



Oregon State
University

The Board of Trustees of Oregon State University

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To: Finance & Administration Committee
From: Kirk Schueler, Committee Chair
Subject: 2018 Committee Proposed Work Plan
Date: August 22, 2017

It is a good practice as a committee to annually review our charter and plan our work for the year ahead. This will be a focus of our September 7 telephonic meeting. To support the discussion, I am enclosing:

- A draft work plan for calendar year 2018 (**Attachment 1**),
- The proposed work plan items sorted against charter responsibilities (**Attachment 2**),
- Board Self-Assessment Survey responses by Finance & Administration committee members (**Attachment 3**),
- An annotated work plan for 2017 showing the work completed by the committee to date and planned for the remainder of the calendar year (**Attachment 4**), and
- The committee charter (**Attachment 5**).

In identifying work items for the remainder of this year and for next year, we tried to be responsive to requests from committee members (provided directly or through the Board Annual Self-Assessment Survey) and to ensure necessary follow up to prior committee discussions and identified areas of risk assigned to the committee.

I look forward to our discussion and thank you for your continued engagement and diligence as committee members.

**Finance & Administration Committee
2018 Work Plan**

The Finance & Administration work plan provides a general road map to ensure the committee meets its charter obligations and responsibilities assigned in board policies. Agenda items listed under the Mid-Period Telephonic Meeting heading will be moved to the next regularly scheduled meeting if a mid-period meeting is deemed unnecessary.

Meeting Dates 2018	Item	Link to Charter/ Policy
Jan 18, 2018	FY2017 Financial Statement Analysis & Financial Metrics Update	Charter: (1) Monitor financial performance
	FY2017 Annual Financial Statements (Joint Review with Executive & Audit Committee)	Charter: (4) Ensure accurate and complete financial records are maintained; (6) Ensure accurate and complete financial info presented to Board
	10-Year Business Strategy: 10-Year Operating and Capital Forecasts (Recommend to the Board) (includes annual review of debt capacity and affordability ratios)	Charter: (2) Review annual and long-term operating and capital budgets Policy: Debt
	Preliminary FY2019 Tuition Rates, Mandatory Fees and Student Incidental Fees	Charter: (2) Review annual and long-term operating and capital budgets
	Internal Bank Annual Report (Accept)	Charter: (1) Monitor financial performance
Mid-Period Telephonic Meeting	FY2018 Q2 Operating Management Report (Accept)	Charter: (1) Monitor financial performance
	FY2018 Q2 Investment Reports (Accept)	Charter: (1) Monitor financial performance
April 5, 2018	FY2019 Tuition Rates, Mandatory Fees and Student Incidental Fees (Recommend to Board)	Charter: (2) Review annual and long-term operating and capital budgets
	FY2018 Operating Budget Outlook	Charter: (2) Review annual and long-term operating and capital budgets
	2019-21 Biennial Funding Request to HECC, Operating and Capital (Recommend to Board)	Charter: Recommend to Board annual & long-range operating & capital budgets

Meeting Dates 2018	Item	Link to Charter/ Policy
	Strategic Financial Opportunities (including health and retirement benefits; administrative and other costs)	Charter: (1) Monitor financial performance; (2) Review annual and long-term operating and capital budgets
Mid-Period Telephonic Meeting	FY2018 Q3 Operating Management Report (Accept)	Charter: (1) Monitor financial performance
	FY2018 Q3 Investment Reports (Accept)	Charter: (1) Monitor financial performance
May 31, 2018	FY2019 Capital Plan (No revenue bonds anticipated at this time)	Charter: (2) Review annual and long-term operating and capital budgets
	FY2019 Operating Budget (Recommend to Board)	Charter: (2) Review annual and long-term operating and capital budgets
	Risk Management Report – Research Space Needs	Matter referred to committee
Mid-Period Telephonic Meeting	FY2018 Q4 Operating Management Report (Accept)	Charter: (1) Monitor financial performance
	FY2018 Q4 Investment Reports (Accept)	Charter: (1) Monitor financial performance
Oct 11, 2018	Biennial Review of Investment Policy (Recommend to Board)	Policy: Investment Policy Charter: (5) Review investment policies
	Capital Project Status Report	Charter: (1) Monitor financial performance; (2) Review annual and long-term operating and capital budgets
	2018 Board Assessment Results	Bylaws of the Board of Trustees
	2019 Committee Work Plan (Accept)	Policy: Board Officers
Mid-Period Telephonic Meeting	FY2019 Q1 Operating Management Report (Accept)	Charter: (1) Monitor financial performance
	FY2019 Q1 Investment Reports (Accept)	Charter: (1) Monitor financial performance

2018 Work Plan Items Sorted by Areas of Charter Responsibilities
(work plan items may be listed under more than one area of the charter)

