center with BYOD (Bring Your Own Device) virtual desktops allows schools to teach effectively.

By leveraging a data center, education institutions improve their efficiency by using data to help students.

## Possible Operational Savings

Operational savings will occur when the project is completed in a reduced load on the electrical grid, less maintenance in day-to-day operations and new mechanical equipment which uses less energy and requires less repair time. We will also lessen our reliability on cloud based systems and greatly increase our capacity

## Funding source

State Bonds in the amount of \$13,800,000 and Institutional matching funds in the amount of \$690,000

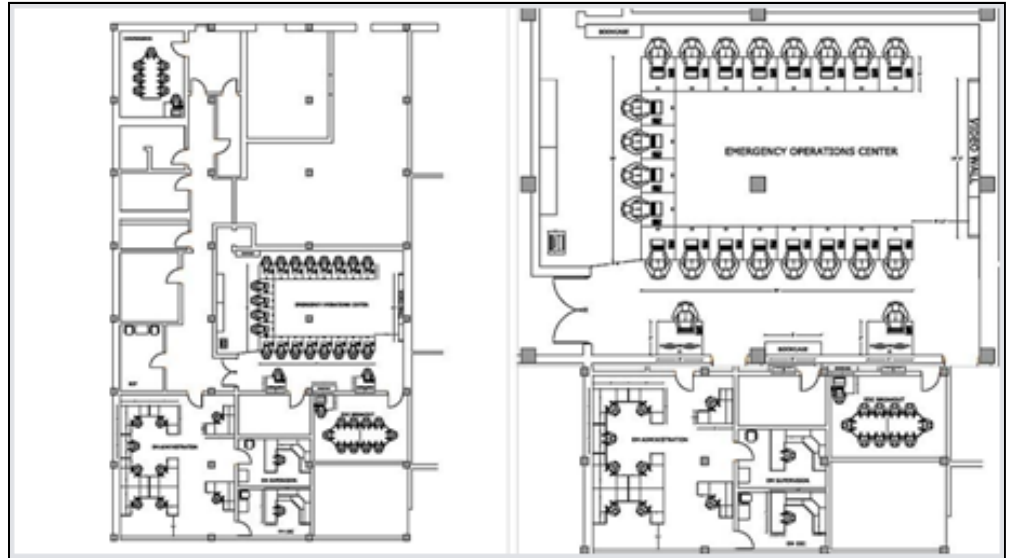
## Alternatives considered

The WOU Space Utilization Committee has looked at other option to house a new data center but due to the electrical, parking and required tunnel access this location is the only one that meets the requirements. There is no other existing building on campus that provides all the requirements and will not be a short term solution to a long term problem.

## Community benefits

### Disaster Recovery Site:

Western Oregon University new data center would be large enough to be able to provide the cities and school districts in Polk County a Disaster Recovery center for their critical data. This facility would store an organization data that can use be used to recover and restore its technology infrastructure and operations when its primary data center becomes unavailable.



*Example of Emergency Operations Center that can be used for online meetings*

### Emergency Operations Center:

An Emergency Operations Center (EOC) brings highly trained experts together to respond faster, make better decisions, and manage resources effectively. EOC supports the real-time, coordinated response to emergencies, including natural and man-made disasters, disease outbreaks, and other public health threats. By carving out a section of our data center to act as an EOC with a studio we are providing both the community and WOU with a place that will have power, communication and space to properly manage dangerous events.

### Data Center Space Rental:

Data center space rental is similar to leasing an office space, where the tenant only requires a portion of the building such as floor or even a fraction of a floor to run businesses. For data centers, their leasable spaces are provided to house their tenants' servers, equipped with sophisticated network connections, stable power supply, cooling, security, and fire suppression systems.

### Other Benefits:

**Esports** a form of organized competitive team play using video games that attract audiences to provide entertainment. Esports is the same as traditional sports. Traditional sports encompass games like football, baseball, soccer, tennis, etc. With esports, we have games like: League of Legends, Rocket League, Call of Duty, Dota 2, etc. Just as you would see in traditional sports, esports builds soft skills like leadership, promotes community, and provides viewing entertainment.

### Reduce cloud based services

The WOU Data Center will reduce our dependence on cloud based storage. This will result in more secure data, access to data based on WOU connection not outside source and more control over the cost of ballooning cloud storage.

### Added location:

By adding the Data Center to campus we now have a building dedicated to computer services and a space that will be designed to grow and expand with our campus and community. We also can utilize the old building in our master plan and move our Campus mail department into the space, and up-cycle to area. Current mail room is located on the far northside of campus and locating it in central campus will reduce distance traveled for mail pick-up and delivery.

**Finance & Administration Committee (FAC), October 23, 2023**

**University Budget Advisory Committee (UBAC Report)**

DATE: October 15, 2023

TO: WESTERN OREGON UNIVERSITY BOARD OF TRUSTEES:  
FINANCE & ADMINISTRATION COMMITTEE

FROM: UNIVERSITY BUDGET ADVISORY COMMITTEE

RE: UBAC REPORT

As we wrapped up last year, we received enrollment and budgeting reports from Camarie Moreno and Ana Karaman, providing projections for the coming school year. Overall admissions data was trending up (8% up for freshmen, 12.9% down for transfers, and 18.6% up for graduates, all respective to the same timeframe in prior year). Budget projections were positive as well, with the latest management report for Education & General Fund projecting a deficit of only \$2.1M compared to the FY23 adjusted budget of \$7.9M.

UBAC has not met for this year. We have been working on getting our leadership roles in order. Cara Groshong and Melanie Landon-Hays will be chairing the UBAC committee this year. Our first meeting will be held soon, possibly convening on October 24th, 2023 from 3:30-5:00 when faculty senate committee meetings meet, but we have not had a chance to establish meeting times yet.

UBAC priorities for this year:

- 1) We will continue to discuss the budget reduction and reallocation tool presented by Dr. Tress Shavers from NACUBO (National Association of College and University Business Officers). UBAC still recommends that during the process of new program development, the budgetary cost-benefit analysis required as part of the proposal process incorporates the use of the budget reallocation tool and that this analysis be shared with UBAC for review following review by the WOU Budget and Planning office. We believe this will support transparency and communication around new program development.
- 2) UBAC is still planning to proceed with the budget story project by first reaching out to some active units that have recently engaged in budget planning for student success to provide some examples of budget stories that UBAC can showcase them. As we

then move forward, UBAC will collect and curate stories on the UBAC web page, in reports to faculty and staff senates and this body, through presidential updates and to the state legislator via the office of Government Relations.

