



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

**Minutes**

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

Chair Gayle Evans called the meeting to order at 8:02am.

The following trustee committee members were present:

Gayle Evans, Chair  
Cec Koontz, Trustee  
Leah Mitchell, Trustee  
Angela Fasana, Trustee

Others Present Included:

Jesse Peters, President  
Ana Karaman, Vice President of Finance & Administration  
Bill Kernan, Director of UCS  
Camarie Moreno, Director of Budget and Planning  
Samantha Cameron, Budget Analyst  
Darin Silbernagel, Treasurer  
Dona Vasas, Bursar  
Shadron Lehman, Controller  
Cara Groshong, Co-Chair of UBAC  
Chelle Batchelor, Co-Chair of UTAC  
Kevin Thibeault, Business and Facilities Operations Manager  
Rebecca Chiles, Assistant VP for Safety & Operations, Campus Public Safety  
Michael Reis, Director of Academic Innovation, Trustee

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

Chair Evans began the meeting by discussing the importance of working and bonding together as a team after two hard years with regards to the pandemic. Members of the Finance & Administration team introduced themselves to the trustees giving information on their title, job, and how long they have been at WOU. After F&A introductions, the trustees introduced themselves stating their day job and reasons for joining the board.

Chair Evans went through agenda for the meeting and made a note that Dr. Ana Karaman, Vice President of Finance & Administration, will be creating an online training for the committee to understand the business model of WOU; how the institution runs financially, what are the inputs and sources of revenue/expenses and how is it structured to carry out its financial operations. Chair Evans requested that trustees dive deep into understanding the business model so that they can continue to add great feedback and be super productive during the FAC meetings.

### **III. CONSENT AGENDA**

#### 1) Approval of May 25, 2022 Meeting Minutes

Chair Evans requested a motion to approve the May 25, 2022 minutes. Trustee Koontz motioned to approve as submitted. Trustee Mitchell seconded. Evans asked for discussion and upon hearing none took the vote. The vote to approve the May 25, 2022 draft minutes was passed unanimously.

### **IV. ACTION ITEMS:**

#### 1) FY2023 Revised Budget

Dr. Karaman introduced President Peters to present slides from his Presidential Address. Peters gave some background on his career and his excitement to be at Western. Dr. Peters chose, in his address, to show the community where WOU is fiscally and talk about how we could look at the future to get us to become a more sustainable university.

Peters started with the slide titled Power of WOU. Peters discussed the positive things about the institution which include the people, especially employees that have such a passion for the university, the Board of Trustees who really believe in the success of WOU, the alumni who speak highly of their education and continue to offer support, and the location of the university.

The next slide showed the Education & General Fund Revenue graph based on the FY23 preliminary budget. Peters stated that he included this slide so that people could see what revenues come from tuition & fees and what revenue comes from state appropriations and how those lines have been converging over time. Peters stated that Oregon does not support higher education nearly as much as other states which means there is less state money given to the schools and the universities have had to rely more on tuition dollars. As enrollment drops, institutions face a starker funding issue because the tuition drives funding more than state appropriations.

The next slide showed a chart of the FY23 E&G Fund Revenues. The revenues consist of 47.23% tuition & fees, 47.19% state appropriations and 5.58% other. FY23 E&G

Fund Expenses was the next slide. 81% of the university's expenses are the personnel. Enrollment & E&G Expense Trends graph shows that, over time, expenses & transfers have increased while enrollment has started to decline at a faster pace. Peters explained that the increase in expenses & transfers is normal to increase over time due to new employees, raises, and building maintenance. However, enrollment declining at a quicker curve is a bit alarming.

WOU's enrollment is heading towards a 50% decline from a high of 6,187 students in 2012 to 4,029 students in 2021.

Peters next discussed 4 and 6-year graduation rates at the university. 4-year graduation rates teeter in the high 20's percent and the 6-year rates are around 48% (the national rate is about 60%). Peters stated the importance of retaining students and continued to point out that WOU has a retention rate that varies from mid-70's to mid-60's percent.

