



**Oregon State
University**

The Board of Trustees of Oregon State University

Meeting of the Finance and Administration Committee

March 7, 2025

11:30 a.m. – 2:15 p.m.

Virtual meeting held by Zoom

MINUTES

Committee members present: Kasaundra (Kassy) Bonanno, Susan Clark, Lisa Hale, Román Hernández (*ex-officio*), Carla Ho‘ā (*ex-officio*), Grant Kitamura (*vice chair*), Toby Luther, Elise McClure (*chair*), Marlena (MJ) Mirho (*nonvoting member*)

Other trustees present: Stephanie Bulger, Kate Carter-Cram, Maria Chávez-Haroldson, Greg Macpherson, Julie Manning, Jayathi Murthy, Camille Palmer

University staff present: Jackie Bangs, Jon Boeckenstedt, Bill Callender, Bruce Daley, Leah Hall Dorothy, Ed Feser, Alix Gitelman, Becca Gose, Brent Gustafson, Carla Ho‘ā, Steve Hoelscher, Jen Humphreys, Stacy Jeffries, Paul Odenthal, Staci Simonich, Patti Snopkowski, Troy Snow, Carrie Trant, Irem Tumer, Scott Vignos

1. Call to Order / Roll Call / Declaration of a Quorum

Committee Chair Elise McClure called the meeting to order. Board Secretary Jackie Bangs called the roll and verified a quorum.

2. Vice President for Finance and Administration’s report

Vice President for Finance and Administration Carla Ho‘ā delivered her report to the committee.

She highlighted the institution-wide effort currently underway to realign OSU’s general operating budget more closely with the strategic goals of *Prosperity Widely Shared* and to increase OSU’s longer-term fiscal resiliency.

As part of this effort, she noted that colleges, divisions and departments are developing scenarios for reductions of 3%, 5% and 7% to inform a collaborative decision-making process for the university’s fiscal year 2026 budget.

Ho‘ā described a set of principles that university leaders are using that reflect OSU’s shared values, noting that this broad planning effort will support preparation for potential and still unknown effects of federal funding changes that could impact OSU operations. She reported that trustees will hear more about the results of this work at the May meeting.

Ho‘ā outlined the principles guiding the budget planning process, including prioritizing students’ needs, valuing employees, aligning resources with strategic goals, engaging the university community and making decisions collaboratively.

She invited questions and comments from trustees.

Trustee Luther asked about the budget planning scenarios and whether departments are sharing the cost pressure, given the nearly 5% tuition increase. Ho‘ā confirmed that colleges, divisions and departments are looking at the 3%, 5% and 7% scenarios to identify potential actions up to the 7% range.

Committee Chair McClure expressed appreciation for the budget process and acknowledged the complexity added by federal funding issues. She commended Ho‘ā’s strategic approach to being ready for potential impacts.

3. Consent agenda

- a. Minutes of the Jan. 16, 2025, Finance & Administration Committee Meeting**
- b. FY2025 Q2 Operating Management Report**
- c. FY2025 Q2 Investment Reports**
- d. Liquidity Management Policy Amendments**

Committee Chair McClure sought a motion to approve the consent agenda. A motion was made by Trustee Luther, seconded by Trustee Clark and approved by all committee members in attendance. The motion carried.

4. Action Items

- a. FY2026 Tuition Rates, Mandatory Fees and Student Incidental Fees**

Vice President for Finance and Administration Carla Ho‘ā and Associate Vice President for Budget and Resource Planning Brent Gustafson presented this agenda item. Vice Provost of Enrollment Management Jon Boeckenstedt was available to answer questions.

Ho‘ā stressed the importance of balancing the needs of the university’s operations, strategic investments and financial health while keeping tuition as low as possible, especially for Oregonians. She noted that tuition and fees represent a significant portion of OSU’s budget due to low levels of state funding.

