

**Western Oregon University Board of Trustees:
Finance & Administration Committee (FAC)
Meeting No. 21 – October 26, 2020
2:00PM-5:00PM**

MINUTES

I. CALL TO MEETING/ ROLL CALL

Chair Cec Koontz called the meeting to order at 2:00PM.

All of the trustees introduced themselves followed by introductions from President Fuller, Ana Karaman, the Finance and Administration team, and UBAC Chair Tad Shannon, and UTAC Co-chair Chelle Batchelor.

The following Trustees were present:

Jerry Ambris
Jim Baumgartner
David Foster
Cec Koontz
Leah Mitchell

Others present include:

Chelle Batchelor
Rebecca Chiles
Max Chartier
Lacey Davis
Gabe Dougherty
Andrea Emerson
President Rex Fuller
David Janowiak
Ana Karaman
Gavin Keulks
Bill Kernan
Shadron Lehman
David McDonald (Joined at 2:30)
Camarie Moreno
James Reddan
Beth Scroggins
Tad Shannon
Darin Silbernagel
Amanda Smith
Michael Smith

Dona Vasas

II. COMMITTEE CHAIR'S WELCOME / ANNOUNCEMENTS

III. CONSENT AGENDA

1) [Approval of May 29, 2020 Meeting Minutes](#)

Trustee Jim Baumgartner motioned to approve the minutes, Trustee Jerry Ambris seconded the motion, and all trustees voted to approve the minutes with the exception that Jim Baumgartner and Cec Koontz's last name spellings would be corrected on pages 1, 3, and 8 of the minutes.

III. REPORTS & DISCUSSION ITEMS:

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

UBAC Chair Tad Shannon provided an overview of the purpose of UBAC and discussed the UBAC report on page 9 of the docket. Tad explained the UBAC proposal process and shared that UBAC will be hosting Budget Conversations.

Trustee David Foster asked if UBAC has the bandwidth for ideas on generating new revenue, budget savings, and efficiency ideas. UBAC Chair Tad Shannon stated new proposals are not ideal due to the budget deficit, but budget savings and efficiencies are welcome. Tad also clarified that UBAC is not a decision-making group, but instead an advisory group that provides a forum for ideas and conversations. Ana Karaman added that efficiencies, savings, and revenue generating ideas are always welcome.

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

UTAC Co-Chair Chelle Batchelor, explained that UTAC is charged with reviewing technology and making recommendations related to the use of technology for the university. Some examples shared included utilizing Zoom, Hot Spots, and the Apple Pilot Program. Trustee Leah Mitchell asked about the biggest challenge for UTAC and UTAC Co-Chair Bill Kernan said cybersecurity.

3) Capital Projects Updates | Michael Smith, Director Facilities Services

Director of Facilities Services Michael Smith, shared an update on the WOU Welcome Center, the Instructional Technology Center (ITC), and WOU Salem.

Ana Karaman explained that ITC and Welcome Center capital projects are funded by state bonds and institutional funds. WOU works with the Higher Education Coordinating Commission (HECC), by following a rubric to determine new projects. Every project is scored by an independent panel and the HECC scores each project which determines

what projects will go to the legislature where a decision is made. WOU competes with the other public universities for state bonds.

Ana Karaman stated that the WOU Salem building was a purchase. Institutional funds were used to acquire the WOU Salem building. The building is under WOU's name and is registered with the state of Oregon which makes it eligible for capital improvement funds.

Trustee Leah Mitchell asked if a project is not selected the first time a university applies, if that university's request is automatically considered for the next round. Ana Karaman stated that legislation only approved five projects for this biennium. Associate Vice President for Public Affairs & Strategic Initiatives David McDonald, explained that the HECC creates a recommendation list, but the legislature does not have to follow those recommendations. President Fuller stated that project selection is dependent on the situation and that it is an ongoing process. President Fuller also shared that the HECC conducted a study that concluded that renovations and remodeling are the greatest need instead of new buildings.

4) [Finance & Administration Report](#)

WOU Treasurer Darin Silbernagel, discussed the cash flow projection on page 12 of the docket. Trustee Jim Baumgartner asked for the clarification on the jump in outflows to 6.6 million in October and if this continues to be very steady. Darin explained that WOU only has faculty for about two weeks in September and full month in October and beyond. Jim also asked about the swing in the initial starting cash balance for the year. Darin also explained that WOU needed to transfer out to debt service (for accounting purposes), but that the cash flow was not actually impacted until July 1, 2020 with the debt service payment. Trustee David Foster asked why the monthly expense estimates are going up every three months. Darin explained that the peak coincides with the start of each term and financial aid disbursement.

Ana Karaman shared WOU has transitioned from having University Shared Services Enterprise (USSE) preparing financial statements to doing them in house. By doing them in house, WOU is saving money and has a better understanding of how the university is doing financially due to not having to wait to get this information from USSE.

Controller Gabe Dougherty, provided a status report on the audit of financial statements. Gabe explained that Eide Bailly is finishing up the audit and so far, has no negative findings. Ana Karaman stated that bringing the financial statement and cash reconciliation work in-house, done by Gabe and Darin, respectively, has saved WOU \$200,000 annually.

Director of Campus Public Safety Rebecca Chiles, and Director of Facilities Services Michael Smith, shared that through collaborative efforts across campus, WOU is following cleaning and safety protocols. Rebecca discussed the safety protocols on page 12 of the docket and Michael discussed the cleaning protocols on page 13 of the docket.

