



OFFICE OF THE BOARD OF TRUSTEES

**Public Meeting Notice**

January 8, 2026

**TO:** Southern Oregon University Board of Trustees, Finance and Administration Committee

**FROM:** Sabrina Prud'homme, University Board Secretary

**RE:** Notice of Regular Meeting of the Finance and Administration Committee

The Finance and Administration Committee of the Southern Oregon University Board of Trustees will hold a regular meeting on the date and time set forth below.

There is a Vice President's Report on the agenda consisting of a review of key financial observations and updates on related activities, and updates on the Fiscal Year 2024-2025 year-end, as well as the status of SOU's external audit, and state funding.

Information and discussion items include Fiscal Year 2025-2026 financial reports and updates, and a Resiliency Plan implementation update. The committee will also discuss a comprehensive update on SOU Facilities, the topics of which will include the SOU Campus Masterplan; a general update on capital projects, and information on capital improvement and renewal funding. The committee will also discuss an update on the sale of excess SOU Properties and will act on the use of proceeds from these sales. The committee will also discuss an update on the Core Information System Replacement (CISR) project management.

The meeting will occur as follows:

Thursday, January 15, 2026

5:00 p.m. to 7:30 p.m. (or until business concludes)

SOU Ashland Campus, Hannon Library, Meese Room

1290 Ashland Street, Ashland, OR, 97520

Materials for the meeting are available at [governance.sou.edu](https://governance.sou.edu).

To view the proceedings, visit <https://sou.zoom.us/j/81202014049> at the time of the meeting.

**If ADA accommodations are required for persons with disabilities, please contact Holly Frazier at (541) 552-8055 or email [trustees@sou.edu](mailto:trustees@sou.edu). Accommodation requests should be made at least 48 hours in advance.**

**Public Comment**

The Board of Trustees welcomes public comment. Members of the public who wish to provide live public comments in person or remotely during the meeting are invited to sign up to speak at least 24 hours in advance of the meeting. Public commenters may sign up to speak or submit written comments via email to the Board of Trustees at [trustees@sou.edu](mailto:trustees@sou.edu). To sign up by phone, commenters may also contact the Office of the Board of Trustees at (541) 552-8055 and provide their name, email address, phone number, relationship to SOU, and the subject of their public comments. Written public comments also may be delivered by hand or mailed to the SOU Board of Trustees, 1250 Siskiyou Boulevard, Churchill Hall, Room 107, Ashland, OR 97520.



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

**January 15, 2026**

A thick red horizontal bar is positioned below the date, and a thick black horizontal bar is positioned below the red bar, extending across the width of the page.

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



Board of Trustees  
Finance and Administration Committee Meeting

Thursday, January 15, 2026  
5:00 p.m. – 7:30 p.m. (or until business concludes)  
Meese Room, Hannon Library, SOU Campus  
Zoom: <https://sou.zoom.us/j/81202014049>

AGENDA

Persons wishing to provide live public comments in the meeting or in writing may sign up at [trustees@sou.edu](mailto:trustees@sou.edu).  
Please note: times are approximate and items may be taken out of order.

- |           |          |  |  |
|-----------|----------|--|--|
| 5:00 p.m. | <b>1</b> | <b>Call to Order/Roll/Declaration of a Quorum</b>                        |  |
|           | 1.1      | Welcome and Opening Remarks  | Chair Liz Shelby   |
|           | 1.2      | Roll and Declaration of a Quorum   | Sabrina Prud'homme,<br>SOU, Board Secretary  |
|           | 1.3      | Agenda Review  | Chair Liz Shelby   |
| 5:05      | <b>2</b> | <b>Public Comment</b>  |  |
| 5:20      | <b>3</b> | <b>Vice President's Report</b>   | Dr. Carson Howell, Vice<br>President for Finance and<br>Administration   |
|           | 3.1      | Review of Key Financial Observations and<br>Update on Related Activities |  |
|           | 3.2      | Fiscal Year 2024-2025 Year-End and External<br>Audit Status Update       |  |
|           | 3.3      | Update on State Funding  |  |
|           | <b>4</b> | <b>Action, Information, and Discussion Items</b>                         |  |
| 5:35      | 4.1      | Fiscal Year 2025-2026 Financial Reports and<br>Updates                   | Dr. Carson Howell; Josh<br>Lovern, SOU, Director of<br>Budget and Planning   |
| 6:10      | 4.1.1    | Resiliency Plan Implementation Update                                    | Dr. Carson Howell; Dr.<br>Casey Shillam, SOU,<br>Provost and Executive Vice<br>President for Academic<br>and Student Affairs |

**Southern Oregon University  
Board of Trustees  
Finance and Administration Committee Meeting  
Thursday, January 15, 2026**

**AGENDA (Continued)**

	4.2	Facilities Update	
6:20	4.2.1	SOU Campus Masterplan	Dr. Carson Howell, Rob Patridge, SOU, General Counsel
6:25	4.2.2	Update on the Sale of SOU Properties and Use of Proceeds (Action)	Dr. Carson Howell, Rob Patridge; President Rick Bailey
6:45	4.2.3	Capital Projects Update	Leon Crouch, SOU, Director of Facilities Management and Planning
6:55	4.2.4	Capital Improvement and Renewal Funding	Leon Crouch
7:10	4.3	Core Information System Replacement (CISR) Project Management Update	Dr. Carson Howell
7:20	4.4	Future Meetings	Chair Liz Shelby
7:30 p.m.	<b>5</b>	<b>Adjournment</b>	Chair Liz Shelby

# Public Comment

# Vice President's Report

# VPFA Report

- The state funding formula does not serve us well
- Expenditures are outpacing revenues
- Financial policies need to be strengthened and enforced
- Financial reporting to the Board is insufficient
- Some critical areas are too lightly staffed

# VPFA Report

- The state funding formula does not serve us well
  - SSCM review is starting this month
    - Representative from each institution
  - Joint VPFA/LAC meeting
    - SSCM Process Overview and Timeline
    - Lessons Learned
    - Goals and Alignment

# VPFA Report

- Expenditures are outpacing revenues
  - Training modules from Controller’s Office are in development and should be deployed soon
  - Developing Student Accounts Receivable training for campus
  - Budget info and training
    - Budget training started in December
    - Since moving to Workday – greater visibility now
    - Continued improvement of the Workday platform
    - Not fully developed yet

# VPFA Report



- Financial policies need to be strengthened and enforced
  - Pcard audit and policy review
  - Travel policy
  - Procurement policy and procedures

# VPFA Report



- Financial reporting to the Board is insufficient
  - Unveiling of new budget document
  - Aligned with HECC reporting
  - Burn rates and updated projections

# VPFA Report



Student Account Balances Data  
Fiscal Year 2025, Compared to FY2024

5/6/24

	Outstanding Student Account Balances				# of Accounts			Average Student Balance			
	Fiscal Year		Change	% Change	Fiscal Year			Fiscal Year		Change	% Change
	2024	2025			2024	2025	% Change	2024	2025		
July	\$ 16,648,950	\$ 15,420,375	\$ (1,228,575)	-7.4%	3,389	3,571	5.4%	\$ 4,913	\$ 4,318	\$ (594)	-12.1%
August	\$ 16,106,765	\$ 14,506,099	\$ (1,600,666)	-9.9%	3,242	3,220	-0.7%	\$ 4,968	\$ 4,505	\$ (463)	-9.3%
September	\$ 24,515,367	\$ 21,338,605	\$ (3,176,762)	-13.0%	4,660	4,396	-5.7%	\$ 5,261	\$ 4,854	\$ (407)	-7.7%
October	\$ 19,472,682	\$ 16,980,912	\$ (2,491,769)	-12.8%	3,939	3,441	-12.6%	\$ 4,944	\$ 4,935	\$ (9)	-0.2%
November	\$ 17,632,760	\$ 15,388,760	\$ (2,244,000)	-12.7%	3,559	3,088	-13.2%	\$ 4,954	\$ 4,983	\$ 29	0.6%
December	\$ 32,464,532	\$ 29,777,428	\$ (2,687,104)	-8.3%	5,194	4,819	-7.2%	\$ 6,250	\$ 6,179	\$ (71)	-1.1%

Fiscal Year	% Not Collected
2025	9%
2024	11%
2023	14%
2022	12%
2021	13%
2020	9%
2019	8%
2018	7%
2017	8%
2016	6%



Student Account Balances Data  
Fiscal Year 2026, Compared to FY2025

5/6/24

	Outstanding Student Account Balances				# of Accounts			Average Student Balance			
	Fiscal Year		Change	% Change	Fiscal Year			Fiscal Year		Change	% Change
	2025	2026			2025	2026	% Change	2025	2026		
July	\$ 15,420,375	\$ 14,412,928	\$ (1,007,447)	-6.5%	3,571	3,544	-0.8%	\$ 4,318	\$ 4,067	\$ (251)	-5.8%
August	\$ 14,506,099	\$ 13,431,381	\$ (1,074,718)	-7.4%	3,220	3,146	-2.3%	\$ 4,505	\$ 4,269	\$ (236)	-5.2%
September	\$ 21,338,605	\$ 20,010,509	\$ (1,328,095)	-6.2%	4,396	4,329	-1.5%	\$ 4,854	\$ 4,622	\$ (232)	-4.8%
October	\$ 16,980,912	\$ 15,949,278	\$ (1,031,634)	-6.1%	3,441	3,239	-5.9%	\$ 4,935	\$ 4,924	\$ (11)	-0.2%
November	\$ 15,388,760	\$ 14,095,469	\$ (1,293,291)	-8.4%	3,088	2,969	-3.9%	\$ 4,983	\$ 4,748	\$ (236)	-4.7%
December	\$ 29,777,428	\$ 19,979,822	\$ (9,797,606)	-32.9%	4,819	4,324	-10.3%	\$ 6,179	\$ 4,621	\$ (1,558)	-25.2%

# VPFA Report

- Some critical areas are too lightly staffed
  - Enterprise Risk Management survey conducted in December
  - Presentation to the Executive, Audit, and Governance Committee
  - President Bailey’s comments at January 6 HECC meeting
    - SOU is most efficient university in the system
    - Good, but not sustainable

# FY 2025 External Audit Update



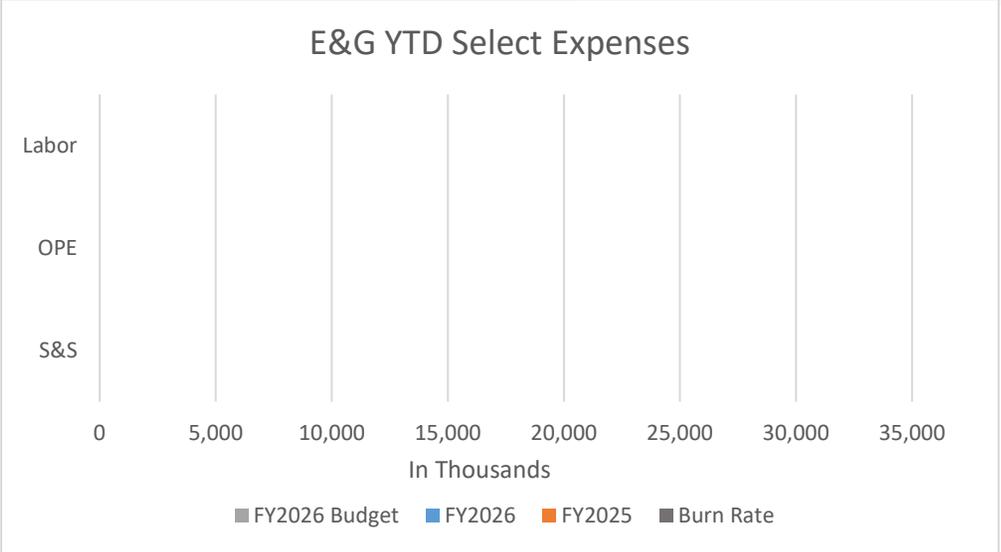
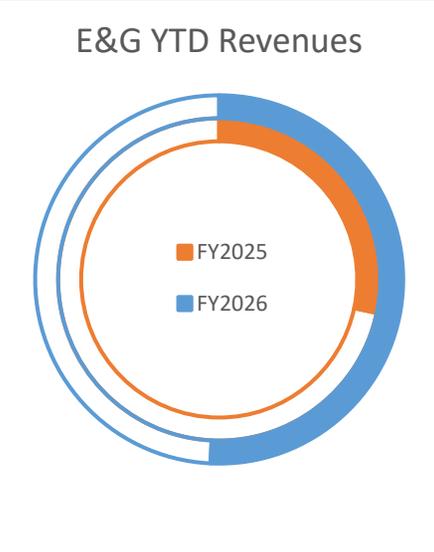
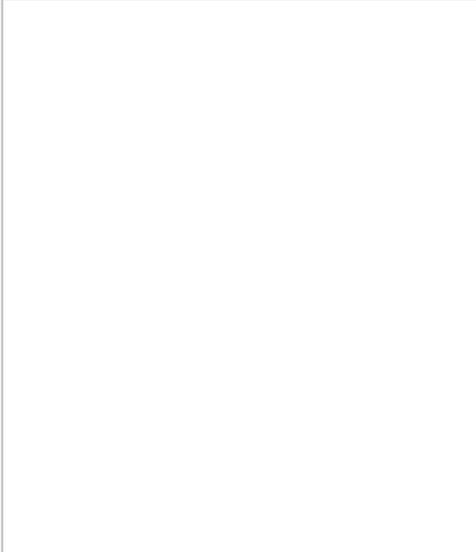
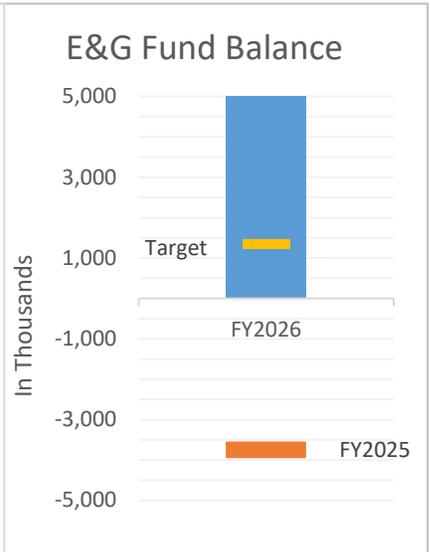
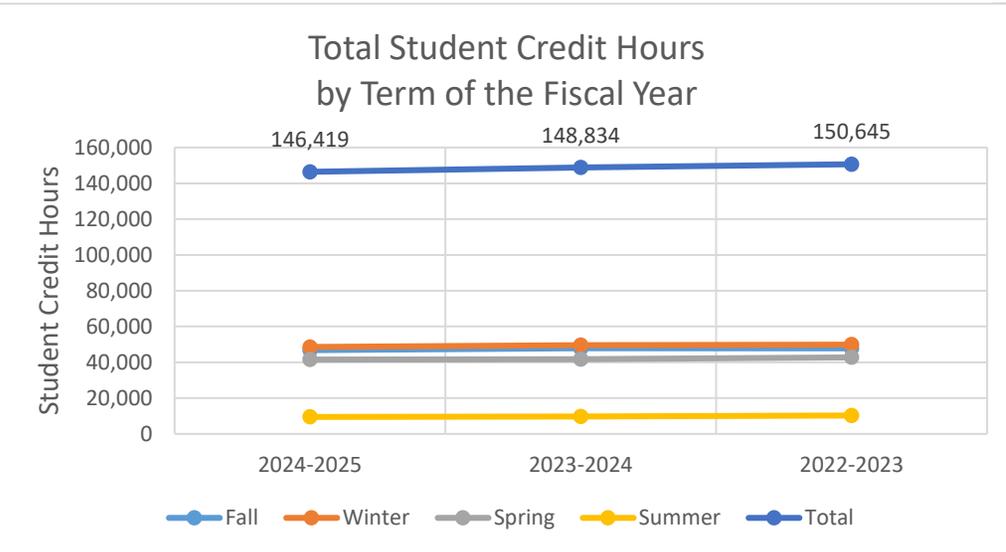
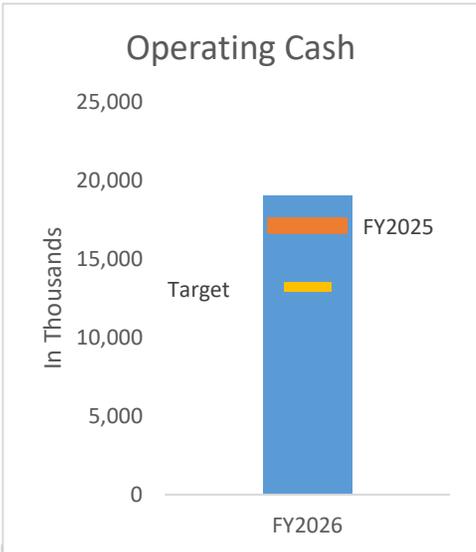
- Audit work to begin this week
- Targeted date of January 23<sup>rd</sup> for draft
- Anticipating a special meeting in March to accept the audit report