The final topic that Peter discussed is Strategies for the Future. This includes data driven admissions strategies, clear and robust marketing and communications, focused campaign & fundraising as well as many more.

After the presentation, Peters accepted any questions the trustees or attendees may have. Chair Evans asked what President Peters would like to see the committee work on. Peters stated that FAC is valuable because the committee focuses on ROI such as looking at setting new programs therefore increasing enrollment and strategic investments that also help increase enrollment (possible academic partnerships). Trustee Mitchell asked Peters to discuss enrollment across all universities in Oregon. Peters stated that the decline in enrollment is not WOU specific. SOU is down around 5%, PSU is down around 8%, and all other Oregon universities are down except U of O and OSU. Peters went on to discuss that enrollment processes have changed, and large universities are now accepting more students than ever before, which could mean that individuals are wanting to go towards the bigger universities to start their education, and WOU has a hard time competing with larger universities because it does not have the same resources. Peters is not sure what the solution would be to deal with drop in enrollment, but continued pressure on the legislation to support higher education is one way the universities are fighting decreased enrollment. After no further questions, Evans turned it over to Karaman to present the proposed adjusted budget.

Karaman started the discussion by stating that WOU is tuition dependent, and enrollment controls our finances, therefore, it is important to look at our business model to understand all the components that go into our revenue and, therefore, understand how we expense the resources we have as an institution. Karaman spent several minutes discussing where WOU stands in terms of enrollment by showing the M-Report (Fall 2022 as of Oct. 10) chart. Karaman stated that the adjusted budget shows actual current fall enrollment numbers and these numbers are accurate in the M-Report (matriculation report). Karaman started with the M-Report by pointing out that total enrollment is 3,746 students, total credit hours is 45,776 hours, and total FTE (full-time

enrollment) is at 3,104.6. WOU is very dependent on full enrollment for the entire academic year and all the new students, practically, begin during fall term, which is typically the highest enrollment term each year. The university bases full time enrollment on using the total credit hours which is why current enrollment is at 3,746 students and total FTE is only at 3,104.6. Karaman explains that 15 credit hours equals full-time for an undergraduate student and 12 credit hours for a full-time graduate student. WOU's undergraduate students tend to take less credit hours than the full-time number of 15. They typically average 12-13 credits per term. Karaman stated that these numbers present both a challenge and an opportunity. The more credit hours a student takes, the more revenue the university gains, but it is an opportunity because the students university career can be laid out in a 4-year or 6-year graduation period. Students need to carry a load of 15 credit hours per term to meet the 4-year graduation period. If students take less credit hours and extend to a 6-year graduation, many of those students tend to have to pay more money or run the risk of financial aid ineligibility. Students increasing their credit hours during a term is both beneficial for the university and the student. Karaman continued to say that the reason she stated this was both a challenge and an opportunity is because it gives the University a chance to rethink on what they should do regarding student enrollment. WOU is heavily dependent on undergraduate (UG) enrollment and most of the current enrollment numbers are for UG students (total UG number is 3,317). The university currently has 429 enrolled graduate (GR) students. Karaman stated that this issue also presents an opportunity and a challenge. She continued to explain that in studies it is shown that undergraduate and graduate students tend to act differently during economic circumstances. When the economy is doing better, undergraduate enrollment tends to increase because families feel more secure about investing in education for their family members. Graduate enrollment tends to decline when the economy is doing well because there are many well-paying jobs for those employees who have a bachelor's degree. When the economy is in a decline, undergraduate enrollment tends to decline because families do not feel secure and do not have sufficient resources to invest in an undergraduate education. They tend to invest more in a community college, especially in Oregon because it is practically free of charge. However, graduate enrollment tends to grow during economic declines because employees with bachelorette degrees may be losing their jobs and they may think that this is an opportunity for them to invest in earning a master's degree to further their education and future career. Because of this different response of economic conditions, many institutions strive to have more balanced proportions of UG and GR so they can compensate for the declines in one while the other is growing. Unfortunately, Western is much more invested in UG and GR is such a small component of FTE, not even 10% of the total. Due to this factor, we do not have any room to compensate for the declines in UG enrollment. This, according to Karaman, gives us an opportunity to work on growing GR enrollment as we continue to improve the university's UG enrollment.