- 3) UBAC is also planning to work with the University Council and Sustainability Committee to continue to seek University wide solutions to sustainability in funding, as was recommended during the NWCCU accreditation visit.

Finance & Administration Committee (FAC), October 23, 2023 University Technology Advisory Committee (UTAC Report)

Date: October 13, 2023

To: WESTERN OREGON UNIVERSITY BOARD OF TRUSTEES: FINANCE & ADMINISTRATION COMMITTEE

From: UNIVERSITY TECHNOLOGY ADVISORY COMMITTEE

Re: UTAC REPORT

The University Technology Advisory Committee (UTAC) has adopted a tri-chair model in alignment with the leadership structure of UBAC. Chelle Batchelor, Dean of Library and Academic Innovation, Tom Litterer, Director of University Computing Solutions (UCS), and Amy Clark, University Registrar are the UTAC tri-chairs for the upcoming academic year. UTAC has engaged in conversations with the Data Integrity Group (DIG) about incorporating it as a subcommittee of UTAC. DIG membership is comprised of data experts and power users from functional areas across campus and there is already a great deal of cross-over in membership between both groups. DIG will provide strong support to UTAC operations, and making DIG a part of UTAC provides DIG with a position and voice within the university governance structure that it does not currently have.

UTAC is also taking a leadership role in developing the plan and timeline for implementation of a University Name Policy that has recently undergone public comment, all of which was positive. UTAC also welcomed Tom Litterer, the new Director of UCS, who provided an overview of his initial vision and priorities for UCS. The themes presented included: people first, transparent communication, increase efficiency, upgrade and modernize, operational excellence, and innovation.



## VPFA Report

### Major Accomplishments:

- 1) We are under construction contracts for two major construction projects – Student Success Center and WOU:Salem remodel
- 2) Tom Litterer was hired as new UCS Director
- 3) Financial Statements and the audit of financial statements in the completion stage and will be presented at the next FAC and BOT meetings

### Challenges:

- 1) The Division continues to experience significant staffing challenges. The primary areas of concerns are night custodians, UCS, and Accounting and Business Services

### Opportunities:

- 1) Renovation of the Welcome Center to create consolidated business services for students. In addition to Admission and Financial Aid, the building will house Bursar Office, Accounting Services, and the Registrar Office.
- 2) Continuing work with UBAC and UTAC to engage a wide variety of stakeholders into various decision-making processes.

### Recognitions:

After more than 30 years of dedicated service to WOU, Darin Silbernagel will retire at the end of December. During his tenure at WOU Darin held various positions including VPFA, Director of Business Services, and most recently Treasurer.



## Cash Flow Narrative FY24

### Executive Summary:

- **Beginning cash balance is \$38,368,618**
- **Projected ending cash balance is \$36,061,755**
- **Projected ending cash balance includes \$4,210,000 restricted to the steam pipeline project**
- **The operating projected cash ending balance net of the restricted steam line fund is \$31,851,755.**
- **Projected ending cash estimate is \$36,061,755**

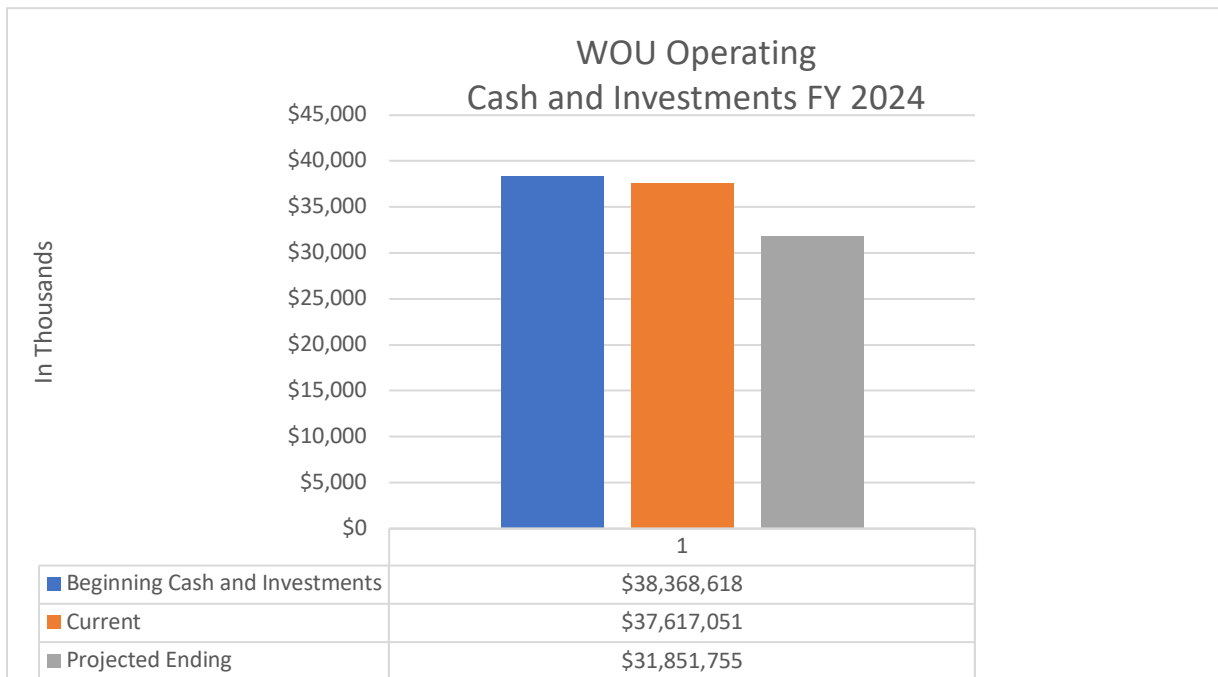
The statement of cash flows enables users of the financial statements to determine how well an entity's income generates cash and to predict the potential of an entity to generate cash in the future. The purpose of the cash flow forecast is to present cash inflows and outflows for a reporting period 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 FY2024 with a cash & investment balance of \$38.369M.

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, Grant and Agency funds). The Cash Flow forecast incorporates all cash & investments for the University other than the cash balance related to Perkins loans (\$677,058 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 FY2024, the cash flow projection is based on actuals through September then several assumptions including a flat enrollment revenue overall for the year, the Board approved tuition increases, a 5% 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 \$2.307M decrease.