# **Fiscal Year 2025-2026 Financial Reports and Updates**

# Financial Dashboard

For FY2026

As of November 30, 2025



# Budget Update

- FY2025 Fiscal year-end close nearly complete; audit starting soon
- Many updates occurred during close resulting in significant changes to projections and model updates
- Local support from IT to update ‘Budget Master Extract’ resulted in a much more robust data set to work from
- Massive shift from legacy pro forma model

# NEW Report Layout for Today

## Problems with Pro Forma

1. Not enough data for campus stakeholders
2. Longitudinal comparisons not easy to achieve
3. Not ideal with Workday data
4. Not easily adapted for non-E&G areas
5. Greater desire for more ad hoc scenario builds
6. More standardization – entire design based on HECC reporting (Financial Sustainability and Conditions Reports, Budget Note, SHEEF, etc.)
  1. Report data goes back to 2014 using legacy HECC submissions
7. Reliant on very specific skill set and individuals to manage; more cross functional = easier to maintain

# NEW Report Layout for Today

## What's Still In Development

### 1. Projections past current Fiscal Year

1. SCH Model – Completed June; Fall 2025 projection 0.02% from actuals
2. ‘Project Architect’ will require instant response scenario models
3. Labor Model – projection models to be refined in Adaptive Planning for each labor classification (Faculty, Classified, Unclassified, Student)
4. OPE Model – Composite benefits creating reporting challenges

### 2. Key Performance Indicators (KPIs)

1. A new robust KPI library was created in tandem with new report; 60+ KPIs
2. Institutional Budget Committee (IBC) to review, but formal adoption still to be determined by campus stakeholders

# Education and General (E&G Fund)

	AUDITED ACTUALS		UNAUDITED	CURRENT ACTUALS & END-OF-YEAR PROJECTIONS			
	FY2023	FY2024	FY2025	FY2026 BUDGET	FY2026 YTD Actuals	YTD Actuals % of Budget	Full FY2026 Projection
<b>Revenues</b>							
Gross tuition and fees	37,432,028	37,681,523	37,008,351	37,945,000	19,354,299	51%	38,736,872
Less fee remissions	(4,001,773)	(4,852,792)	(5,294,416)	(5,162,000)	(1,845,857)	36%	(5,260,692)
Net Tuition & Fees	33,430,255	32,828,731	31,713,936	32,783,000	17,508,442	53%	33,476,180
State operating appropriations	26,821,785	28,798,891	28,625,062	29,301,951	17,646,285	60%	28,898,114
State debt service appropriations	179,160	179,160	179,160	179,160	-	0%	179,160
Indirect cost recovery	310,000	295,045	308,132	310,000	169,952	55%	310,000
All other	1,585,425	2,875,538	2,002,053	3,690,000	1,058,661	29%	2,256,974
<b>Total revenues</b>	<b>62,326,625</b>	<b>64,977,365</b>	<b>62,828,342</b>	<b>66,264,111</b>	<b>36,383,340</b>	<b>55%</b>	<b>65,120,428</b>
<b>Expenses</b>							
Salary & Wages	33,065,172	33,250,396	32,617,617	32,300,000	14,785,769	46%	32,300,000
Benefits: Health	7,907,085	7,838,086	7,980,405	7,483,379	3,674,288	49%	7,201,605
Benefits: Retirement	7,889,728	8,293,973	8,444,570	7,918,635	3,887,996	49%	7,620,473
Benefits: Other	2,683,352	3,191,124	3,249,066	3,046,712	1,495,915	49%	2,931,993
Supplies & Services	13,966,593	14,878,936	14,471,263	14,313,497	8,305,179	58%	16,541,148
Capital Expenditures	99,247	46,290	-	12,681	3,285	26%	113,673
Institutional Student Aid	-	2,680	77,764	-	37,385	0%	-
Net Fund Transfers	(8,023)	(350,143)	3,118,725	2,496,260	217,593	9%	2,496,000
<b>Total expenses</b>	<b>65,603,154</b>	<b>67,151,342</b>	<b>69,959,411</b>	<b>67,571,164</b>	<b>32,407,412</b>	<b>48%</b>	<b>69,204,892</b>
<b>Net Income (Loss)</b>	<b>(3,276,529)</b>	<b>(2,173,978)</b>	<b>(7,131,069)</b>	<b>(1,307,053)</b>			<b>(4,084,464)</b>
Margin As a % of Revenue	-5.3%	-3.3%	-11.4%	-2.0%			-6%
<b>Fund Balance Information</b>							
Beginning Fund Balance	6,884,581	3,608,052	2,456,288	(4,674,780)			(4,674,780)
Additions/(Deductions)		1,022,214		1,500,000			8,840,778
<b>Ending Fund Balance</b>	<b>3,608,052</b>	<b>2,456,288</b>	<b>(4,674,780)</b>	<b>(4,481,833)</b>			<b>81,534</b>
Balance as a % of Revenue	5.79%	3.78%	-7.44%	-6.76%			0.13%
Months of Operating Balance	0.7	0.5	(0.9)	(0.8)			0.0
<b>Additional Information</b>							
% of Revenue that is Tuition	53.6%	50.5%	50.5%	49.5%	48.1%	22	51.4%
Remission Rate	10.7%	12.9%	14.3%	13.6%	9.5%		13.6%
Wages and Benefits as % of Total:	78.6%	78.3%	74.7%	75.1%	73.6%		72.3%

# Education and General (E&G Fund)

	CURRENT ACTUALS & END-OF-YEAR PROJECTIONS				VARIANCES & AVERAGE ANNUAL GROWTH RATES (AAGR)					
	FY2026 BUDGET	FY2026 YTD Actuals	YTD Actuals % of Budget	Full FY2026 Projection	Projection % to Budget	Projection \$ Variance from Budget	YTD \$ Remaining To Budget	Projected to Prior FY Actuals	AAGR 2015 to Current FY Projected	AAGR 2021 to Current FY Projected
<b>Revenues</b>										
Gross tuition and fees	37,945,000	19,354,299	51%	38,736,872	102%	791,872	18,590,701	1,728,521	1%	-1%
Less fee remissions	(5,162,000)	(1,845,857)	36%	(5,260,692)	102%	(98,692)	(3,316,143)	33,723	6%	11%
Net Tuition & Fees	32,783,000	17,508,442	53%	33,476,180	102%	693,180	15,274,558	1,762,244	0%	-2%
State operating appropriations	29,301,951	17,646,285	60%	28,898,114	99%	(403,837)	11,655,666	273,052	5%	4%
State debt service appropriations	179,160	-	0%	179,160	100%	-	179,160	-	0%	0%
Indirect cost recovery	310,000	169,952	55%	310,000	100%	-	140,048	1,868	4%	21%
All other	3,690,000	1,058,661	29%	2,256,974	61%	(1,433,026)	2,631,339	254,921	29%	72%
<b>Total revenues</b>	<b>66,264,111</b>	<b>36,383,340</b>	<b>55%</b>	<b>65,120,428</b>	<b>98%</b>	<b>(1,143,683)</b>	<b>29,880,771</b>	<b>2,292,085</b>	<b>2%</b>	<b>1%</b>
<b>Expenses</b>										
Salary & Wages	32,300,000	14,785,769	46%	32,300,000	100%	-	17,514,231	(317,617)	1%	2%
Benefits: Health	7,483,379	3,674,288	49%	7,201,605	96%	(281,774)	3,809,091	(778,800)	1%	1%
Benefits: Retirement	7,918,635	3,887,996	49%	7,620,473	96%	(298,163)	4,030,639	(824,097)	4%	2%
Benefits: Other	3,046,712	1,495,915	49%	2,931,993	96%	(114,719)	1,550,797	(317,073)	1%	-1%
Supplies & Services	14,313,497	8,305,179	58%	16,541,148	116%	2,227,652	6,008,318	2,069,885	8%	10%
Capital Expenditures	12,681	3,285	26%	113,673	896%	100,992	9,396	113,673		
Institutional Student Aid		37,385	0%	-	0%	-	(37,385)	(77,764)		
Net Fund Transfers	2,496,260	217,593	9%	2,496,000	100%	(260)	2,278,667	(622,725)		
<b>Total expenses</b>	<b>67,571,164</b>	<b>32,407,412</b>	<b>48%</b>	<b>69,204,892</b>	<b>102%</b>	<b>1,633,728</b>	<b>35,163,752</b>	<b>(754,519)</b>	<b>3%</b>	<b>4%</b>
<b>Net Income (Loss)</b>	<b>(1,307,053)</b>			<b>(4,084,464)</b>	<b>312%</b>	<b>(2,777,411)</b>	<b>(1,307,053)</b>	<b>3,046,604</b>	<b>-19%</b>	<b>-109%</b>
Margin As a % of Revenue	-2.0%			-6%	318%	-4%	-2%	5%		
<b>Fund Balance Information</b>										
Beginning Fund Balance	(4,674,780)			(4,674,780)	100%	-	(4,674,780)	(7,131,069)	-12%	-66%
Additions/(Deductions)	1,500,000			8,840,778	589%	7,340,778	1,500,000	8,840,778		
<b>Ending Fund Balance</b>	<b>(4,481,833)</b>			<b>81,534</b>	<b>-2%</b>	<b>4,563,367</b>	<b>(4,481,833)</b>	<b>4,756,314</b>	<b>-19%</b>	<b>-56%</b>
Balance as a % of Revenue	-6.76%			0.13%	-2%	6.89%	-6.76%	7.57%		
Months of Operating Balance	(0.8)			0.0	-2%	0.8	(0.8)	0.9		
<b>Additional Information</b>										
% of Revenue that is Tuition	49.5%	48.1%		51.4%						
Remission Rate	13.6%	9.5%		13.6%						
Wages and Benefits as % of Total:	75.1%	73.6%		72.3%						

E&G Fund	AUDITED ACTUALS		UNAUDITED	CURRENT ACTUALS & END-OF-YEAR PROJECTIONS			
	FY2023	FY2024	FY2025	FY2026 BUDGET	FY2026 YTD Actuals	YTD Actuals % of Budget	Full FY2026 Projection
<b>Revenues</b>							
Gross tuition and fees	37,432,028	37,681,523	37,008,351	37,945,000	19,354,299	51%	38,736,872
Less fee remissions	(4,001,773)	(4,852,792)	(5,294,416)	(5,162,000)	(1,845,857)	36%	(5,260,692)
Net Tuition & Fees	33,430,255	32,828,731	31,713,936	32,783,000	17,508,442	53%	33,476,180
State operating appropriations	26,821,785	28,798,891	28,625,062	29,301,951	17,646,285	60%	28,898,114
State debt service appropriations	179,160	179,160	179,160	179,160	-	0%	179,160
Indirect cost recovery	310,000	295,045	308,132	310,000	169,952	55%	310,000
All other	1,585,425	2,875,538	2,002,053	3,690,000	1,058,661	29%	2,256,974
<b>Total revenues</b>	<b>62,326,625</b>	<b>64,977,365</b>	<b>62,828,342</b>	<b>66,264,111</b>	<b>36,383,340</b>	<b>55%</b>	<b>65,120,428</b>

### FY2025 & FY2026 Revenue Updates

- FY2026 Tuition and Fees on track; slightly higher due to Graduate growth
- State Operating Appropriations projection adjusted down based on estimated SSCM as of December 2025; final updates may yield additional changes to final allocation
  - IF a recession is enacted in short session, appropriations will be adjusted again to reflect updated allocation guidance
- All Other Revenues – changes in handling interest earnings resulted in significant change from prior estimates for both FY2025 and FY2026.

