



**Board of Trustees Meeting
February 19, 2020**

Appendix A

Consent Agenda

- 1) [November 20, 2019 Meeting Minutes](#)
- 2) [FY20 December 31, 2019 Management Report](#)
- 3) [Proposal for new undergraduate minor: Sustainability](#)
- 4) [Washington Federal Line of Credit](#)



**REGULAR MEETING OF THE WOU BOARD OF TRUSTEES
MEETING NO. 30 – NOVEMBER 20, 2019
12:00 PM – 6:00 PM
WERNER UNIVERSITY CENTER, COLUMBIA ROOM**

DRAFT MINUTES

I. CALL-TO-MEETING/ROLL CALL

Chair Betty Komp called the November 20, 2019 meeting to order at 12:07 PM and asked Secretary Ryan Hagemann to take roll. The following trustees were present:

Zellee Allen (left meeting at 4:05 PM)
Jaime Arredondo
Jim Baumgartner
Zoe Chan-Tuyub (left meeting at 4:02 PM)
Gayle Evans
Rex Fuller
Gavin Keulks (left meeting at 12:45 PM; returned to meeting at 2:00 PM)
Betty Komp
Cec Koontz
Jenny Mladenovic
Doug Morse

The following trustees were absent:

Malissa Larson
Lane Shetterly

Hagemann reminded the audience of the public comment protocol, that the meeting was live-streamed, and to disable cell phones.

II. CHAIR'S WELCOME

Komp welcomed the Board and audience to the meeting. She shared that Oregon Senate Rules and Executive Appointments Committee approved and the full Senate confirmed today two new WOU Board trustees—Linda Herrera and Jerry Ambris. Because of paperwork, however, Herrera and Ambris were not yet official members of the Board. Komp asked Trustee Arredondo to offer some brief introductory remarks about Herrera and Ambris. Herrera joined the meeting as an observer later in the meeting.

Komp also reminded the Board of the Academic Excellence posters in the room and encouraged trustees to peruse the posters during meeting breaks.



III. LUNCH/SHOWCASE: WOU Cybersecurity Presentation | *Michael Ellis, Assistant Director, University Computing Solutions*

After the welcome, Komp recognized Michael Ellis, WOU's University Computing Solutions (UCS) Assistant Director, for a showcase presentation on cybersecurity. Ellis started his presentation with a diagram to capture the multiple elements of cybersecurity on campus. He described firewalls, internal firewalls, ICE protection, data centers, and the University's email security appliance. Ellis offered the recent addition of dual login for faculty and staff for the portal. Ellis went through his presentation as included in the written docket materials and took several questions from Board members. He also emphasized internal controls for campus equipment, user security, external support, the CIS 20 framework.

Trustee Morse asked about the outside frame and benchmarking and Ellis replied that the external vendors keep that information confidential. Ellis outlined the CIS 20 controls at the University, including inventory and hardware asset control and REDWOLF3, a home-grown approach to logging malicious traffic. Komp asked Ellis to report on the top five cybersecurity threats facing the University. Trustee Mladenovic asked if the University was considering commercialization of the logging software developed by UCS. Ellis continued with information on the number of requests and intrusions blocked by cybersecurity tools, including REDWOLF3. Trustee Keulks asked about off-the-shelf software and whether UCS had expertise separate from Ellis to maintain the tools. Morse stressed that cybersecurity was ever-changing and asked what the University was doing to update REDWOLF3 and other tools. Several trustees and Ellis discussed how to approach cybersecurity mechanisms and how to make tools and trainings mandatory on campus.

Morse also asked Ellis about the number of cyberattacks that he was monitoring and Ellis described the previous ransomware attack the campus faced. Several trustees asked about password approaches and whether the campus requires user to change passwords on a periodic basis. Morse asked about internal, as opposed to the external, vulnerabilities discussed up to that point in the presentation. Chair Komp and other trustees thanked Ellis for the informative presentation.

IV. CONSENT AGENDA

- 1) June 12, 2019 meeting minutes
- 2) September 11, 2019 meeting minutes
- 3) FY20 September 30, 2019 Management Report
- 4) Proposal for new graduate certificate:
 - a) Interpreting Studies: Teaching Interpreting
- 5) Proposal for new undergraduate certificate:
 - a) Professional Writing
- 6) Current Grants over \$100,000



Komp turned to the consent agenda and stated that, after the retreat, the Board was trying to put more items on the consent agenda in order to leave time for robust discussion on key topics. Komp called for motion to approve the consent agenda. Koontz moved approval, and Chan-Tuyub seconded the motion. The following trustees voted for the motion:

Zellee Allen
Jaime Arredondo
Jim Baumgartner
Zoe Chan-Tuyub
Gayle Evans
Betty Komp
Cec Koontz
Jenny Mladenovic
Doug Morse

Fuller is non-voting.

There were no trustees in opposed to the motion.

The motion passed.

V. PUBLIC COMMENT

No individuals delivered public comment to the Board.

VI. SHARED GOVERNANCE REPORTS

1) Faculty Senate

Komp recognized Dr. Kristin Latham-Scott, Faculty Senate President, for a brief Faculty Senate report. Latham-Scott discussed and summarized the following topics: curriculum and course approvals, new degree programs, Honors College curriculum, committee participation and representation, revision of certain committee charges, approaches and learning outcomes for applied baccalaureate courses, dissemination of various University updates and best practices information, Fifth Tuesday shared governance conversations, and civility conversations. Latham-Scott also summarized outreach from faculty members across the University about strategies faculty are deploying to reach out to students.

2) Staff Senate

Komp turned to Laura Lyon, Staff Senate President, for a brief Staff Senate report. Lyon discussed and summarized the following topics: goal-setting, review of recent campus climate surveys, internal communication, professional development, mandatory training, employee evaluations,



UDIAC updates, MARCOM training, Fifth Tuesday shared governance civility conversations, and efforts to broaden the conversation on cultural competence and civility across campus.

3) ASWOU

Komp asked Erik Morgan, Jr., ASWOU President, to join the Board for a brief ASWOU report. Morgan discussed and summarized the following topics: WOU:Salem, legislative priorities (including food insecurity, tuition equity, and DREAMERS access program), joint meetings with the Oregon Council of Presidents (OCOP) and all student body presidents across the public universities, and update on the new ASWOU cabinet members.