Karaman continued with the importance of retention and making sure students continue to come back each year. Retention is very important to the business model because, as

shown in the M-Report, there was a slight increase of +3 freshmen students, but there was a decline in sophomores (-18), juniors (-135), and seniors (-133). Karaman stated that even though the increase of freshmen class members is small, it does give WOU hope that they can reverse the trend of decreasing enrollment. The senior class currently has 1,034 students who most likely will be graduating at the end of this year which means that the university will lose that large number of enrolled students. As students graduate, we need to make up those numbers with new enrollments each year as well as work on our retention numbers. WOU has seen a decline in freshmen enrollment for the past twelve years, which means smaller sophomore, junior and senior classes.

Karaman opened the discussion up for questions. No questions were raised, so Karaman discussed one more point. Karaman stated that there currently is an enrollment projection team that is working on multi-year enrollment projections. Peters gave the goal of 5 in 5, meaning 5,000 FTE in 5 years. The team is working on projections and strategies to implement this goal. Karaman stated that after the committee works on the projections, they will be coming to the Finance & Administration Committee with a financial picture that attaches the enrollment numbers. Trustee Mitchell made the comment that the university has put a lot of interventions in place to increase enrollment and having visibility to the ROI for those interventions. For example, the driver's diagram has ten tactics for ensuring that when students receive counseling about how many credits they take that they receive counseling to take more than 12 credits. Peters stated that since he has joined the university, the enrollment projection team has been restructured and is working on answering many questions and he is hoping that their findings will greatly help with retention and enrollment rates.

Karaman next moved to the adjusted budget section. Karaman stated that one of the aspects of our budget model is that the university operates based on fund accounting. Fund accounting means that we must allocate and spend resources given their purpose. The university has a large Education & General Fund (E&G). The E&G fund can typically be spent for any institutional need. The university also has other funds which are typically restricted in terms of their usage such as auxiliary funds, incidental fee, designated operations and service departments, and other funds. The other funds include grants and we do not budget for grants because they are received as they are expended, as well as capital funds because capital resources come from the state. The University's major fund is the E&G fund. This is where all the tuition and fees go as a resource as well as where all the government resources come. Most of the personnel is paid out of the E&G fund including faculty and most staff. If we, the university, are not doing well in the E&G fund, we are not doing well anywhere else. Our revised budget for E&G fund is assumed to have a net budget deficit of \$7.9M. This includes some one-time activities, and if we look only at the reoccurring deficit budget it is only \$7.7M.

Karaman moved us to the slide that only shows the E&G fund detail. The chart shows the revised adjusted budget, the preliminary budget that was approved a few months

prior, the increase/decrease between the revised adjusted budget and the preliminary budget, the FY22 budget and the increase between the FY23 proposed adjusted budget and the FY22 budget. The primary sources of revenue are tuition and fees and state appropriation. The proposed adjusted budget is based on actual fall enrollment and by making assumptions about winter and spring enrollment. The assumption between fall and winter term is that we will retain 94% of students and between winter and spring term we will retain 94% of those students. Karaman hopes that the university will not face worse attrition numbers such as what happened during the pandemic years. During the first two years of the pandemic, the attrition rate was between 9-10%. Karaman stated that this attrition number is a number that the committee will continue to watch and report back.

The preliminary budget was based on a 5% decline in UG enrollment, the actual percentage is 7% decline in UG enrollment causing a decreasing tuition revenue of \$1,131,837. Graduate enrollment was up by 16 students, however, due to GR students taking a smaller credit load the FTE rate was lower causing a revenue decline of \$389,620 in GR tuition revenue. Summer tuition revenues were lower than typical which could be explained by online fatigue. Total tuition between the FY23 preliminary budget and the FY23 proposed adjusted budget is (\$1,832,657).

Next, Karaman directed attention to the fee side of the revenue where she points out that there was a slight decrease in online course fees since enrollment is lower. Fee remissions are capped at \$5.5M. Total tuition & fees (net of remissions) between the FY23 preliminary budget and the FY23 proposed adjusted budget is (\$1,866,365).

