



**Oregon State  
University**

## The Board of Trustees of Oregon State University

### Meeting of the Finance and Administration Committee

October 22, 2025

11:20 am – 2:45 pm

Memorial Union Horizon Room, Corvallis, OR

### MINUTES

Committee members present: Lauren Camou, Karla Chambers, Eric J. Gleske, Nikki Gold (*nonvoting member*), Lisa Hale, Román Hernández (*ex-officio*), Carla Ho‘ā (*ex-officio*), Grant Kitamura (*vice chair*), Toby Luther, Elise McClure (*chair*)

Other trustees present: Kate Carter-Cram, Greg Macpherson, Julie Manning, Jayathi Murthy (*ex officio member of the board*), Julia Phillips

University staff present: Maxine Agather, Andrea Ballinger, Jackie Bangs, Scott Barnes, Brent Blaylock, Tim Carroll, Jenny Chambers-Taube, Bruce Daley, Kevin Dougherty, Katie Fast, Alix Gitelman, Becca Gose, Brent Gustafson, Roy Haggerty, Jen Humphreys, Stacy Jeffries, Denise Laussade, Deb Mott, Rob Odom, Julee Otter, Libby Ramirez, Heather Riney, Melanie Rose, Irem Tumer, Scott Vignos, Jim Yon

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

Committee Chair Elise McClure called the meeting to order at 11:35 a.m. 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 introduced Interim Deputy Chief Financial Officer Jenny Chambers-Taube and Interim Treasury Director Denise Laussade.

Vice President Ho‘ā commented on the university’s growing financial headwinds driven by declining state economic conditions and shifts in federal funding priorities. She noted that impacts from the current federal government shutdown have not yet affected OSU’s operations for things like financial aid and sponsored research.

In addition, she noted potential changes to OSU’s indirect cost recovery rate related to federally funded research, which is a critical source of support for research infrastructure currently representing about \$49M annually, or 5% of the Education and General (E&G) budget.

Ho‘ā provided an update on state funding, reporting that Oregon’s Higher Education Coordinating Commission (HECC) asked universities to model impacts of a 5% reduction in state funding. She added that OSU is particularly vulnerable because of its land-grant mission and statewide programs, but emphasized that budget scenarios are planning exercises at present, and the actual decisions will depend on the state’s economic forecast.

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OSU Board of Trustees

Ho‘ā reported that the university is making efforts to improve efficiency and align resources with strategic priorities like the Administrative Modernization Program; exploring new revenue streams; and identifying opportunities for cost savings and cost avoidance, including a temporary pause in capital construction plans.

She said OSU remains committed to its mission to prioritize student success, research excellence and community impact despite financial headwinds.

Chair Hernández urged aggressive pursuit of alternative revenue streams, citing opportunities for innovation hubs and land utilization.

Trustee Manning asked about decision-making authority and timing for indirect cost recovery changes. Ho‘ā and Vice President for Research and Innovation Irem Tumer said they expected a timeline after the shutdown is resolved.

Chair Hernández asked how pausing the housing project for the Corvallis campus aligns with the university’s stated need for additional student housing to support enrollment growth and future revenue. Ho‘ā explained the pause was not permanent but a short-term measure to prioritize liquidity and avoid new long-term debt obligations amid tightening financial conditions. She added that discussions would resume soon to reassess timing based on clearer information about federal and state budgets and enrollment trends.

Committee Chair McClure suggested exploring private capital for housing, and Ho‘ā acknowledged that private capital partnerships can transfer some financial risk but cautioned that such arrangements may raise questions about shifting mission-oriented activities to third parties. She stressed the importance of weighing trade-offs carefully.

### **3. Consent agenda**

#### **a. Minutes of the May 8, 2025, Finance & Administration Committee Meeting**

Committee Chair McClure sought a motion to approve the consent agenda. A motion was made by Trustee Hale, seconded by Trustee Chambers and approved by all committee members in attendance: Trustee Camou, Trustee Chambers, Trustee Gleske, Trustee Hale, Committee Vice Chair Kitamura, Trustee Luther and Committee Chair McClure. The motion carried.

### **4. Action Items**

#### **a. FY2025 Q4 Operating Management Report**

Interim Associate Vice President and Deputy Chief Financial Officer Jenny Chambers-Taube and Assistant Vice President for Budget and Resource Planning Brent Gustafson presented the operating management report for the 4<sup>th</sup> quarter of fiscal year (FY) 2025.