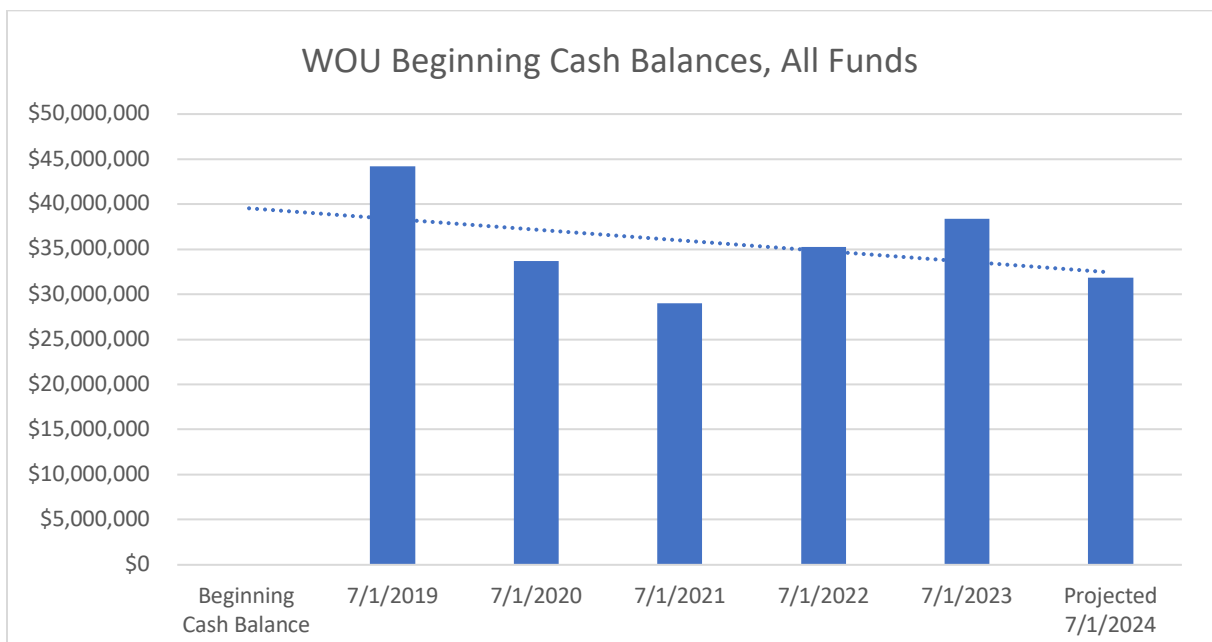
We will continue to monitor and adjust monthly. Current financial conditions continue to put pressure on cash flow.



Data is based upon the accounting system information

Actual cash and investments on deposit at 07/01/24 is projected as \$36,061,755

Projected Ending Data excludes Restricted Cash for the Steam Line Project (\$4.21M)



Note: The positive amount in 2021-2022 is primarily related to the Federal stimulus funding received

Projected 7/1/2024 Balance is reduced by \$4.21M for Steam Line Project



**Western Oregon University**  
**Monthly Cash Flow and Accrual Forecast**

	July 2023	Actuals			Estimates							
	July 2023	August 2023	September 2023	October 2023	November 2023	December 2023	January 2024	February 2024	March 2024	April 2024	May 2024	June 2024
<i>Starting Cash and investment FY2024 (June 30, 2023)</i>												
\$	38,368,618											
<b>Beginning Cash Estimate</b>	\$ 38,368,618	40,948,978	37,617,051	45,309,170	41,508,283	48,791,510	61,752,836	61,216,057	59,292,307	50,364,306	51,612,586	52,869,111
<i>Adjusted Beginning Cash and investment Balance (Actual)</i>	38,368,618	40,948,978	37,617,051	45,309,170	-	-	-	-	-	-	-	-
<b>Inflows</b>												
Monthly Revenue Estimates	9,853,202	20,914,823	9,276,900	8,893,963	15,383,386	23,167,979	17,467,034	10,765,405	20,580,792	12,816,235	15,979,650	12,443,206
Estimated Cash Impacts GL Accrual Activity	4,163,809	(3,343,815)	7,735,916	315,920	3,131,100	1,670,371	5,749,007	(78,238)	(3,717,576)	1,992,726	(1,512,322)	(7,309,450)
<b>Total Revenue and GL Inflows</b>	<b>14,017,011</b>	<b>17,571,009</b>	<b>17,012,816</b>	<b>9,209,883</b>	<b>18,514,486</b>	<b>24,838,350</b>	<b>23,216,041</b>	<b>10,687,167</b>	<b>16,863,216</b>	<b>14,808,961</b>	<b>14,467,328</b>	<b>5,133,756</b>
<b>Outflows</b>												
Monthly Labor Estimates	4,446,939	4,375,792	4,637,892	7,533,947	7,653,140	7,517,513	7,621,085	7,649,386	7,619,991	7,642,919	7,695,848	8,653,503
Monthly Expense Estimates	2,265,301	3,399,367	10,831,397	5,476,823	3,578,119	4,359,511	15,372,026	4,961,531	18,171,226	5,917,762	5,514,955	13,207,958.00
Monthly Debt Estimates	616,288	-	-	-	-	-	759,709	-	-	-	-	79,651
<b>Total Operating Ledger Outflows</b>	<b>\$ 7,328,528</b>	<b>\$ 7,775,159</b>	<b>\$ 15,469,288</b>	<b>\$ 13,010,770</b>	<b>\$ 11,231,259</b>	<b>\$ 11,877,024</b>	<b>\$ 23,752,820</b>	<b>\$ 12,610,917</b>	<b>\$ 25,791,217</b>	<b>\$ 13,560,681</b>	<b>\$ 13,210,803</b>	<b>\$ 21,941,112</b>
<b>Net Flows</b>	<b>6,688,483</b>	<b>9,795,849</b>	<b>1,543,527</b>	<b>(3,800,887)</b>	<b>7,283,227</b>	<b>12,961,326</b>	<b>(536,779)</b>	<b>(1,923,750)</b>	<b>(8,928,001)</b>	<b>1,248,280</b>	<b>1,256,525</b>	<b>(16,807,356)</b>
<b>Ending Cash Estimate</b>	<b>45,057,101</b>	<b>50,744,827</b>	<b>39,160,578</b>	<b>41,508,283</b>	<b>48,791,510</b>	<b>61,752,836</b>	<b>61,216,057</b>	<b>59,292,307</b>	<b>50,364,306</b>	<b>51,612,586</b>	<b>52,869,111</b>	<b>36,061,755</b>
<i>Actual Ending Cash Balance (Banner)</i>	\$ 40,948,978	\$ 37,617,051	\$ 45,309,170									
<i>Actual Less Forecast</i>	(4,108,123)	(13,127,777)	6,148,592	(41,508,283)	(48,791,510)	(61,752,836)	(61,216,057)	(59,292,307)	(50,364,306)	(51,612,586)	(52,869,111)	(36,061,755)
<i>% Deviation from Original Forecast</i>	-9.12%	-25.87%	15.70%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%
30 Day Cash Outflow Requirement	7,328,528	7,775,159	15,469,288	13,010,770	11,231,259	11,877,024	23,752,820	12,610,917	25,791,217	13,560,681	13,210,803	21,941,112
<b>Excess/(Shortfall) over 30 Day Outflow Requirement</b>	<b>\$ 31,040,090</b>	<b>\$ 33,173,819</b>	<b>\$ 22,147,763</b>	<b>\$ 32,298,400</b>	<b>\$ (11,231,259)</b>	<b>\$ (11,877,024)</b>	<b>\$ (23,752,820)</b>	<b>\$ (12,610,917)</b>	<b>\$ (25,791,217)</b>	<b>\$ (13,560,681)</b>	<b>\$ (13,210,803)</b>	<b>\$ (21,941,112)</b>
60 Day Cash Outflow	15,103,687	23,244,447	28,480,058	24,242,029	23,108,283	35,629,844	36,363,737	38,402,134	39,351,898	26,771,484	35,151,915	21,941,112
<b>Excess/(Shortfall) over 60 Day Outflow</b>	<b>\$ 23,264,931</b>	<b>\$ 17,704,531</b>	<b>\$ 9,136,993</b>	<b>\$ 21,067,141</b>	<b>\$ (23,108,283)</b>	<b>\$ (35,629,844)</b>	<b>\$ (36,363,737)</b>	<b>\$ (38,402,134)</b>	<b>\$ (39,351,898)</b>	<b>\$ (26,771,484)</b>	<b>\$ (35,151,915)</b>	<b>\$ (21,941,112)</b>
Forecast for Steamline Project Expenses, \$4.21M in FY25		30,000							4,199,349			4,199,349
QT 1 Allotment if not received until October 2023 + est. increase			149,427	100,000	75,000		75,000			150,000		
Student Success 22M - 15 M on reimbursement	1,250,000.00	1,250,000.00	1,250,000.00	1,250,000.00	1,250,000.00	1,250,000.00	1,250,000.00	1,250,000.00	1,250,000.00	1,250,000.00	1,250,000.00	1,250,000.00