The Government Resources & Allocations section of the revenues stayed the same as the FY23 preliminary budget reports. HECC, Higher Education Coordinating Commission, is still calculating what is going to be the revised allocation. Once this corrected allocation arrives, Karaman will alert the committee with that figure. HECC will reward the institutions that are growing with more funds, while the universities that are declining will receive less funding.

Other revenues remained the same from the preliminary budget to the FY23 adjusted budget. Karaman noted that there was no indication that the figures needed to be changed.

Overall, the total revenues in the FY23 adjusted budget are \$65,868,849 which is (\$1,866,365) from the FY23 preliminary budget.

Expenses were the next section of the FY23 adjusted budget that were discussed. Most of the university's expenses are for people. People are the primary investment for WOU and that includes faculty, staff, and students. 81% of the university's expenses are for personnel.

Karaman flipped to a pie chart (pg. 31 of docket) that shows the breakdown of salary & pay expenses for personnel; faculty \$17,964,764 (47%), unclassified staff \$10,801,058 (28%), classified staff \$6,721,164 (18%), and other \$2,664,331 (7%).

Services & supplies are relatively low. Services & supplies are \$13,265,015 and are also internal sales which is (\$3,501,579). Chair Evans questioned how much personnel expenses are spent on benefits? Karaman answered that it makes up 35.65% of personal expenses. Evans stated that they are state benefits packets that employees enroll in, and they are not managed by WOU.

Karaman moved on to discuss capital outlay and that the university may be changing how they present that in that budget because it is not really a fund that is capitalized. It may be moved to services & supplies.

Total expenses are \$69,985,850. Looking back at the revenue, it is \$65,868,849 which looks like it is close to breaking even, however, there are transfers being made from G&E to support other funds. The largest transfer is to support Athletics. While athletics do not bring much revenue, unless you are at a large football university, it does bring value to students and families. The E&G transfer of \$3,287,753 to Athletics goes to support personnel including coaches, assistant coaches, athletic director, etc. Another transfer is made to the Child Development Center in the amount of \$150,000. The Child Development Center is a huge benefit to employees and students; however, the program does not charge enough to break even, therefore requiring assistance from E&G. SELP, Small Scale Energy Loan Program, is another transfer. WOU receives allocation from the state, regarding SELP, that the university must match 100%. That amount is \$175,000. This makes total transfers \$3,626,99.

Including recurring expenses and transfers, the total expenses is now \$73,612,841 causing a deficit of (\$7,743,992). Karaman stated that if the university continues to operate as it has, this will be the reoccurring deficit until changes are made.

Karaman moved on to one-time activities which include HEERF Reimbursement, Quasi Endowment Transfer (in the docket), Salvage Savings Sweep, and a few other misc. activities.

The Quasi Endowment Transfer is up for staff recommendation and Karaman wanted to discuss this item before returning to the adjusted budget, so that it makes sense. One of the activities that the university is engaging in this year is the equity audit. The equity audit is a part of our Diversity, Equity, Inclusion and Accessibility (DEIA) efforts. This audit is going to cost the university around \$150K. Two years ago, the committee asked the board to approve the transfer of \$850K out of E&G to the Q-E for DEIA efforts and since this is a continuation of those efforts, the committee is asking for the transfer of \$150K out of Q-E to support the equity audit.

This year's budget deficit is \$7,895,762. Karaman stated that the good news is that the university is entering the year with a beginning fund balance of \$15,089,728 which is

due to the federal relief fund that was received during the last three years. Over the last three years, the institution has received about \$14M in federal relief funding. If the university taps into the beginning fund balance, to take care of the \$7.9M deficit, the projected ending fund balance will be \$7,193,966, which would then be the amount of FY24 beginning fund balance. This would mean we would have enough funds to cover a deficit for one more year.

Karaman opened the discussion up for questions. Trustee Michael Reis, Director of Academic Innovation, asked if WOU has ever pursued a banded tuition policy, meaning charging a single-tuition rate for enrollment within a specific range of credits. Peters stated that it is something the university is looking at and is running through the tuition setting committee to see if it is something viable for the university to do.