Charter: (1) Monitor financial performance	Charter: (2) Review long-term operating and capital budgets	Charter: (3) Recommend to Board requests for issuance of debt	Charter: (4) Ensure accurate and complete financial records are maintained; (6) Ensure accurate and complete financial information	Charter: (5) Reviewing and recommending university investment policies; Debt Policy Investment Policy	Matter referred to Committee or required by bylaws and board policy
FY2017 Financial Statement Analysis & Financial Metrics Update	10-Year Business Strategy: 10-Year Operating and Capital Forecasts (includes annual review of debt capacity and affordability ratios)	Issuance of revenue bonds not anticipated at this time	FY2017 Annual Financial Statements	Biennial Review of Investment Policy	Risk Management Report – Research Space Needs
Internal Bank Annual Report	Preliminary FY2019 Tuition Rates, Mandatory Fees and Student Incidental Fees		Annual Foundation Fundraising, Expenditure, and Revenue Report	10-Year Business Strategy: 10-Year Operating and Capital Forecasts (includes annual review of debt capacity and affordability ratios)	2018 Board Assessment Results
Quarterly Operating Management Reports	FY2019 Tuition Rates, Mandatory Fees and Student Incidental Fees				2019 Committee Work Plan
Quarterly Investment Reports	FY2018 Operating Budget Outlook				
Strategic Efforts to Manage Costs (including health and retirement benefits; administrative and other costs)	Strategic Efforts to Manage Costs (including health and retirement benefits; administrative and other costs)				

TAB D
Attachment 2

Charter: (1) Monitor financial performance	Charter: (2) Review long-term operating and capital budgets	Charter: (3) Recommend to Board requests for issuance of debt	Charter: (4) Ensure accurate and complete financial records are maintained; (6) Ensure accurate and complete financial information	Charter: (5) Reviewing and recommending university investment policies; Debt Policy Investment Policy	Matter referred to Committee or required by bylaws and board policy
Strategic Resource Initiatives	FY2019 Capital Plan				
Capital Project Status Report	FY2019 Operating Budget				
	Strategic Resource Initiatives				
	Capital Project Status Report				

Board Assessment Survey

Average Response

(rating scale ranged from 1-strongly disagree to 5-strongly agree)

Criteria	Question	2015 Average Response	2016 Average Response	2017 Average Response
Responsibilities/ Performance	As a committee member, I have a clear understanding of the committee's role and responsibilities.	4.4	4.6	4.5
Responsibilities/ Performance	Committee work is guided by a strategic and clearly articulated work plan.	4.3	4.4	4.0
Engagement	Committee members actively participate in discussions.	4.3	4.6	4.5
Culture/ Relationships	Committee members listen to and value each other's comments.	4.6	4.9	5.0
Leadership	The leadership of the committee is effective.	4.4	4.7	4.8
Support	Committee meetings...Have agendas and materials that are distributed far enough in advance to give them adequate consideration.	4.3	4.6	4.7
Support	Committee meetings...Rely on written and presentation materials that provide the right type and amount of information and are clearly written.	4.3	4.4	4.8
Support	Committee meetings...Are a good balance of information-sharing, discussion, decision-making, and committee education.	4.3	4.3	4.5
Support	Committee meetings...Allow enough time for the exchange of ideas and thoughtful deliberation.	4.0	4.7	4.2

Summary of 2017 Written Survey Comments

There were a number of written comments in response to open-ended questions in the survey. A number of committee members emphasized the need to stay focused on the long-term financial sustainability and condition of the university, particularly around tuition affordability and increasing costs of health and retirement benefits. There was also a request to allow more time on bonding requests when they come before the committee and board.

In addition to these committee-specific comments, there were other comments of potential interest to the committee. Trustees expressed interest in focusing on updates to the Ten-Year Business Strategy, engaging in the strategic plan update, and reviewing the fundraising goals of the OSU Foundation. Similar to prior surveys, trustees expressed their desire to actively engage on topics, rather than sit for extended presentations.