## FY2023 Q4 Investment Report

### BACKGROUND

The Western Oregon University (university) investment report for the fourth quarter (Q4) of FY2023 is presented in the following sections:

- **FY2023 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.
- **FY2023 Q4 Market Commentary** – This section provides a general discussion of the investment markets and related performance data for the fourth quarter of FY2023 (i.e., April 1 – June 30, 2023).

### FY2023 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, 2023, WOU had \$37.0 million invested in the PUF. The PUF decreased 0.1% for the quarter and increased 1.3% for the fiscal year. The PUF’s three-year and five-year average returns were 0.1% and 1.9%, respectively.

The Oregon Short-Term Fund returned 1.0% for the quarter, underperforming its benchmark by 20 basis points. The Core Bond Fund decreased 0.8% for the quarter, matching its benchmark. The PUF investment yield was 1.0% for the quarter and 3.4% for the fiscal year.

Based upon internal projections for a recession in coming months, the Oregon State Treasury investment officers maintain a conservative positioning in the Core Bond Fund, favoring U.S. Treasuries over corporate bonds. The portfolio’s allocation to corporate credit remains underweight compared to its benchmark (25.5% versus 30.8%).

#### Western Oregon University Quasi-Endowment Fund

The WOU Quasi-Endowment Fund (Fund) increased 3.3% for the quarter and 9.4% for the fiscal year, outperforming its benchmark by 30 basis points for the quarter and 80 basis points for the fiscal year. The Fund ended the quarter with a balance of \$2.9 million.

The Fund’s assets are allocated to a global equity index strategy (BlackRock All-Country World Index – 58.1%) and an “actively” managed fixed income fund (Western Asset Core Plus Bond – 37.2%). The remaining assets are invested in the Oregon Short Term Fund (4.7%).

For the three months ended June 30, 2023, the Blackrock All-Country World Index increased 5.9%, equal to its benchmark. The Western Asset Core Plus Bond Fund’s returned -0.3% for the period, outperforming the Bloomberg Barclays U.S. Aggregate Bond Index by 50 basis points.

**Western Oregon University**  
**Investment Summary**  
**as of June 30, 2023**  
(Net of Fees)

	Quarter Ended 6/30/2023	Current Fiscal YTD	Prior Fiscal YTD	3 Yr Avg	5 Yr Avg	10 Yr Avg	Market Value	Actual Asset Allocation	Policy Allocation Target
<b>WOU Operating Assets Invested in Public University Fund</b>									
Oregon Short - Term Fund	1.0%	2.9%	0.6%	1.4%	1.8%	1.4%	\$ 11,693,075	31.6%	1
Benchmark - 91 day T-Bill	1.2%	3.6%	0.2%	1.3%	1.6%	1.0%			
PUF Core Bond Fund	-0.8%	0.4%	-6.7%	-1.3%	1.7%	N/A	25,318,842	68.4%	1
Benchmark - Bloomberg Barclays Intermediate U.S. Gov't./Credit Index <sup>2</sup>	-0.8%	-0.1%	-7.3%	-2.5%	1.2%	1.6%			
<b>Public University Fund Total Return</b>	-0.1%	1.3%	-2.6%	0.1%	1.9%	N/A	<u>\$ 37,011,917</u>	<u>100.0%</u>	
Public University Fund Investment Yield <sup>3</sup>	1.0%	3.4%	1.3%	2.2%	2.5%	N/A			
<b>WOU Endowment Assets</b>									
BlackRock ACWI IMI B	5.9%	16.4%	-16.3%	11.2%	N/A	N/A	\$ 1,695,252	58.1%	55.0%
Benchmark - MSCI ACWI IMI Net	5.9%	16.1%	-16.5%	11.0%	7.6%	8.6%			
Western Asset Core Plus Bond Fund	-0.3%	-0.4%	-16.3%	-4.9%	N/A	N/A	1,087,328	37.2%	40.0%
Benchmark - Bloomberg Barclays Aggregate Index	-0.8%	-0.9%	-10.3%	-4.0%	0.8%	1.5%			
Cash	1.0%	2.9%	0.6%	1.4%	N/A	N/A	136,091	4.7%	5.0%
Benchmark - 91 day T-Bill	1.2%	3.6%	0.2%	1.3%	1.6%	1.0%			
<b>Total Endowment Assets</b>	3.3%	9.4%	-15.6%	4.3%	N/A	N/A	<u>\$ 2,918,671</u>	<u>100.0%</u>	
Policy Benchmark <sup>4</sup>	3.0%	8.6%	-13.1%	4.5%	N/A	N/A			

<sup>1</sup> 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.