E&G Fund	CURRENT ACTUALS & END-OF-YEAR PROJECTIONS				VARIANCES					
	FY2026 BUDGET	FY2026 YTD Actuals	YTD Actuals % of Budget	Full FY2026 Projection	Projection % to Budget	Projection \$ Variance from Budget	YTD \$ Remaining To Budget	Projected to Prior FY Actuals	AAGR 2015 to Current FY Projected	AAGR 2021 to Current FY Projected
<b>Revenues</b>										
Gross tuition and fees	37,945,000	19,354,299	51%	38,736,872	102%	791,872	18,590,701	1,728,521	1%	-1%
Less fee remissions	(5,162,000)	(1,845,857)	36%	(5,260,692)	102%	(98,692)	(3,316,143)	33,723	6%	11%
Net Tuition & Fees	32,783,000	17,508,442	53%	33,476,180	102%	693,180	15,274,558	1,762,244	0%	-2%
State operating appropriations	29,301,951	17,646,285	60%	28,898,114	99%	(403,837)	11,655,666	273,052	5%	4%
State debt service appropriations	179,160	-	0%	179,160	100%	-	179,160	-	0%	0%
Indirect cost recovery	310,000	169,952	55%	310,000	100%	-	140,048	1,868	4%	21%
All other	3,690,000	1,058,661	29%	2,256,974	61%	(1,433,026)	2,631,339	254,921	29%	72%
<b>Total revenues</b>	<b>66,264,111</b>	<b>36,383,340</b>	<b>55%</b>	<b>65,120,428</b>	<b>98%</b>	<b>(1,143,683)</b>	<b>29,880,771</b>	<b>2,292,085</b>	<b>2%</b>	<b>1%</b>

## FY2026 Revenue Budget Execution & Variance Analysis

- SCH growth in Graduate Enrollment offsetting losses in Undergraduate
- Remissions remain problematic, but offset by gift for FY2026 (will see later)
- Net Tuition & Fees projected \$1.7M higher than FY2025
- Average Annual Growth Rate:
  - 0% since 2015 (\$33,042,609) and
  - -2% since 2021 (\$36,663,275)
- State Operating Appropriations show decline from Budget
  - Student Success & Completion Model (SSCM) True-up current estimated loss of -\$440,102 compared to June SSCM

E&G Fund	AUDITED ACTUALS		UNAUDITED	CURRENT ACTUALS & END-OF-YEAR PROJECTIONS			
	FY2023	FY2024	FY2025	FY2026 BUDGET	FY2026 YTD Actuals	YTD Actuals % of Budget	Full FY2026 Projection
<b>Expenses</b>							
Salary & Wages	33,065,172	33,250,396	32,617,617	32,300,000	14,785,769	46%	32,300,000
Benefits: Health	7,907,085	7,838,086	7,980,405	7,483,379	3,674,288	49%	7,201,605
Benefits: Retirement	7,889,728	8,293,973	8,444,570	7,918,635	3,887,996	49%	7,620,473
Benefits: Other	2,683,352	3,191,124	3,249,066	3,046,712	1,495,915	49%	2,931,993
Supplies & Services	13,966,593	14,878,936	14,471,263	14,313,497	8,305,179	58%	16,541,148
Capital Expenditures	99,247	46,290	-	12,681	3,285	26%	113,673
Institutional Student Aid	-	2,680	77,764		37,385	0%	-
Net Fund Transfers	(8,023)	(350,143)	3,118,725	2,496,260	217,593	9%	2,496,000
<b>Total expenses</b>	<b>65,603,154</b>	<b>67,151,342</b>	<b>69,959,411</b>	<b>67,571,164</b>	<b>32,407,412</b>	<b>48%</b>	<b>69,204,892</b>

### FY2025 & FY2026 Expense Updates

- Salary & Wages: On track – new modeling in progress for future projections
- Benefits modeling remains challenging due to composite charges
  - Business Services, Budget and HR looking at alternative approaches
- Supplies & Services: Currently running hotter than expected
- Capital Expenditures projections from old modeling and still require updates
- Net Fund Transfers larger than anticipated for FY2025 with core drivers being fund balance re-alignment of grants and Athletics

E&G Fund	CURRENT ACTUALS & END-OF-YEAR PROJECTIONS				VARIANCES					
	FY2026 BUDGET	FY2026 YTD Actuals	YTD Actuals % of Budget	Full FY2026 Projection	Projection % to Budget	Projection \$ Variance from Budget	YTD \$ Remaining To Budget	Projected to Prior FY Actuals	AAGR 2015 to Current FY Projected	AAGR 2021 to Current FY Projected
<b>Expenses</b>										
Salary & Wages	32,300,000	14,785,769	46%	32,300,000	100%	-	17,514,231	(317,617)	1%	2%
Benefits: Health	7,483,379	3,674,288	49%	7,201,605	96%	(281,774)	3,809,091	(778,800)	1%	1%
Benefits: Retirement	7,918,635	3,887,996	49%	7,620,473	96%	(298,163)	4,030,639	(824,097)	4%	2%
Benefits: Other	3,046,712	1,495,915	49%	2,931,993	96%	(114,719)	1,550,797	(317,073)	1%	-1%
Supplies & Services	14,313,497	8,305,179	58%	16,541,148	116%	2,227,652	6,008,318	2,069,885	8%	10%
Capital Expenditures	12,681	3,285	26%	113,673	896%	100,992	9,396	113,673		
Institutional Student Aid		37,385	0%	-	0%	-	(37,385)	(77,764)		
Net Fund Transfers	2,496,260	217,593	9%	2,496,000	100%	(260)	2,278,667	(622,725)		
<b>Total expenses</b>	<b>67,571,164</b>	<b>32,407,412</b>	<b>48%</b>	<b>69,204,892</b>	<b>102%</b>	<b>1,633,728</b>	<b>35,163,752</b>	<b>(754,519)</b>	<b>3%</b>	<b>4%</b>

## FY2026 Expense Budget Execution & Variance Analysis

- Total expenses projected to be \$2.1M over budget
  - Workday implementation costs exceed lease agreement
    - Remainder of implementation expense (\$1.5M) expected to be ‘self-funded’ from normal operations
    - Continued contracts in old ‘eco-system’ adding to S&S pressure
    - Additional services to help with implementation adding expense
  - Projected Health (PEBB) within budgeted estimates
    - Looking at detailed updates to Workday for cleaner data
  - Transfers *should* return to normal post-system implementation; monitoring for additional changes

E&G Fund	AUDITED ACTUALS		UNAUDITED	CURRENT ACTUALS & END-OF-YEAR PROJECTIONS			
	FY2023	FY2024	FY2025	FY2026 BUDGET	FY2026 YTD Actuals	YTD Actuals % of Budget	Full FY2026 Projection
<b>Net Income (Loss)</b>	(3,276,529)	(2,173,978)	(7,131,069)	(1,307,053)			(4,084,464)
Margin As a % of Revenue	-5.3%	-3.3%	-11.4%	-2.0%			-6%
<b>Fund Balance Information</b>							
Beginning Fund Balance	6,884,581	3,608,052	2,456,288	(4,674,780)			(4,674,780)
Additions/(Deductions)		1,022,214		1,500,000			8,840,778
<b>Ending Fund Balance</b>	<b>3,608,052</b>	<b>2,456,288</b>	<b>(4,674,780)</b>	<b>(4,481,833)</b>			<b>81,534</b>
Balance as a % of Revenue	5.79%	3.78%	-7.44%	-6.76%			0.13%
Months of Operating Balance	0.7	0.5	(0.9)	(0.8)			0.0
<b>Additional Information</b>							
% of Revenue that is Tuition	53.6%	50.5%	50.5%	49.5%	48.1%		51.4%
Remission Rate	10.7%	12.9%	14.3%	13.6%	9.5%		13.6%
Wages and Benefits as % of Total:	78.6%	78.3%	74.7%	75.1%	73.6%		72.3%

### FY2025 & 2026 Net Income and Fund Balance Update

- Net Income for FY2025 currently showing significant loss (-\$7.1M)
- Ending Fund Balance deteriorated below minimum viable operating levels
  - Projected E&G balance for FY2026 shows a one-time reimbursement added to reserves from a non-E&G fund balance

E&G Fund	CURRENT ACTUALS & END-OF-YEAR PROJECTIONS				VARIANCES					
	FY2026 BUDGET	FY2026 YTD Actuals	YTD Actuals % of Budget	Full FY2026 Projection	Projection % to Budget	Projection \$ Variance from Budget	YTD \$ Remaining To Budget	Projected to Prior FY Actuals	AAGR 2015 to Current FY Projected	AAGR 2021 to Current FY Projected
<b>Net Income (Loss)</b>	(1,307,053)			(4,084,464)	312%	(2,777,411)	(1,307,053)	3,046,604	-19%	-109%
Margin As a % of Revenue	-2.0%			-6%	318%	-4%	-2%	5%		
<b>Fund Balance Information</b>										
Beginning Fund Balance	(4,674,780)			(4,674,780)	100%	-	(4,674,780)	(7,131,069)	-12%	-66%
Additions/(Deductions)	1,500,000			8,840,778	589%	7,340,778	1,500,000	8,840,778		
<b>Ending Fund Balance</b>	(4,481,833)			81,534	-2%	4,563,367	(4,481,833)	4,756,314	-19%	-56%
Balance as a % of Revenue	-6.76%			0.13%	-2%	6.89%	-6.76%	7.57%		
Months of Operating Balance	(0.8)			0.0	-2%	0.8	(0.8)	0.9		
<b>Additional Information</b>										
% of Revenue that is Tuition	49.5%	48.1%		51.4%						
Remission Rate	13.6%	9.5%		13.6%						
Wages and Benefits as % of Total:	75.1%	73.6%		72.3%						

## FY2026 Net Income & Fund Balance Execution with Variance Analysis

- Net Income Losses - Projections show a 312% change from budgeted
- Recurring negative fund balance requires use of 1-time funding to maintain operations at current service levels
- Average Annual Growth Rate of fund balance since 2021 is -56%
  - Recurring use of fund balance and 1-time funds to sustain operations represents a significant challenge to restoring  $R \geq C$  for near-term sustainability without additional fiscal support