VII. PRESIDENT'S REPORT *(Full Cabinet Reports in Appendix B)*

Komp recognized Dr. Rex Fuller, University President, for the president's report. Fuller address the following topics:

- WOU:Salem and the purchase of the Vick Building in downtown Salem;
- Hispanic-Serving Institution (HSI) status;
- Transfer pathway work and Degree Partnership Program (DPP) agreements with community colleges;
- Expansion of internship programs and Cesar Chavez Leadership Academy;
- General Education curriculum and Masters of Organizational Leadership;
- TRU Lobby Day and the TRU Economic Impact study;
- Fundraising activities, including comprehensive campaign, Giving Day, and athletics;
- Continuous improvement feedback loop to guide strategic decision-making;
- University Strategic Scorecard;
- Congress to Campus program visit to WOU;
- Success of registration nudges for 2018-2019 academic year;
- Progress on the search for a Dean of Graduate Studies and Research;
- Generation of substantial grants, contracts, and external dollars;
- Introduction of the new Paralegal/Executive Assistant in the General Counsel's Office;



- Campus-wide free speech forum;
- Successful conclusion of SEIU negotiations with a new successor collective bargaining agreement;
- Submission of capital construction requests for the 2020 Oregon Legislative Assembly;
- Process improvements in Finance & Administration;
- Opening of Natural Sciences Building after renovation;
- ASWOU voter registration activities;
- Admissions work with the Confederated Tribes of the Grand Ronde;
- Update on fundraising pledges;
- Academic achievements of WOU's student-athletes; and
- GNAC's Coach of the Year recognition for football and women's soccer.

VIII. BREAK

IX. NOVEMBER DISCUSSION THEME: Enrollment Update

Before turning to the November enrollment discussion, Komp asked Dave McDonald, Associate Vice President for Public Affairs and Strategic Initiatives, for a brief legislative update. After brief comments from McDonald, Komp recognized Fuller and Dr. Gary Dukes, Vice President for Student Affairs to launch the November discussion topic on enrollment. Dukes started the presentation with data and information about the five percent decline in Fall 2019 enrollment. He explained the differences in FTE and headcount data and walked the Board through enrollment data on the basis of gender, race/ethnicity, and residency. Dukes used the Fall 2019 snapshot to set the stage for activities and approaches to the upcoming academic year.

Mladenovic asked about enrollment trends at public universities and Dukes reported that results were mixed. Dukes explained that the University focuses on high schools within eighty-five miles of the campus and that his staff has emphasized the "Instant Wolf" program. He described the impact of preview weekends and the expanded Saturday activities. Dukes offered the importance in assisting incoming students in filling out the FAFSA and other financial aid documents. Mladenovic asked Dukes about the impact of Oregon's low high school graduation rates. Trustee Arredondo inquired about the enrollment decline as a trend and Dukes reported that the University's enrollment peak was 2011-2012. Fuller interjected the impact of advising nudges to maintaining retention numbers. Keulks shared about the negative impact of the various holds the University places on



registration. Provost and Vice President for Academic Affairs Dr. Rob Winningham shared the University's progress on reforming and eliminating various holds that could be placed on a student's account and registration.

Trustee Baumgartner asked Fuller and Dukes about if anything in the junior and senior years were impacting enrollment declines. Winningham added that the national environment regarding international students, particularly from China, was contributing to the University's enrollment picture. Keulks praised the addition of the College Scheduler software and Winningham explained the software's impact on student credit hours to the Board.

X. FINANCE & ADMINISTRATION COMMITTEE (FAC)

1) Committee Chair Report

Komp asked Trustee Koontz—Finance and Administration Committee (FAC) Chair—for a brief FAC report. Koontz shared information on emergency preparedness plans, University Budget Advisory Committee (UBAC) updates, University Technology Advisory Committee (UTAC) updates, potential partnership with Apple, capital construction project submission to HECC and the Legislature, updates on the Instructional Technology Center (ITC) construction project, and the external audit process.

2) Committee Recommendations for Board Action/Discussion

a) Revolving Line of Credit

Komp asked Koontz and Dr. Ana Karaman to present the revolving line of credit action item. Karaman explained the docket materials, including the consideration of two proposals and the eventual selection of Washington Federal Bank. Koontz added that the FAC discussed the merits of the proposals and the impact of accessing the line of credit. Baumgartner asked why the University would even need a line of credit and Karaman explained it was prudent, after the Board decided to use reserves to purchase the Vick Building, to establish the line now when there was no pressure and favorable terms. Trustee Allen asked about the interest rate. Baumgartner and Koontz inquired about whether future transactions would need to come back to the Board and Hagemann explained the thresholds for Board action. After discussion, Komp called for a motion to approve the revolving line of credit as presented and included in the written docket materials. The committee recommendation, as included in the written docket materials, is as follows:

The WOU Finance and Administration Committee recommends that the Western Oregon University Board of Trustees approve establishing a Revolving Line of Credit for \$5 million with the terms as presented on the Washington Federal Proposal dated October 28, 2019.

Koontz moved approval, and Mladenovic seconded the motion. The following trustees voted for the motion:



Zellee Allen
Jaime Arredondo
Jim Baumgartner
Zoe Chan-Tuyub
Gayle Evans
Gavin Keulks
Betty Komp
Cec Koontz
Jenny Mladenovic
Doug Morse

Fuller is non-voting.

There were no trustees in opposed to the motion.

The motion passed.

b) FY2020 Budget Revision

Komp asked Koontz and Karaman to continue with the FY2020 presentation. Karaman asked Camarie Moreno, Budget Director, to join the discussion. Karaman and Moreno walked the Board through the docket materials, including the variances from the original FY2020 budget and the impact of actual enrollment numbers. Karaman outlined three different budget scenarios for the Board's consideration—a balanced budget, maintenance of the original \$1.3M deficit approved by the Board, and absorption of the entire approximate \$5M deficit. Koontz offered if the Board decided to maintain the original \$1.3M deficit budget, it would translate into a nearly \$3M personnel reduction and nearly \$2M services and supplies reduction in the current fiscal year. Fuller clarified that the FAC was recommending the maintenance of the original deficit scenario.