Trustee Fasana commented that in her line of work, they encourage students to take less than the recommended 15 credit hours because it would be tough for a lot of students to manage 15 credit hours on top of working. She suggested that if we look at pushing students to taking the 15 credit hours, that the university also needs to look at more student support programs.

Karaman thanked everyone for their questions and comments and moved on to point that there have been no revisions to the FY23 Proposed Adjusted Budget other than the E&G funds. Karaman asked to move on to the staff recommendation.

Trustee Koontz moved that FAC forward the staff recommendation to the BOT to approve the FY23 Adjusted Budget as presented in the docket. Trustee Mitchell seconded the motion. The motion was unanimously approved at 9:31am.

## 2) Transfer of \$150K out of Quasi-Endowment to support Equity Audit

Karaman pointed out that she discussed the transfer out of the Q-E during the FY23 Proposed Adjusted Budget discussion and would like to move forward with a motion to approve the staff recommendation. Koontz moved that FAC recommend to the BOT to approve the transfer \$150K out of Q-E to support the Equity Audit. Mitchell seconded the motion. The motion was passed unanimously at 9:33am.

## 3) FY2023 Management Report (as of Sept 30, 2022)

Camarie Moreno, Director of Budget & Planning, gave a brief overview of the FY2023 Management Report to save time for other agenda items. Moreno started off the conversation by discussing P3 FY23 Actuals. She stated that there is not a ton of information available quite yet because it mostly captures summer data. Moreno stated that the other revenues are steady, and that the university is waiting to find out what the final state appropriation will be. On the expense side of the report, personnel remained close to what the numbers were last year with only a slight increase. Services & supplies had a more significant increase due to supply chain issues, however, Moreno



stated that there are no concerns in that area, and they believe that they will remain within budget. Auxiliary showed a slight rebound since more students are coming back to campus and Moreno is hoping that will upturn more during the year. While there is an increase on the revenue side, that means there is also an increase on the expense side because it takes more personnel to deliver the services for auxiliaries. Moreno stated that their projection is exactly what was put on the adjusted budget because that is what they believe is the most likely outcome to occur.

Moreno opened for questions. Not seeing any, Chair Evans looked for a motion to accept the staff recommendation for the FY23 Management Report. Koontz motioned that FAC accept FY23 Projected Year-End Report and the overall Management Report as of September 30, 2022. Mitchell seconded the motion. Motion was unanimously accepted at 9:38am.

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

### 1) Discussion of FAC Contributions to Strategic Priorities

Chair Evans discussed the Finance and Administration Committee's Contribution to Strategic Priorities document which is a proposed work plan for the academic year of 2022-2023. Evans read through the FAC mission and mentioned that one item the committee will be focusing on is reviewing the FAC Charter to get it more in line with the universities current structure, goals, and strategic priorities. FAC is going to carry out its work plan with particular attention to the 5 strategic goals: campus climate, campus morale, enrollment, strategic planning, and comprehensive campaign. These 5 strategic priorities were developed during the Board Retreat and Chair Komp designated each committee chair to execute these strategic priorities within their committee. FAC's work plan for the year includes:

- Implanting a training module to help new committee members come up to speed on WOU's business model and financial structure.
- Review FAC Charter and recommend changes to align with WOU structure, strategy, and best practices. Recommend updates to related Statements and Policies accordingly.
- Receive HR reports and recommendations from President or his designee until HR leader role is filled. Bring recommendations and reports to the Board as appropriate.
- Enhance stakeholder involvement in the development of recommendations and presentations brought to the Board by the FAC.
- Conduct data and reporting needs assessment to support governance, development, strategic planning, and accountability. The outcome could be the elimination of some reports and the creation of new dashboard and analytics.
- Carry out duties of Audit Committee for internal risk assessment process and internal audit plan.

- Conduction regular business with emphasis on providing data, insights, and recommendations that further the strategic goals and return WOU to fiscal sustainability.

