



Meeting of the Finance and Administration Committee

March 12, 2026

9:15 a.m.-1:55 p.m.

Memorial Union Horizon Room, Corvallis, OR

MINUTES

Committee Members Present:

Lauren Camou (*via Zoom*), 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:

Stephanie Bulger, Kate Carter-Cram, Maria Chávez-Haroldson, Greg Macpherson, Julie Manning, Jayathi Murthy (*ex officio member of the board*), Camille Palmer, Julia Phillips

University Staff Present:

Maxine Agather, Jackie Bangs, Penny Burgess, Jenny Chambers-Taube, Kevin Dougherty, Jessica Brubaker, Brent Gustafson, Carla Ho‘ā, Jen Humphreys, Josh Ingram, Stacy Jeffries, Rob Odom, Libby Ramirez, Melanie Rose, Dave Terry, Irem Tumer

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

Committee Chair Elise McClure called the meeting to order at 9:21 a.m. Board Secretary Jackie Bangs called the roll and verified a quorum.

2. Vice President for Finance and Administration’s report

In her report to the committee, Vice President for Finance and Administration Carla Ho‘ā discussed OSU’s state funding and legislative context, including her participation as part of a team charged by the Governor’s Office to conduct a high-level review of Southern Oregon University’s fiscal outlook through June 2027. That review concluded with a report that ultimately resulted in the legislature approving a \$15 million special purpose allocation for SOU to help stabilize their cash flow through fiscal year 2027 and Ho‘ā noted that OSU stands ready to assist SOU in remaining an independent regional university. Ho‘ā’s report continued with discussion of Oregon House Bill 4124, which directs the state to study potential structural changes within Oregon’s public university system. She noted that higher education is facing financial pressures on a national scale and Oregon’s institutions are navigating them in different ways, even while seeking opportunities for deeper collaboration.

Vice President Ho'ā reported on OSU's budget planning for fiscal year 2027, noting that while Oregon State remains financially stable and comparatively strong, costs continue to grow faster than traditional revenue sources. OSU is incorporating targeted expense planning as it develops the coming year's budget and working to ensure decisions are made collectively and in alignment with OSU's mission and strategic priorities. Ho'ā discussed OSU's Administrative Modernization Program and the recent Strategic Resource Renewal initiative as efforts to strengthen OSU's financial model and reduce costs for the long term.

Following the report, trustees discussed with Ho'ā the complexities of Oregon's higher ed funding and costs, the possibilities of using AI technology in OSU's business processes and other domains, and the need for statewide planning around continued demographic shifts in higher ed enrollment. Trustees discussed the unique nature of OSU's mission and contributions as the state's land grant and a national R1 research university. Trustee Bulger asked for a future discussion about the potential for expanding shared services.

3. Consent agenda

- a. Minutes of the Jan. 16, 2026, Finance & Administration Committee Meeting**
- b. FY2026 Q2 Operating Management Report**

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

4. Discussion Items

- a. Strategic Resource Renewal Update**

Carla Ho'ā, vice president and chief financial officer, and Roy Haggerty, executive vice president and provost gave an update on the university's Strategic Resource Renewal initiative, which they are co-leading. This is an effort to build a stable and resilient foundation so OSU can move beyond short-term budget fixes to a place of making meaningful investments in its goals. They described a three-phased process that brings together OSU stakeholders to develop a menu of tangible ideas that grow net new revenue, save costs and reallocate resources to the university's highest priorities. They outlined a set of principles that are guiding this work and described the anticipated timeline. Trustees asked about costs and outcomes, and how anticipated costs savings will be tracked over time. Ho'ā explained that the phased approach will allow OSU to determine the feasibility of specific actions and whether the expected return on investment is being achieved before continuing, allowing for controlled oversight. Ho'ā described a similar effort at a different institution, saying that it took about three years to reach the point of \$100 million in net new resources, and much of that was related to procurement activities. Trustees discussed the need to use change management strategies that help people adjust, cementing the gains into the future. They also discussed how this work to address OSU's

own cost curve is connected to the earlier conversation about limited statewide resources for higher ed.

b. Investment Performance Benchmarking and Evaluation

OSU's Treasurer Josh Ingram, the University Shared Services Enterprise executive director Penny Burgess and representatives from PFM Asset Management Mallory Sampson and Chad Stapleton recommended the establishment of performance benchmarks within the university's investment policy. They provided examples and best practices for a benchmark framework that includes measures of progress toward goals and objectives while identifying risks. A question was raised about why the policy doesn't already include benchmarks and Burgess explained that OSU's needs have evolved over time as its policy has grown more sophisticated. More information will come to trustees when future amendments to the investment policy are recommended.

c. Financial Aid Briefing

Dr. Prem Mathew, interim vice provost for Enrollment Management, and Keith Raab, assistant vice provost and director of financial aid provided a briefing on the different types of financial aid that students might receive to offset sticker-price tuition, including gift aid (such as grants and scholarships that do not need to be paid back), work-study programs, student employment and loans. Prospective students fill out a Free Application for Federal Student Aid (FAFSA) and then OSU can assess their financial need and build an aid package that helps each student create a funding plan for college. Using examples, Mathew explained that OSU's strategy is to deliberately shift towards more gift aid, particularly for students with the highest financial need, because that improves the odds that they matriculate. Mathew further explained that OSU manages the overall discount rate very carefully, since being too generous with aid erodes the net revenue OSU needs to operate and ultimately reduces the amount available to invest in students over time. He noted that financial aid decisions require balancing OSU's values of access and sustainability.

