



Committee Membership

Connie Ballmer	Present
Peter Bragdon	Present
Andrew Colas	Absent
Susan Gary	Present
Joseph Gonyea III	Present
Scott Coltrane	Present
Ross Kari, Chair	Present

Convening and Introduction

The University of Oregon Board of Trustees, Finance and Facilities Committee (FFC) met in the Ford Alumni Center on the UO campus on March 4, 2015. Below is a summary of committee discussions and actions.

At 2:30 p.m. Trustee Ross Kari called the meeting to order and took roll confirming quorum. Trustee Connie Ballmer moved to accept minutes from the December 10, 2014 meeting; Trustee Joseph Gonyea III seconded. All trustees present voted in favor. Chair Kari noted that the Tuition and Fees agenda item would take a large amount of time and suggested a change to the agenda in order to ensure that there was adequate time for discussion. He requested that the Committee first review the Quarterly Financial Report in order to have the most recent information about the current financial position of the University, and then move directly into the discussion of the FY16 Tuition and Fees proposal.

Public Comment

Chair Kari recognized four people who had signed up for public comment who spoke on the following topics:

- **Dana Rognlie, Graduate Teaching Fellow in Philosophy**, - tuition increases & student debt
- **Jake Rutledge, undergraduate student**– out-of-state tuition rates
- **Colin Worley** - PathwayOregon scholarship, tuition and fee setting process
- **Beatriz Gutierrez, ASUO President**, - Tuition and Fee Advisory Board process.

Quarterly Financial Report

Vice President for Finance and Administration and CFO Jamie Moffitt guided the committee through the quarterly financial report starting with the historical data. She focused on the Education and General (E & G) funds which are funded mainly from tuition and state appropriations. The second quarter report, which incorporates data from the first six months of the fiscal year, is projecting that the FY2015 budget is tighter than the first quarter projections predicted. Projected revenues are down by approximately \$3.6 million and expenses are up. Moffitt encouraged the committee to keep in mind that while significant, the total projected swing of slightly over \$4.5 million is less than a 1% shift in the overall E&G fund budget. The University is projected to collect lower tuition and fees as a result of lower student carrying loads. On the expense side, labor costs, which are about 80% of all expenses, have increased.

Tuition and Fees for Academic Year 15-16

Moffitt and Brad Shelton, Vice Provost for Budget and Planning, outlined the process that resulted in the tuition and fee recommendations to the board. They provided the Committee with tuition and fee data from past years, comparison data from similar institutions (including public AAU peer institutions), and finally the recommended rates: 3.8% increase for resident tuition, 3.7% increase for non-resident tuition and honor's college, and an overall 3.2% increase in fees. Shelton described the remission formula for setting aside 10% of projected undergraduate academic year tuition to be used for financial aid, approximately \$30 million. After a question from Trustee Helena Schlegel about summer tuition increases, Shelton described the multi-year plan that the institution has been following to better align summer tuition rates with academic year rates.

Trustee Kurt Willcox expressed concern about a lack of opportunity for public comment following the student forum. Moffitt explained that this year the entire calendar for the tuition and fees process was moved up significantly to allow the Board to review and approve rates in its March board meeting instead of at the June meeting. It was extremely difficult for the Tuition and Fees Advisory Board to meet this schedule (as well as ASUO), but the calendar was accelerated in order to allow for rates to be set earlier in the year.

There was additional discussion about how the University compares to other Pac-12 schools, tuition buy-down from past years and how 40-40-20 may affect future funding needs. The proposed tuition recommendation would create approximately \$10.4 million per year in recurring funds. Moffitt shared the cost considerations that the Tuition and Fee Advisory Board considered including known PERS rate increases, potential health cost increases, increases in salary packages, as well as increases related to institutional expenses (debt, leases, utilities, etc.) and increases related to strategic investments. At this point in time, Moffitt pointed out, that the size of many of these cost increases are unknown.

It was noted that the Law School amounts had been amended since the agenda was posted. Trustee Schlegel wanted the committee to know before they voted that she was uncomfortable with the proposed rates. There was further discussion regarding summer tuition, and how the tuition setting calendar and communication could be improved in the future. Trustee Kari called for action on tuition and fees. Trustee Gonyea motioned to accept the recommendation and Trustee Ballmer seconded. All present voted in favor. There was a second action related to the Policy Fee Book. Trustee Ballmer moved to approve the tuition and fee polices, Trustee Gonyea seconded. All present voted in favor.

Action: The resolution to approve tuition and fees was moved by Gonyea and seconded by Ballmer; it passed by a vote of 6-0.

Action: The resolution to approve the Fee Book was moved by Ballmer and seconded by Gonyea; it passed by a vote of 6-0.

Receipt of a Gift of Real Property

Shelton, along with Pat Jones, Associate Vice President for Research and Innovation, presented information regarding a gift of property in downtown Eugene. The committee was asked for approval to accept the building as is. Funding for renovation of the building will be provided by RAIN funds, gift

funds, as well as University resources. Operating costs for the building will be covered by both RAIN operating funds and university funds. There will be tuition bearing courses held in the facility. Trustee Chuck Lillis wanted to know how this building related to commercial and research activities and he expressed his perspective that there should be one person responsible for the site to bring out its full potential. Trustee Gonyea moved to accept the gift, Trustee Ballmer seconded. All present voted in favor of the resolution.

Quarterly Treasury Report

Karen Levear, Director of Treasury Operations, gave an abbreviated treasury report due to time. She reviewed the debt calendar and briefed the committee on an upcoming \$50 million bond sale.

Deferred Maintenance Overview

Due to time constraints, the Deferred Maintenance Overview was postponed until the next meeting of the committee.

Adjournment

Trustee Kari adjourned the meeting at 5:00 p.m.