Chair Cec Koontz asked if WOU has protocols for testing and screening students and staff. Rebecca explained that the Student Health and Counseling Center is available for testing and that staff are following COVID-19 guidance from the Oregon Health Authority (OHA) and the HECC. WOU Human Resources sent out an email on October 23, 2020 addressing the self-check requirement, mask/face coverings, and cleaning supplies.

Ana Karaman discussed the Finance and Administration report on page 12 of the docket and highlighted the focus areas for the FY2021 academic year.

Chair Cec Koontz asked Ana Karaman to explain the CARES Act dollars that were distributed to students in the Spring and Fall. Ana Karaman stated that WOU received two components of CARES funding – institutional funds and money to be passed through to students as aid. Additionally, the university used foundation funds to support students who were not eligible for CARES funding. A scoring mechanism was used to determine which students met the criteria to receive funds.

Chair Cec Koontz called for a five-minute break from 4:22PM-4:27PM.

II. ACTION ITEMS:

1) [FY2021 Budget Revision](#)

Ana Karaman shared the FY2021 Budget Revision on page 17 of the docket.

Ana Karaman explained that due to an approximate 7.5% enrollment decline from the prior year, there is a decrease of \$1.23M in budgeted tuition revenue from the Adopted FY21 budget.

Ana Karaman clarified that in June of 2020, the HECC had provided guidance that WOU plan on a 17% reduction of state allocation from the Student Success Completion Model (SSCM) However, since then, we've been informed that WOU will receive 100% of the SSCM allocation. Therefore, there is an increase in the FY2021 Budget. Chair Cec Koontz stated that the 100% allocation was because of the special session at the legislature revealing that since tax collections were extended to July 2020, those amounts were higher than the state was expecting. Ana Karaman shared that the state allocation and online fees are both one-time events that will help with this year's budget.

When discussing the interest earnings/investments section of the budget, Ana Karaman stated that the treasury rebalanced WOU to where 65% of the PUSF is in money markets and 35% is in medium term bonds. Before the rebalance it used to be 35% in money markets and 65% in medium term bonds. All universities are under the Public University Support Fund (PUSF) and they do not ask the university before they rebalance. WOU also did not assess interest on unpaid student balances for three months, to align with the interest being frozen on all federal financial aid loans. WOU has also been writing off bad debt that is 10 years and older, which decreases the student account balances for interest

to be assessed on.

When discussing the expenses section, Ana Karaman pointed out that savings in salary & wages only account for a portion of a year. WOU must give unclassified staff 90-days' notice and classified staff 30-days' notice when a position is eliminated. WOU also sets aside \$600,000 for vacation payouts. By policy classified staff can carry 250 hours and unclassified can carry 180 hours. Individual departments on campus do not have these funds in their budgets, so a reserve was budgeted centrally.

In consultation with the WOU General Counsel, the Finance & Administration division has lowered the budget for unemployment insurance to \$100,00.

Ana Karaman shared that the services & supplies net budget totals include \$8.849M. This includes an additional \$100K budgeted in the operating reserve (bringing the total to \$200K), due to having spent nearly all of the institutional CARES money and uncertainty around continued COVID-19 related needs.

When discussing net transfer assumptions, Ana Karaman shared that because WOU has multiple funds there are transfers between funds. For example, athletics is funded by both an athletic subsidy with funds from the E&G fund and through incidental fees. E&G funds support personnel costs for athletics and the subsidy was reduced because of personnel reductions.

The other change from the Adopted Budget is including \$1M as an E&G subsidy to be transferred to Incidental Fee Component to offset lost incidental fee revenues due to 95% of classes being delivered online in Fall, as well as including a potential continued \$1M of support from E&G for winter and spring terms. Trustee David Foster asked if this suggests that the remainder of the online course fees that were collected will support online education. Ana Karaman clarified that there is no particular designation on what online course fees can be used on. However, the intent is that they will support online education expenses that are already in the budget, such as instructional designers and transition to Canvas.

Trustee Jim Baumgartner motioned to recommend the FY2021 Adjusted Budget to the Board of Trustees, Leah Mitchell seconded the motion, and the trustees voted unanimously in bringing it to the full Board of Trustees.

2) [FY2021 Management Report \(as of Sept 30, 2020\)](#)

Director of Budget and Planning Camarie Moreno, presented the FY2021 Management Report as of September 30, 2020 on page 25 of the docket. Camarie explained the Period 3 (P3) actuals on page 27 and clarified that P3 is the third month of the year and that WOU's fiscal year is from July 1, 2020-June 30, 2021.

Ana Karaman stated that auxiliary funds are consolidated in this report, but include many different auxiliaries, such as housing, incidental fees, bookstore, and that some

auxiliary funds have a higher fund balance than others. Camarie added that some auxiliaries have capital reserve funds as well that are included in the fund balance shown, and Ana Karaman stated that the Article XI bonds used for auxiliary construction are bonds WOU pays itself, which require certain reserves to be held.

Trustee Jim Baumgartner motioned to recommend the FY2021 Management Report as of September 30, 2020 to the Board of Trustees, Leah Mitchell seconded the motion, and the trustees voted unanimously in bringing it to the full Board of Trustees.

III. NOVEMBER 18, 2020 BOARD MEETING PREPARATION

IV. UPDATES AND AROUND-THE-TABLE

V. ADJOURNMENT

Chair Cec Koontz adjourned the meeting at 5:25PM.