After hearing no comments or questions about the work plan, Chair Evans passed it over to Karaman to go over some of the highlights of 5 strategic priorities. Karaman started off by stating that sometimes Finance & Administration is only looked at as controlling the finances, however, they have a much larger role including managing Facilities, University Computing Solutions, and Capital Planning, to name a few. F&A also employs the largest number of classified employees, and F&A is very diverse in their employee base. Karaman believes that F&A has their fingertips on campus climate and morale and can address it quickly through the supervisor's role and management. Karaman briefly touched on each of the 5 strategic priorities:

- **Campus Morale** - F&A is engaged in listening sessions to identify challenges and working collaboratively with the staff to find acceptable solutions. For example, Karaman mentioned Rebecca Chiles, Assistant VP for Safety & Operations, Campus Public Safety. Karaman stated that Chiles uses such a warm human approach when working with her employees, that the employees feel heard and listened to. Karaman stated that we need to do a better job of listening to our employees by continuing to engage with all levels of staff.
- **Campus Climate** – An important component is F&A's participation in the DEIA initiatives. Part of F&A's strategic plan is how, as a division, we can contribute to these initiatives and various practices that are implemented. Karaman also stated that a big part of campus climate is professional training. The university will strive to create intern programs for students to gain experience and training, especially those students who may have more difficulty gaining employment. Karaman thanked Bill Kernan, Director of UCS, for his consistent work of always working with student employees and helping them grow their professional development.
- **Enrollment** – Karaman thanked Dona Vasas, Bursar, for working so hard to be transparent to students and for implementing a financial literacy component for students that talks about how you survive financially through college. It is going to be FAC's duty to put a financial picture to the enrollment strategies and assist with implementing those strategies.
- **Strategic Planning** – Karaman stated that this is very important to the university because you want to ensure a financially sustainable and prosperous future for the institution. Karaman is determined to work on getting the university in financial prosperity and will continue to make efforts with strategic planning.
- **Comprehensive Campaign** – Karaman spoke about the \$5.5M tuition discount that is remitted from E&G annually. Working on raising additional scholarship funds could provide budget relief to the tuition discount category allowing for reallocation of tuition discount dollars to other areas of need.

Chair Evans asked for questions and, not seeing any, closed out this discussion by mentioning that this document will move on to the Executive Committee for further review.

## 2) Capital Projects Update

Jason Krawczyk, Director of Capital Planning & Construction, was not able to attend the meeting, so Karaman discussed the Capital Projects Update. Karaman began by discussing the Student Success Center. Karaman stated that the Student Success Center is going to be very important for students because it will offer a variety of academic support services within one building. Karaman introduced Chelle Batchelor, Dean of Library and Academic Innovation, who is assisting with the project. Batchelor stated the project started Fall of 2021 with input from a big stakeholder group. The group created a vision and a mission for what the Student Success Center would look like. The committee also had three students as members who were able to provide input on what they would like in the Student Success Center. The committee came up with a mission that is support for academic students which will complement the services of the library and the Werner University Center which are nearby. The Student Success Center will be geared more towards student activities and engagement. The next step was to choose an architect and WOU hired Gensler Architects to design the new Student Success Center. Gensler has been developing early initial design concepts and will have them mid-November. Karaman added that this is a \$21M project and it has been funded through the state. The university is still on schedule and on budget to open the building in Fall of 2024.

Karaman moved on to discuss the steam tunnel project. WOU received \$16M to complete this project from the Oregon Senate Bill 5202. The life expectancy of this type of steam pipeline tunnel is 50 years and Karaman added that it is humbling that this project will improve the campus for many years to come.

Another project is campus roofing. Karaman stated that Capital Improvement and Renewal funds, given through the state, provided \$1.2M to replace the roofs on three campus buildings. The Advising Center is the first building to have a new roof and the remaining buildings will be completed in late spring of 2023 due to the wet fall, winter, and spring months of Oregon.

One last project mentioned was the flooring of the New Physical ED building. New hardwood floors were installed over the summer and fall of 2022 and funds were provided from Capital Improvement and Renewal. It cost \$.5M.

