



**Board of Trustees  
Finance and Administration Committee Meeting**

**Thursday, March 15, 2018  
4:00 p.m. – 6:00 p.m. (or until business concludes)  
DeBoer Room, Hannon Library**

**MINUTES**

**Call to Order/Roll/Declaration of a Quorum**

In Chair Paul Nicholson's planned absence, Trustee Dennis Slattery called the meeting to order at approximately 4:00 p.m. and welcomed Matthew Soloway and other members of the Tuition Advisory Council (TAC).

The following committee members were present: Les AuCoin, Sheila Clough, Lyn Hennion, Shanztyn Nihipali, and Dennis Slattery. Chair Paul Nicholson and Trustee April Sevcik were absent. Trustees Bill Thorndike and Linda Schott (ex officio) also attended the meeting.

Other meeting guests included: Greg Perkinson, Vice President for Finance and Administration; Dr. Susan Walsh, Provost and Vice President for Academic and Student Affairs; Jason Catz, General Counsel; Janet Fratella, Vice President for Development; Matthew Soloway, ASSOU and TAC; Joe Mosley, Director of Community and Media Relations; Jordan Marshall, TAC; Mark Denney, Associate Vice President for Budget and Planning; Josh Lovern, SOU; Kelly Moutsatson, Director of Admissions; Treasa Sprague, Administrative Services Coordinator; Anna D'Amato, Director of Student Health and Wellness Center; Fred Creek, Director of Campus Public Safety; Michael Parker, SOU; Matt Stillman, University Registrar; Devon Backstrom, ASSOU; Alana Lardizabal, Director of Human Resources; Steve Larvick, Director of Business Services; Deborah Lovern, Budget Officer; Debbie O'Dea, Financial Aid; Hugues Lecomte, Director of Campus Recreation; Staci Buchwald, Director of Housing; John Stevenson, User Support Manager; Sabrina Prud'homme, Board Secretary; and Kathy Park, Executive Assistant.

**Public Comment**

There was no public comment.

**Vice President's Report**

**Capital Projects and Deferred Maintenance Prioritization**

Greg Perkinson said the legislative fix for the Department of Administrative Services' error regarding the lack of bond authority for the third and fourth years of construction projects is moving through the system and is awaiting the governor's signature. Part of the strategy was to seek forward funding from the HECC for the fourth quarter in the amount of \$3.3 million to improve SOU's cash position.

Regarding capital improvements, Mr. Perkinson said the universities developed a strategy for working with the HECC on its new rubric for scoring capital project requests. The strategy is to have an open, transparent and objective scoring framework so SOU is in a good position to receive funding. President Schott mentioned the university presidents' efforts on this issue.

SOU's boiler project was funded at \$2.8 million and had support from OSA and ASSOU.

Mr. Perkinson said SOU's internal process for deferred maintenance requests is now more collaborative and transparent. Drs. Susan Walsh and Blaine Steensland were included in the discussions on the current backlog in deferred maintenance to ensure the Finance and Administration team was not looking at the projects in a vacuum.

SOU was awarded a Gold Star certificate from the Department of Administrative Services' Chief Financial Office, which Steve Larvick accepted on behalf of the his team. The award is a testament to their timely and accurate financial reporting, which the state values.

### **Consent Agenda**

Trustee Clough moved to approve the minutes from the February 15, 2018 meeting, as presented. Trustee Hennion seconded the motion and it passed unanimously.

### **Action Items**

#### 2018-19 Proposed Student Incidental Fee Recommendation and Overview of Student Fee Process

Discussing the student fee, its history and the process, Matthew Soloway reviewed this information as presented in the meeting materials.

At Trustee Nihipali's request, Mr. Soloway described the intensive student fee process: new and long-standing groups present their requested budgets. Then, the sub-committees deliberate and evaluate the requests based on guidance from the Student Fee Committee. Responding to various inquiries, Mr. Soloway said entities that receive student fees try to get as close as possible to a zero ending fund balance by the end of the year. Budgets do not roll over to the next year but are recaptured to cover groups that overspend, or they go into emergency reserves. The deliberations on allocation of funds take into account the number of students the group directly and indirectly impacts.

Regarding expenditures by each group, Mark Denney said he gives a report at the beginning of the year on the ending fund balance and the spending by each program in the prior year. The Student Fee Committee uses this information to determine if it wants to take action against any group that overspends. Most groups are overseen by managers in Student Life and any overspending is usually limited to a few hundred dollars.

Trustee Thorndike mentioned concerns expressed regarding the Schneider Children's Center. Mr. Soloway said the student body reaction is very mixed. Students realize the center is losing funds rapidly but there is a referendum to keep funding it. Students also recognize the childcare needs of some students.

Regarding the student incidental and recreation center fee recommendation, Mr. Soloway addressed each line item on the budget as presented in the meeting materials. Mr. Denney corrected one figure in the recommendation: the Schneider Children's Center should be \$164,817. The impact per student would be a total increase of \$45 for the fall, winter and spring terms.