Chambers-Taube explained the new reporting format, which shows year-end actual spending vs. the initial budget, noting this approach provides a high-level performance measure; highlights unanticipated changes; and promotes accountability and transparency for the board and the university community.

Gustafson gave an overview of financial performance, beginning with the Education & General (E&G) Fund. He noted that revenues ended approximately \$15.5M below budget. He explained

that the tuition and fee revenue shortfall was due to overestimation of net tuition after accounting for student remissions and waivers (not enrollment decline).

He noted broad reductions in non-personnel spending, with many units holding back on discretionary spending in anticipation of FY26 budget realignment and economic uncertainty.

Gustafson reported that revenues for self-support funds were slightly higher and expenses slightly lower than budget, resulting in a stronger year-end position. He added that revenue and spending for restricted funds were lower than anticipated due to slower federal grant expenditures late in the fiscal year, noting that these funds are closely tied to sponsored research activity and federal funding cycles.

He provided a look ahead at risks and uncertainties for fiscal year (FY) 2026, citing the following:

- **State Appropriations:** While the FY26 budget assumed stable funding, the August revenue forecast revealed structural imbalances in Oregon's general fund and lottery fund. The Governor directed agencies to prepare for potential reductions and the Higher Education Coordinating Commission (HECC) asked universities to model 5% cuts.
- **Federal Research Funding:** There is continued uncertainty around grant availability and indirect cost recovery (F&A) rates. Potential policy changes to F&A could impact FY27 and beyond.
- **Enrollment Trends:** While there is modest growth overall, international new student enrollment declined due to visa challenges and global competition. In addition, Ecampus growth is flat, not meeting projections.

Trustee Hale asked how alternative revenue streams will be incorporated into planning for FY27. Gustafson confirmed new sources will be evaluated and integrated cautiously to avoid overestimating their impact.

There being no further discussion or questions from trustees, Committee Chair McClure sought a motion to accept the FY25 Q4 Operating Management Report.

A motion was made by Trustee Luther, seconded by Trustee Chambers and approved by all committee members in attendance: Trustee Camou, Trustee Chambers, Trustee Gleske, Trustee Hale, Committee Vice Chair Kitamura, Trustee Luther and Committee Chair McClure. The motion carried.

#### **b. FY2025 Q4 Investment Reports**

Interim Director of Treasury Denise Laussade and Executive Director of the University Shared Service Enterprise (USSE) Penny Burgess presented this agenda item.

Laussade noted future plans for these reports to evolve into a comprehensive Treasury report covering cash, investments and debt.

Burgess provided context on market performance, noting that equities for the S&P 500 were up 10.9% for the quarter and 15.2% for the year, with developed international equities up 11.8% for the quarter and 17.7% for the year. She added that the Bloomberg U.S. Aggregate Index for

fixed income was up 1.2% for the quarter and 6.1% for the year, emphasizing that three- and five-year equity performance was exceptionally strong.

Laussade gave an overview of compliance and policy issues, noting that two international equity funds (Calvert International Responsible Index Fund and Putnam International Capital Opportunities Fund) violated OSU's fossil fuel restriction by investing in energy companies listed on the Carbon Underground 200. She added that staff will propose remedies to this situation in the next agenda item.

Committee Chair McClure asked how long OSU waits before acting on underperforming investments. Burgess reported that evaluation for long-term assets typically spans five to seven years, sometimes three to five years.

Trustee Chambers asked about the drawdown tied to bond-funded capital projects. Laussade noted that the Housing and Dining Phase I project was paused, with a \$100M commercial paper line available for capital or operating needs and that no new debt issuance was currently identified.

There being no further discussion and no questions from trustees, Committee Chair McClure sought a motion to accept the FY2025 Q4 investment reports.

A motion was made by Trustee Chambers, seconded by Trustee Hale and approved by all committee members in attendance: Trustee Camou, Trustee Chambers, Trustee Gleske, Trustee Hale, Committee Vice Chair Kitamura, Trustee Luther and Committee Chair McClure. The motion carried.

### **c. Amendments to OSU Investment Policy**

Interim Deputy CFO Jenny Chambers-Taube joined Penny Burgess to present proposed amendments to the OSU Investment Policy.

Chambers-Taube explained the scope of the proposed changes, which consider recommendations from the university-wide Task Force on Responsible Investing made up of faculty, staff and students. The task force reviewed sustainable investing frameworks and best practices at peer institutions.