# (E&G Fund)

	AUDITED ACTUALS		UNAUDITED	CURRENT ACTUALS & END-OF-YEAR PROJECTIONS				VARIANCES & AVERAGE ANNUAL GROWTH RATES (AAGR)					
	FY2023	FY2024	FY2025	FY2026 BUDGET	FY2026 YTD Actuals	YTD Actuals % of Budget	Full FY2026 Projection	Projection % to Budget	Projection \$ Variance from Budget	YTD \$ Remaining To Budget	Projected to Prior FY Actuals	AAGR 2015 to Current FY Projected	AAGR 2021 to Current FY Projected
<b>Revenues</b>													
Gross tuition and fees	37,432,028	37,681,523	37,008,351	37,945,000	19,354,299	51%	38,736,872	102%	791,872	18,590,701	1,728,521	1%	-1%
Less fee remissions	(4,001,773)	(4,852,792)	(5,294,416)	(5,162,000)	(1,845,857)	36%	(5,260,692)	102%	(98,692)	(3,316,143)	33,723	6%	11%
Net Tuition & Fees	33,430,255	32,828,731	31,713,936	32,783,000	17,508,442	53%	33,476,180	102%	693,180	15,274,558	1,762,244	0%	-2%
State operating appropriations	26,821,785	28,798,891	28,625,062	29,301,951	17,646,285	60%	28,898,114	99%	(403,837)	11,655,666	273,052	5%	4%
State debt service appropriations	179,160	179,160	179,160	179,160	-	0%	179,160	100%	-	179,160	-	0%	0%
Indirect cost recovery	310,000	295,045	308,132	310,000	169,952	55%	310,000	100%	-	140,048	1,868	4%	21%
All other	1,585,425	2,875,538	2,002,053	3,690,000	1,058,661	29%	2,256,974	61%	(1,433,026)	2,631,339	254,921	29%	72%
<b>Total revenues</b>	<b>62,326,625</b>	<b>64,977,365</b>	<b>62,828,342</b>	<b>66,264,111</b>	<b>36,383,340</b>	<b>55%</b>	<b>65,120,428</b>	<b>98%</b>	<b>(1,143,683)</b>	<b>29,880,771</b>	<b>2,292,085</b>	<b>2%</b>	<b>1%</b>
<b>Expenses</b>													
Salary & Wages	33,065,172	33,250,396	32,617,617	32,300,000	14,785,769	46%	32,300,000	100%	-	17,514,231	(317,617)	1%	2%
Benefits: Health	7,907,085	7,838,086	7,980,405	7,483,379	3,674,288	49%	7,201,605	96%	(281,774)	3,809,091	(778,800)	1%	1%
Benefits: Retirement	7,889,728	8,293,973	8,444,570	7,918,635	3,887,996	49%	7,620,473	96%	(298,163)	4,030,639	(824,097)	4%	2%
Benefits: Other	2,683,352	3,191,124	3,249,066	3,046,712	1,495,915	49%	2,931,993	96%	(114,719)	1,550,797	(317,073)	1%	-1%
Supplies & Services	13,966,593	14,878,936	14,471,263	14,313,497	8,305,179	58%	16,541,148	116%	2,227,652	6,008,318	2,069,885	8%	10%
Capital Expenditures	99,247	46,290	-	12,681	3,285	26%	113,673	896%	100,992	9,396	113,673		
Institutional Student Aid	-	2,680	77,764	-	37,385	0%	-	0%	-	(37,385)	(77,764)		
Net Fund Transfers	(8,023)	(350,143)	3,118,725	2,496,260	217,593	9%	2,496,000	100%	(260)	2,278,667	(622,725)		
<b>Total expenses</b>	<b>65,603,154</b>	<b>67,151,342</b>	<b>69,959,411</b>	<b>67,571,164</b>	<b>32,407,412</b>	<b>48%</b>	<b>69,204,892</b>	<b>102%</b>	<b>1,633,728</b>	<b>35,163,752</b>	<b>(754,519)</b>	<b>3%</b>	<b>4%</b>
<b>Net Income (Loss)</b>	<b>(3,276,529)</b>	<b>(2,173,978)</b>	<b>(7,131,069)</b>	<b>(1,307,053)</b>			<b>(4,084,464)</b>	<b>312%</b>	<b>(2,777,411)</b>	<b>(1,307,053)</b>	<b>3,046,604</b>	<b>-19%</b>	<b>-109%</b>
Margin As a % of Revenue	-5.3%	-3.3%	-11.4%	-2.0%			-6%	318%	-4%	-2%	5%		
<b>Fund Balance Information</b>													
Beginning Fund Balance	6,884,581	3,608,052	2,456,288	(4,674,780)			(4,674,780)	100%	-	(4,674,780)	(7,131,069)	-12%	-66%
Additions/(Deductions)		1,022,214		1,500,000			8,840,778	589%	7,340,778	1,500,000	8,840,778		
<b>Ending Fund Balance</b>	<b>3,608,052</b>	<b>2,456,288</b>	<b>(4,674,780)</b>	<b>(4,481,833)</b>			<b>81,534</b>	<b>-2%</b>	<b>4,563,367</b>	<b>(4,481,833)</b>	<b>4,756,314</b>	<b>-19%</b>	<b>-56%</b>
Balance as a % of Revenue	5.79%	3.78%	-7.44%	-6.76%			0.13%	-2%	6.89%	-6.76%	7.57%		
Months of Operating Balance	0.7	0.5	(0.9)	(0.8)			0.0	-2%	0.8	(0.8)	0.9		
<b>Additional Information</b>													
% of Revenue that is Tuition	53.6%	50.5%	50.5%	49.5%	48.1%		51.4%						
Remission Rate	10.7%	12.9%	14.3%	13.6%	9.5%		13.6%					30	
Wages and Benefits as % of Total:	78.6%	78.3%	74.7%	75.1%	73.6%		72.3%						

# Resiliency Plan Implementation Update

# Resiliency Plan

## General Fund Payroll Costs (Pertains to Months in Calendar Year 2025)

Sum of Period Net Amount	Column Labels	
Row Labels	May	December
<b>Compensation</b>	<b>2,836,019.27</b>	<b>2,840,265.25</b>
5000:Classified Salaries	617,351.23	654,239.40
5100:Unclassified Salaries	793,797.68	779,829.31
5200:Faculty Salaries	1,147,807.79	1,167,418.01
5300:Adjunct Salaries	130,210.19	139,383.74
5400:Student Salary and Wages	146,852.38	82,442.45
5450:Graduate Student Salary and Wages		16,952.34
<b>OPE</b>	<b>2,101,043.15</b>	<b>2,232,996.09</b>
5450:Graduate Student Salary and Wages	0.00	76,269.60
5510:Medical Benefits Payroll Expenses	965,338.84	934,582.81
5520:Retirement Expenses	824,435.74	914,355.73
5540:Accrued Employee Benefits	0.00	0.00
5600:Other Payroll Expenses	304,189.55	300,042.57
5620:Temporary Employees Pay	7,079.02	7,745.38
5662:Grad Asst Fee Remis Subsidy-Summer		0.00
<b>Grand Total</b>	<b>4,937,062.42</b>	<b>5,073,261.34</b>

# Facilities Update

# Update on SOU Campus Masterplan

# Update on the Sale of SOU Properties and Use of Proceeds (Action)

**Southern Oregon University  
Board of Trustees**

**RESOLUTION**

**Establishment and Governance of Strategic University Reserve**

Whereas, the Board of Trustees of Southern Oregon University (SOU) previously authorized the sale of certain real property assets for the financial benefit of the university in the resolution titled, "[Delegation of Authority for the Sale of Real Property](#)," dated October 18, 2024;

Whereas, the proceeds from these authorized sales are now being realized and require a formal structure for their preservation;

Whereas, the Board identifies a critical need to strengthen the university's reserves to support long-term financial stability and to provide a mechanism for funding essential, revenue-generating projects;

Whereas, the Board seeks to ensure these funds are protected from routine operational use, serving instead as a revolving capital base that is accessed only in exceptional circumstances for high-impact, revenue-positive growth; and

Whereas, the Board intends to preserve the monies from the proceeds of these property sales to support the fiscal health of the institution; Now therefore,

The Board of Trustees resolves:

1. Establishment of Reserve: The Board hereby directs the creation of a strategic university reserve fund, "University Reserve - BOT Approval Required" (the "Reserve"). All of the net proceeds from the board-authorized sales of university properties shall be deposited into this specific Reserve;
2. Primary Purpose: The Reserve is established to bolster the university's reserves and serve as a fund for internal financing to be used only for essential and exceptional projects that demonstrate a clear, measurable, financial return on investment (ROI) that is at least equal to the amount funding requested for a project, and demonstrates a clear value hypothesis to generate new, sustainable revenue for the university. In the event that a proposed project is not expected to generate sustainable revenue for the university, exceptional and compelling justification for the project must also be provided for the Board of Trustees' consideration at the time of request for the use of funds from this Reserve;
3. Repayment Obligation: Project proposals must include an anticipated revenue schedule and a plan and schedule for loan repayment. Projects must submit, and the Board must approve, a repayment schedule at the time of each project

authorization to preserve the Reserve as a revolving source of capital and ensure full reimbursement to the Reserve.

4. Restrictions on Use:

- a. Board Approval Required: Notwithstanding any delegations of authority, no portion of the Reserve may be encumbered, transferred, moved, or spent without a specific, affirmative vote and resolution by the Board of Trustees.
  - b. No Cash Management: These funds shall not be used for daily cash management, bridging short-term cash flow gaps, budgetary shortfalls, or funding operating expenses.
  - c. Exceptions: The Board retains the sole authority to authorize exceptions to this policy statement. Any projects seeking exceptions must also be accompanied by an approved remediation plan and a specific timeline for fund replenishment before the Board considers an authorization.
5. Oversight: The President or their designee shall provide regular reports, at least quarterly, to the Finance and Administration Committee of the Board of Trustees, on the status of the Reserve, including the current balance, financial performance of any projects funded by the Reserve, qualitative and/or quantitative measures of the success of approved projects, and confirming that no unauthorized withdrawals have occurred.

VOTE:

DATE:

Recorded by,

---

Sabrina Prud'homme  
University Board Secretary

# Capital Construction Updates and Funding Sources

# Central Hall Phase 4

*(Legislature refers to this as Phase 2)*

- Campus “programming” completed in October
- KSW Design Development (DD) drawings complete
- RFP to be released early February
- Construction expected to begin after Commencement
- Parking Lot 27 (adjacent to Central) charging stations & partial canopy solar to be part of this phase.

# Softball Complex

- ~\$1.9M budget, all donor funded
- Phase 1 Scope:
  - New bleachers, pressbox, sunken dugouts, bullpens, exterior fencing, video board, elevated entrance, infield repairs and improved visitor sightlines
  - Expected completion 1/31/26
- Phase 2 Scope:
  - Concessions/ticket building, restrooms and common area pavers

# Sources of Capital Funding

- Capital requests submitted to HECC
  - Biennial requests submitted by universities
  - HECC committee scores projects based on scoring rubric
  - Scored projects presented to legislature for funding
- Capital Improvement & Renewal Funding (CIR)
  - Separate funding to tackle deferred maintenance
  - Allocated to universities based on complex formula
  - SOU's portion traditionally \$4-5M for a biennium

# Biennial Major Capital Requests

- University team drafts narrative using HECC template, tailoring project to scoring rubric
- Project is “chosen” through discussion at Campus Planning Committee, known deferred maintenance issues, highest need, etc...
- Submissions scored by HECC committee against scoring rubric
- Projects typically funded to a certain scoring level by long session of legislature
- Greater flexibility of allowable expenses than CIR.

# Biennial Capital Improvement & Renewal (CIR) Funding

- Legislature funds a set amount for reduction of deferred maintenance at universities, based on HECC recommendation
- Allocation of dollars is done by the HECC, based on a complex analysis of deferred maintenance, campus density, age of buildings, calculated building condition index (BCI), etc...
- To be used to reduced deferred maintenance of critical building systems, code compliance issues
- Expenses reimbursed by DAS (Department of Administrative Services) after SOU has incurred costs

# CIR Allowable Expenses

- **Repairs and replacements** of building systems/components to keep facilities functional (CIR = “repair and replacement of facility assets to ensure continued functionality”). Examples in practice include roofs, HVAC, electrical, plumbing, controls, envelopes, etc.
- **Deferred maintenance** reduction projects.
- **Code compliance** corrections (building, fire, seismic, etc.).
- **Safety and security** improvements tied to facility condition.
- **Accessibility/ADA** upgrades (entrances, routes, restrooms, elevators, signage, etc.).
- **Seismic upgrades** tied to safety/code/renewal projects. (Frequently cited in university examples/HECC materials.)

---Cannot be used for classroom modernization or I.T.---

Questions?

# What CIR Money is for – in Plain English

CIR is meant to **repair or replace facility assets so they keep working**, and to **chip away at deferred maintenance, code, safety, and accessibility issues in Education & General (E&G) space** at Oregon’s public universities. That’s the core intent that frames what’s allowable. ([Oregon Secretary of State](#))

## Explicit allowables (i.e. what you can pay for with CIR)

Below are items that fit CIR’s purpose and/or are explicitly treated as eligible capital costs under HECC’s rules and the state’s Article XI-Q bond guidance (the vehicle generally used to fund CIR). Where bond rules are referenced, they’re only included when they support a CIR-type project (i.e., repair/renewal of state-owned facilities used for E&G).

### CIR-purpose items (from HECC/OAR):

- **Repairs and replacements** of building systems/components to keep facilities functional (CIR = “repair and replacement of facility assets to ensure continued functionality”). Examples in practice include roofs, HVAC, electrical, plumbing, controls, envelopes, etc. ([Oregon Secretary of State](#))
- **Deferred maintenance** reduction projects. ([Oregon Secretary of State](#))
- **Code compliance** corrections (building, fire, seismic, etc.).
- **Safety and security** improvements tied to facility condition.
- **Accessibility/ADA** upgrades (entrances, routes, restrooms, elevators, signage, etc.).
- **Seismic upgrades** tied to safety/code/renewal projects. (Frequently cited in university examples/HECC materials.)

Capital cost categories typically **allowed** on XI-Q bond-funded repair/renewal projects (when directly tied to the CIR scope):

- **Construction** costs. ([Oregon](#))
- **Architectural/engineering** and other **professional fees**. ([Oregon](#))
- **Project-specific travel** (e.g., site meetings, inspections) directly related to the project. ([Oregon](#))
- **Direct project labor** (actual hours for project management or university employees working on the project). ([Oregon](#))
- **Site preparation, freight/transportation** of materials/equipment **necessary to place the asset into service**. ([Oregon](#))
- **Pollution/hazardous materials abatement** (e.g., asbestos, lead)—**only when required to complete the project**. (Often not capitalized into the asset, but XI-Q allows payment from bond proceeds if required; bond counsel review may apply.) ([Oregon](#))
- **Limited demolition** that is **required to complete** the project (not demolition as a standalone project). ([Oregon](#))

- **Initial furniture/fixtures/equipment (FF&E)** that are **necessary to place the asset in service and capitalized under GASB**—explicitly allowed under the public university capital rule; applies to improved facilities as well. ([OAR 715-013-0075](#))
  - **Use carefully for CIR:** For renewal projects, this rule applies *only* to capital-level FF&E. Per new state policy, "capitalized" assets must have a unit cost of **\$10,000 or more** and a useful life over one year. ([DAS Capitalization Guide](#))
  - This rule does **not** allow CIR funds to be used for "minor" or "non-capital" furniture (e.g., standard desks, chairs, couches) that fall below this \$10,000 threshold."