#### 2018-19 Proposed Tuition and Mandatory Fees

President Schott stressed the importance of and the amount of thought that goes into setting the appropriate tuition rate. It requires a balance of keeping tuition low for the students and providing the university what it needs to maintain its strength and continue to provide support to its students.

As detailed in the meeting materials, Mr. Denney said the total cost of attendance includes tuition, mandatory fees, housing and meals and compared tuition rates along with enrollment trends at the Oregon universities. Although SOU has experienced ups and downs in enrollment, Mr. Denney expects that many efforts on campus will continue supporting SOU's upward trend in retention.

Mr. Denney asked members of the Tuition Advisory Council (TAC) to provide their thoughts on the process used to develop the recommended tuition and fee rates. Members said the process went smoothly and was very transparent; praised Mr. Denney's work; thought information from the other universities was critical; appreciated the participatory aspect of the process and the focus on the student voice; and thought there was a good mix of viewpoints from the TAC members.

Trustees Clough and Hennion raised questions regarding communication with constituency groups about the process. The TAC members said they met with Faculty Senate, Student Senate, as well as the University Planning Board, and considered the feedback received in making a final recommendation. They also kept the faculty union [APSOU] updated. A student member said this year the process was smoother and more open with utilization of the pro forma and discussions about different rates. Mr. Denney added that a few open forums will take place after spring break and noted that the TAC maintains an open Google site. President Schott added that she sent a message to all employees and students about the proposed rate and invited people to attend the board's meetings. If the recommendation is approved, financial aid will be out tabling again to talk to students.

As chair of the TAC, Dr. Walsh thanked the group for all of their hard work and praised Mr. Denney's ability to simplify complicated information.

Mr. Denney then explained SOU's cost drivers and levers. Labor—primarily retirement and medical—is the main driver of increased costs. The levers include continued cost management, stability of state funding, and tuition revenue. SOU's spending per full time equivalent (FTE) remains the lowest all seven Oregon public universities. As detailed in the meeting materials, Mr. Denney also reviewed state funding for the universities as well as enrollment projections for SOU.

Responding to Trustee Clough's inquiry regarding the enrollment projection, President Schott said she is comfortable with the projection; is encouraged by the increased

retention, conversions, and the online MBA program; she hopes the projection is a conservative estimate.

Mr. Denney then covered various figures in the pro forma, saying it was built using the proposed tuition increases and stressing the importance of recruitment, retention and cost containment. The current projections result in an ending fund balance above 11 percent for the current biennium, above 10 percent for the next, and decreases after that. Although there have been improvements, SOU must continue to improve student success and retention, remove and lower costs, seek stability in funding at the current service level, and continue to invest. He added, COLA, step increases, PERS and medical increases are included in the pro forma numbers.

Discussion ensued on the proposed rates for tuition and mandatory fees, the differential rate for American Samoa, and the total cost of attendance, as detailed in the meeting materials. At a 4.22 percent increase for resident undergraduate tuition, the rate would be \$172 per credit hour. At a 4.37 percent increase, the student incidental fee would be \$358 per term. For full-time resident undergraduate students, the increase in tuition would be \$313 per year and the increase in the total cost of attendance would be just over \$800 per year.

At Trustee Nihipali's request, Mr. Denney mentioned the TAC's additional request that President Schott consider allocating additional funds for the tuition assistance program on campus and, if enrollment were significantly stronger than projected, a lower tuition rate. Mr. Denney added that President Schott is supportive of that request.

Trustee Nihipali moved to approve the proposed resolution on the tuition and fees for academic year 2018-19, as included in the meeting materials. Trustee AuCoin seconded the motion and it passed unanimously.

#### Osher Lifelong Learning Institute (OLLI) Renovation Project

Janet Fratella said OLLI conducted a space utilization study and concluded its current space will meet its future needs, with some renovations. The proposed renovation project costs \$676,000 and nearly all of it will be privately funded. The costs for HVAC are not yet known but are estimated to be anywhere between \$80,000 and \$180,000; Facilities Management will cover these because the rooms are classroom spaces.

Trustee Hennion moved to recommend the request to the board for its approval. Trustee Clough seconded the motion and it passed unanimously.

#### **Information and Discussion Items**

##### Budget Projections - Review of Pro Forma

This agenda item was covered during the discussion of the proposed tuition fees.

##### Future Meetings

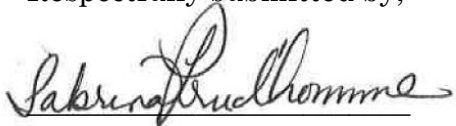
The next committee meeting will be on April 19<sup>th</sup>.

#### **Adjournment**

Trustee Slattery adjourned the meeting at approximately 5:55 p.m.

Date: April 19, 2018

Respectfully submitted by,

A handwritten signature in cursive script, reading "Sabrina Prud'homme". The signature is written in dark ink and is positioned above the printed name.

Sabrina Prud'homme  
University Board Secretary