<sup>2</sup> 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.

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

<sup>4</sup> 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, 2023

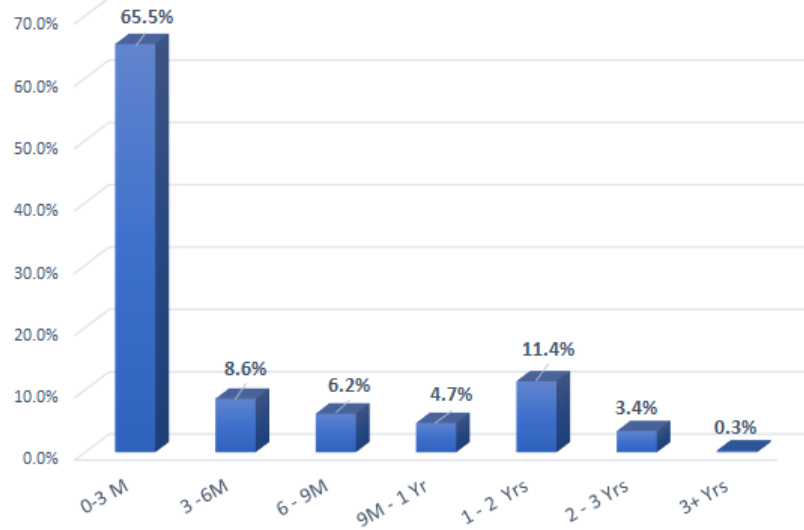
## Portfolio Characteristics

Market Value 06/30/2023	\$ 175,739,973
Weighted Average Credit Quality	AA
Book Yield (%)	4.43%
Weighted Average Maturity (years)	152 Days
Duration (years)	0.42
Spread Duration (rate)	0.65

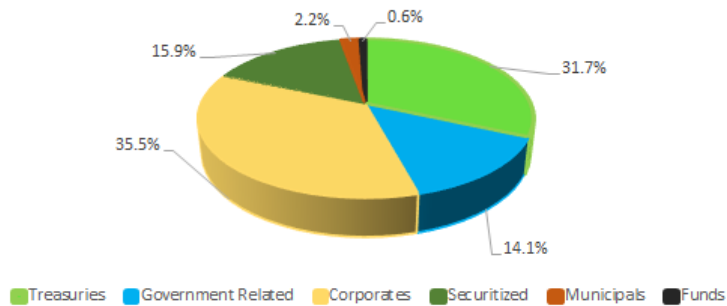
## Top 10 Issuers

United States Treasury	31.7%
Federal Home Loan Banks	2.8%
CPPIB Capital Incorporated	2.7%
JPMorgan Chase & Company	2.5%
Royal Bank of Canada	2.3%
Bank of America Corporation	1.9%
Toyota Motor Credit Corporation	1.6%
Bank of Montreal	1.4%
Federal Farm Credit Banks Funding Corporation	1.4%
Morgan Stanley	1.4%
<b>Total</b>	<b>49.6%</b>

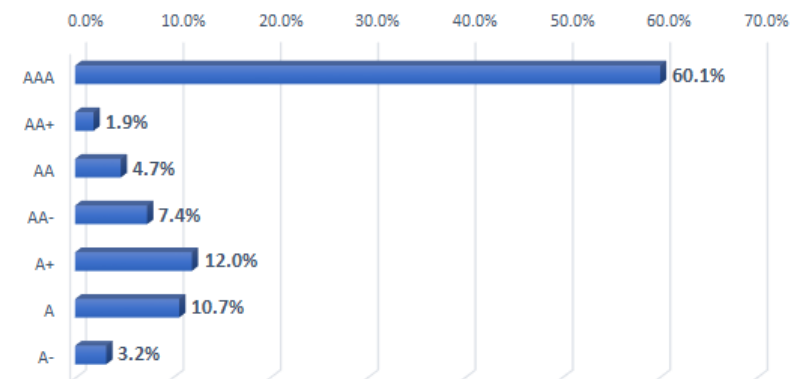
## Maturity Breakdown



## Sector Allocations



## Credit Quality Distribution



Source: Oregon State Treasury

# Core Bond Fund

June 30, 2023

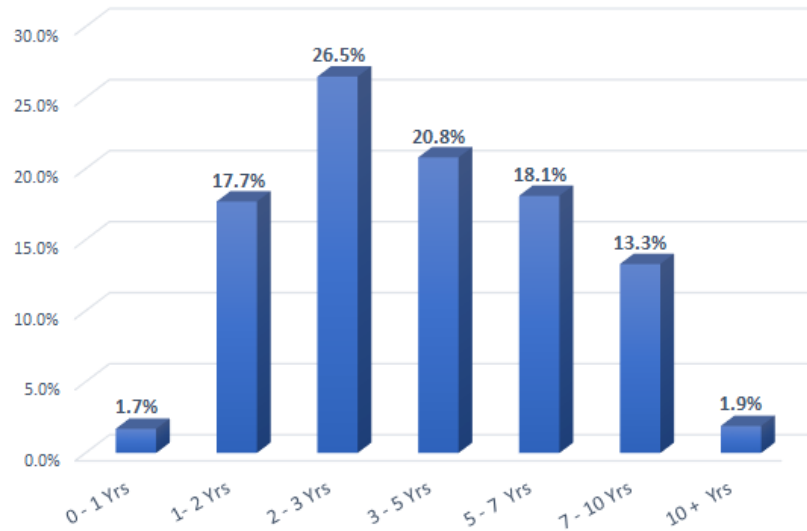
## Portfolio Characteristics

Market Value 06/30/2023	\$ 380,527,141
Weighted Average Credit Quality	AA
Book Yield (%)	4.03%
Weighted Average Maturity (years)	4.63
Duration (years)	3.97
Spread Duration (rate)	1.65