She reported that the University Budget Committee had made its recommendation to the president, and that the presentation reflected the president’s recommendation to the board. Ho‘ā further noted that the amounts shown were sticker prices and that the actual amount paid by students – especially Oregon students – was frequently lower due to financial aid.

Gustafson provided a detailed explanation of the process for determining tuition and fee rates.

He outlined process steps, noting that the University Budget Committee (UBC) convenes in October each year and that a team from the Division of Finance and Administration works throughout the fall and winter to prepare projections and work on assumptions for tuition modeling. He added that the process involves financial analysis, option development and engagement with student government.

Gustafson reported that tuition pricing aims to match the university’s inflationary cost pressures, which are principally driven by salary and benefits. He added that returning students’ rates of increase reflect these pressures, while incoming students’ rates are set with market considerations.

Gustafson acknowledged the complexity of OSU’s tuition and fee structure, with distinctions based on residency status, undergraduate and graduate programs and Ecampus.

Gustafson reported that the president's recommendation included a 4.8% increase for returning undergraduates, a 5.3% increase for new undergraduates and varying rates for graduate and professional programs. He noted mandatory fees were recommended to increase modestly, with specific initiatives for new student onboarding and addressing deferred maintenance.

Ho'ā and Gustafson addressed the following topics in discussion with trustees:

Committee Chair McClure asked for background on differential tuition. Gustafson explained that differential tuition recognizes the additional costs of some educational programs and directs resources to those respective colleges.

McClure asked a follow-up question about state support and its impact on the budget. Gustafson reported that the university is still waiting to see what state appropriations will be, with that information included in the budget brought to the board in May. He added that state budgets across the country are highly influenced by Medicaid funding, and federal changes could have significant ripple effects on state appropriations.

Trustee Macpherson asked if all students pay mandatory fees and the building loan debt fee, adding that a plurality of UBC members had recommended a lower tuition increase but a higher increase in the building loan debt fee. Gustafson explained that mandatory fees are charged to all students, but that Ecampus students do not pay the building loan debt fee or campus health services fee. He explained that the recommendation for a higher building loan debt fee reflected the priority of some UBC members to make improvements to campus buildings.

Board Chair Hernández asked how this year's recommended tuition increases compared to last year's. Gustafson reported that last year's tuition increase was 4.65% for returning undergraduates and 5.13% for incoming undergraduates, with fee increases slightly higher last year.

Hernández asked a follow-up question about how OSU's tuition and fees compare to institutions like the University of Oregon (UO) and Portland State University (PSU). Gustafson said that direct comparisons are difficult but said OSU tuition and fees for incoming students were lower than at UO, but that UO has a pricing structure that is flat for five years. He estimated OSU tuition and fees were slightly higher than PSU's.

Trustee Bonanno expressed concerns about non-resident undergraduate students being priced out of OSU. Gustafson deferred to Jon Boeckstedt, who discussed efforts to keep costs low, including significant expansion of the Western Undergraduate Exchange program, which lowers costs to about 1.5x that of residents. He added that the average net cost for non-residents has remained stable.

Trustee Mirho asked about the higher tuition rates for the veterinary medicine program. Gustafson cited financial challenges and market considerations (cost of attendance relative to peer institutions) particular to the Carlson College of Veterinary Medicine, noting the college felt it could raise prices and still attract students.

Board Chair Hernández sought to confirm that OSU is not turning down qualified Oregonians over out-of-state students who pay higher tuition. Boeckstedt confirmed that OSU does not turn down qualified Oregonians in favor of non-residents. He said that, when Oregonians are not admitted to OSU, it is generally because their academic qualifications indicate they are not ready to enroll. He added that OSU still stresses the possibilities of a path to an OSU degree for those students, which might include community college or Ecampus.

Committee Chair McClure inquired about financial aid and its impact on tuition increases. Gustafson noted that, in the aggregate, OSU has substantially increased the amount of institutional aid it provides. Boeckenstedt noted challenges posed by low levels of state funding, which impedes the university's ability to do more.