## Key exclusions / explicitly not allowed with CIR

- **Acquisition of buildings, structures, or land: not allowed with CIR dollars.** (This limitation is repeated in HECC CIR materials.)
- **Routine maintenance/minor repairs/"patching"** that are not capital repairs/replacements. ([Oregon](#))
- **Indirect/administrative overhead** (office supplies, rent, general overhead). ([Oregon](#))
- **Operational costs** (memberships, moving, ongoing maintenance fees). ([Oregon](#))
- **Pre-site/pre-project studies for picking a site** (site assessments to decide location, feasibility studies not tied to an identified site). ([Oregon](#))
- **Related-party intra-state charges** that never reach an outside vendor (e.g., DOJ/BOLI/DEQ fees, State Data Center fees unless directly traceable to an outside vendor). ([Oregon](#))

Note: Some items (like FF&E and certain planning/design work) are allowable under the **capital construction/improvement** rule and XI-Q, but CIR's own **program intent** is repair/renewal of existing E&G facilities. When in doubt, align every cost line with **repair/replacement, deferred maintenance, code/safety/ADA**—and avoid anything that looks like acquisition or ordinary O&M.

## Leaseholds and special cases

- **Work in leased space** can be eligible **if** the lease term **extends as long as the state-backed bond is outstanding** (a capital-rule allowance). For CIR, you'd also need the work to squarely meet repair/renewal intent and be in E&G space. ([Oregon Secretary of State](#))

## Practical "allowable list" for project/accounting teams

When a CIR project is clearly E&G and targeted at renewal/repair or code/ADA/safety/seismic, we can generally code the following as CIR-eligible (and XI-Q compliant) **if directly tied to the project**:

1. **Construction** (labor, materials, general conditions) for repair/replacement or code/ADA/seismic work. ([Oregon Secretary of State](#))
2. **A/E and professional services** (design, studies required for the defined project scope, special inspections, commissioning for the renewed system). ([Oregon](#))
3. **Project-specific travel** and **direct project management labor** (actual hours; not percentages). ([Oregon](#))
4. **Site prep / freight** necessary to place renewed assets into service. ([Oregon](#))
5. **Hazardous materials abatement** and **limited demolition** if required to complete the renewal (not stand-alone demolition projects). ([Oregon](#))
6. **Capitalized FF&E** that's **necessary to place the renewed asset into service** (see above for guidelines)

And we absolutely should **exclude**:

- Acquisition of **buildings/structures/land** (CIR dollars specifically say “no”).
- **Routine maintenance/minor repairs** (patching, servicing). ([Oregon](#))
- **Overhead/indirects/operations** (office supplies, rent, moving, memberships, routine maintenance contracts). ([Oregon](#))
- **Pre-site feasibility/site selection work** (before a site or facility is identified). ([Oregon](#))

## Subtle but important distinctions

- **Capital vs. maintenance:** If the work **substantially replaces** a building system and extends useful life or brings the facility back to intended service level, it's often capital (good for CIR).
  - If it's **patching or routine upkeep**, it isn't.
  - The XI-Q quick reference and OAR 715-013-0075 help draw that line. ([Oregon](#))
- **FF&E:** For CIR projects, FF&E is fine **only when** it's capitalizable and necessary to place the renewed/improved asset into service—not general furniture refreshes. (see guidance above)
- **Leaseholds:** Eligible if the **lease term matches the bond term** and the project otherwise meets CIR intent (E&G, renewal). ([Oregon Secretary of State](#))

# Where this comes from (the most relevant Oregon sources)

## Primary rule for CIR allocations & definitions

- **OAR 715-013-0070 (Capital Improvement and Renewal (CIR) Distribution)** — sets the purpose (reduce deferred maintenance; address code, safety, accessibility in E&G) and defines “CIR” as **repair and replacement of facility assets to ensure continued functionality**. ([Oregon Secretary of State](#))

## HECC guidance that spells out CIR limits

- **HECC Funding & Achievement Subcommittee docket (Oct 12, 2022)** — succinctly states CIR is to address **modernization, code compliance, safety, accessibility**, reduce deferred maintenance, and that **CIR dollars may not be used to acquire buildings, structures, or land**.

## General public university capital rule (applies to all capital projects and often used alongside CIR to interpret cost lines)

- **OAR 715-013-0075 (Public University Capital Construction Projects)** — includes **allowable FF&E, treatment of acquisitions/land, leaseholds**, and the expectation to plan for **future maintenance**; useful for judging capital vs. non-capital costs inside a CIR project. ([Oregon Secretary of State](#))

## Bond program rules (how Oregon treats “allowed vs. unallowed” capital costs under XI-Q bonds—commonly used for CIR)

- **DAS Article XI-Q “Allowed vs. Un-allowed Costs” Quick Reference** — concise two-page checklist used statewide (construction, A/E, direct labor, site prep, travel directly related, limited demolition/abatement allowed; routine maintenance, overhead, operations, pre-site studies, and related-party charges not allowed). ([Oregon](#))
- **DAS Agency Guide to XI-Q Bonds (2024)**—program manual; used when scoping edge cases, general guidance for CIR. ([Oregon](#))

## Context on how much/what gets funded each biennium

- HECC summaries and budget docs confirm CIR purpose and recent appropriations, but don’t expand the allowables list beyond the items above. ([Oregon](#))

# 2025-27 AGENCY REQUEST BUDGET UNIVERSITY CAPITAL GUIDE

INSTRUCTIONS  
February 2024



Source: Oregon State University

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## ACCESSIBILITY STATEMENT

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The HECC is committed to accessible services for all. Requests for translations, language services, alternative formats, or Americans with Disabilities Act (ADA) accommodations may be sent to [info.hecc@hecc.oregon.gov](mailto:info.hecc@hecc.oregon.gov).

## SUBMISSION DEADLINE: APRIL 5, 2024

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Email all documents to: [hecc.capconstructreimb@hecc.oregon.gov](mailto:hecc.capconstructreimb@hecc.oregon.gov).

Call (503) 979-6003 for any questions or assistance.

# INTRODUCTION

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## PROCESS OVERVIEW

The goal of this process is to assist the Legislature to “determine strategic investments in the state’s public universities and student access programs necessary to achieve state postsecondary education goals, (ORS 350.075).”

Because funding is limited, a prioritization process must occur. Project submissions are collected to meet Department of Administrative Services (DAS) Capital Budget requirements and to provide the necessary data for consideration. The Commission’s recommendations are based upon a prioritization process that incorporates the criteria detailed below.

All capital project submissions will be evaluated by HECC staff and may include a campus site visit to review project plans and discuss details with institution representatives. HECC will compile information and evaluator feedback on the project proposals submitted from the seven governing boards, which will then be used to establish a statewide priority list.

The Commission will establish the priority ranking of governing board recommended projects that are consistent with the state’s goals. Projects that are recommended, but not funded, can be resubmitted the following budget cycle if the project remains a priority for the institution. Previously recommended, but unfunded, projects are not guaranteed recommendation in the following cycle.

HECC strongly suggests institutions engage their academic and institutional research teams to assist in the development and completion of the submittal.

## HECC UNIVERSITY CAPITAL PRINCIPLES

The prioritization of capital projects will focus on aligning economic incentives of the institutions with the state’s strategic capital plan. The prioritization process is not a distribution model. All state-backed debt will support Education & General (E&G) space and program needs for the 21st century, extend the capacity of existing facilities to support student success, and align capital investments with workforce and economic development needs.

Projects that demonstrate the following will be prioritized:

- Projects that align with the HECC Equity Lens and enhance the Oregon Strategic Roadmap.
- Capital renewal approach that repurposes existing space
- Operational cost savings along with safety and security
- Public-private and multi-party collaborations
- Leveraging of private resources and institutional funds

## STRATEGIC CAPITAL DEVELOPMENT PRIORITIES

During 2019, the Higher Education Coordinating Commission developed a 10-year strategic capital plan for all seven public universities, in partnership with the public universities and a panel of experts in strategic capital and higher education planning. This project provides a target public university capital portfolio through 2029 and will be used to guide the HECC in prioritization of capital projects and recommendations to the Governor and the Legislature on the critically important need for strategically driven capital investments for years to come. The 10-year strategic capital plan is a high-level summary of capital needs based on demographic, economic, industrial, and other environmental factors, dividing the targeted portfolio by region of the state. It divides the existing and potential future capital portfolio according to ideal usage and utilization, estimating the space needed for different academic disciplines and functions. By design, the Capital Prioritization Rubric ties to the Strategic Capital Development Plan and reflects the State's goals and interests.

## STATUTORY AUTHORITY/RULES

Authority for this work is included in [ORS 350.075](#).

The Higher Education Coordinating Commission shall:

- (a) Develop state goals for the state postsecondary education system, including community colleges and public universities listed in ORS 352.002 (Public universities), and for student access programs.
- (b) Determine strategic investments in the state's community colleges, public universities, and student access programs necessary to achieve state postsecondary education goals.
- (c) Coordinate the postsecondary elements of data collection and structure, with the advice and recommendation of the state's independent institutions, community colleges and public universities, as appropriate, in order to construct a state longitudinal data system.
- (d) Adopt a strategic plan for achieving state postsecondary education goals, taking into consideration the contributions of this state's independent institutions, philanthropic organizations and other organizations dedicated to helping Oregonians reach state goals. State postsecondary education goals as described in this section should include, but need not be limited to:
  - a) Increasing the educational attainment of the population
  - b) Increasing this state's global economic competitiveness and the quality of life of its residents
  - c) Ensuring affordable access for qualified Oregon students at each college or public university
  - d) Removing barriers to on-time completion

- e) And tracking progress toward meeting the state’s postsecondary education goals established in the strategic plan.

The related rules are included in Oregon Administrative Rule 715-013-0070 which identifies the capital improvement and renewal distribution formula.

## **HECC EQUITY LENS AND OREGON STRATEGIC ROADMAP**

The Higher Education Coordinating Commission vision is a future in which all Oregonians—and especially those whom our systems have underserved and marginalized—benefit from the transformational power of high-quality postsecondary education and training.

Oregon’s [Strategic Roadmap for Oregon Postsecondary Education and Training](#), finalized in August, 2021, sets an ambitious path forward by describing how postsecondary systems, policies, and practices need to change in order to achieve [Oregon’s goals for educational attainment and equity](#). The Roadmap is intended to guide not only HECC initiatives and investments, but also those of Oregon’s postsecondary education and training partners statewide, with implications for public and private colleges and universities, the Legislature and Governor, education and workforce development partners, as well as faculty, students, and staff.

The Roadmap sets the following five categories for strategic action as major areas of focus for the HECC, the Legislature, and other partners, with specific examples described in the document.

**Transform and innovate to serve students and learners best**—Support education and training institutions in continuing to transform, expand, and redesign their outreach and delivery models to engage today’s learners.

**Center higher education and workforce training capacity on current and future state needs**—Focus postsecondary education and training resources to serve Oregonians where they are and who they are, with a priority on communities and populations that have been historically underserved.

**Ensure that postsecondary learners can afford to meet their basic needs**—Improve college affordability for Oregonians and ensure that fewer students struggle with homelessness, housing insecurity, and food insecurity.

**Create and support a continuum of pathways from education and training to career**—Ensure that all learners have access to a full range of education and training options beyond high school, including apprenticeships, career certificates, and college degrees.

**Increase public investment to meet Oregon’s postsecondary goals**—Through adequate and sustained levels of public investments, minimize tuition increases and build programs and services to equitably serve learners.

## TIMELINE

For each new biennium, the budget process starts the year prior. All materials are received in the even years and biennium budgets are started in the odd years. For this process, institutions must submit project proposals to HECC by the first week of April of the even year. HECC staff is tentatively scheduled to present the prioritized statewide list to the Commission at the June 2024 meeting. The Commission will then decide what actions to take based on the evaluation and prioritization list.

- February-March 2024: Instructions released for 2025-27 ARB
- April 5, 2024: Submission Deadline
- April 7 – 30, 2024: Evaluations
- May 2024: Presentations to HECC Funding & Achievement (F&A) Subcommittee
- June 2024 (tentative): HECC staff present capital recommendations to HECC F&A
- August 13, 2024: HECC ARB due to DAS and LFO

# CAPITAL PROJECT PROCESS FLOWCHART



# PROJECT SUBMISSION

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## INSTITUTION CAPITAL PLAN INFORMATION

Institutions requesting cash or debt financing from the state for capital projects in the upcoming biennium, are expected to provide the information described below. **This information is required once, regardless of how many projects are being submitted.**

1. Identify whether the institution has a master facilities' plan and, if so, the date on which it was adopted and/or last amended.
2. Share your policy of funding for future education and general deferred maintenance needs.
  - a. Provide a description of the institution's plan for managing facilities, reducing any deferred maintenance backlog, and addressing future deferred maintenance needs.
  - b. Please report the current balance in the capital depreciation or set aside account.
3. Provide an estimate of the institution's total deferred maintenance backlog for education and general service facilities. Show the method of estimating the backlog and the investment level for institutional deferred maintenance reduction, for example, 1% of current replacement value.
4. Provide an estimate of the institution's seismic upgrade needs for educational and general service facilities.
5. Identify any bond-funded projects that were authorized in prior biennia that will require reauthorization by the legislature. Include the name of the project, when it was authorized, the amount that needs to be reauthorized, and a description of any changes to the project since it was originally authorized (include changes in project cost and funding).
6. The SCDP recommends embracing a broader definition of capital assets including those that are not bondable (SCDP, p. 19, 2019). If funding were available, would you be interested in demolishing any facilities? If so, please indicate which facilities and why.

## PROJECT SUMMARY

For each project, please provide the following information.