In FY25, OSU awarded about \$356 million in undergraduate aid and 27% of OSU's first-year resident students were eligible for federal Pell grants. OSU's student debt remains below the national average for four-year public institutions, equating to a monthly payment of about \$225. Trustees asked questions that clarified their understanding of the different types of aid and how financial aid is awarded. They learned that OSU's average rate of discount is about in the middle compared to its peers, and that financial aid packages are established for incoming students and do not increase over their time at OSU. Trustee Camou asked for more information in the future, if available, about graduation rates and other outcomes among students who are not eligible for Pell grants and must rely more on employment and loans.

5. Action items

a. FY2027 Tuition Rates, Mandatory Fees and Student Incidental Fees

Vice President and CFO Carla Ho'ā and Assistant Vice President and Chief Budget Officer Brent Gustafson presented the president's recommendation for academic year 2026-27 and summer 2026 tuition and mandatory fees: principally, a 5.75% increase for continuing undergraduates (Corvallis and OSU-Cascades) and a 6.25% increase for new incoming undergraduate students (Corvallis and OSU-Cascades), which is a weighted average tuition and fees increase for resident undergraduates of 4.97%. Graduate and professional program rates are also recommended for increases of various levels and differ by program. Ho'ā recognized that this is significant increase, but it is coupled with initiatives to manage the university's costs. She also noted the university's deliberate strategy of shifting the rate changes entirely to tuition, and not mandatory fees, which provides more budget discretion and flexibility while also being more transparent to students about total costs. Gustafson explained that these tuition and fee rates emerged from the University Budget Committee recommendations to President Murthy, following a months-long process that included stakeholder input. Gustafson reminded trustees that in a people-intensive business like higher education, salary and benefits are a significant percentage of the budget. Gustafson clarified that potential athletic excellence fee mentioned at the January meeting is not included in this recommendation.

Trustees raised concerns about affordability. They discussed the proposed tuition rates in the context of national inflation, the tuition sticker price represented here versus financial aid discounts, and the university's need for resources to invest in academic programs and student services. Trustees expressed frustration over the growing gap between the funding provided by the state and the cost of benefits for state (university) employees. Trustees discussed the potential impacts of not passing the president's tuition recommendation to academic programs, capital investments, labor contracts and debt obligations.

Chair McClure explained that policy requires the full board to consider tuition rates annually. In the event that the committee did not vote to recommend to the full board, the item would still be considered by the full board, in its original form, the following day.

McClure called for a motion to A motion to approve the academic year 2026-27 and summer 2026 tuition and mandatory fees recommendation was made by Trustee Camou, seconded by Trustee Kitamura. The motion did not pass.

Committee Chair McClure sought a motion to recommend to the board that it approve the resolution in attachment 1, establishing the academic year 2026-2027 and summer 2026 tuition and mandatory fees at the rates documented in Attachment 1, Exhibit A. Trustee Camou made the motion, Trustee Kitamura seconded the motion. The motion did not pass.

5 trustees voted against the motion: Camou, Chambers, Gleske, Hale and Luther voted against the motion.

2 trustees voted in favor of the motion: McClure and Kitamura.

The motion did not pass.

b. Ten-Year Capital Forecast

Libby Ramirez, interim executive director of Capital Planning & Resources and University Architect, presented the ten-year capital forecast—the university’s plans to provide for the physical environment necessary to conduct its mission between fiscal years 2027 and 2035. The capital forecast includes major projects with budgets of over \$10 million for Corvallis and Newport, Student Affairs and OSU-Cascades, and smaller projects budgeted under \$10 million (aggregated as minor capital projects). The university’s Infrastructure Working Group leads the development of the forecast using the strategic plan to evaluate and prioritize investments. Individual capital projects must be advanced by the provost and vice president for finance and administration and are brought to the board for approval. Ramirez highlighted the details of several projects, including;

- Magruder Hall Mid-Life Renewal – Corvallis (\$37.5 million budget) - The mid-life renewal of Magruder Hall replaces major systems for OSU’s Veterinary education, research, and hospitals.
- CCHDV Phase 1 – Student Affairs (\$190 million budget divided over two biennia) – The first building of phase 1 of the Corvallis Campus Housing and Dining Vision will add a new approximately 680 bed student living center to the south campus sector. This phase will also add an off-campus dining support facility to increase the capacity of on-campus dining centers to meet the increased demands. Two more residence halls are planned for later in the forecast period.
- Student Health and Recreation Center – OSU-Cascades (\$95 million) - An E&G and student fees supported project that remediates land to prepare for future campus growth while also building a health and recreation center vital to student recreation and wellness and key to attracting and retaining students. The project funding is forecasted at \$95M. This project was OSU-Cascades’ HECC funding request for 2027-29.