## 3) University Budget Advisory Committee (UBAC)

Cara Groshong, Co-Chair of UBAC, took charge of the conversation. Groshong stated that she and Karaman met with Peters at the end of September to talk about the agenda for the year. UBAC will continue to engage with campus to facilitate opportunities to get ideas about saving money, increasing enrollment, and helping with

revenue. UBAC will also continue campus wide budget conversations and their first meeting was October 27<sup>th</sup> to look at the FY23 updated budget.

#### 4) University Technology Advisory Committee (UTAC)

Chelle Batchelor, Co-Chair of UTAC, took charge of discussing the UTAC update. Batchelor and Kernan, the other Co-Chair of UTAC, were able to meet with President Peters to discuss goals for the upcoming year. Batchelor stated that the charge of UTAC has not been updated since 2018. This caused Batchelor and Kernan to go back to UTAC to come up with ideas on how to update the committee's charge. Batchelor stated how inspired she has been by the work Groshong has done with UBAC and wants UTAC to fill a similar role for the university. Batchelor and Kernan will continue to work with the committee on how they can revise their charge and develop a new way of gearing the committee's membership to be more geared towards a technology base. One of the committees' goals is to work on technology accessibility on campus.

#### 5) FY2022 Q4 Investment Report

Karaman spoke briefly about the FY2022 Q4 Investment Report and noted that as an institution we do not manage our investments. Those investments are managed by the State Treasury. Also, with respect to the Public University Fund (PUF), we are one of seven universities and all the funds are managed collectively. WOU does not have a separate investment fund. The Q-E is managed by the State Treasury as well.

#### 6) Cash Flow Narrative FY23

Karaman pointed out that they implanted the Executive Summary in the cash flow narrative to highlight what is our beginning cash and projecting cash based on expected cashflow. It is important for the board to know how much cash WOU has.

#### 7) Status Report on Audit of Financial Statements and Single Audit

Shadron Lehman is the university's Controller and has overseen the audits. Karaman reported that the audit has been completed. Lehman said that the report will be submitted to the state by the 15<sup>th</sup> of November, and he is working with the auditors on finalizing the report. Karaman stated that this will be an action item for the next committee meeting.

#### 8) Update on Cleaning & Safety Protocol

Chiles mentioned that they are cleaning this entire campus with only 8 people. During pre-pandemic times, the university had about 18 custodians, so it shows how much they've had to scale down. The team continues to focus on the large rooms where they know a lot of individuals have frequented such as classrooms, meeting rooms, doorknobs, handrails, etc. Night custodians work from Sunday-Thursday nights and Chiles meets with them every term. Chiles makes sure that all the custodians feel included and heard.

Chiles discussed the recent Great Shakeout Earthquake Drill and how she would like to conduct an active shooter training in the Old Ed building before it is torn down for reconstruction.

Chiles commented on previous training that the university had on pandemics prior to the Covid pandemic. The university participated in a pandemic exercise in conjunction with Polk County Health Department and OHSU nursing students. The university did the training and practices for this type of pandemic and ended up giving their students flu vaccines. When the Covid-19 pandemic hit, the university was able to assist quickly because of this training.

Chair Evans asked Chiles how her custodial team was doing going from 18 employees down to 8 without compromising any safety and cleanliness standards. Chiles responded that the university has provided a lot of support to the team by getting more student workers. This benefits students with on-the-job training and, also, it benefits students that live on campus and do not have transportation to go to other jobs. The Cabinet also approved the hiring of one additional custodian. Chiles said folks on the night shift are very excited that they have help coming.

Chair Evans then asked if Facilities has everything they need to comply with OSHA regulations around air quality, heat, and smoke. Chiles responded that they are waiting for legal to write policies. Chiles stated they have internal protocols set for heat including an ice machine and personal coolers. For air quality, classrooms and meeting rooms are a must for controlling air quality and offices are looked at on a case-by-case basis.

## **VI. November 16, 2022 BOARD MEETING PREPARATION**

Chair Evans reported that the FY2023 Proposed Adjusted Budget and Transfer of \$150K out of Q-E will go to the board for approval. Karaman added that the FY23 Management Report will also go as a consent agenda.