**Finance & Administration Committee
2017 Work Plan**

Annotated to Reflect Work Completed,
Adjustments, and Additions (shown in red)

Meeting Dates 2017	Item	Link to Charter/ Policy
Jan 18-19, 2017	FY2016 Financial Statement Analysis & Financial Metrics Update ✓	Charter: Monitor financial performance Charter: Oversight...long term economic health
	FY2016 External Auditor Annual Report (converted to FY2016 Annual Financial Statements) (Joint Review with Executive & Audit Committee) ✓ (Accepted)	Charter: Oversight of integrity of financial operations Charter: Ensure accurate and complete financial records are maintained
	10-Year Business Strategy: 10-Year Operating and Capital Forecasts (converted to Ten-Year Business Forecast for Oregon State University) (Recommend to the Board) ✓	Charter: Oversight...long-term economic health Charter: Review long-term operating and capital budgets
	Preliminary FY2018 Tuition Rates, Mandatory Fees and Student Incidental Fees (converted to 2017-18 Fiscal Year Tuition and Education and General Budget Scenarios) ✓	Charter: Review annual operating budgets
	Internal Bank Annual Report ✓ (Accepted)	Charter: Monitor financial performance
	FY2017 Capital Plan Amendment (Recommended to the Board) ✓	Charter: Review long-range capital budgets
	Framework to Guide Evaluation of Investment Policy Change Requests (Recommended to the Board) ✓	Charter: Review and recommend University investment policies
	Intercollegiate Athletics Financial Sustainability Plan ✓	Charter: Monitor financial performance
	2017 Legislative Session ✓	Charter: Other matters
Feb Mid-Period Telephonic Meeting	FY2017 Q2 Operating Management Report (Accepted) ✓ (moved to Mar 16, 2017 meeting)	Charter: Monitor financial performance

Meeting Dates 2017	Item	Link to Charter/ Policy
	FY2017 Q2 Investment Reports (Accepted) ✓ (moved to Mar 16, 2017 meeting)	Charter: Monitor financial performance
Mar 16, 2017	FY2018 Tuition Rates, Mandatory Fees and Student Incidental Fees and Operating Budget Outlook (Recommended to Board) ✓	Charter: Recommend to Board annual operating budgets
	FY2018 Capital Budget (Recommended to Board) ✓	Charter: Review annual operating budgets
	Background and Trends: Oregon Public Employees Retirement and Health Benefits ✓	Charter: Review annual operating budgets
Apr 24, 2017 Mid-Period Telephonic Meeting	FY2017 Q3 Operating Management Report (Accepted) ✓ (moved to Jun 1, 2017 meeting)	Charter: Monitor financial performance
	FY2017 Q3 Investment Reports (Accepted) ✓ (moved to Jun 1, 2017 meeting)	Charter: Monitor financial performance
	Short-term Financing ✓	Charter: Monitor financial performance Charter: Oversight...long term economic health
Jun 1, 2017	FY2018 Operating Budget (Recommended to Board) ✓	Charter: Recommend to Board annual operating budgets
	FY2018 Capital Plan, including issuance of OSU Revenue Bonds (Recommended to Board) ✓	Charter: Recommend annual capital budgets Charter: Recommend to Board requests for issuance of debt
	Liquidity Management Policy (Recommended to the Board) ✓	Charter: Monitor financial performance Charter: Oversight...long term economic health
	Short-term Financing (Recommended to the Board) ✓	Charter: Monitor financial performance Charter: Oversight...long term economic health
	Risk Management Report – Research Space Needs ✓	Matter referred to Committee

Meeting Dates 2017	Item	Link to Charter/ Policy
Sep 7, 2017 Mid-Period Telephonic Meeting	FY2017 Q4 Operating Management Report (Accept)	Charter: Monitor financial performance
	FY2017 Q4 Investment Reports (Accept)	Charter: Monitor financial performance
	Capital Project Status Update	Charter: Monitor financial performance Charter: Recommend annual capital budgets
Oct 19, 2017	2017 Board Assessment Results (moved to Sept 7, 2017 meeting)	Bylaws of the Board of Trustees
	2018 Work Plan (Accept) (moved to Sept 7, 2017 meeting)	Policy: Board Officers
Nov 2017 Mid-Period Telephonic Meeting	FY2018 Q1 Operating Management Report (Accept)	Charter: Monitor financial performance
	FY2018 Q1 Investment Reports (Accept)	Charter: Monitor financial performance



Oregon State University Finance & Administration Committee Charter

The Finance and Administration Committee is established to assist the Board in its oversight of the integrity of the university's financial operations, physical plant, long-term economic health, and allocation of resources. The committee consists of the trustees appointed by the Board Chair. The Vice President for Finance and Administration is an ex officio, non-voting member of the committee.

The committee's areas of responsibility are: (1) monitoring financial performance and reporting to the Board as appropriate; (2) reviewing and recommending to the Board annual and long-range operating and capital budgets; (3) reviewing and recommending to the Board requests and plans for issuance of debt; (4) ensuring that accurate and complete financial records are maintained; (5) reviewing and recommending to the Board university investment policies; and (6) ensuring that accurate and complete financial information is presented to the Board. The committee is responsible for such other matters as may be referred to it by the Board.

The Office of the Vice President for Finance and Administration is responsible for providing staff support to the committee.

Document History:

- Adopted by the Board of Trustees January 9, 2014
- Amended March 13, 2014