Morse asked for more information on the “management” of the current budget deficit through the remainder of the fiscal year, including managing vacancies and personnel. Mladenovic asked whether or not departments were managed individually and Karaman explained consultations and meetings with each functional area on campus. Baumgartner asked why the Board was restating the budget and Karaman understood Baumgartner's point, but described the current scenario was a budget rift too large to ignore without restatement. After presentation and discussion, Komp called for a motion to approve the FY2020 Budget Revision as presented and included in the written docket materials. The committee recommendation, as included in the written docket materials, is as follows:

The WOU Finance and Administration Committee recommends that the Western Oregon University Board of Trustees adopt the FY20 Proposed Adjusted Budget as presented in the docket.



Koontz moved approval, and Evans seconded the motion. The following trustees voted for the motion:

Jaime Arredondo
Jim Baumgartner
Gayle Evans
Gavin Keulks
Betty Komp
Cec Koontz
Jenny Mladenovic
Doug Morse

Fuller is non-voting.

There were no trustees in opposed to the motion.

The motion passed.

XI. EXECUTIVE GOVERNANCE & TRUSTEESHIP COMMITTEE (EGTC)

1) Committee Chair Report

Before turning to the introduction of WOU's new internal auditor, Komp shared a brief report of EGTC activities. She discussed the review of the 2019-2020 EGTC workplan, board vacancies, diversity/inclusion/equity/accessibility work, including a proposed Board Statement on Diversity, Inclusion, Equity, and Accessibility, and the review of the University's grant and contract activities over \$100,000.

2) Committee Recommendations for Board Action/Discussion

a) Introduction | *Shadron Lehman, WOU Internal Auditor*

Komp recognized Fuller to introduce Shadron Lehman, WOU Internal Auditor, for brief comments. Lehman shared briefly the topics that he will cover and audit over the fiscal year, including procurement cards, payroll, cash handling, and construction contracts.

XII. BREAK

XIII. ACADEMIC & STUDENT AFFAIRS COMMITTEE (ASAC)

1) Committee Chair Report

In Lane Shetterly's—Academic and Student Affairs Committee (ASAC) Chair—absence, Komp called on Winningham for an ASAC update. Associate Provosts Dr. Sue Monahan and Dr. Michael Baltzley joined Winningham. Winningham discussed free speech panel, WOU:Salem, Willamette



Promise, health sciences, including the proposed Doctor in Physical Therapy, and various facets of academic quality.

2) Committee Recommendations for Board Action/Discussion

- a) Proposal for new undergraduate program:
 - i. Bachelor of Science in Aquarium Science

Komp asked Winningham to continue with the proposed Bachelor of Science in Aquarium Science degree program. Winningham asked Baltzley to introduce the proposed degree program. Baltzley described the interface with Oregon Coast Community College's aquarium science program and the need for four-year degrees in the space. Baumgartner asked if the University was spreading itself too thin with a specialized degree program like Aquarium Science. Mladenovic expressed her concern about the narrow scope of the program and the need for four-year degrees to be different from community college degrees with narrow titles. Several trustees, Winningham, and Baltzley debated the merits of the degree program, particularly as a four-year degree. Koontz asked if the collaborative model could be used with other programs and Baltzley shared that he was working on other approaches with Chemeketa Community College. After presentation and discussion, Komp called for a motion to approve the Bachelor of Science in Aquarium Science as presented and included in the written docket materials. The committee recommendation, as included in the written docket materials, is as follows:

The WOU Academic and Student Affairs Committee recommends that the Western Oregon University Board of Trustees approve the introduction of a new undergraduate program in Aquarium Science as included in the docket material.

Keulks moved approval, and Koontz seconded the motion. The following trustees voted for the motion:

Jaime Arredondo
Jim Baumgartner
Gayle Evans
Gavin Keulks
Betty Komp
Cec Koontz
Jenny Mladenovic
Doug Morse

Fuller is non-voting.

There were no trustees in opposed to the motion.

The motion passed.



XIV. FINAL ANNOUNCEMENTS

Komp asked if there were any final announcements. Komp reminded the Board about the annual holiday tree lighting and open house.

XV. ADJOURNMENT

Komp adjourned the meeting at 5:15 PM with a quorum (Jaime Arredondo, Jim Baumgartner, Gayle Evans, Rex Fuller, Gavin Keulks, Betty Komp, Cec Koontz, Jenny Mladenovic, Doug Morse).

Ryan J. Hagemann
Secretary to the Board of Trustees

Finance & Administration Committee (FAC), February 6, 2020 Management Report

Period 6 Actual to Actual and Percent Variance Education & General Fund Report:

This report provides six months of actual revenue and expense activity (as of December 31, 2019) as compared to the same period in prior fiscal year.

Revenues:

Gross student fees & tuition are \$1.894 million less than the prior year due to an approximate 5% decrease in fall and 6% decrease in winter term enrollment. Fee remissions have increased by \$1.057 million from the prior year due to more aggressive financial aid packaging. Total institutional discount is 14% of tuition & fees, which is in line with other Oregon institutions. Government resources & allocations have increased by \$1.574 million from prior year based on the HECC's Public University Support Fund (PUSF) allocation formula. This is reflective of the addition of \$100 million to the PUSF for all seven universities rather than the \$120 million, which would have met the current service level need and resulted in an additional \$1.4 million in state funding to WOU.

Expenses:

Personnel expenses are \$2.169 million more than the prior period. The six months personnel expense includes the second and final retirement window program payment of \$783k. The increase over the last year is due to a pro-rated combination of factors:

- Retirement contributions have increased approximately 2.4% from prior year (from 22% to 24.4%) resulting in \$1.25M annual increase
- The SEIU collective bargaining agreement included regular step increases, a 3% COLA, and 2.5% longevity pay for approximately 60 employees; total annual increase is \$500K, out of which only \$250K was built into the budget
- Faculty pay increased by approximately \$500K annually per the Collective Bargaining Agreement
- Unclassified pay increased by approximately \$350K annually (3%)
- Student pay increased by \$120K from the same period last year
- Approximately \$325K increase from the same period last year for new positions including a paralegal, APA for Salem & Organization Leadership, Violence Prevention Coordinator, two HR positions, and two financial aid positions

Services and supplies expenses are \$1.008 million less than the prior period due to saving efforts, including \$400k in budget reductions.