She reported that the major update is replacement of the Carbon Underground 200 restriction, which prohibits investments in companies listed on the Carbon Underground 200 (the top coal, oil and gas companies). Chambers-Taube explained the rationale for replacing this prohibition with proposed amended language, noting that many energy companies are transitioning toward renewable energy and aggressively reducing emissions, with some legacy fossil fuel firms emerging as leaders in renewable energy development.

Burgess explained proposed technical updates to the asset allocation models, including:

- Adding minimum-to-maximum allocation bands and introducing target weights for each asset class.
- For operating assets, allowing up to 15% in equities (up from the current 10%), with the remainder in short- and intermediate-term fixed income
- For the long-term equity portfolio, setting a target allocation of 70% U.S. equity and 30% non-U.S. equity

- For the bond repayment portfolio, shifting from 100% equities to 80% equities and 20% fixed income to lock in gains and reduce risk.

Trustee Luther commended the work of the task force but warned that restrictions on investments can limit returns. He added that principles like protecting the environment are subjective and could lead to misinterpretation.

Trustee Chambers supported fewer restrictions. She noted that Chevron and Shell invest heavily in renewables and biogas and urged the university not to exclude companies leading in alternative energy due to legacy fossil fuel status.

Trustee Camou asked about environmental impact statements or assessments, and Laussade noted the difficulty of applying such statements to pooled investment structures.

Chair Hernández also raised concerns about unintentionally limiting opportunities and emphasized the board's fiduciary duty to the university.

Trustee Manning asked about due diligence expectations for fund managers under new principles. Chambers-Taube noted that current managers are already aligned with the proposed ESG (Environmental, Social and Governance) principles, and no immediate changes are needed. For future managers, ESG alignment will remain a requirement.

Trustee Hale urged the university to distinguish between guiding principles and binding policy and expressed discomfort moving forward without clarity. She raised additional concerns about how OSU would evaluate investments under the new principles, noting that underperforming benchmarks are different from missed opportunities caused by restricting investments. She suggested deferring a vote until the committee had clarification.

Chair Hernández expressed appreciation for the work of the task force but suggested removing the item from the agenda and revisiting later. Committee Chair McClure agreed, and the committee tabled a vote on this agenda item until its January meeting.

#### **d. Capital Project Stage Gate I: Field Sports Building**

Associate Vice President for Facilities Planning and Management Bruce Daley; University Architect Libby Ramirez; Vice President and Director of Intercollegiate Athletics Scott Barnes; and Executive Deputy Athletic Director and Chief Operating Officer Brent Blaylock presented a new capital project at stage gate I for the Field Sports Building.

Daley introduced the project, emphasizing that the \$25M estimated cost would be completely funded by private gifts, with no institutional debt or state funding. He said the 15,000 square-foot facility would serve nearly 150 student-athletes across five sports: women's cross-country; women's track and field; women's soccer; women's softball; and men's soccer. Daley noted that the facility completes a gender equity facilities plan OSU developed eight years ago.

Blaylock provided additional project details, noting that the building would provide dedicated locker rooms for all five sports, along with offices for coaches and staff, on-site wellness and recovery facilities and a multipurpose area for recruitment events, team meetings, community engagement and potential revenue-generating events.

Barnes provided information on project funding and timeline, noting that \$20.5M in written commitments had been secured, along with an additional \$2M gift, bringing the total to \$22.5M.

He reported that the project design is scheduled to be completed in 2025, with construction beginning in spring 2026 and a target completion date in late summer 2027.

Ramirez provided information on the architectural features of the project, which will have a sloped roof for future solar panel installation in support of OSU's sustainability goals. She added that the project is ready for the detailed design phase.

Chair Hernández commended project alignment with gender equity principles and congratulated Athletics for successful fundraising.

Committee Chair McClure and Trustee Chambers both commended the private funding approach and suggested emphasizing this in communications.

Trustee Camou asked about remaining \$2.5M gap, and Barnes confirmed the funds would come entirely from private donors, with active fundraising underway.

There being no further discussion or questions from trustees, Committee Chair McClure sought a motion to approve advancing the Field Sports Building project to the design development phase.

A motion was made by Trustee Hale, seconded by Trustee Luther and approved by all committee members in attendance: Trustee Camou, Trustee Chambers, Trustee Gleske, Trustee Hale, Committee Vice Chair Kitamura, Trustee Luther and Committee Chair McClure. The motion carried.

