Committee Members Present: Patty Bedient (chair), Rani Borkar (ex officio), Darry Callahan (vice chair), Mike Green (ex officio), Khawater Hussein, Kirk Schueler, Stephanie Smith, and Mike Thorne

Other Trustees Present: Mike Bailey, Michele Longo Eder, Ed Feser (ex officio), Paul Kelly, Julie Manning, Preston Pulliams.

University Staff Present: Jennifer Almquist, Scott Ashford, Sherm Bloomer, Debbie Colbert, Bruce Daley, Becca Gose, Heidi Sann, Lauren Skousen, and Irem Tumer

1. Call to Order/Roll/Declaration of a Quorum
   Committee Chair Patty Bedient called the meeting to order at 11:00 a.m., asked the board secretary to call the roll, and noted a quorum.

2. Vice President for Finance and Administration’s Report
   Vice President for Finance and Administration and Chief Financial Officer Mike Green began with an update on federal Higher Education Relief Funds, which OSU is receiving for both operational expenses and dedicated student aid. Green noted that the federal relief money would not fully cover losses, leaving the university with a shortfall of approximately $48M. Green provided an update on the Oregon Legislature’s budgeting process for higher education in the next biennium and said that the Oregon public universities would continue to jointly advocate for the full $900M requested in the Public University Support Fund. He spoke about OSU’s capital funding request, noting that funding for the OSU-Cascades Student Success Center and the Cordley Hall Renovation appeared promising. Green provided an update on allocation changes made by the Higher Education Coordinating Commission (HECC) that impact OSU’s access to Capital Improvement and Renewal funds. Green concluded with an update on the state bond issuance for the current biennium and the anticipated impact for OSU.

   Following the report, trustees discussed the current legislative session and potential strategies related to OSU’s requests. Trustees also discussed the federal relief money, including both the principles guiding the use of the funds and options for addressing the remaining budget shortfall.

3. Consent Agenda
   a. Minutes of the January 28, 2021 Finance & Administration Committee Meeting
   b. FY2021 Q2 Investment Reports
   c. FY2021 Q2 OSU Operating Management Report
A motion was made and seconded to approve the items on the consent agenda. The motion carried.

4. Action Items

a. **FY2022 Tuition Rates, Mandatory Fees and Student Incidental Fees and Operating Budget Outlook**

   Bedient asked Green and Associate Vice President for Budget and Fiscal Planning Sherm Bloomer to present this item. Green began by noting the unique factors in this year’s planning process and said the tuition and fee recommendations were informed by consideration of the significant social, organization, and financial impacts of the COVID-19 pandemic. Bloomer spoke about the tuition planning process, which began in October 2020 with the convening of the University Budget Committee (UBC) and Student Budget Advisory Committee. Bloomer spoke about the FY2022 budget outlook and described some of the remaining uncertainties, including uncertainty with regard to state funding, the trajectory of expenses, and enrollment outcomes. He provided a summary of spring term revenue changes, which he said reflect an overall decline in revenue per student. Bloomer summarized the discussions of the UBC, which he said included a consideration of what a tuition increase would cover. He noted that the consensus of the UBC was that a tuition increase to support inflationary and mandatory cost increases was reasonable to maintain access to programs and services. He said the UBC felt that in the coming year, strategic increases should come from reductions or savings elsewhere in the budget. Bloomer noted that a tuition freeze was discussed, but the UBC felt that, while lower tuition increases were desirable, a freeze left too large a gap between currently projected revenues and expenses. He added that the UBC also felt strongly that it was a better strategy to have a modest tuition increase and increase the financial aid available to try to counter the effect for students most in need. Bloomer then provided a summary of the recommended changes in tuition and fees, discussed the rationale for the recommendations, shared themes from university stakeholder conversations, and outlined next steps in the budget planning process. Bloomer shared the recommendation from the acting president included the establishment of a cohort model for undergraduate tuition, which would create a distinct tuition table with each incoming class. He said the intent would be to plan for increases for continuing students that are near the expected rate of local inflation.

Following the report, trustees discussed the importance of being thoughtful in how the tuition decision is communicated to students and families. Trustee Kirk Schueler acknowledged the deliberate approach that the UBC brought to their discussions and also the university’s proposed cohort model. Trustees further discussed the proposed cohort model and the implications of this approach for students and families. Trustee Khawater Hussein encouraged further exploration of a possible tuition freeze, and trustees recognized the impact of the pandemic generally for students and families. Bloomer noted that the financial aid provided to students by OSU would increase to $59.5M annually next year, up from $45M in the current fiscal year. In response to a question by Trustee Stephanie Smith, Feser said the university would begin planning to resume more traditional onsite and in-person activities for the 2021-22 academic year while also continuing to
offer a mix of modalities. Trustees discussed the potential for continuing to offer a mix of modalities to support more flexible approaches to learning.

With no further discussion, a motion was made and seconded to recommend to the Board that it approve the resolution in Attachment 1 establishing the academic year 2021-22 and summer 2021 tuition and mandatory fees, at the rates shown in the tables included in Attachment 1, Exhibit A. The motion carried.

b. **Internal Bank Annual Report**

Bedient asked Associate Vice President for Finance and Controller Heidi Sann to present this item. Sann began by stating that the format of the Internal Bank annual report had been updated, noting that the changes are reflected on the balance sheet and provide a more accurate presentation of the assets of the Internal Bank. She said the FY2019 statements were restated, adding that the changes do not affect the net assets of the Internal Bank. Sann said one of the most critical financial measures for the continued evaluation of the Internal Bank is the projected future cash flows, and she provided an overview of related activity. Sann noted the benefits of the Internal Bank and provided an overview of the use of funds to support capital and strategic investment.

Following the presentation, Schueler asked about the investments at OSU-Cascades. Green said most of the loans were to support housing and dining functions. In response to a question by Trustee Darry Callahan, Sann spoke about the need to maintain cash in the Internal Bank to support strategic activities. Green added that the focus had on been allowing some fund balance to provide additional certainty to university borrowers.

A motion was made and seconded to accept the FY2020 Internal Bank Annual Report. The motion carried.

c. **Capital Project Stage Gate I: Owen Hall**

Bedient asked Associate Vice President of University Facilities, Infrastructure and Operations Bruce Daley and Dean of the College of Engineering Scott Ashford to present this item. Daley began by noting that the project had been initiated following flooding damage to the building and is not on the capital forecast. However, the improvements to the classrooms and alarm upgrades are part of the Capital Improvement and Renewal Plan, which provided an opportunity to complete the classroom renovation and safety system upgrades within the same project as the building repair. Ashford described the use of Owen Hall, noting that a clean room, laboratories, computer room, and support spaces are important to the College of Engineering. In response to a question by Trustee Mike Bailey, Ashford noted the rooms that had been damaged.

With no further discussion, a motion was made and seconded to approve advancing the Owen Hall Remediation project to the next phase of design development. The motion carried.
5. **Adjournment**  
With no further business proposed, Chair Bedient adjourned the meeting at 12:54 p.m.

Respectfully submitted,

[Signature]

Jennifer M. Almquist  
Assistant Board Secretary