Net Revenues less Expenses:

Net revenues less expenses have decreased by \$2.714 million compared to prior year.

FY20 Projected Year-End for Education and General Fund Report:

This report provides year-end projections. The projected year-end methodology is a combination of actual revenues and expenses for the first six months of operations and projections for the remaining six months of FY20. Projections for periods seven through twelve are based on the actual FY19 realization/burn rates for period six, which are applied to FY20 revenues and expenses.

Revenues:

Total revenues are projected to be \$69.391M, \$1.989M less than the FY20 adjusted budget. Tuition is projected to be \$1.248M less than the adjusted budget, due to a continued decline in enrollment and \$1M increase in fee remissions.

Expenses:

Total expenses are projected to be \$68.450M, \$1.367M more than the FY20 adjusted budget. Personnel is projected to be \$62.572M, \$3.332M more than the adjusted budget. This projection is not reflective of budget reductions that are underway; to date, two staff positions have been eliminated. Service and supplies are projected to be \$5.812M, \$1.828M less than the adjusted budget.

Operating Net Revenues less Expenses:

Net revenues less expenses are projected to be a loss of \$4.262M versus the FY20 adjusted budget of \$1.311M.

Transfer Schedule:

A projected transfer schedule is attached to provide details for the projected transfers in and out. Salem remodel expenses originally included \$800K of E&G funds, but have been reallocated to Capital Improvement & Renewal (CIR) funds, which is reflected in the transfer schedule.

Net Revenues less Expenses and Transfers:

Net revenues less expenses and transfers are projected to be a loss of \$7.830M versus the FY20 adjusted budget of \$5.639M. This is primarily due to the decrease in tuition revenue and increase in personnel expense. Projected year end fund balance is \$5.125M, or 7.60% of projected revenues.

COMMITTEE RECOMMENDATION:

The WOU Finance and Administration Committee recommends that the Western Oregon University Board of Trustees accept the FY20 Projected Year-End Report and the overall Management Report as of December 31, 2019.

Western Oregon University
P6 YTD Actual to Actual Variance Education & General Fund
(Unaudited, non-GAAP, for management purposes only)
(in thousands)

As of December 31, 2019
For the Fiscal Year Ended June 30, 2020

	P6 YTD FY19 Actuals	P6 YTD FY20 Actuals	Variance	Note
Revenues				
Student Fees & Tuition	30,785	28,892	(1,894)	Lower enrollment
Less: Fee Remissions	(3,034)	(4,092)	(1,057)	Increase in fee remissions
Net Student Fees & Tuition	27,751	24,800	(2,951)	
Government Resources & Allocations	15,171	16,745	1,574	HECC higher allocation
Gift Grants and Contracts	395	370	(25)	
Other Revenue	2,000	1,674	(325)	
Total Revenues	45,316	43,589	(1,727)	
Expenses				
Personnel	26,111	28,280	2,169	Salary rate & retirement contribution increases
Service & Supplies	4,367	3,359	(1,008)	
Capital Expense	204	30	(174)	
Total Expenses	30,682	31,668	986	
Net Revenues less Expenses	14,634	11,920	(2,714)	

Western Oregon University
P6 Percent Actual Variance Analysis Education & General Fund
(Unaudited, non-GAAP, for management purposes only)
(in thousands)

As of December 31, 2019
For the Fiscal Year Ended June 30, 2020

	P6 FY19 Realization/ Burn Rate %	P6 FY20 % of Adjusted 2020 Budget	Variance
Revenues			
Student Fees & Tuition (net of remissions)	69.72%	67.36%	-2.36%
Government Resources & Allocations	59.85%	60.86%	1.01%
Gift Grants and Contracts	46.61%	43.52%	-3.09%
Other Revenue	47.50%	39.78%	-7.72%
Total Revenues	64.54%	62.82%	-1.73%
Expenses			
Personnel	43.85%	47.74%	3.89%
Service & Supplies	57.80%	43.96%	-13.83%
Capital Expense	44.96%	14.65%	-30.31%
Total Expenses	45.41%	47.21%	1.79%

Western Oregon University
 FY20 Projected Year-End
 (Unaudited, non-GAAP, for management purposes only)
 (in thousands)

As of December 31, 2019
 For the Fiscal Year Ended June 30, 2020

	FY19 Year-End Actuals	FY20 Year-End Projected	FY20 Adjusted Budget	Variance FY20 Projected Year-End to Adjusted Budget	Note
Education & General Fund					
Recurring Operating Activities					
Student Fees & Tuition (net of remissions)	39,804	35,571	36,819	(1,248)	Lower enrollment/higher fee remissions.
Government Resources & Allocations	25,348	27,512	27,512	0	Projection is based on amount provided by HECC.
Gift Grants and Contracts	848	794	850	(56)	Timing difference.
Other Revenue	4,209	3,525	4,209	(684)	Timing difference.
Total Revenues	70,209	67,401	69,391	(1,989)	
Personnel	58,712	62,572	59,240	(3,332)	Cost Savings Initiatives not reflected - elimination of two positions.
Service & Supplies	7,556	5,812	7,640	1,828	
Capital Expense	454	66	203	137	
Total Expenses	66,722	68,450	67,083	(1,367)	
Interfund Transfers In	(12,350)	(1,319)	(841)	478	Projection is based on transfer schedule.
Interfund Transfers Out	16,971	4,532	4,460	(72)	Projection is based on transfer schedule.
Total Expenses and Transfers	71,343	71,663	70,702	(961)	
Operating Net Revenues less Expenses	(1,134)	(4,262)	(1,311)	2,951	
Other Activities					
Investment in Salem Building	0	(2,698)	(3,500)	(802)	
Retirement Window Payment	(840)	(783)	(783)	0	
Other	(213)	(88)	(45)	43	
Total Other Activities	(1,052)	(3,569)	(4,328)	(759)	
Total Net Revenues less Expenses	(2,187)	(7,830)	(5,639)	2,192	
Fund Balance at the Beginning of the Year	15,143	12,956	12,956		
Fund Balance at the End of the Year	12,956	5,125	7,317		
Fund Balance as a Percentage of Revenues	18.45%	7.60%	10.54%		

Western Oregon University
 FY20 Projected Year-End
 (Unaudited, non-GAAP, for management purposes only)
 (in thousands)