**e. 2026 FAC Work Plan**

Committee Chair McClure, Vice President for Finance and Administration Carla Ho‘ā and Board Secretary Jackie Bangs presented the committee's proposed work plan for the coming year.

Chair McClure introduced and summarized the work plan, which serves as a roadmap for committee activities and outlines regular financial reporting cycles; tuition and fee setting timelines; and strategic reviews like the 10-year business forecast, with flexibility to adjust based on emerging priorities.

She reported that a decision had been made to move the 10-year business forecast to May 2026, since data needed to prepare that docket is not usually available by March.

Trustee Chambers emphasized the need for greater attention to alternative income opportunities given fiscal challenges and potential constraints on state and federal funding. President Murthy and Vice President Ho‘ā endorsed the suggestion and Ho‘ā proposed that the committee receive regular updates similar to those provided for the Administrative Modernization Program (AMP).

Chair Hernández supported the idea, saying OSU should explore diversification opportunities beyond tuition and state funding.

Committee Chair McClure agreed and provided a summary of changes, which include moving the 10-year business forecast to May and adding alternative revenue strategies and innovation discussions as recurring agenda items.

There being no further discussion or questions from trustees, Committee Chair McClure sought a motion to approve the Finance and Administration Committee's 2026 work plan with proposed changes.

A motion was made by Trustee Chambers, seconded by Trustee Luther and approved by all committee members in attendance: Trustee Camou, Trustee Chambers, Trustee Gleske, Trustee Hale, Committee Vice Chair Kitamura, Trustee Luther and Committee Chair McClure. The motion carried.

## **5. Discussion item**

### **a. Capital Project Status Report**

The capital project status report was presented by Associate Vice President for Facilities Planning and Management Bruce Daley and University Architect and Director of Capital Resources Libby Ramirez.

Daley gave an overview of completed projects approved by the board, including the Washington Way Corridor (opened before start of fall term); OSU-Cascades Student Success Center (opened Feb. 2025); OSU-Cascades Phase 2 Land Development (complete); Withycombe Hall Renovation (completed June 2025); Newport Student Housing (ribbon-cutting last week); and the Pac-Wave Facility (complete).

He informed trustees that the Kelley Engineering District Utility Plant was expected to be completed by the end of the 2025 calendar year. He reported significant structural issues discovered during the Gilkey Hall renovation, which will require expanding the scope, cost and timeline of the project.

Ramirez gave an overview of projects under construction, including the Jen-Hsun Huang and Lori Mills Huang Collaborative Innovation Complex (targeted for completion in Dec. 2026, with occupancy in spring 2027) and the Richardson Hall Midlife Renewal (upgrades to the chiller, building controls, fire alarm and major air handling systems completed).

She mentioned upcoming projects, including the Field Sports Building (\$25M cost fully donor-funded); Sinnhuber Aquatic Research Laboratory (SARL) Modernization (funded by a \$7.5M grant from the NIH); Memorial Union West Wing and Mezzanine Renewal (expected completion fall 2028); Student Health and Recreation Center (SHREC) at OSU-Cascades (construction to begin in 2028); and OSU-Cascades Residence Hall. She noted that the Corvallis housing project was paused for financial review and timing for the Plageman Hall project was under review due to strategic space planning.

Daley provided an overview of trends in construction spending, reporting that the total cost of executed work trended upward until FY25 and that a downturn was expected in FY26. He added that the current deferred maintenance backlog is \$670M. He emphasized the progress made over the last six years but stressed that significant needs remain with aging systems and infrastructure.

Daley stressed the challenges of funding uncertainty, with state appropriations and debt capacity under pressure and tariffs and supply chain volatility affecting procurement. He said the strategic response is to prioritize projects with the greatest mission impact.

Chair Hernández asked about structural issues in Gilkey Hall. Daley detailed issues caused by poor craftsmanship, including misaligned columns and beams; water infiltration; and foundation instability.

Trustee Phillips asked when OSU considers abandoning the project and building new. Daley explained that demolition is not an option in this case due to Gilkey's location in the university's historic district.

Trustee Hale asked if this level of structural deficiency was anticipated and what the due diligence process entails. Daley explained that destructive testing is normally done before budgeting, but occupancy constraints prevented it in this case.

Trustee Hale asked if OSU should defer projects when destructive testing isn't possible. Daley acknowledged that was a valid consideration, and both he and Ramirez emphasized that the issues with the Gilkey project were especially difficult to predict.

**b. Enterprise Risk Report: Campus Safety**

Acting Associate Vice President for Public Safety and Chief of Police Jim Yon gave a risk report on campus safety.