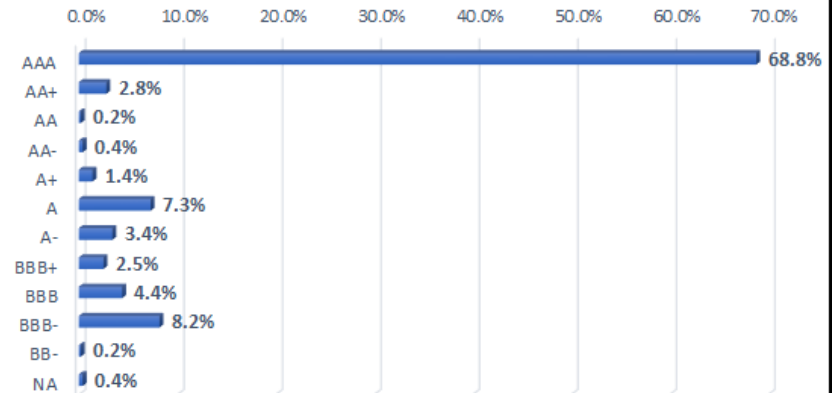
## Top 10 Issuers

United States Treasury	58.3%
Charles Schwab Corporation (The)	4.1%
Deutsche Telekom AG	3.0%
Federal Home Loan Mortgage Corporation	2.7%
F&G Global Funding	2.7%
Agree Realty Corporation	1.9%
Ford Credit Trust 22-C	1.8%
Oscar US Funding Trust	1.6%
Targa Resources Corporation	1.4%
OCI N.V.	1.3%
<b>Total</b>	<b>78.8%</b>

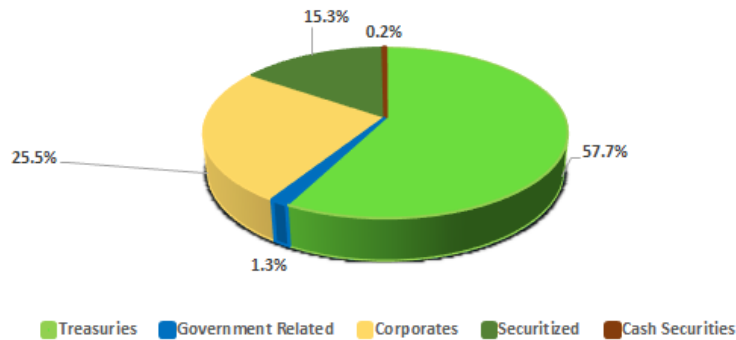
## Maturity Breakdown



## Credit Quality Distribution



## Sector Allocations



Source: Oregon State Treasury

## **FY2023 Q4 MARKET COMMENTARY**

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

### **Report on Investments – as of June 30, 2023**

#### **Economic and Market Update**

Asset returns were positive for the quarter with U.S. and Non-U.S. equities posting gains, while most fixed income sectors declined on expectations of further interest rate hikes later this year. Except for commodities, most public market asset classes remain in positive territory for the calendar year.

- Although the Federal Reserve skipped a rate-hike in June, Fed comments signaled further rate hikes in the second half of calendar year 2023; the U.S. economy appears to be resilient with continuing domestic demand and low unemployment.
- U.S. equity markets (S&P 500) rose in the second calendar quarter (+8.7%) adding to calendar year-to-date gains (+16.9%). Some of the largest technology names drove positive results. Growth stocks continued to outpace value stocks, particularly in the large cap space.
- Non-U.S. developed equity markets rose in the second calendar quarter ((Morgan Stanley Capital International (MSCI) Europe, Australia, and Far East (EAFE) 3.0%) falling behind U.S. equities in 2023 (+16.2% versus +11.7%). A strengthening U.S. dollar weighed on returns.
- Emerging market equities rose in the second calendar quarter (+3.8%) supported by positive returns in China (+4.0%). Emerging markets trail developed market equities calendar year-to-date returning +4.9%, due partly to rising U.S.-China tensions.
- Interest rates generally rose during the period leading to bond markets declining, with the U.S. bond market (Bloomberg Aggregate) falling 0.8% for the quarter. The index remains positive (+2.1%) calendar year-to-date, though, on declining inflation and expectations for the Fed to end their rate hikes soon.

This year, the paths of inflation and monetary policy, slowing global growth and the war in Ukraine will all be key. After a particularly difficult 2022, most public market assets are up thus far in 2023, building on gains from the fourth calendar quarter of last year. Risk sentiment has been supported by expectations that policy tightening could be ending soon, as inflation continues to fall, and growth has slowed.

## Market Returns<sup>1</sup> June 30, 2023

	Month	Quarter	YTD	1-Year	3-Year	5-Year	7-Year	10-Year
S&P 500	6.60%	8.70%	16.90%	19.60%	14.60%	12.30%	13.40%	12.90%
MSCI EAFE-ND	4.60%	3.00%	11.70%	18.80%	8.90%	4.40%	6.90%	5.40%
MSCI EM-ND	3.80%	0.90%	4.90%	1.70%	2.30%	0.90%	4.90%	3.00%
MSCI China-ND	4.00%	-9.70%	-5.50%	-16.80%	-10.30%	-5.30%	2.90%	3.00%
Bloomberg US Aggregate	-0.40%	-0.80%	2.10%	-0.90%	-4.00%	0.80%	0.40%	1.50%
Bloomberg US TIPS	-0.30%	-1.40%	1.90%	-1.40%	-0.10%	2.50%	2.00%	2.10%
Bloomberg US Corporate High Yield	1.70%	1.70%	5.40%	9.10%	3.10%	3.40%	4.50%	4.40%
ICE BofAML US 3-Month Treasury Bill	0.50%	1.20%	2.30%	3.60%	1.30%	1.60%	1.40%	1.00%
ICE BofAML 1-3 Year US Treasury	-0.50%	-0.60%	1.00%	0.10%	-1.00%	0.90%	0.70%	0.80%
ICE BofAML 10+ Year US Treasury	-0.10%	-2.30%	3.60%	-7.00%	-11.60%	-0.70%	-1.60%	1.80%

<sup>1</sup>Source: Oregon State Treasury

**U.S. Equities:** The S&P 500 Index rose 8.7% in the second calendar quarter and 16.9% year-to-date. U.S. stocks rose sharply in the second calendar quarter of 2023. Most of the gains came in the month of June when the Fed kept its target rate unchanged for the first time since early 2022. Investors are expressing optimism that the Fed can tame inflation without widespread disruptions to the equity markets. Except for energy and utilities, each sector of the S&P 500 index appreciated during the second calendar quarter. Technology led all sectors and was driven by enthusiasm for growth stocks, particularly those with exposure to artificial intelligence (e.g., NVIDIA). Large cap stocks continue to outperform small cap stocks, driven by technology and the underperformance of small cap biotechnology stocks. Growth stocks continue to broadly outperform value stocks.