As of December 31, 2019
 For the Fiscal Year Ended June 30, 2020

	FY19 Year-End Actuals	FY20 Year-End Projected	FY20 Adjusted Budget	Variance FY20 Projected Year-End to Adjusted Budget	Note
Auxiliary Enterprises Funds					
Enrollment Fees	7,125	6,552	7,032	(480)	
Sales and Services	14,341	14,257	14,339	(82)	
Other Revenue	1,923	2,021	1,725	295	
Total Revenues	23,389	22,830	23,096	(267)	
Personnel	11,374	11,949	12,090	142	
Service & Supplies & Capital Expense	12,719	13,934	13,493	(442)	
Total Expenses	24,093	25,883	25,583	(300)	
Interfund Transfers In	(12,736)	(3,797)	(10,706)	(6,908)	Projection is based on transfer schedule.
Interfund Transfers Out	9,850	318	8,691	8,372	Projection is based on transfer schedule.
Total Expenses and Transfers	21,207	22,404	23,568	1,164	
Net Revenues less Expenses	2,182	426	(472)	897	
Additions/Deductions to Fund Balance	(2,487)	(2,428)			
Fund Balance at the Beginning of the Year	12,851	12,546			
Fund Balance at the End of the Year	12,546	10,544			
Fund Balance as a Percentage of Revenues	53.64%	46.18%			
Designated Operations, Service Departments, Clearing Funds					
Enrollment Fees	107	110	113	(3)	
Sales and Services	288	240	174	66	
Other Revenue	2,337	2,243	2,046	197	
Total Revenues	2,732	2,593	2,333	260	
Personnel	1,144	1,014	1,011	(3)	
Service & Supplies & Capital Expense	1,226	1,373	1,312	(61)	
Total Expenses	2,371	2,387	2,323	(64)	
Interfund Transfers In	(343)	(304)	0	304	Projection is based on transfer schedule.
Interfund Transfers Out	299	96	1	(95)	Projection is based on transfer schedule.
Total Expenses and Transfers	2,327	2,179	2,324	145	
Net Revenues less Expenses	405	415	9	405	
Additions/Deductions to Fund Balance	(420)	(717)			
Fund Balance at the Beginning of the Year	2,965	2,951			
Fund Balance at the End of the Year	2,951	2,649			
Fund Balance as a Percentage of Revenues	108.01%	102.16%			

Western Oregon University
Transfers Schedule - Projected

(Unaudited, non-GAAP, for management purposes only)

	E&G					Auxiliary					Des Ops - Serv Dept.		Plant fund		Other		Total	
Transfers In E&G	(a)					(b)	(c)				(b)	(d)			(d)	(e)		
Actual	17,507					265,613	42,677				2,638	90,000			60,000			478,435
Upcoming	831,735															8,893		840,628
Transfers Out E&G	(a)					(c)	(f)	(g)	(h)	(i)			(j)	(k)	(e)			
Actual	17,507								1,170	53,777				2,698,042				2,770,497
Upcoming	831,735					150,000	3,298,158	87,863					175,000	-	4,804			4,547,560
Transfers In AUX	(c)	(f)	(g)	(h)	(i)						(l)		(m)					
Actual				1,170	53,777						3,336		203,087					261,370
Upcoming	150,000	3,298,158	87,863															3,536,021
Transfers Out AUX	(b)	(c)									(n)							
Actual	265,613	42,677									10,000							318,290
Upcoming																		-
Transfers In DO, SD						(n)							(m)		(h)			
Actual						10,000							288,000		6,440			304,440
Upcoming																		-
Transfers Out DO, SD	(b)	(d)				(l)												
Actual	2,638	90,000				3,336												95,974
Upcoming																		-

Type	Description
(a)	General fund interfund transfers including HECC targeted funding and closing old indices
(b)	Return of FY19 'loans' to cover cash deficits in Athletics, Conference Services, Sundry & Rainbow Dance
(c)	Child Development Center support
(d)	Private scholarship interest earnings and Pepsi contract funds to offset fee remissions
(e)	Endowment matches
(f)	Athletic operations support
(g)	Conference Services support
(h)	Misc. transfers
(i)	Werner University Center Pacific Room remodel support
(j)	Small-Scale Energy Loan Program debt service
(k)	Purchase & remodel of Vick Building in Salem
(l)	Close out old library service index
(m)	Building & equipment replacement reserves for Housing, Dining, Parking, Health & Wellness Center, Telecommunications, and the Werner University Center
(n)	Vending income sponsored scholarships

WOU Board of Trustees, Proposal for a new degree program: Undergraduate Minor in Sustainability

Students are increasingly engaged – civically, politically, socially and intellectually -- around their concerns for sustainability. The minor in Sustainability is proposed by faculty in the Department of Geography and Sustainability as a complement to the major in Sustainability. The minor enables WOU students pursuing any major to take a structured approach to understanding one of the most pressing issues of our time and provides students with knowledge, skills, and research-based strategies to think more about sustainability, globally and locally. This 28-credit minor will help students articulate an informed understanding that will complement their major interests.

The minor aligns with WOU's values of Stewardship and Leadership: Leadership in service of the public good; action to improve the health of our planet; responsibility for preserving and enhancing the natural, structural, financial, intellectual, and human resources entrusted to us. In addition, the minor advances WOU towards its vision of being an institution that "adapt[s] to the changing world through continuous institutional improvement, evolve[es] pedagogies and expertise, sustained scholarly and creative activities, and delivery of critical and innovative programs...challeng[es] students, faculty and staff to grow profoundly through inspiring, thought- provoking educational experiences.

The proposed minor received Faculty Senate Approval on January 14, 2020 and the proposal is supported by the dean and provost. Upon approval by the WOU Board of Trustees, the NWCCU will be notified of this change.

COMMITTEE RECOMMENDATION:

The WOU Academic and Student Affairs Committee recommends that the Western Oregon University Board of Trustees approve the introduction of a new undergraduate minor in Sustainability as included in the docket materials.



Proposal for a New Academic Program

Institution: **Western Oregon University**

College/School: **College of Liberal Arts and Sciences**

Department/Program Name: **Geography and Sustainability**

Degree and Program Title: **(Minor) Sustainability**

1. Program Description

- a. Proposed Classification of Instructional Programs (CIP) number.
- b. Brief overview (1-2 paragraphs) of the proposed program, including its disciplinary foundations and connections; program objectives; programmatic focus; degree, certificate, minor, and concentrations offered.

