Minutes

Committee Members Present: Rick Miller, Christine Vernier, Pete Nickerson (phone), Gale Castillo, Erica Bestpitch, Irving Levin, Wim Wiewel (ex officio)

Board of Trustees Member Present: Margaret Kirkpatrick

Committee Member Not Present: Peter Stott

University Staff Present: David Reese, Kevin Reynolds, Susan Klees, Shelley Winn, Andria Johnson, Jennifer Kahl, Don Forsythe, Scott Marshall, Cathy Kirchner, Pam Miller, Michael Bowman, Brian Roy, Steve Percy, Kari St. Peters, Vickie Ellig, Gergana Petcova, Debbie Koreski, Others Present: Michelle Janke, Matthew Landkamer, Corraggio Group

1. Call to Order/Roll/Declaration of Quorum
   Chair Miller called the meeting to order at 1:05 pm. Roll was called and a quorum was established.

2. Consent Agenda
   ACTION: Bestpitch moved to approve the minutes of the September 2, 2015 meeting. Vernier seconded. The motion passed unanimously.

3. Strategic Plan
   Dean Stephen Percy presented the current draft of the strategic plan. It is not in a final state and the intent of the conversation today is for the committee to focus on the sections most relevant to it. Dean Percy reviewed the process used to create the plan.
   a. Governance
   b. Topic Teams
      i. Community Partnerships, Engagement and Civic Leadership
      ii. Student Learning and Academic Success
      iii. Innovative Research, Scholarship and Creative Activities
      iv. Equity, Opportunity and Access
      v. Organizational Excellence and Financial Stability
vi. Campus Climate
vii. Faculty Roles and Structure
viii. Global Excellence
c. Over 3,800 participants in the process
d. Vision
Portland State University leads the way to an equitable and sustainable future through academic excellence, urban engagement, and expanding opportunity for all
e. Mission
i. We serve and enhance a vibrant region through our creativity, collective knowledge and expertise.
ii. We are dedicated to collaborative learning, innovative research, sustainability and community engagement.
iii. Our research and teaching have global impact.
iv. We educate a diverse community of lifelong learners.
f. Values
i. **We promote** access, inclusion and equity as pillars of excellence.
ii. **We commit** to curiosity, collaboration, stewardship and sustainability.
iii. **We strive** for excellence and innovation that solves problems.
iv. **We believe** everyone should be treated with integrity and respect.
g. Strategic Goals
i. Elevate Student Success
ii. Advance Excellence in Teaching and Research
iii. Extend Our Leadership in Community Engagement
iv. Expand Our Commitment to Equity
v. Innovate for Long-term Stability
h. Closing Thoughts
i. Starting place – much work will follow implementation of the plan
ii. Faculty participation and governance will be important moving forward
iii. There are still opportunities to refine ideas and clarify specific outcomes
i. Comments provided to the Strategic Planning Committee

**ACTION:** The Strategic Plan committee will provide a revised draft based on comments received.

4. 2015/2016 RCAT Update
   a. RCAT stands for Revenue and Cost Attribution Tool
   b. It is a financial decision making tool that helps us understand how our Education & General (E&G) funds flow into and through the University
c. The RCAT shows where the revenue is generated and where the costs are incurred, which informs fact-based strategic decision making

d. Three RCATs are presented including: FY15 Actual, Education and General Funds Only; FY15 Actual, E&G funds including management reserves; FY16 Budget

e. On the E&G including management reserves presentation, note that this accounts for actual expenditures

5. Budget Updates

a. Summer Enrollment Report
   In total, student headcount for Summer 2015 was down 521 students, a 4.1% reduction compared to the previous summer. The decline was led by international students, which declined 9.5%. Student Credit Hours (SCH) were similarly down, by 6.7% in total, which was driven by an 11.5% decline in non-resident SCH.

b. Cash Flow Forecast Update
   There was a $3 million shortfall in September resulting from billing timing, the impact of lower summer enrollment, and the timing of reimbursement for costs on construction projects. We are not expecting to fall short of 30- or 60-day liquidity requirements.

   ACTION: The committee would like to see a reforecast for the year at the December meeting.

6. Financial Dashboard Components

At the September 2, 2015 Finance and Administration Committee meeting, committee members requested that the university develop a financial dashboard to be presented to the committee regularly to inform conversations about the university’s financial health and direction.

a. University Treasurer Don Forsythe has reviewed dashboards in use at other universities and explored other resources to provide directions on appropriate dashboard components, including NACUBO (National Association of College and University Business Officers), the US Government, and accounting and investment firms such as Prager, Sealy & Co., and Grant Thornton. Additionally, practices at several Urban 22 universities, UO, OSU, and OHSU were reviewed, to the extent these universities had comparable tool, which most did not.

b. Generally, dashboards are broader in nature and include demographics and student performance data.

c. Typically, dashboards have two to three pages of data reflected.
d. Data presented in the handouts today is for internal discussion purposes only and is not based on audited financial statements.

e. The committee was asked if the information presented (see meeting handouts) provides the correct information. Discussion provided the following guidance:
   a. Give non-experts ability to be aware of trends without having to sift through the detailed financial reports
   b. Distill presentation down to essential components
   c. Would be interesting to overlay PSU Foundation financial information

f. Nickerson suggested reviewing this article: “Stress testing” Trusteeship magazine: http://agb.org/trusteeship/2015/september-october/stress-testing-how-can-you-ensure-your-institutions-fiscal-health

**ACTION:** Provide calculations/definitions for each item on the dashboard.

7. Insurance/University Risk Analysis
Brian Roy, University Risk Manager, presented an overview of the university risk profile and insurance coverage.
   a. PSU is insured through the Public Universities Risk Management and Insurance Trust (PURMIT), which is a separate legal entity.
   b. There are three levels of coverage:
      i. Retained Risk: PSU covers the first $100,000 for general liability and property loss.
      ii. Pooled Risk: PURMIT covers losses after PSU’s deductible up to the excess coverage attachment point.
      iii. Excess Coverage: Losses above PURMIT’s layer is covered by outside excess insurers.
   
   b. Directors and Officers coverage is provided via the University’s United Educators liability policy.
   
   c. See meeting materials for further information on insurance coverage.

   d. Brian working on institution-wide risk management analysis, a comprehensive risk management analysis. To be brought back to committee in the future.

8. F&A Committee Yearly Goals
Proposed annual goals for the committee in 2015-2016 are as follows:
a. Receive and review internally prepared financial statements on a quarterly basis including budget-to-actual performance on a year-to-date and year-over-year basis.

b. Present to the board a proposed list of financial indicators to track current and trending performance and financial health of the university presented in a dashboard format.

c. Explore best practices and propose a policy to the board that defines certain financial limits of authority and suggested practices for unbudgeted spending, long-term contractual relationships.

d. Debate alternative revenue sources and provide guidance to the board and administration about any options deemed reasonable.

e. Construct a University Reserve Policy.

**ACTION:** Castillo moved that we accept plan. Nickerson seconded the motion. The motion passed unanimously.

9. **Adjourn**

Chair Miller adjourned the meeting at 3:11 p.m.