Committee Chair McClure sought a motion to recommend to the board that it approve the resolution in attachment 1, establishing the academic year 2025-2026 and summer 2025 tuition and mandatory fees at the rates documented in Attachment 1, Exhibit A. The principal recommendations are for a 4.8% increase for continuing undergraduates at Corvallis and OSU-Cascades; a 5.3% increase for new undergraduate students at Corvallis and OSU-Cascades; and a 4.8% increase for Ecampus students continuing and new.

A motion was made by Trustee Luther and seconded by Trustee Clark. Trustees Clark, Hale, Kitamura, Luther and McClure voted yea, and the motion carried.

b. Capital Project Stage Gate I: Sinnhuber Aquatic Research Laboratory (SARL) Modernization

Bruce Daley, associate vice president for University Facilities, Infrastructure and Operations; Staci Simonich, dean of the College of Agricultural Sciences; and Carrie Trant, project manager of capital planning and development gave a presentation on the proposed modernization of the Sinnhuber Aquatic Research Laboratory.

Bruce Daley gave an overview of the project and stated the goal of advancing it to the design development phase.

He provided information on project funding, which includes a \$7.5M National Institutes of Health (NIH) grant; \$2M from the College of Agricultural Sciences; \$1M in state improvement funds; and \$3M from existing revenue bonds.

Daley provided information on the scope of the project, which involves modernization of the integrated specific pathogen-free zebrafish core facility, including the renovation of an existing 3,500-square-foot building and aquatic center.

He noted that the project is relatively new and was not included in the ten-year capital forecast, adding that the team anticipates returning to the board in October for Stage Gate II approval.

Dean Simonich provided additional context about the SARL, highlighting its location and historical significance. She noted that the SARL has been in operation for over 60 years and has contributed over \$150M in grant funding, primarily from the NIH and National Science Foundation (NSF).

Simonich provided background on the facility's research focus, explaining that it uses zebrafish as a model for human health research, leveraging the fish's genetic similarity to humans to study the impact of chemicals on embryo development.

She further noted the interdisciplinary nature of the SARL, a facility used by multiple colleges, including the College of Health, College of Science, College of Pharmacy and the Linus Pauling Institute.

Carrie Trant discussed the technical aspects of the project.

She provided renovation details, which will transform a 3,500-square-foot unused storage space into a state-of-the-art zebrafish housing center, upgrading systems, providing automation, improving efficiencies and addressing deferred maintenance.

Trant gave an overview of the project timeline, with construction anticipated to begin in March 2026 and be completed by March 2027, well in advance of the NIH grant drawdown date of May 2028.

She noted that the team had conducted comprehensive cost modeling and value engineering exercises to ensure cost efficiencies throughout the design phases.

Trustee Macpherson voiced support for the project, having toured the lab and been impressed by the research scale and the need for modernization.

Committee Chair McClure expressed concerns about the NIH grant's uncertainty but acknowledged that it was not a reason to halt the project.

Committee Chair McClure sought a motion to approve advancement of the Sinnhuber Aquatic Research Laboratory modernization project to the design development phase. A motion was made by Trustee Hale, seconded by Trustee Kitamura and approved by all committee members in attendance. The motion carried.

c. Capital Project Stage Gate I: Dixon Recreation Center Improvements

For the second capital project on the agenda, Bruce Daley was joined by Christina Vinson, project manager for design and construction, and Bill Callender, associate director for facilities and risk management for Recreational Sports. Also available to answer questions were Leah Hall Dorothy, executive director of recreational sports; Troy Snow, associate director of recreational operations and initiatives; and Steve Hoelscher, associate vice president for student affairs, finance and operations.

Daley provided an overview of the project – which is included in the ten-year capital forecast – and stated the team's goal of advancing the proposed improvements to the design development phase.

He noted that the recreation center is 50 years old and has many urgent remodel and replacement needs, adding that project improvements would address safety, accessibility, egress pathways, lighting, roof replacement, skylights, heating, ventilation and air conditioning.