First, note that this minor in Sustainability will not be an option for students majoring in Geography.

The academic minor in Sustainability offers interested students a subset of the intellectual ground that will be covered in the academic major. Thus, in addition to courses offered by the Geography and Sustainability Department, the minor too draws on important intellectual connections to other academic fields of inquiry.

- c. Course of study – proposed curriculum, including course numbers, titles, and credit hours.

At least 28 credits will be required in the minor.

Required courses:

- GEOG 106: Sustainable World (4 credits)
- GEOG 105: Nature & Society (4 Credits)
 - Or, GEOG 107: People, Space, and Place (4 Credits)
- BI 101: General Biology (4 Credits)

Choose at least four from the following:

- GEOG 380: Environmental Conservation (4 Credits)
 - Or, BI 370: Humans and the Environment (4 credits)
- GEOG 331: Environmental Justice (4 credits)
 - Or, PS 449: Environmental Values and Political Action (4 Credits)
- GEOG 306: Geographies of Development (4 Credits)
- GEOG 390: Global Climate Change (4 Credits)
- GEOG 470: Energy, Environment and Society (4 Credits)
- GEOG 412: Selected Topics (4 Credits)

- o Courses that are approved by the faculty advisor
- d. Manner in which the program will be delivered, including program location (if offered outside of the main campus), course scheduling, and the use of technology (for both on-campus and off-campus delivery).
- The main WOU campus will primarily be where courses for the minor will be delivered. Occasionally, classes may be offered at the Salem site. The Geography and Sustainability Department has a long track record of offering online and hybrid classes in addition to the traditional format; some of the courses included in the proposed minor might be offered in the online or hybrid modes.
- e. Adequacy and quality of faculty delivering the program.
- The faculty who contribute to the current programs in Geography and Sustainability will be the ones who will also deliver the courses for this proposed minor. Thus, there is no concern about the adequacy and quality of faculty who will deliver this program.
- f. Adequacy of faculty resources – full-time, part-time, adjunct.
- Current full-time and adjunct faculty are adequate to successfully launch this minor with existing courses.
- g. Other staff.
- Current staff are adequate to deliver this new minor. No additional staff will be needed.
- h. Adequacy of facilities, library, and other resources.
- Current resources are adequate to deliver this new minor.
- i. Anticipated start date.
- Fall 2020.

2. Relationship to Mission and Goals

- a. Manner in which the proposed program supports the institution’s mission, signature areas of focus, and strategic priorities.
- The new minor in Sustainability supports WOU’s mission of creating “lasting opportunities for student success through transformative education and personalized support”. Students are increasingly loud about their concerns for sustainability, and this minor will help them articulate an informed understanding that will complement their major interests. Through the minor in Sustainability, students pursuing any major will have a structured approach to understanding one of the most pressing issues of the time.
- Stewardship and Leadership are among WOU’s core values:

Leadership in service of the public good; action to improve the health of our planet; responsibility for preserving and enhancing the natural, structural, financial, intellectual, and human resources entrusted to us.

This new minor is also consistent with WOU's vision that includes:

Adapting to the changing world through continuous institutional improvement, evolving pedagogies and expertise, sustained scholarly and creative activities, and delivery of critical and innovative programs.

Challenging students, faculty and staff to grow profoundly through inspiring, thought-provoking educational experiences.

- b. Manner in which the proposed program contributes to institutional and statewide goals for student access and diversity, quality learning, research, knowledge creation and innovation, and economic and cultural support of Oregon and its communities.

Oregon has a reputation—nationally and globally—for innovative thinking about sustainability. This minor will provide students with knowledge, skills, and research-based strategies to think more about sustainability, globally and locally. Building up the capacity of students with a minor in Sustainability, whatever their academic major is, will empower them to work towards better outcomes for future generations of Oregonians.

- c. Manner in which the program meets regional or statewide needs and enhances the state's capacity to:
 - i. improve educational attainment in the region and state;
 - ii. respond effectively to social, economic, and environmental challenges and opportunities; and
 - iii. address civic and cultural demands of citizenship.

3. Accreditation

- a. Accrediting body or professional society that has established standards in the area in which the program lies, if applicable.

Not applicable.

- b. Ability of the program to meet professional accreditation standards. If the program does not or cannot meet those standards, the proposal should identify the area(s) in which it is deficient and indicate steps needed to qualify the program for accreditation and date by which it would be expected to be fully accredited.

Not applicable

- c. If the proposed program is a graduate program in which the institution offers an undergraduate program, proposal should identify whether or not the undergraduate program is accredited and, if not, what would be required to qualify it for accreditation.

Not applicable.

- d. If accreditation is a goal, the proposal should identify the steps being taken to achieve accreditation. If the program is not seeking accreditation, the proposal should indicate why it is not.

Not applicable.

4. Need

- a. Anticipated fall term headcount and FTE enrollment over each of the next five years.
- b. Expected degrees/certificates produced over the next five years.
- c. Characteristics of students to be served (resident/nonresident/international; traditional/nontraditional; full-time/part-time, etc.).
- d. Evidence of market demand.
- e. If the program's location is shared with another similar Oregon public university program, the proposal should provide externally validated evidence of need (e.g., surveys, focus groups, documented requests, occupational/employment statistics and forecasts).
- f. Estimate the prospects for success of program graduates (employment or graduate school) and consideration of licensure, if appropriate. What are the expected career paths for students in this program?

Academic minors are no longer required for graduating from WOU. Minors are, thus, electives that students could choose to work on. The fact that minors are electives means that it will be extremely difficult to guesstimate how many students might choose to pursue a minor in Sustainability.

A minor in Sustainability will be a huge asset to students. Visible activism by the younger generation, and inspired by Greta Thunberg, has furthered interest in sustainability among our students, who understand that the criticality of these issues and their own futures.

The employment market is also rapidly developing in various aspects of sustainability. Solar panels, energy efficiency, and waste management are examples of areas in which it will be difficult for business and government to ignore sustainability. Minor in Sustainability will, therefore, vastly expand the potential career options for students.

