

**Western Oregon University Board of Trustees:  
Finance & Administration Committee (FAC)  
Meeting No. 20 – May 29, 2020  
10:00AM-12:30PM**

**Public Meeting: [via WebEx](#) | Password: JtDm2R7yFj6  
Phone: +1-415-655-0002 | Access code: 282 391 273**

**MINUTES**

**I. CALL-TO MEETING / ROLL CALL**

Chair, Cec Koontz, called the meeting to order at 10:00AM and Lacey Davis took roll.

The following trustees were present:

Jerry Ambris  
Jim Baumgartner  
Gavin Keulks  
Cec Koontz

Trustee, Zoe Chan-Tuyub, was absent.

Others present included:

Rebecca Chiles  
Lacey Davis  
Gabe Dougherty  
President Rex Fuller  
Sandra Hedgepeth  
Ana Karaman  
Bill Kernan  
Shadron Lehman  
Leanne Merrill  
Camarie Moreno  
Katherine Schmidt  
Darin Silbernagel  
Michael Smith  
Linda Stonecipher  
Michele Van Deusen

**II. CONSENT AGENDA**

- 1) Approval April 2, 2020 Meeting Minutes

The trustees approved the April, 2, 2020 meeting minutes.

### III. REPORTS & DISCUSSION ITEMS:

#### 1) University Technology Advisory Committee (UTAC)

The Canvas Pilot will be extended through Fall 2020. Trustee, Gavin Keulks, asked how rolling out Canvas while using Moodle at the same time will impact students. Dr. Karaman addressed that this is one of the big questions that the UTAC subcommittee is working on. UTAC Co-chair, Bill Kernan, added that the UTAC subcommittee felt that having both Moodle and Canvas available during the transition would give faculty time to learn and adjust to using Canvas. Bill Kernan also mentioned that if everyone moved to Canvas all at once then the Canvas Support mechanism could potentially be overwhelmed due to a high volume of requests. Trustee, Gavin Keulks, asked why the University can't wait until fall term 2021 to have the full implementation of Canvas. Dr. Karaman stated that she and Bill Kernan will bring this question to the UTAC Subcommittee.

#### 2) Vice President for Finance & Administration (VPFA) Report

Dr. Karaman provided an overview of the VPFA Report on page 10 of the docket.

Dr. Karaman highlighted that Accounting and Business Services worked with Financial Aid, the Registrar, and Dave McDonald to ensure that the Cares Act Funding was dispersed to students. Funds were dispersed to 824 students. 793 students received Federal Cares dollars and 31 students (who were not eligible for Federal Cares funding) received foundation money from the WOU Tuition Equity Fund. The total Federal Cares amount was approximately \$1.5 million. WOU received \$2.1 million and dispersed \$1.5 million, and has \$600,000 left to disperse to students in the Fall of 2020. The Cares Act allows universities to disperse funding through the end of the calendar year. WOU created criteria and a scoring mechanism for dispersing funds and a survey was sent to students by President Fuller which invited students to apply for these funds.

Dr. Karaman shared that WOU has been continuing to work with the Federal Emergency Management Agency (FEMA). Budget Director, Camarie Moreno, Director of Public Safety, Rebecca Chiles, and Controller, Gabe Dougherty, have been working on identifying what kind of COVID-19 expenses can be reimbursed. Auxiliary Services has been hit hard by COVID-19 due to less students being on campus.

Trustee, Jim Baumgartner, asked how WOU differentiates between COVID-19 related economic losses from other costs such as low enrollment. Dr. Karaman stated that a lot of economic loss is related to lost revenues in auxiliary services; it was clear that it was COVID-19 related because WOU had students in campus housing who had to leave campus because of COVID-19. In addition to housing revenue, the number of students on the WOU Meal Plan was also impacted. Typically, 90% of students who live in campus housing would have also been on the meal plan. WOU also had to move all courses to a remote delivery. Online tuition is higher than tuition for face-to-face

courses. However, WOU honored the face-to-face tuition for students since that was the original course delivery that they registered for before COVID-19. Many course fees also were refunded to students which was a lost revenue. Dr. Karaman added that fall term will have a greater percentage of courses that are delivered in an online-hybrid manner.