Daley added that the project also includes replacement of climbing gym surfaces, a retrofit of the reconfigured east entry and improvements to racquetball and squash courts. He expects the project to advance rapidly, with a request for stage gate II approval anticipated in May.

Bill Callender provided historical context for recreational sports at OSU, which date back to 1916 and are recognized as the third oldest program in the country. He noted that the department serves over 18,000 unique students, comprising 79% of the student body in Corvallis.

He further noted that the program utilizes the support of over 470 student employees to operate 355 days a year at facilities including Dixon Recreation Center, a portion of the historic McAlexander Field House, Student Legacy Park, the challenge course and Peavy sports fields.

Callendar reported that the project is 100% cash funded through unit-level reserves from incidental fees and revenue generation, as well as the student building loan and debt fee funds.

Christina Vinson discussed the timeline and budget for the project.

She noted that the schematic design was completed in May 2024, confirming the scope of several items from the Dixon Recreation Center deferred maintenance list including the east entry and climbing wall, racquetball and squash courts, heating and cooling equipment replacement, roof replacement and the addition of an emergency generator.

Vinson reported that the original cost estimate of \$8.5M had increased to \$11.5M due to additional electrical and HVAC elements and finishing one of the racquetball courts as an athletic training space.

She gave an overview of the project timeline, with an early construction package for the climbing wall and east entrance planned to begin in April. The project is scheduled for full completion in May 2026.

There being no questions or discussion from trustees, Committee Chair McClure sought a motion to approve advancing the Dixon Recreation Center improvements project to the design development phase, and for early work to proceed. A motion was made by Trustee Luther, seconded by Trustee Clark and approved by all committee members in attendance. The motion carried.

5. Discussion item

a. **Division of Finance and Administration Update: DFA Strategic Alignment with *Prosperity Widely Shared***

Vice President for Finance and Administration Carla Ho‘ā delivered this update to the committee.

Ho‘ā emphasized the importance of the Division of Finance and Administration, which she likened to the administrative backbone of Oregon State University. She highlighted the division's role in delivering essential services and providing stewardship and strategic leadership necessary for the university to achieve its mission and advance its goals.

She noted that the division supports every aspect of the university's work, from financial strategy and fiscal management to capital planning, facilities operations, risk management, public safety and sustainability. She added that the division's work touches every student, faculty member, staff member and visitor at OSU.

Ho‘ā emphasized the need for the division to remain fluid and adaptable, anticipate challenges, embrace innovation and continuously seek opportunities to enhance its value. She acknowledged the complexity and pace of change within higher education and the importance of shaping the division's plan around those changes.

She discussed how the division's priorities and goals align with *Prosperity Widely Shared*, the university's strategic plan. She explained the connectors that tie the division's work to the goals of the strategic plan, including allocating resources to support research and innovation; prioritizing facilities that support research; integrating AI into processes; and reducing administrative burdens.

Ho‘ā stressed the importance of assigning accountability to leaders within the division to ensure the successful implementation of goals. She discussed the targets related to increasing annual research expenditures and equalizing the six-year graduation rate. She emphasized the need for strategic investment in the research enterprise and prioritizing the renewal and modernization of facilities.

The following topics were discussed in conversation with trustees:

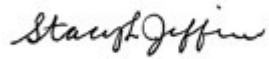
Trustee Manning asked about the timeframe for implementing the work within the division and requested updates on progress. Ho‘ā noted that timelines are being developed to stage the work effectively and emphasized the importance of convening the right groups of people and building a set of metrics to measure success.

Committee Vice Chair Kitamura expressed appreciation for Ho‘ā’s approach and focus on collaboration to achieve the goals and priorities of *Prosperity Widely Shared*. He acknowledged the uncertainty and challenges faced by the university and looked forward to hearing progress updates.

6. Adjournment

With no further discussion or business before the committee, Chair McClure adjourned the meeting.

Respectfully submitted,



Stacy Jeffries
Executive Assistant, Office of the Board of Trustees