5. Outcomes and Quality Assessment

- a. Expected learning outcomes of the program.

The learning outcomes that students will work towards are the same as the outcomes for the major in Sustainability:

- Describe social, environmental, and economic elements of sustainable human communities
- Analyze the systemic nature of interrelationships among social, environmental, and economic elements of a thriving human community.
- Apply knowledge through actions that promote a sustainable and balanced system between humans and the environment.

- b. Methods by which the learning outcomes will be assessed and used to improve curriculum and instruction.

As with all academic programs in the university, student learning outcomes will be annually assessed. The evidence will be aggregated and reported consistently to facilitate continuous improvement. The assessment work will be managed by the faculty in the Geography and Sustainability Department.

- c. Nature and level of research and/or scholarly work expected of program faculty; indicators of success in those areas.

This minor will be served mostly by tenured and tenure-track faculty, whose scholarly work is reviewed on a regular basis as per the Collective Bargaining Agreement.

6. Program Integration and Collaboration

- a. Closely related programs in this or other Oregon colleges and universities.
- b. Ways in which the program complements other similar programs in other Oregon institutions and other related programs at this institution. Proposal should identify the potential for collaboration.

This academic minor draws on courses offered by other academic departments. Further, the 100-level foundational courses required in the minor could also be completed at other institutions, especially community colleges, which will make it relatively straightforward for students transferring in from other colleges and universities.

- c. If applicable, proposal should state why this program may not be collaborating with existing similar programs.

Not applicable.

- d. Potential impacts on other programs.

If any, this minor will introduce students to other disciplines in which they may not have taken courses. The flexibility provided in this minor means that no program will be unduly burdened with serving students.

7. External Review

If the proposed program is a graduate level program, follow the guidelines provided in *External Review of New Graduate Level Academic Programs* in addition to completing all of the above information.

Not applicable.

Revised May 2016

Instructions on Budget Outline form

1. Whose viewpoint?

The Budget Outline is intended to show the budgetary impact resulting from offering the new program. This table should be completed from the viewpoint of the budgetary unit that will be responsible for the program. Determine what the budgetary unit will be doing (in terms of new or additional activities) that it is not now doing and show what these activities will cost — whether financed and staffed by shifting of assignments within the budgetary unit; reallocation of resources within the institution; special appropriation of the legislature; or gift, grant, or other funds.

There are no new budget items.

2. No additional resources needed?

If the program is simply a rearrangement of courses already being offered, relying on access to library resources available for other programs, with no requirements for new or additional specialized facilities, equipment, or technology, and with no increase or decrease in students served by the budgetary unit responsible for the program, the budgetary impact would be near zero and should be so reported in the table.

As stated earlier, no additional resources are needed for this new minor. Correspondingly, the tables reflect zero budgetary impact.

3. Additional resources needed?

If FTE faculty or support staff assigned to the budgetary unit must be increased to handle an increased workload as a result of the new program (or to provide added competencies), indicate the total resources required to handle the new activities and workload (e.g., additional sections of existing courses) by specifying: (1) how much of this total figure is from reassignment within the budgetary unit (Column A), and (2) how much is from resources new to the budgetary unit (Columns B-E). Please provide line item totals in Column F.

As stated earlier, no additional resources are needed for this new minor. Correspondingly, the tables reflect zero budgetary impact.

Budget Outline Form: Year 1

Estimated Costs and Sources of Funds for Proposed Program

Total new resources required to handle the increased workload, if any. If no new resources are required, the budgetary impact should be reported as zero

Institution: Western Oregon University

Academic Year: 2016-2017

Program:

	Column A	Column B	Column C	Column D	Column E	Column F
	From Current Budgetary Unit	Institutional Reallocation from Other Budgetary Unit	From Special State Appropriation Request	From Federal Funds and Other Grants	From Fees, Sales and Other Income	LINE ITEM TOTAL
Personnel						
Faculty (Include FTE)						
Graduate Assistants (Include FTE)						
Support Staff (Include FTE)						
Fellowships/Scholarships						
OPE						
Nonrecurring						
Personnel Subtotal						
Other Resources						
Library/Printed						
Library/Electronic						
Supplies and Services						
Equipment						
Other Expenses						
Other Resources Subtotal						
Physical Facilities						
Construction						
Major Renovation						
Other Expenses						
Physical Facilities Subtotal						
GRAND TOTAL	0	0	0	0	0	0

Budget Outline Form: Year 2

Estimated Costs and Sources of Funds for Proposed Program

Total new resources required to handle the increased workload, if any. If no new resources are required, the budgetary impact should be reported as zero

	Column A	Column B	Column C	Column D	Column E	Column F
	From Current Budgetary Unit	Institutional Reallocation from Other Budgetary Unit	From Special State Appropriation Request	From Federal Funds and Other Grants	From Fees, Sales and Other Income	LINE ITEM TOTAL
Personnel						
Faculty (Include FTE)						
Graduate Assistants (Include FTE)						
Support Staff (Include FTE)						
Fellowships/Scholarships						
OPE						
Nonrecurring						
Personnel Subtotal						
Other Resources						
Library/Printed						
Library/Electronic						
Supplies and Services						
Equipment						
Other Expenses						
Other Resources Subtotal						
Physical Facilities						
Construction						
Major Renovation						
Other Expenses						
Physical Facilities Subtotal						
GRAND TOTAL	0	0	0	0	0	0

Budget Outline Form: Year 3

Estimated Costs and Sources of Funds for Proposed Program

Total new resources required to handle the increased workload, if any. If no new resources are required, the budgetary impact should be reported as zero

	Column A	Column B	Column C	Column D	Column E	Column F
	From Current Budgetary Unit	Institutional Reallocation from Other Budgetary Unit	From Special State Appropriation Request	From Federal Funds and Other Grants	From Fees, Sales and Other Income	LINE ITEM TOTAL
Personnel						
Faculty (Include FTE)						
Graduate Assistants (Include FTE)						
Support Staff (Include FTE)						
Fellowships/Scholarships						
OPE						
Nonrecurring						
Personnel Subtotal						
Other Resources						
Library/Printed						
Library/Electronic						
Supplies and Services						
Equipment						
Other Expenses						
Other Resources Subtotal						
Physical Facilities						
Construction						
Major Renovation						
Other Expenses						
Physical Facilities Subtotal						
GRAND TOTAL	0	0	0	0	0	0