1. Project Data
  - 1.1. Short working title for the project
  - 1.2. Project location address or campus location
  - 1.3. Academic programs served
  - 1.4. Total project cost
  - 1.5. State funding request
  - 1.6. Committed external funds
    - 1.6.1. Gift amount
    - 1.6.2. Plant funds amount
    - 1.6.3. Specify amount and source of other fund sources
  - 1.7. Total gross square feet
  - 1.8. Total net square feet
  - 1.9. Identify the project start and completion dates
2. Complete the appropriate DAS required bond Forms 107BF11a and/or 107BF12 for each project. (Appendix A)
3. Describe how this project will address the following:
  - 3.1. Resolve an unmet capacity need
  - 3.2. Raise facility quality
  - 3.3. Improve campus infrastructure
  - 3.4. Fulfill special need (e.g., shared performing arts facility). This is an excellent example of supporting an equity focus and could be something like American Disabilities Act universal design compliance for laboratories, classrooms, and auditoriums.
4. Complete HECC Capital Project Cost Summary form (appendix C)
5. Optional – photo or graphic, or additional text if needed
6. Appendix Document List
7. Executive Summary of the Proposed Project

7.1 Provide a brief description of the project

7.2 Summarize how the project supports the HECC Equity Lens and enhances the Oregon Strategic Roadmap

7.3 Identify why the project is a critical need for the institution.

## BUSINESS PLAN

The aim is to provide a high-level view and accompanying estimates of the potential future savings that may be possible. Please include Appendix B in an excel version of your brief business plan.

### 1. Operations Overview

- 1.1. Provide an overview of the financial plan associated with the operations of the programs and facility described in the project. Costs may be defined by previously approved or existing expenses and revenue, and new expenses and revenue needed because of the proposed project.
- 1.2. Summarize the annual net additional costs for programs, staffing, operations, utilities, and maintenance costs. Costs should be consistent with planned student enrollment increases, staffing increases, and additional net area created from the project.
- 1.3. Describe financial efficiencies achieved with the project. How will they be realized (demolitions, shared spaces, funding sources, etc.)? If this is a new planned replacement building for planned demolition(s), quantify the financial benefits, or describe other opportunities created with the project. Does this project represent a new “replacement building” that is no more than 10% more square feet than a building proposed to be demolished?

### 2. Revenue Sources, Fundraising and Partnerships

- 2.1. Will there be a fundraising campaign or other community/industry partners that will be specifically associated with this project, and what are the specific funding goals? If there are unique features of the campaign, please describe.
- 2.2. What are the revenue sources expected to defray additional ongoing costs, such as estimated additional tuition, grants, or other sources? Anticipated funding and tuition income should be supported by the academic strategic plan for credential production and enrollment increases.

### 3. Review of Alternatives (Page 21 of the SCDP)

- 3.1. Discuss a review of project alternatives and less capital-intensive options that were considered to meet the identified space need.

## CAPITAL PROJECT EVALUATION

All project types, whether major renovations, new construction, or building replacements, regardless of sector or Capital Improvement and Renewal (CIR) bond funding formula, will be reviewed based on the submitted project proposal and the scoring criteria. This is only a brief summary of the evaluation process. The project points are awarded based on the rubric responses that follow.

Once HECC receives your project submittal, it will be evaluated using the following criteria:

Capital projects will be linked to state goals, including the following objectives:

- Increasing degree production, particularly at the undergraduate level
- Enhancing research and/or workforce development
- Identifying and addressing education and workforce needs of local and regional economies

Projects are based on the focus, or expected impact, of the project on student success with special emphasis on the priority populations outlined in the SSCM as informed by the HECC Equity Lens. This will be measured by a clear connection to higher credential attainment as a result of the project. Capital projects should enhance campus mission and distinction and should be envisioned in the institution's current Master Plan.

Institutions should develop project proposals that include academic planning and architectural programs, which may include early design ideas regarding the uses and layout of buildings impacted by each project.

Institutional facility needs and condition, as analyzed by the HECC Space Planning Guidelines, are a factor in determining institutional priorities.

External funding should be a factor in project priority but should not inappropriately determine institutional or system priorities. The capital match component identifies a minimum percentage of project costs to be borne by the institution, ideally from private fundraising. Non-state funds raised above the minimum percentage garner additional points in the scoring process.

## CAPITAL SCORING RUBRIC

The points assigned to each evaluation criteria are detailed below.

Prioritization Criteria	Points
<b>Strategic Priorities (52 points total)</b>	
A. Strategic Capital Development Priorities	
Part 1: Space renewal, workforce, or completion priorities	24
Part 2: Addressing deferred maintenance issues	12
Part 3: Supports research and economic development	8
Part 4: Collaboration with interested parties	8
<b>State Priorities (48 points total)</b>	
B. Operational Savings and Sustainability	8
C. Life Safety, Security, Code Compliance and/or Loss of Use	10
D. Institutional Priority	5
E. Student Success for Underserved Populations	10
F. Leveraging Institutional Resources	15
<b>TOTAL</b>	<b>100</b>

### COMPONENT A: STRATEGIC CAPITAL DEVELOPMENT PRIORITIES

Component A, Part 1: Space renewal, workforce, or completion priorities

Proposals that increase the efficiency and effectiveness of educational and general space, address workforce needs pursuant to the SCDP, or support student success and degree completion numbers pursuant to the 40-40-20 Strategic Plan.

- Proposal increases the capacity and effectiveness of instructional space
  - Academic Space Surplus or Deficit (SCDP, page 9)
  - Academic Support Space Surplus or Deficit (SCDP, page 9)
  - Reference the institutional specific section of the report, (SCDP, pages 57 – 62 and “Space Analysis” sections of institutional data).
- Addresses workforce needs by providing clear pathways to aligning the educational supply with employment demand (SCDP, pages 40-47 or within the institutional specific data section)
  - Fills occupations that have postsecondary credential and university-based requirements, reference institutional section of the report for your specific institution.
  - Institution requires an internship with industry for the career track.
  - Reference the institutional specific section of the report, “Program Completion Rates”, and “Gaps at the bachelor and above degree level” chart.

- Proposal brings business and industry to campus by core sectors for research collaboration or economic development projects or to assist in an educational capacity.

Component A, Part 2: Addressing deferred maintenance issues

- This component relates to either the reduction of deferred maintenance at an institution or the creation of a university-funded deferred maintenance set aside account to proactively address future deferred maintenance needs (SCDP, pages 10 – 13).
  - i. Deferred Maintenance Reduction – proposal eliminates deferred maintenance, demolishes a non-usable asset, or repurposes an existing under-utilized asset to a much higher academic use (cross check the building inventory in the most current CIR Table). For DM projects, identify the expected source of funding as internal to institution or State CIR funded.
  - ii. Deferred Maintenance Account – proposal establishes a university-funded depreciation account for the new/upgraded facility.

Component A, Part 3: Supports the research and economic development capacity of the institution

- Proposals should identify that they are supporting degree programs that are important to employers, or that they support economic development as defined by creating or renovating space for workforce partnerships and collaborations. Projects could also demonstrate that they lead to the development of additional research capabilities or help the institution earn additional, external research grant funding (SCDP, pages 69-73).
- Proposals could support innovation with industry partners or create innovation districts and/or co-labs. Proposals could optimize resources on campus in support of industry partnerships, support entrepreneurial degree programs or address community and workforce needs (SCDP, pages 40-47 or within the institutional specific data section).

Component A, Part 4: Collaboration between the public universities and interested parties

- Proposals should encourage collaborative efforts between the university and other interested parties or the creation of consortia (SCDP, page 9).
- Public service entities could include but are not limited to public universities, community colleges, public school districts, regional consortiums, or private institutions.

## COMPONENT B: OPERATIONAL SAVINGS AND SUSTAINABILITY

Projects are scored based on the cost savings generated by operational savings and/or sustainability savings. The project plan should demonstrate understanding of lifecycle costs. Savings are demonstrated by the inclusion of a pro forma detailing future operational costs of the facility compared to current operational costs. See Appendix B for an example of a project cost summary.

Points could be earned for any positive return of operational savings continuously applied after construction which could include net additional savings from staffing, operations, utilities, and maintenance costs. Points could also be earned for the more efficient execution of existing programs through higher utilization of student stations or a lower cost per unit of student stations.

Sustainability could mean the sustainability of program operations demonstrated through more efficient execution as mentioned above. Or sustainability could mean LEED certification in which a project demonstrates a more efficient use of energy resources. Points could be awarded for a project that includes a LEED or equivalent sustainability level certification.

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

Proposals are scored based on the project's ability to address life safety, promote security, or remediate a potential loss of use issue. All are deemed mission critical. The institution should be prepared to explain how a project accomplishes these elements.

Documentation of a code violation could be included. A consultant's recommendation, and inclusion as a design element, of recommended safety upgrades to a facility could be included. Other evidence of a potential loss of use could be presented. See Appendix E for recent examples of safety elements as noted in the HECC Staff 2018 review.

Of the ten total points available, the inclusion and explanation of supporting evidence related to any one of these elements can garner a base score of eight points. Two additional points can then be added for verification by an independent, professionally certified expert.

It is possible the scoring for this component of the rubric will use a comparative approach across projects to assign points based on the relative number of elements addressed by each project submitted. Projects that address more elements might garner more points for this component relative to other projects.

1. **Life Safety.** For a project to be considered critical, the project must predominantly address facility deficiencies (code compliance) related to the health, safety, and welfare of the occupants and the public. The request will be considered as to the significance of the hazard or risk the facility conditions pose and the immediacy of the period requested to address those concerns.
2. **Security.** The proposal supports a safe and secure environment in all buildings and grounds owned, leased and/or operated by the universities. The proposal promotes safety through policies and programs. The proposal safeguards the university's property and physical assets.

3. **Loss of Use.** A project may be considered critical if it addresses imminent loss of use due to facility deficiencies. These can include mechanical, electrical, or structural systems as well as the accreditation requirements of a program. Critical loss of use projects would directly result in the inability of that program to function in the related area and/or maintain the funding necessary to sustain that program.

## **COMPONENT D: INSTITUTIONAL PRIORITY**

Each institution will identify the top three projects from only the tier one category as defined by the university presidents. The institution's first priority will receive 5 points, second priority will receive 3 points, and the third priority will receive one point. Subsequent project proposals will receive no points for this component.

## **COMPONENT E: STUDENT SUCCESS FOR UNDERSERVED POPULATIONS**

Proposals should clearly communicate the expected increases in success for underserved populations. The underlying data used in the calculations of the Student Success and Completion Model (SSCM) provide a baseline for degree attainment by priority communities of color, rural, LGBTQIA+, students with disabilities, and veteran populations. Institutions should review that data and then describe how this project will improve outcomes in any of the categories.

Points will be awarded for documenting the integration of the project with academic plans and by incorporating greater collaboration among institutions to support and retain priority students. Proposals should document a clear, intended purpose of the project to meet the needs of priority students. Examples of support, retention and academic plans could include additional support services for priority students or the proposal of new goals for priority student achievement resulting from the completion of the project.

It is possible the scoring for this component will use a comparative approach across projects to assign points based on the relative magnitude of the proposed increase in student success by each project submitted. Projects that include a greater projected increase in student success might garner more points for this component relative to other projects.

## **COMPONENT F: LEVERAGING INSTITUTIONAL RESOURCES**

External funding should be a factor in prioritizing projects but should not inappropriately determine institutional or HECC priorities. The campus match component identifies a minimum percentage of project costs to be borne by the institution, ideally from external funding which could include grants, donations or other funds not derived from institutional or state resources. The two largest institutions UO and OSU have a common matching table. PSU has a unique matching table to reflect its matching capacity more appropriately. Technical and Regional institutions have an adjusted matching schedule to acknowledge a smaller private funding base in the rural communities of the state. The match expectation is differentiated by type of project as well.

Ten points are based on the level of matching and five points are based on the availability of funds according to the schedules below:

<b>OSU and UO Matching</b>		
<b>% Match</b>	<b>New Construction</b>	<b>Major Renovation</b>
25% or over	10	10
24%	8	10
15%	6	10
10%	5	9
5%	4	5

**OR**

<b>PSU Matching</b>		
<b>% Match</b>	<b>New Construction</b>	<b>Major Renovation</b>
15% or over	10	10
12%	8	10
9%	6	10
6%	5	9
3%	4	5

**OR**

<b>Technical Regional Matching</b>		
<b>% Match</b>	<b>New Construction</b>	<b>Major Renovation</b>
5% or more	10	10
4%	8	10
3%	6	10
2%	4	7
1%	2	5

**AND**

<b>Majority pledged or in hand. (Verified in proposal)</b>	
<b>% Match</b>	<b>Points</b>
100% add	5
75% add	4
50% add	3
25% add	2
0% >=10% add	1
0%	0

## APPENDIX A: DAS AND HECC PFC REQUIRED FORMS

In accordance with the Department of Administrative Services' Capital Instructions, send HECC the following files by September of respective year. Please do not alter these forms as we are using them in a rollup or summary function.

- HECC Public University Major Construction Project Narrative 107BF11a

### Higher Education Coordinating Commission - Public University / Community College Major Construction/Acquisition Project Narrative

**Note:** Complete a separate form for each project.

<b>Public University or Community College:</b>	University of Oregon	Project Type - indicate percent of budget in each category; total should add to 100%:	
Project Name:	<b>Friendly Hall Deferred Maintenance Pro</b>	Planning/design	20%
Estimated Start Date:	Janaury, 2024	Land/real property acquisition	
Estimated Completion Date:	December, 2027	New construction	
Total Estimated Project Cost <sup>1</sup> :	\$82,973,000	Addition	
Cost per net usable square foot added or renovated:	\$1,855/SF	Remodel	80%
		Total	100%

<sup>1</sup>Include all costs regardless of proposed funding model, such as design and planning, hard and soft construction costs, land and real property acquisition, infrastructure development, furnishings and fixtures, contingencies, etc.