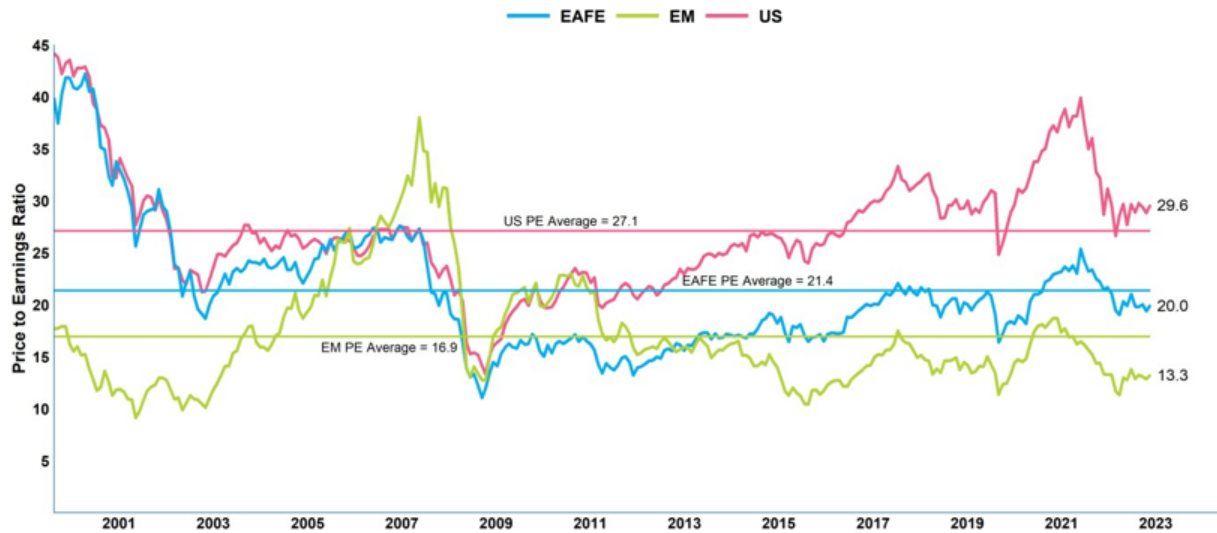
**International Equities:** Developed international equities (MSCI EAFE) rose 3.0% in the second calendar quarter bringing the calendar year-to-date results to +11.7%. Emerging market equities (MSCI Emerging Markets (EM) rose 0.9% in the quarter, rising 4.9% calendar year-to-date. The European and Japanese equity markets continued their strength in June, wrapping up a strong second calendar quarter. In Europe, financials and information technology led returns whereas energy and communication services lagged. Headline inflation was down in June, although core inflation was up slightly month over month. Energy and materials were the main drivers for falling UK equities, along with Bank of England rate hikes. Optimism continues to build for Japanese investors, while the Yen remains weak, and Bank of Japan remains dovish. Emerging markets were laggards as China equities struggled from weak export demands and rising negative sentiments.

**Fixed Income:** The Bloomberg U.S. Aggregate Index declined 0.4% in the second calendar quarter as debt yields generally rose. Bonds retained a positive start to the calendar year (+2.1% calendar year-to-date) though inflation continues to decline. U.S. Treasury yields generally rose over the month, with the 1-year to 10-year maturity sector rising the most due to higher policy expectations. The Treasury Inflation-Protected Securities (TIPS) index and the short-term TIPS index posted negative returns for the month as inflation concerns continued to ease. Continued risk appetite drove high yield bond performance (1.7%) and outperformance versus the broad U.S. bond market (Bloomberg Aggregate). Emerging market bonds (3.3%) also performed well on investor risk sentiment.



After its dramatic decline last year, the U.S. equity price-to-earnings ratio remains above its long-run (21st century) average. International developed market valuations are below their own long-term average, with those for emerging markets the lowest and well under the long-term average.

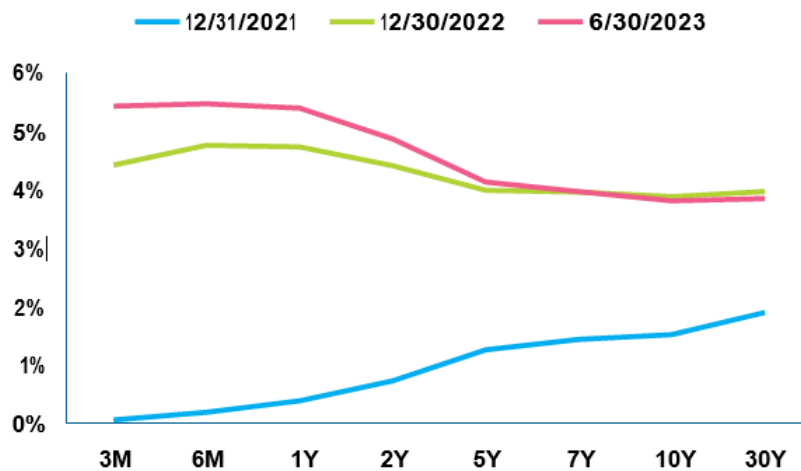
### Equity Cyclically Adjusted P/E Ratios<sup>1</sup>



<sup>1</sup> US Equity Cyclically Adjusted P/E on S&P 500 Index. Source: Robert Shiller, Yale University, and Meketa Investment Group. Developed and Emerging Market Equity (MSCI EAFE and EM Index) Cyclically Adjusted P/E – Source: MSCI and Bloomberg. Earnings figures represent the average of monthly “as reported” earnings over the previous ten years. Data is as of June 2023. The average line is the long-term average of the US, EM, and EAFE PE values from December 1999 to the recent month-end respectively.

Interest rates have started rising again across the curve given policy maker guidance that policy rates are likely to rise further and potentially stay longer at the terminal rate than market participants expect. The yield curve remains inverted with the spread between two-year and ten-year Treasuries finishing the month at -1.06%.