### **3) Re-Opening & Fall Planning Update**

Director of Public Safety, Rebecca Chiles, shared that a WOU Re-opening Team has been established which includes members of the President's cabinet. The Re-opening Team meets weekly. Subcommittees of this group have been meeting about workplace safety which includes cleaning academic spaces, work spaces, high-touch places (Residence Halls, Valsetz Dining Hall, Hamersley Library, Werner University Center). The committee is working on signage about how to keep people safe. The committee is also looking into whether or not the university should be providing personal protective equipment (PPE) while considering best practices, finances, and liabilities. The committee also works to align with the Governor's executive order, Occupational Safety and Health Association (OSHA), the Centers for Disease Control and Prevention (CDC), and the Oregon Health Authority (OHA). WOU has also been working in partnership with Polk County Public Health and exploring possible internship opportunities for Community Health Education students to provide COVID-19 support to Polk County.

Director of Facilities Services, Michael Smith, shared that mock ups were conducted in classrooms to allow for 6 ft. social distancing requirements. Around 42% of classroom seats are movable. A challenge is that theatre style seating has a very limited capacity since every other seat has to be skipped to maintain a 6 ft. distance. It is also unknown if mask usage will allow for flexibility in having a 6 ft. distance or if plexiglass shields in labs will allow students to be side-by-side in labs. It has also been a challenge to source cleaning products and materials because the earliest shipping date for these items is often July.

Trustee, Gavin Keulks, asked why WOU didn't wait to have discussions about being fully online for fall term until August.

Michael Smith stated that it is more about being prepared for a spike in COVID-19 cases in the fall, but acknowledged that if the COVID-19 situation changes in August then WOU can adapt to that. President, Rex Fuller, added that WOU needed to build a schedule for fall term and students needed to register for classes. President Fuller shared that he has received many questions from students about if we will be online or face-to-face. Class delivery had to align with registration and we do not have the ability to delay indefinitely. However, WOU did delay advising by 2 weeks. The new modality of asynchronous online has been established as a delivery method for fall term. WOU need to be prepared for flexibility and adaptability in case there is another COVID-19 outbreak.

Trustee, Gavin Keulks, asked if faculty who are offering online or hybrid courses can switch to a face-to-face delivery. President, Rex Fuller, explained that it would be a challenge to switch to a face-to-face delivery due to multiple classes being offered at the same time and limited buildings on campus.

#### 4) Cash Flow Update

Treasurer, Darin Silbernagel, explained the Cash Flow Update on page 11. Darin stated that this is an initial draft projection across all funds that assumes a 17% reduction in state appropriation. Overall, there is a \$10.4 million drop over the next year. It does not include the Social Security FICA adjustment (as the University intends to take advantage of delaying the payment of our portion), but Darin will be adding that to the revised projection. Darin will be updating this projection on a monthly basis.

The committee took a 10-minute break at 11:02AM and reconvened at 11:12AM.

### **IV. ACTION ITEMS:**

#### 1) FY2020 Management Report (as of April 30, 2020)

Dr. Karaman, and Budget Director, Camarie Moreno, discussed the management report on page 12. Dr. Karaman reminded the committee that WOU is in a budget deficit and that the board has two other options which include: 1) the option to liquidate the quasi-endowment and add those funds to the fund balance as one-time money, and 2) to take money from the revolving line of credit and reimburse General Fund for the purchase of the Salem Vick Building. Camarie Moreno clarified that the report is based on 10 months of actuals as of April 30, 2020, which includes spring term 2020 revenues. The only tuition revenues left to be received this year are for Summer term 2020 (~10-15 percent of summer tuition due to how summer term crosses the fiscal year). WOU has also received all of the institution's state allocations for the 2020 year. This year's total revenues are \$3 million less this year than the revenues at this time last year which is primarily due to lower enrollment. Auxiliary Services is where WOU has the largest impact from COVID-19. University Housing and Dining Services are the largest auxiliaries. When students moved out for spring term it dramatically decreased the housing numbers that are paying for room and board as well as dining numbers. The sales and services revenue have a shortfall of approximately \$2.175 million. Gifts, Grants, and Contracts show a 20% decline, however, these only account for about \$500,000.