**Project Summary (describe the nature and purpose of the project):**

Since 1893, Friendly Hall has housed and served generations of University of Oregon students. The Friendly Hall Deferred Maintenance and Renovation Project will ensure the legacy of this historic building will be preserved for students and faculty for decades to come. The renovation will ameliorate serious safety issues by providing seismic upgrades, a more accessible building, resolving building and site code violations, and eliminating a portion of the University of Oregon's deferred maintenance backlog. In addition, it will bring together multiple language programs currently scattered around campus into a centralized Global Studies and Languages hub benefitting from modern classrooms, office spaces, and gathering spaces and creating efficiencies with a centralized student resource center focusing on student support for underrepresented students, study abroad programs, and career development.

**Facility Details (describe specific details such as number of stories, square feet, type and number of components such as classrooms and labs):**

44,740 gsf, four stories plus basement. School of Global Studies and Languages including:

- o Classrooms serving over 3,500 students annually.
- o Up to 130 faculty and graduate student/instructor offices and workstations.
- o Collaborative learning spaces including Language Hubs that support underrepresented students.
- o Student- and faculty-focused, administrative support office suite.
- o Facilities for School's degree programs: 16 Undergraduate Majors, 22 Undergraduate Minors, and 11 Graduate degrees/specializations.

Funding Request			
Type of Funding Requested	Project Funding Amount Requested	Estimated Biennial Debt Service <sup>5</sup>	Debt Service <sup>5</sup> Funding Source
General Funds/Lottery Funds			N/A
Article XI-F(1) Bond Proceeds <sup>2, 4</sup>			Other Funds
Article XI-G Bond Proceeds <sup>3, 4</sup>	\$ 7,543,000		General Fund
Article XI-Q Bond Proceeds <sup>4</sup>	\$ 67,887,000		General Fund
Lottery Revenue Bonds			Lottery Funds
<b>Total</b>	\$ 75,430,000	\$ -	

- **XI-F (1) REVENUE SUFFICIENCY**

- Solely for self-funded projects, the project will not be graded and will be separately submitted in a cluster of similar project requests. Include any board resolutions for the project with the revenue sufficiency analysis and include a pro forma in a standard format annotating business assumption about the project like the following examples:

<b>1. What is the project? Renovation of Smith Memorial Student Union and relocation of the Student Health and Counseling Center</b>
a PSU educates the most underserved students in the state, yet has the largest deficit in the types of spaces needed to better serve URM students. 40% of students served by Student Health and Counseling are considered priority populations.
b. The buildings detailed in this request: Vacate the University Center Building and its costly lease. Relocate Student Health and Wellness to Fairborz Maseeh. Renovate Smith Memorial Student Union.
<b>2. What is hoped to be accomplished by the project?</b>
a. Exit costly lease and building at the University Center and relocate to Fairborz Maseeh. Renovate Smith Memorial Student Union
b. Centralize and improve student services
<b>3. What is the total project cost?</b>
a. The total project cost is \$16M of taxable XI-F bonds for the Student Health and Wellness Center and \$9.7M (of which \$8.2M is taxable XI-F bonds) for Smith Memorial Student Union.
b. The City of Portland requires that the first floor of any building in downtown Portland must serve a retail purpose and consequently the bond request has this segment parsed as taxable bond.
<b>4. What are the current building descriptions?</b>
<b>Smith Memorial Student Union (SMSU)</b>
Smith Memorial Student Union (SMSU) is a four-story building with two basement levels located between SW Park, Montgomery, Broadway, and Harrison. It is the building just south of Cramer Hall and north of Fairborz Maseeh Hall. Skybridges on the third and fourth floors lead to Cramer Hall and Fairborz Maseeh Hall. The third floor skybridge also connects to the University Services Building, School of Business Administration, the School of Education, and Parking Structure 2. Tunnels from the basement level lead to Cramer Hall to the North, and Fairborz Maseeh Hall to the South.
SMSU is PSU's student union and includes a food court on the first floor; a games room in the basement; a ballroom for events on the third and fourth floors; and offices for student organizations, groups, and other services throughout the building.
SMSU was the second building constructed for Portland State and was built in four separate phases between 1956 and 1966. Phase 1 was completed on May 28, 1958. The second phase completed on January 5, 1960, in the northeast corner, was known as Library East until 2012 and possesses separate mechanical and electrical systems. Library East was Portland State College's central library until the construction of Library West (now Millar Library) in 1968. Phase 3 (Addition 1) added the southwest corner of the building and additional work on the northwest corner was completed October 28, 1961 with the final southeast phase (Addition 2) completed on May 28, 1965. The first three phases (NW, NE/Library East, and SW) were all designed by the architects, Lawrence, Tucker & Wallman, with the original unit also benefiting from the consulting services of college union pioneer, Porter Butts. The final SE addition was designed by Mockford and Rudd.
Square Footage:
Gross Square Footage: 220,435
Net Assignable Square Footage: 128,450
<b>Student Health and Wellness Center (SHAC) will be relocated to the Fairborz Maseeh Hall from the UCB.</b>
Fairborz Maseeh Hall is a five story structure located on Broadway between Harrison and Hall Street on the South Park Blocks of Portland State University campus. It is the building just south of Smith Memorial Student Union and north of Shattuck Hall. Skybridges on the second and third floors lead from the north side to Smith Memorial, Parking 2, the School of Business Administration and the School of Education. A tunnel connects the basement to Smith Memorial. The second floor of FMH will be renovated to make it suitable for clinic use after the Art and Design is vacated. The second floor currently at FMH contains open studios and some classrooms.
Square Footage
Building Gross Square Footage: 212,804
Building Net Assignable Square Footage: 188,575

- Six Year Capital Plan - DAS Capital 107BF12

Update the six-year capital plan with your new changes and save file with your validations and footnotes. HECC Staff will provide DAS Capital with the rollup of CIR needs and a summary tab.

Capital Financing Six-Year Forecast Summary 2023-25							
Agency: HECC - Oregon Tech		<b>Provide amounts of agency financing needs for the 2023-25 biennium, by expected use and repayment source. Include proposed project amounts only (do not include debt service from either previously issued debt or from new debt issuance).</b>					
Agency #: 525000							
Use of Bond Proceeds	Bond Type		Totals by Repayment Source				
	General Obligation Bonds	Revenue Bonds					
<b>Major Construction / Acquisition Projects</b>							
General Fund Repayment	\$	\$	-	\$	-	GF	
Lottery Funds Repayment			-		-	LF	
Other Funds Repayment		71,440,000	-		-	OF	
Federal Funds Repayment		-	-		-	FF	
Total for Major Construction	\$	71,440,000	\$	-	\$	-	
<b>Equipment/Technology Projects over \$500,000</b>							
General Fund Repayment	\$	-	\$	-	\$	-	GF
Lottery Funds Repayment		-		-		-	LF
Other Funds Repayment		-		-		-	OF
Federal Funds Repayment		-		-		-	FF
Total for Equipment/Technology	\$	-	\$	-	\$	-	
<b>Debt Issuance for Loans and Grants</b>							
General Fund Repayment	\$	-	\$	-	\$	-	GF
Lottery Funds Repayment		-		-		-	LF
Other Funds Repayment		-		-		-	OF
Federal Funds Repayment		-		-		-	FF
Total for Loans and Grants	\$	-	\$	-	\$	-	
<b>Total All Debt Issuance</b>							
General Fund Repayment	\$	-	\$	-	\$	-	GF
Lottery Funds Repayment		-		-		-	LF
Other Funds Repayment		71,440,000		-	71,440,000	-	OF
Federal Funds Repayment		-		-		-	FF
<b>Grand Total 2023-25</b>	<b>\$</b>	<b>71,440,000</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>71,440,000</b>	

# APPENDIX A1: XI-REVENUE SUFFICIENCY

## REVENUE SUFFICIENCY PROCESS FOR ARTICLE XI-F BONDS

Revenue sufficiency includes three components: (1) the annual attestation to the DAS CFO that the institution has sufficient funds to pay the debt service for the projects previously awarded according to ORS 291.445, (2) the HECC internal review required by ORS 350.095 for prospective projects and (3) the external review directed by DAS Capital prior to bond sale for those projects that have obtained Legislative approval.

### 1. Attestation of Existing Projects

This is required annually and is an attestation by the institution to the DAS CFO under ORS 291.445. This applies to debt service for existing projects. HECC’s role is limited to summarizing institutional responses. The HECC does not independently verify the attestations.

### 2. HECC Review of Prospective Projects

Prospective XI-F bond projects are not evaluated and prioritized using the HECC University Capital Rubric. As self-funded projects, they are treated as a loan guarantee from the state. They have fewer reporting requirements than the rubric projects. HECC Staff summarizes the project and provides a prospective analysis. There are five primary steps included as part of the HECC’s review in fulfillment of ORS 350.095:

1. Create a proposal package with a project summary (see pages 6-7 of the Capital Guide) and a financial pro forma documenting revenue sufficiency
2. Review concept with institution staff including documentation of assumptions, enrollments forecasted, and footnotes
3. Confirm board resolution supporting the project
4. Development of HECC staff analysis
5. Report to DAS Capital, LFO and HECC as appropriate

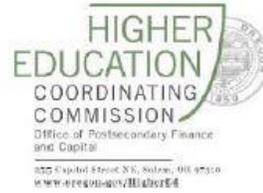
**What is a pro forma?**  
Typically includes revenue and expense estimates to project future operating results given certain assumptions.

**What does HECC staff analyze?**  
The reasonableness of the assumptions made and the sensitivity of the assumptions to potential variation.

### 3. DAS Capital External Review

This review is directed by DAS Capital prior to the sale of the bonds and is conducted by an independent contractor. The preliminary work at HECC may be used to assist in verifying revenue sufficiency of each proposed project.

# APPENDIX A2: HECC CAPITAL PROJECT COST SUMMARY



## CAPITAL PROJECT COST SUMMARY

Institution: \_\_\_\_\_

Project Title: \_\_\_\_\_

Priority Number: \_\_\_\_\_

### Capital Construction/Capital Renewal Project Cost Summary/Cost Savings

	First Year	Second Year	Third Year	Fourth Year	Fifth Year	Total Project Costs
<b>Land/Building Acquisition</b>						
<b>Professional Services</b>						
Architectural Services						
Engineering Services						
Planning Services						
Other Expenses						
<b>Construction Services</b>						
Site Improvements						
Utility Improvements						
Cost of Construction						
Other Const. Services						
<b>Equipment and Furnishings</b>						
Equipment						
Furnishings						
Communications + IT						
<b>Operational Savings</b>						
Staffing						
Utilities						
Other						
<b>Net Project Total:</b>	0	0	0	0	0	0

\* Note that bonded projects have a three year project spend plan.

## APPENDIX B: DEFINITIONS

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A project qualifies for HECC capital construction review and inclusion in the capital construction budget if it meets the criteria set out below:

Capital Asset means:

Life of more than one year

A cost of at least \$5,000

Real property.

Information technology.

Fixed equipment.

Movable equipment; or

Instructional or scientific equipment with a cost that exceeds \$50,000

Capital Asset does not include:

Instructional or scientific equipment purchased by a state institution of higher education if the institution uses moneys other than those appropriated

Capital Construction includes:

Must be capital costs with a life of more than one year and a cost of at least \$5,000 (State's threshold)

Acquisition of a capital asset or disposition of real property.

Construction, demolition, remodeling, or renovation of real property necessitated by changes in the program. Changes in the program may also incorporate the need to meet standards required by applicable codes; to improve energy conservation; to save costs for facility staffing, operations, or maintenance; or to improve appearance.

Demolition costs are only capitalizable as part of a new building or asset being added in its place.

Site improvements or development of real property (landscaping, upgraded utilities, signage etc.) that are capitalizable.

Installation of the fixed or moveable equipment necessary for the operation of new, remodeled, or renovated real property, if the fixed or movable equipment is initially housed in or on the real property upon completion of the new construction, renovation, or remodeling. The equipment must be capitalized as part of the construction project.

Installation of the fixed or movable equipment necessary for the conduct of programs in or on real property upon completion of the new construction, remodeling, or renovation. The equipment must be capitalized as part of the construction project.

Contracting for the services from architects, engineers, and other consultants to prepare plans, program documents, life-cycle cost studies, energy analyses and other studies associated with any capital construction project and to supervise construction or execution of such capital construction.

Installation, development, or upgrade of information technology, including the purchase of services for the office of information technology on the condition that the use of such services is the most cost beneficial option or falls within the duties and responsibilities of the office of information technology or the office's chief information officer. Only the application development stage of IT systems is capitalizable, per GASB 51.

Preliminary planning including initial review of proposed projects for a) conformity with long-range development plans; b) technical and economic feasibility of the project; c) preparation of outline plans and specifications; or d) preparation of preliminary cost estimates. The State allows these costs if the asset location has been identified, as costs must be directly identifiable with a specific asset. A feasibility study to determine the best location would not be capitalizable.

A new construction or renovation, including the cost of initial design has the total cost normally of more than \$500,000.

Capital construction projects arise out of an institution's need to create, expand, relocate, or alter a program due to growth, advances in technology or changes in methods or program delivery. Requests addressing physical space requirements needed to accommodate functions, such as those traditionally included in facility programs, would constitute a "program-driven" request, and therefore, be considered a capital construction request.

Capital Renewal requests are classified and prioritized as capital budget requests. Capital Renewal requests have costs normally exceeding \$2.0 million in a fiscal year and include projects that that are more cost-effective or better addressed by corrective repairs.

Capital Renewal and Major Maintenance: Capital renewal and major maintenance or major repairs and replacements (R & R) are synonymous. They are funded the capital funds budget and not from normal maintenance resources received in the operating budget cycle. However, major maintenance, in some cases, is included as a routine part of current fund operations and maintenance and included as operating budget expenditure in the category of non-capitalized work. In other cases, an accounting decision can categorize a project as capital renewal and treat it as capitalized work. The need to fix rules, typically by a minimum dollar threshold for capital renewal, avoids this confusion between O&M and capital renewal funding.