### US Yield Curve<sup>1</sup>



<sup>1</sup>Source: Bloomberg. Data is as of June 30, 2023



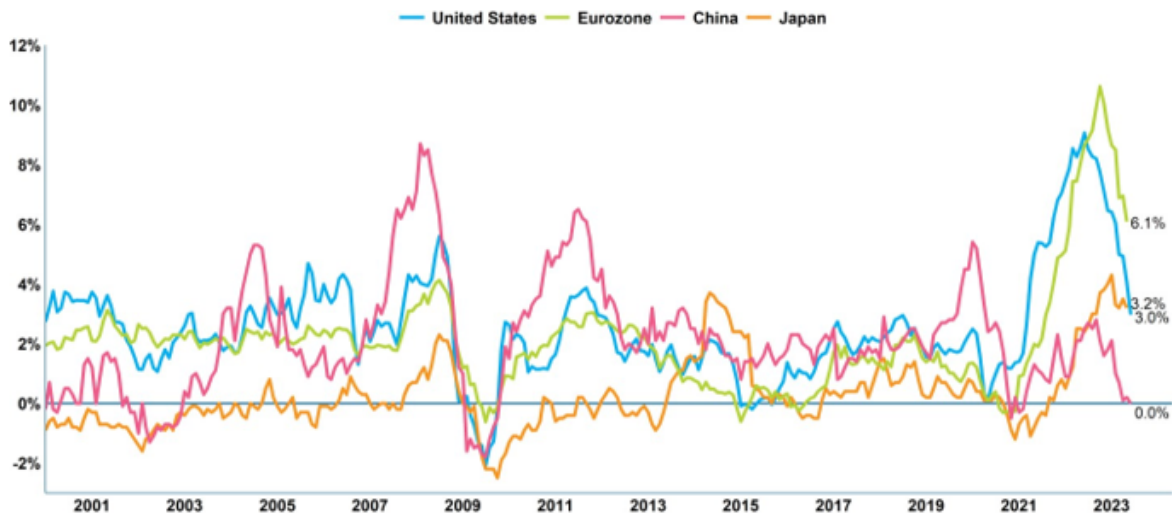
Headline inflation continued to decline in June, with the calendar year-over-year reading falling from 4.0% to 3.0% and coming in slightly below estimates. The month-over-month rate of price increases rose slightly (0.2% versus 0.1%), with food prices ticking up slightly (0.1%) and energy prices rose (0.6%). Core inflation – excluding food and energy - fell (5.3% to 4.9%), coming in slightly above forecasts. It remains stubbornly high driven by shelter costs. Inflation expectations (breakevens) remain well below current inflation as investors continue to expect inflation to track back toward the Fed’s 2% average target.

### Global Economic Outlook

Global economies are expected to slow this year compared to 2022, with risks of recession as the impacts of policymakers’ aggressive tightening to fight inflation flow through economies. The delicate balancing act of central banks trying to reduce inflation without dramatically depressing growth will remain key.

In 2022, many central banks aggressively reduced pandemic-era policy support in the face of high inflation, with the U.S. taking the most aggressive approach. Slowing inflation and growth have led to expectations for reductions in policy tightening going forward. In May the Fed raised rates another 25 basis points to a range of 5.0% to 5.25%. After the month-end, the FOMC paused its tightening campaign but hinted that one or two additional rate hikes could come later this calendar year. In China, the central bank has continued to cut interest rates and inject liquidity into the banking system, as weaker than expected economic data appears to indicate a widespread slowdown. Looking ahead, risks remain for a policy error as central banks attempt to balance multiple goals, bringing down inflation, maintaining financial stability, and supporting growth.

### Inflation (CPI Trailing Twelve Months)<sup>1</sup>



<sup>1</sup> Source: Bloomberg. Data is as of June 30, 2023. The most recent data for Japan and China is as of May 2023.

Inflation pressures continued to decline globally due to the easing of supply chain issues from the pandemic, declining energy prices, and tighter monetary policy. In the U.S., inflation fell to 3.0% at month-end, while eurozone inflation also fell (6.1% from 7.0%) to a level well off its peak. Despite 2023’s significant declines in the U.S. and Europe, inflation levels remain elevated compared to central bank targets. Inflation remains lower in China and Japan. In

China, inflation levels were only slightly above 0% at month-end as the reopening of their economy has led to an uneven economic recovery.

Despite slowing growth and high inflation, the U.S. labor market still shows signs of resiliency. Unemployment in the U.S., which experienced the steepest rise, recently returned to pre-pandemic levels. Broader measures of unemployment (U-6) remain higher at 6.9% but also declined dramatically from their peak. The strong labor market and higher wages, although beneficial for workers, motivates the Fed's efforts to fight inflation, leading to higher unemployment. Unemployment in Europe has also declined but remains higher than the U.S., while levels in Japan have been flat through the pandemic given less layoffs.

The dollar finished 2022 much higher than it started, due to the increased pace of policy tightening, stronger relative growth, and safe-haven flows. Late last calendar year and into this year, the dollar declined, as weaker economic data and lower inflation led to investors anticipating the end of Fed tightening. In June, we did see a slight decline in the dollar though. This year, the track of inflation across economies and the corresponding monetary policies will be key drivers of currency moves.

#### Summary - Key Trends:

- The impacts of still relatively high inflation will remain key, with bond market volatility likely to stay high.
- Recent issues related to the banking sector seem to have subsided for now but are a reminder that there is a delicate balance for central banks to continue to fight inflation but also to try to maintain financial stability.
- Global monetary policies could diverge in 2023. The risk of policy errors remains elevated as central banks try to reduce persistent inflation while not tipping their economies into recession.
- Growth is expected to slow globally this calendar year, with many economies forecast to tip into recession. Inflation, monetary policy, and the war in Ukraine will all be key.
- In the U.S., consumers could feel pressure as certain components of inflation remain high (e.g., shelter), borrowing costs are elevated, and the job market may weaken.
- The key for U.S. equities going forward will be whether earnings can remain resilient if growth continues to slow.
- Equity valuations remain lower in both emerging and developed markets, but risks remain, including potential continued strength in the U.S. dollar, higher inflation weighing particularly on Europe, and China's sluggish economic reopening and on-going weakness in the real estate sector.



**Public University Fund (PUF)**

**Investment Statement  
April 1, 2023 - June 30, 2023  
Q4 FY23**

Western Oregon University  
Ana Karaman, Vice President for Finance & Administration  
Darin Silbernagel, Treasurer  
345 Monmouth Ave N.  
Monmouth, OR 97361

**Quarter-to-Date  
as of 06/30/2023**

<b>Beginning Market Value</b>	<b>\$44,337,060</b>
+ Contributions	1,534,821
- Withdrawals	(8,367,164)
+/- Change in Market Value	(492,800)
<b>Ending Market Value</b>	<b>\$37,011,917</b>

Units Owned 387,484.172  
Price per Unit \$95.51853

	<u>Quarter-to-Date</u>	<u>Year-to-Date</u>
Gross Investment Earnings	\$458,502	\$1,401,683
Participant Fees	(2,275)	(27,300)
Participant Fee Credit	-	796
Net Investment Earnings	<u>\$456,227</u>	<u>\$1,375,179</u>
Realized Gain/(Loss) on Sale of Investments	(311,876)	(573,846)
Unrealized Gain/(Loss) on Investments		(1,409,606)

Questions? Please contact Mary Hatfield, 541.737.0843

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