The projection for the student fees and tuition net of remissions is to be just under \$35 million, which is just under \$2 million less than the adjusted budget. An estimated \$300,000 of savings in June due to furloughs and leave without pay have been incorporated into the projection. Additionally, services and supplies are projected to

have approximately \$1 million in savings from the adjusted budget. This is due to classes being delivered remotely, course fees revenues not being collected, and by WOU being frugal with services and supplies. The projected ending fund balance is \$4.287 million or 6.38%.

Dr. Karaman, and President Rex Fuller, discussed the early retirement programs in the past and explained that more staff took early retirement than faculty.

The committee decided to wait to take action on liquidating the quasi-endowment or drawing on the line of credit until further.

The committee delayed taking a vote on accepting the FY20 Projected Year-End Report and the overall Management Report as of April 30, 2020 until discussing the FY2021 budget.

## 2) FY2021 Budget

Dr. Karaman shared that the format has been changed so that Education & General, Incidental Fee, Auxiliary, and Designated Operation and Service funds can be viewed at the same time. These funds presented side-by-side, and on the far right a total for these funds is shown.

This is the second year of a decentralized budget. This year, Camarie Moreno facilitated over 20 virtual meetings with campus stakeholders. Dr. Karaman explained that WOU had to make assumptions for expenses and revenues. These assumptions differ based on the type of fund (Education & General, Incidental Fees, and Auxiliaries).

Camarie Moreno discussed that the tuition/revenue assumption is built on a 2.5% enrollment decline and is reflective of the tuition rate increases that were approved at the April 15, 2020 Board of Trustee's Meeting. Online course fee revenue is based on 35% of total credit hours for fall term being online. Fee Remissions have increased by \$505,000 due to anticipating WOU will not receive lottery dollars for the first two quarters. State appropriations are budgeted at an approximate 17% decrease (8.5% decrease over the biennium) of original funding levels for FY21, as directed by the HECC. Dr. Karaman clarified that online course fees are not a new revenue source, just a change in differentiating between tuition and fees. Camarie Moreno shared that 85% of WOU's expenses are personnel costs, including \$200,00 budgeted for WOU's portion of Unemployment Insurance to be paid. Almost every index took a 10% reduction in services and supplies. Camarie Moreno shared that there are two scenarios for auxiliaries. Scenario A is based on approximately 700 students living in housing and Scenario B is based on approximately 400 students. Dr. Karaman noted that E&G has a \$6.5 million budget deficit. This year's ending fund balance is projected to be \$4.287 million, which means that next year WOU will use all the fund balance and still need additional dollars to cover the deficit.

Chair, Cec Koontz, asked the trustees for their input on the decision. Trustee, Jerry Ambris, motioned to accept the staff recommendation that Western Oregon University Finance & Administration Committee accept the FY20 projected year-end report and the overall management report as of April 30, 2020. Trustee, Jim Baumgartner, seconded the motion and all trustees voted in favor of the motion.

The Committee amended the staff recommendation for the FY21 Proposed Budget; the Western Oregon University Finance and Administration Committee recommends to the Board of Trustees to approve the FY21 Preliminary Budget as presented in the docket, with instruction to present an Adjusted FY21 Budget at the November 2020 Board of Trustees meeting that results in a positive projected ending FY21 fund balance as approved by the Board of Trustees. Trustee, Jim Baumgartner, moved to adopt the recommendation, and Trustee, Jerry Ambris, seconded the motion and all trustees voted in favor of adopting the recommendation.

**V. JUNE 10, 2020 BOARD MEETING PREPARATION**

**VI. UPDATES AND AROUND-THE-TABLE**

**VII. ADJOURNMENT**

Chair, Cec Koontz, adjourned the meeting at 1:17pm.