Chief Yon reported that The Department of Public Safety revised their mission statement to align with OSU's strategic plan; it is now "Prosperity Widely Shared through Safety, Service, and Accountability."

He gave an overview of key goals and initiatives:

- Strengthening Community Engagement and Partnerships:

Yon noted creation of a Public Safety Engagement Officer role, with Officer Nick Herman leading outreach and averaging two to three engagement activities daily. He mentioned the role of Cedar, OSU's therapy dog, as an example of successful outreach and relationship-building efforts, noting that Cedar's 5th birthday event drew 200+ students for games, food and activities. Yon also mentioned reinforced partnerships with University Housing and Dining Services, Student Affairs and local law enforcement.

- Enhancing Crime Prevention through Innovation and Education

Yon mentioned education campaigns on personal safety and property protection. He noted the implementation of data-driven patrol strategies that analyze crime patterns (e.g., bike theft hotspots) to adjust patrol routes. He reported that the bike patrol team had been reintroduced for increased visibility and deterrence, and a computer forensic detective had been hired, noting that the detective had been able to trace a recent threat call to Massachusetts and link it to similar hoaxes nationwide.

- Promoting Professionalism and Accountability

Chief Yon cited monthly performance reviews for all staff with an emphasis on conduct awareness in an environment where cameras and social media are ever present. He reported that staff training focused on ethics, de-escalation and community policing principles. He gave an update on accreditation progress for the Department of Public Safety, noting a contract was signed with Northwest Accreditation Alliance and the goal is to finish by late 2026.

Yon said accreditation ensures compliance with best practices and continuous improvement. He mentioned alternative national accreditation through CALEA (Commission on Accreditation for Law Enforcement Agencies) was considered but deemed cost-prohibitive at \$25K annually.

In closing, he noted that Jan. 2026, would be the five-year anniversary of the OSU Department of Public Safety and expressed pride in the department's accomplishments.

Trustee Chambers commended Yon's leadership and engagement approach.

Committee Chair McClure appreciated the emphasis on service and accountability and thanked Yon and his team.

### **c. Administrative Modernization Program (AMP) Update**

An update on the AMP project was presented by Vice President for Finance and Administration Carla Ho'ā; Provost and Executive Vice President Roy Haggerty; Vice Provost for University Information and Technology and Chief Information Officer Andrea Ballinger; and Dean of the College of Business and AMP Steering Committee Chair Tim Carroll.

Ho'ā began the presentation, emphasizing that AMP remains one of OSU's top institutional priorities despite external financial pressures. She noted that the goal of the project is to modernize administrative systems and processes to reduce administrative burden; improve efficiency and transparency; and enable data-driven decision-making. She stressed that AMP is not just a technology project, but a transformation initiative for long-term agility and success.

Haggerty explained that AMP supports OSU's mission by streamlining administrative tasks for faculty, staff and students; enabling data-informed decisions through integrated HR and finance systems; redirecting resources to mission-critical work; and serving as a model for other institutions.

Carroll gave a status update and spoke about organizational change management. He reported that the project is on time, on scope and on budget, with a go-live date scheduled for summer 2026. He noted that end-to-end testing is underway using complex scenarios to stress-test the system.

He listed organizational change management (OCM) highlights, including five sessions at OSU-Cascades with over 120 participants; an AMP leadership update event (170 attendees); training community check-in (130 participants); and outreach across 36 counties (1,700 miles traveled). Carroll reported that next steps include ramping up training and readiness programs.

Ballinger spoke about benefits realization and technology, citing an estimated minimum \$10.8M annual savings through automation of repetitive tasks; reduced manual effort in complex workflows; and better data visibility for proactive decision making and cost avoidance.

She identified the following risks and challenges: leadership turnover; federal funding uncertainty; staff fatigue; learning curves for new tools and processes; and cultural resistance, which will be addressed through OCM strategies.

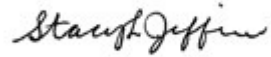
Trustee Kitamura noted that the budget for the AMP project doubled in the early stages and asked if leadership was confident OSU can finish within the current budget. Ballinger confirmed, noting that contingency funds remain untouched and the budget was tracking positively despite increased testing costs.

Trustee Chambers commended leadership for tackling a complex transformation and asked if there were other efficiency projects the university should consider. Ho‘ā cited building a robust business intelligence system to identify missed opportunities and optimize resource allocation.

**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