Trustee Chambers asked for a bonding schedule or information about the total amount of debt this forecast represents, as she would like to understand how different time scales might impact interest and principal costs.

There being no further discussion, Chair McClure sought a motion to accept the fiscal year 2027 to 2035 Ten-Year Capital Forecast. A motion was made by Trustee Chambers, seconded by Trustee Kitamura and approved by all voting committee members in attendance: Trustee Chambers, Trustee Gleske, Trustee Hale, Committee Vice Chair Kitamura and Committee Chair McClure. The motion carried.

c. Biennial Capital Project Proposal Submission to HECC

Executive Director Libby Ramirez reminded trustees that, every other year, the board reviews and endorses the university's capital budget request to the Oregon Higher Education Coordinating Commission (HECC). She presented the projects that OSU has prioritized for state funding consideration in the 2028-2029 legislative biennium:

- Gilbert Hall STEM Education Center (Corvallis): Proposed budget of \$88.0 million (\$66.0 million of State-paid bonds, \$4 million of State-paid Capital Improvement & Renewal funds, \$18.0 million of OSU Capital Improvement & Renewal funds or Gifts)
- Gilkey Hall Completion (Corvallis): Proposed budget of \$20.0 million (\$9 million of State-paid bonds, \$8 million State-paid Capital Improvement & Renewal funds, \$3.0 million of OSU Capital Improvement & Renewal funds)
- Student Health and Recreation Center with Land Development (OSU-Cascades): Proposed budget of \$95.0 million (State-paid bonds of \$50.0 million, OSU-paid bonds of \$9.0 million, \$10.0 million of gifts and \$26M of Partnership/other funds). This project is under consideration for funding in the current legislative short session at \$84M, still being determined as of the time of this meeting. If successful, the request for the 2027-29 HECC Capital (normal session) will be reduced or not necessary. (This \$95M request represents a budget escalated to meet a construction start two years into the future.)

Trustees discussed with Ramirez building condition assessments and how OSU plans for the maintenance and replacement costs of systems, such as HVAC and lighting, over the life a building.

A motion was made by Trustee Hale, seconded by Trustee Chambers to accept the fiscal year 2027-2029 capital funding request submittal to HECC; it was approved by all voting committee members in attendance: Trustee Chambers, Trustee Gleske, Trustee Hale, Committee Vice Chair Kitamura and Committee Chair McClure. The motion carried.

d. FY2026 Q2 Investment Reports and Investment Management Review

Treasurer Josh Ingram and Executive Director of the University Shared Service Enterprise Penny Burgess reviewed OSU's second quarter investment report with the committee as part of their fiduciary oversight responsibilities. Ingram noted that he anticipates expanding the quarterly report into a more robust Treasury report that includes information on cash, investments, and debt. Burgess provided a biennial review of OSU's investment policy, most recently amended in January 2026, as part of the process to monitor its effectiveness and adjust as appropriate. Burgess presented the different investment tiers OSU uses to manage risk and time horizons, as well as actual investment returns for the period. Ingram reported that OSU has two equity fund holdings representing 2.84% of assets that are out of compliance with the university's policy about fossil fuel restriction. Burgess reported that during follow-up meetings with the funds'

investment teams, OSU staff learned the securities were purchased due to their advanced strategies to reduce carbon emissions. Ingram noted that remedies for this compliance issue will be discussed during a future committee meeting. Following the report, trustees discussed with staff how investment fund managers are selected and assessed, and how the university and OSU Foundation handle the management of different funds.

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

e. FY25 Internal Bank Annual Report

Treasurer Josh Ingram presented the FY2025 Internal Bank annual report as of June 30, 2025. He provided a summary of loans by source of funds; the sources include borrowed money and internal funds. Ingram noted that internal bank loans funded by debt proceeds comprise 91%, or \$737.7 million of the loan portfolio. He reported that nearly all bond proceeds have been allocated to projects, and unspent bond proceeds are anticipated to be spent over the next 12 to 18 months. Ingram stated that the bank's cash position and future cash flows are expected to be positive, and that the net position increased by \$22.7 million this year, resulting in a balance of \$41.4 million. Ingram also discussed repayment of university bonds: As of June 30, the balance of the bond repayment investment portfolio (established in 2021 to grow initial funds to equal OSU's outstanding taxable general revenue bond cost) was \$57.8 million, exceeding the target balance of \$42.7 million. Trustee Chambers asked for the list of internal loans to be presented by maturity date, and there were no other questions.

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

6. Adjournment

With no further discussion or business before the committee, Chair McClure adjourned the meeting at 1:55 p.m.

Respectfully submitted,

M. Rose

Melanie Rose

Senior Manager of Executive & Strategic Communication (DFA)