A capital renewal program is a systematic management process to plan and budget for known cyclic repair and replacement requirements that extend the life and retain usable condition of facilities and systems and are not normally contained in the annual operating budget. Capital renewal is a planned investment program that ensures that facilities will function at levels commensurate with the academic

priorities and missions of an institution. Included are major building and infrastructure systems and components that have a maintenance cycle more than one year.

Renewal and replacement are an accounting terms used to distinguish a subgroup of plant fund assets from capitalized plant additions and improvements. However, institutional accounting practices vary; decisions are sometimes made to capitalize portions of major maintenance and renewal and replacement. Replacements in the form of new construction are routinely designated as capitalized and are grouped together with renewals as capital renewal and replacement programs. As a form of capitalized construction, replacements are interchangeable with new construction, whether they are replacing an existing facility or are an addition to the plant. Linking capital renewals with replacements is a more accurate way to describe a program for renewal of existing plant assets as distinguished from totally new additions to plant assets.

The scope, complexity, cost, and duration of a project can dictate whether major maintenance should be supervised by maintenance management or by a separate design and construction department. As an alternative to using in-house maintenance and design staff, a major maintenance project requiring plans, specifications, and competitive bidding can be designed by consultants and constructed by contractors. Capital renewal and replacement usually requires external assistance in design and construction administration to avoid dedicating facilities management staff to lengthy, time-consuming projects. Regardless of the choice made, major maintenance and capital renewal and replacement require supervision by facilities management staff to coordinate campus conditions (e.g., access during construction, interim relocations, utilities) and ensure project delivery in conformance with specifications, budgets, and schedules. (Source: Harvey Kaiser, APPA, Book of Knowledge, 2018).

Completion: University completion rates show the percentage of first-time, full-time freshmen in the fall 2012 cohort who earn a bachelor's degree within 6 years at any of the public universities. Community college completion rates show the percentage of students who earned an associate degree or career certificate or who transferred to any 4-year university nationwide, among students who were new to the institution in fall 2013, were not enrolled in dual credit/accelerated learning, and earned at least 18 quarter credits over 2 years or earned an award requiring fewer than 18 credits. This cohort reflects the degree-seeking cohort of the Voluntary Framework of Accountability (VFA) but with 4-year outcomes.

Deferred maintenance: Deferred maintenance was defined as major maintenance or capital projects that had gone unfunded in previous budget cycles. Deferred maintenance became a universally adopted part of the vocabulary of higher education.

During this period, efforts to document condition deficiencies more systematically and to prepare data on which to plan corrective measures came in the form of the Facility Audit. The methodology was documented in the Facilities Audit Workbook in 1982.2 jointly sponsored by APPA and the National Association of College and University Business Officers (NACUBO), a simple format, building on work by the Tennessee Board of Higher Education and military agencies, described a process that produced comparative ratings of campus facilities conditions. In 1993, APPA's The Facilities Audit provided a cost-deficiency technique to measure the extent of maintenance backlogs. It is common now for many statewide public systems and individual institutions to annually report findings of

condition inspections, although, on many campuses, assessment of deteriorating conditions was still largely episodic, sometimes related to campus master planning.

From the very beginning, when the facilities audit began to catch on as increasingly common practice, uncertainty prevailed about whether to include the prospective costs of subsystems life expiration, because prospective costs of renewal did not fit within the definition of “unfunded in previous budget cycles.” If these costs anticipated in the future were included in reports of what was called deferred maintenance, then those deferred maintenance backlogs ballooned to disproportionate amounts, because they included both past accumulated deficiencies and projected future needs.

The result was that many institutions and public systems experienced instant rejection of unreasonably large funding requests, sometimes presented as an “urgent one-time need.” The shock wave in those reactions then led to resubmission of capital funding requests significantly understating real needs but formulated to gain acceptance for at least partial funding. (Harvey Kaiser, APPA, Book of Knowledge, 2018).

Education and General (E&G) Expenses: For decades, NACUBO's Financial Accounting and Reporting Manual (FARM) has served as the definitive guide for assigning expenses to a primary function. Those categories have not only shaped the organization of our general ledgers and audited financial statements, but they also form the basis of institutional reporting to the U.S. Department of Education's National Center for Education Statistics (NCES).

HECC E&G	Non E&G
Instruction	
Academic Support	
Student Services	
Scholarships and Fellowships	
Research	
Public Service	
Institutional Support	
	Auxiliary Enterprise
	Hospitals
	Independent Operations
	Operations and Maintenance
	Depreciation
	Interest Expense
Adapted from FARM 703 NACUBO and required for IPEDS	

Strategic Capital Development Plan (SCDP): The 10-year strategic capital development plan or SCDP is a high-level summary of capital need based on demographic, economic, industry, and other environmental factors, dividing the targeted portfolio by region of the state. It divides the existing and potential future capital portfolio according to ideal usage and utilization, estimating space need for different academic disciplines and functions.

UNDERSERVED COMMUNITIES IN OREGON: For the State of Oregon as a whole (not education-specifically), a 2021 definition of historically and currently underserved communities

includes Oregonians who are: Native Americans, members of Oregon’s nine federally recognized tribes, American Indians, Alaska Natives; Black, Africans, African Americans; Latino/a/x, Hispanic; Asian, Pacific Islanders; Arab/Middle Eastern/North Africans; immigrants, refugees, asylum seekers; undocumented persons, DACA recipients, “Dreamers”; linguistically diverse; people with disabilities; LGBTQ+; aging/older adults; economically disadvantaged; farmworkers, and migrant workers. 5

**UNDERSERVED STUDENTS AND LEARNERS:** Students and learners whom education systems have historically failed to support or are currently failing to support sufficiently in the achievement of equitable outcomes. The specific categories of historically and currently underserved groups in the context of postsecondary education and training may vary by the specific outcome measure (for example, the disparities for college access differ from the disparities for college completion). For the HECC, postsecondary education equity will be achieved once one’s identity/identities or demographic group/s—including but not limited to racial/ethnic identity, socio-economic background, dis/ability status, gender, sexual orientation, parental status, veteran status, and geographic origin or location—no longer predict inequitable access to and success in postsecondary education and training.

## APPENDIX C: EXAMPLES OF SAFETY ELEMENTS

<b>Safety Elements in Universe of Proposals 2019-2021 Capital Proposals</b>
ADA - numerous accessibility barriers
Asbestos hazard, lead, PCB and other hazardous material and chemical
Chemistry labs not ADA accessible/usable
Electrical Systems failures
Elevator not meeting code
External chemical water filtration not up to code
Eye-wash stations not meeting OSHA standards
Fire safety - Fire suppression sprinkler system inadequate or not functional to code
Fire safety - HVAC system lacks fire dampers and smoke detectors
Fire safety - lack of area of refuge for individuals with disabilities
Fire safety - Lack of visible strobes for hearing impaired
Fire safety - fire exit wayfinding is difficult
Gas taps unused and still pressurized in selected classrooms
Inadequate HVAC systems
Inadequate bathroom ventilation
Inadequate electrical systems or capacity to meet code
Inadequate plumbing to meet code or plumbing systems failures
Industrial site remediation
Internal/secondary doors between foyers and hallways not ADA accessible
Laboratory ventilation failures - Air extraction not meeting code
Lack of ADA access to lower level
Lack of back-up power sources for communications and power-actuated doors
Lack of emergency lighting in basement or stairwells
Lack of storage for hazardous chemicals
Mechanical systems inadequate to meet code
Need for other structural improvements
Parapet heights and fall protection systems on the roof not OSHA compliant
Raised flooring wear creating tripping hazard
Ramp safety hazard
Seismic deficiency
Shock hazard in chemistry lab outlets below work surfaces when exposed to spills
Tripping hazards
Water intrusion in ceilings causing mold
Other Campus Safety

# APPENDIX D: NOTEWORTHY CAPITAL PROJECT PROPOSAL EXAMPLES BY RUBRIC COMPONENT

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## COMPONENT A: STRATEGIC CAPITAL DEVELOPMENT PLAN ALIGNMENT

Oregon State University – Cordley Hall Renovation, Phase II



### A. Strategic Capital Development Plan Alignment

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

Biology is at the core of the teaching mission for the two departments in Cordley Hall. The impact of IB and BPP on undergraduate students is significant. The Biology Program has over 1,200 students and is the fourth largest major at OSU. Upon completion, Biology students score in the 82-93 percentile on the ETS Biology Major Field Test. Faculty members in Cordley Hall teach foundational courses in biology, including Principles of Biology and Anatomy & Physiology, which are required courses for over 30% of OSU undergraduates; in total, foundational courses at OSU are taken by at least 60% of undergraduates. The introductory biology and botany courses for non-majors serve over 70 majors in eight colleges. Because of the focus on experiential learning, 609 undergrads have had research experiences within labs in Cordley Hall in the last four years, and 404 have served as undergraduate learning assistants in classrooms.

Component B: Portland State University - Operational Savings and Sustainability:

Operational costs of the facility compared to current operational costs.

The following energy savings estimates come from the Technical Analysis Study, which was completed in August 2018 in partnership with the Energy Trust of Oregon. With all recommended energy efficiency measures identified in this study, it is estimated that the SB1 Project will result in a reduction in electricity consumption of 22% and gas consumption of 62%.

EEM Description	Estimated annual kWh savings	Estimated total thermal savings	Total annual energy cost savings
Lighting Upgrades	122,922	-2,337	\$7,746
VAV Fume Hoods	174,845	20,704	\$31,225
HVAC Heat Recovery	-19,051	11,719	\$8,350
Improved Controls	2,583	475	\$604
Upgrade Windows	-115	2,590	\$2,169
Upgrade Chiller	36984	0	\$2,922
<b>Total Energy Savings</b>	<b>318,168</b>	<b>33,151</b>	<b>\$53,016</b>

**Lighting Upgrades:** LED lighting will be installed which will reduce LPD values in all areas. We have assumed that lighting power density (LPD) values in all areas will be reduced by 25% to 30%. Note that this upgrade is discussed here only to show the effect of such LPD reductions on the total building energy usage and to include the interactive effects of these reductions in the other measures. Reduced lighting power will reduce the heat gain to the building from the lighting and thus increase the space heating demand.

**VAV Fume Hoods:** Although the fume hood exhaust fans are currently equipped with variable frequency drives (VFDs), approximately half of the fume hoods throughout the building are constant volume types. Replacing these fume hoods with variable air volume (VAV) fume hoods will reduce the average exhaust airflow pulled from the building. This will allow the exhaust fans to operate at reduced speeds and will reduce the amount of outside makeup air that will need to be heated or cooled.

**HVAC Heat Recovery:** A significant quantity of air is exhausted from the building at all hours, requiring outside makeup air to be conditioned and introduced.

## Component C: Oregon Institute of Technology - Life Safety, Security, or Loss of Use

Oregon Tech's Risk, Environmental Health and Safety, Facilities Management and Information Technology Services departments have identified specific risks, hazards and repair needs for Boivin Hall. Issues are categorized in terms of life safety and code compliance, security, and loss of use below.

### Life Safety and Code Compliance:

Asbestos removal/abatement is needed including tile mastic, lagging gables and eaves, chemistry lab counter tops and fume hoods. Several floor panels are broken, exposing asbestos mastic. There may be significant unidentified asbestos throughout the building based on its age and design.

Bathroom plumbing is not reliable and needs upgrading to prevent clogs, persistent backups and to fix constant leaks creating health and usability hazards. This has caused building closures/truncated use in the recent past. Bathroom ventilation is inadequate or non-existent. Chemistry labs are designed in such a way that causes congestion near instructor benches and can create an egress hazard in the event of an emergency.

Chemistry labs have live-electrical outlets below the work surfaces, when exposed to liquid spills creates a shock hazard. Similar issues exist in chemical and glassware prep areas.





*Early conceptual renderings from SRG Architects*

**Underrepresented Minority Students**

The Student Success Center is the cornerstone to WOU’s efforts to maximize retention rates and graduation rates. Currently the key academic support services such as tutoring, advising, support programs, and the Registrar’s office are located across multiple university buildings. The decentralized locations of these critical services reflect the challenge noted in the SCDP report about WOU lacking adequate Academic Support space. If anything, the study undercounts the needed space since WOU has a higher percentage of first-generation, low-income and minority students and these students require more wrap-around support services for their success.

WOU’s long-term success in retaining and graduating Latinx students has been recognized nationally by the Education Trust in 2010 while the WOU’s success with Pell Grant students was recognized in 2015. The Student Success Center will expand the circle of success to other diverse groups including rural students and Veterans. The Student Success Center’s design and cluster of services will maximize staff availability while minimizing student waiting time and delays. The movement of several services from the Werner University Center to the Student Success Center will also allow the university to expand the amount of space for clubs, student groups and other co-curricular activities that support student engagement and success.



# Core Information System Replacement (CISR) Project

# CISR Plan

## Alchemy – Implementation Partner

Estimated Total to Complete	Nov 2025**	Dec 2025	Jan 2026	Feb 2026	Mar 2026	Apr 2026
	\$1,202,519.37	\$169,030.18	\$167,346.12	\$197,662.33	\$271,208.10	\$131,509.11
	May 2026	Jun 2026	Jul 2026	Aug 2026	Sep 2026	
	\$39,454.79	\$34,469.08	\$41,597.58	\$59,114.29	\$13,527.72	

\*Includes Actuals dollars of \$101,454.44 from 11/1/25-11/15/25 plus forecast dollars 11/16/25-11/30/25

# Future Meetings

# Adjournment