Chair Evans then moved back to the work plan that is on the FAC Contributions to 5 Strategic Priorities document. Chair Evans stated that she wants to work on items in between committee meetings including charter review. She would like the committee to read and review the charter prior to the next committee meeting. Also, at the next FAC meeting, will be discussing regular business which will include financial statements and the audit results. Chair Evans also requested guiding principles that may already be in place and a philosophy on finances that are out there which could have possibly been given to UBAC. She would like more discussion on this at the next committee meeting.

With time left in the meeting, Chair Evans opened the discussion on the reporting needs assessment. Chair Evans questioned what has been done already? Does the staff and management team feel like it is already in the works? Should we have more discussion

on things such as the dashboard? Who should be involved in this process? Who are the stakeholders on report assessment?

Chair Evans asked who the stakeholders are that should be involved with the reporting assessment? The Board of Trustees, UBAC, Tuition and Fees Advising Committee, Senior Management, legislators, and the Foundation were identified groups.

Koontz brought up the university's investment in EAB and other consultants on enrollment and how to measure the ROI on those investments, because they were huge initiatives. President Peters stated that consultants, such as EAB, would be able to give data based on other universities enrollment and that is something that WOU can ask for.

Chair Evans asked if we wanted to have a report on strategic investments that have already been made and are continuing and to get the ROI on those investments to get a baseline? What would be a good ROI lookback for the committee?

Karaman responded. She would like to have a joint committee meeting with Academic Affairs or at least a subsection of the Academic Affairs individuals because she believes it is important to look at the analysis from both the academic side as well as the financial side to build a more holistic picture. One item to be reviewed would be the Salem campus building. The Salem building was purchased several years ago and, due to the pandemic, the original building plans were altered. Now that the pandemic is ending, what are the new plans for the building? On one side, Karaman stated that the university could always liquidate the building and they would receive their funds back, and more given the real estate values, but that is not why the building was acquired. It was acquired for other purposes. What should the future of this building be?

Another investment that Karaman brought up was the \$5.5M financial aid in tuition discount. We contracted with RNL to increase student enrollment and it would be nice to hear, after a year of experience, how RNL themselves are revising the approach going forward and how they are revising predictions for the university. Karaman is interested to see what recommendations and revising RNL will give to the university because the first year was during a pandemic year and how will they move forward the next four years.

The final investment Karaman brought up was EAB. She stated this will interplay with the Salem building and continuing adult education. How will EAB influence what is being done to the Salem building? Also, how will EAB help with undergraduate enrollment? Karaman stated that EAB has already provided some feedback on areas of growth and have recommended on what areas WOU needs to invest in. This, according to Karaman, will be coming at a good time because of the university's investment in occupational therapy. Is this investment in line with what EAB would recommend and is it in the direction that EAB thinks the university should head towards?

Peters also discussed the Salem building and stated that he can already see some returns that are hard to measure. For example, the state may be interested in using the

building for some employee training. One reason for catching their attention is because WOU has a presence in Salem now, and there are so many state employees in Salem right around the Salem building.

Another thing that would be interesting to measure, according to Peters, would be the Destination Western Program. Originally the funding for this program came from state funds, however, Peters responded putting funds into something like a bridge program clearly impacts retention in a positive way that helps the university have an argument to put some of their own funding into similar programs.

Karaman stated that while looking at ROI, we also need to look at our future investments such as the occupational therapy program. The comprehensive campaign would also be something valuable to discuss with the Foundation and their finance committee to discuss challenges that the university budget is facing. Another item would be enrollment. How can we continue to invest in growing enrollment with marketing and possibly in person recruiters. Should we look at these intentional investments to grow enrollment?

Karaman added that the University should always have an exit strategy when engaging in a new initiative, just in case it does not work out. Karaman adds that we should not be afraid to try.

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

Chair Evans stated there was no time for round tables this meeting, but hopefully at the next.

## **VIII. ADJOURNMENT**

The Finance & Administration Committee Meeting was adjourned at 11:00am.