Budget Outline Form: Year 4

Estimated Costs and Sources of Funds for Proposed Program

Total new resources required to handle the increased workload, if any. If no new resources are required, the budgetary impact should be reported as zero

	Column A	Column B	Column C	Column D	Column E	Column F
	From Current Budgetary Unit	Institutional Reallocation from Other Budgetary Unit	From Special State Appropriation Request	From Federal Funds and Other Grants	From Fees, Sales and Other Income	LINE ITEM TOTAL
Personnel						
Faculty (Include FTE)						
Graduate Assistants (Include FTE)						
Support Staff (Include FTE)						
Fellowships/Scholarships						
OPE						
Nonrecurring						
Personnel Subtotal						
Other Resources						
Library/Printed						
Library/Electronic						
Supplies and Services						
Equipment						
Other Expenses						
Other Resources Subtotal						
Physical Facilities						
Construction						
Major Renovation						
Other Expenses						
Physical Facilities Subtotal						
GRAND TOTAL	0	0	0	0	0	0

Finance and Administration Committee (FAC), Washington Federal Bank Line of Credit

At its November 20, 2019 meeting, the Board approved a \$5 million revolving line of credit with Washington Federal Bank ("Bank"). The terms and conditions of the revolving line of credit were included in the written docket materials for that meeting.

During finalizing the revolving line of credit agreement with the bank, the University, on the advice of bond counsel, requested a modification of the term sheet to include a TAXABLE rate to cover a possibility of funding a taxable project in the future. Upon this request, Washington Federal Bank amended the term sheet to include a taxable rate of 3.17%. There have been no other modifications to the term sheet, including the 2.51% tax-exempt fixed rate

STAFF RECOMMENDATION: Staff recommends that the Western Oregon University Board of Trustees to approve the modification to the Washington Federal Bank term sheet as described above and authorize the President or designee to execute the instrument establishing the revolving line of credit.



Pete Sullivan
Vice President
425 Pike Street
Seattle, WA 98101
206-626-8111
pete.sullivan@wafd.com

October 15, 2019

Tatyana (Ana) Karaman, Ph.D.
VP for Finance and Administration & CFO
Western Oregon University
345 Monmouth Ave N
Monmouth, OR 97361
karamana@mail.wou.edu

Regarding: \$5,000,000 Revolving Line of Credit

Dear Dr. Karaman:

We enclose a summary of terms and conditions outlining the proposed terms under which Washington Federal Bank N.A. (Wafd Bank) may extend credit to the Western Oregon University (WOU). Please note that this is not a commitment to lend.

Wafd Bank appreciates the opportunity to provide our financing proposal. Please call Pete Sullivan at 206-626-8111 to discuss any questions or comments you may have regarding our proposal. We look forward to working with you.

Sincerely,

A handwritten signature in blue ink that reads "Pete Sullivan".

Pete Sullivan
Vice President

**Western Oregon University
Financing Proposal**



Parties to the Transaction:

BORROWER: Western Oregon University (the “Borrower”)

LENDER: Washington Federal Bank N.A. (the “Bank”)

The Facility:

FACILITY: Revolving Line of Credit (the “Credit Facility”)

FACILITY AMOUNT: \$5,000,000 (not to exceed)

CLOSING DATE: November 22, 2019 (estimated)

DRAWS Draws under the Credit Facility may be requested on any banking day with minimum draw amounts of \$100,000.

INTEREST CALCULATION: All calculations of interest and fees shall be made on the basis of actual number of days elapsed in a 360-day year.

REPAYMENT: The Borrower must repay the Credit Facility in quarterly payments of accrued interest (January 1, April 1, July 1 and October 1).

PREPAYMENT: The Borrower may prepay the Credit Facility at any time without penalty.

MATURITY: Unless extended, the Credit Facility will mature, and all unpaid principal and interest will be due and payable at maturity on 12/31/2024.

CAPACITY INCREASE Borrow may request that the Bank increase the amount of the Credit Facility up to \$10 million, however the Bank will require a separate credit approval before the commitment can be increased.

CAPACITY DECREASE: Borrow may elect a “step down” option on the Facility Amount, which would allow the Borrower to reduce the Facility Amount of the line. One such step down is permitted during the initial term of the line. The Borrower may decide the amount and the timing of the step down.

EXTENSION: Upon achieving the criteria described below, the maturity date of the line may be extended for one 2-year period (total of 7 years from origination).

All of the following must be attained to qualify for the extension:

- 1) Borrower's Change in Net Position minus depreciation, amortization and pension expense for the 12-month period just ending is 110% of annual debt service;
- 2) Borrower's GO debt rating is A or better (or equivalent);
 - a. If the Borrower does not have a bond rating at the time of the extension, the rating requirement will be waived.
- 3) Compliance with all other terms of the Credit Agreement.

If the line is extended, the Facility balance amount in place at the time of the extension:

- (a) The rate will convert to a 2-year fixed interest rate based on the 2-year Bloomberg Swap Rate (or comparable index), plus 1.55%, multiplied by the calculation of 100 minus the highest marginal tax rate applied to subchapter C corporations, expressed as a decimal (currently 0.79);
- (b) If LIBOR is no longer available, then the rate will be based on the Secured Overnight Financing Rate (or comparable index) plus 1.55%, multiplied by the calculation of 100 minus the highest marginal tax rate applied to subchapter C corporations, expressed as a decimal (currently 0.79).

SECURITY:

The Credit Facility is a general revenue obligation of the Borrower. Legally available revenues include all tuition, fees, charges, rents, revenues, receipts and other income (including interest and dividends) of the Borrower if and to the extent such funds are not restricted in their use by law, regulation or contract. The Credit Facility is to be issued on parity with the Borrower's current and future obligations.

Fees and Expenses:

ORIGINATION FEE: \$0.00

UNUSED COMMITMENT FEE: \$5,000 - assessed annually

- (a) The unused commitment fee will be waived in 2019 & 2020.
- (b) The unused commitment fee will be waived in subsequent years if the average annual utilization is \$3 million or more.
 - i. Average Annual Utilization means the sum of the daily aggregate principal amount of all revolving credit advances for the year, divided by 360.

BANK COUNSEL FEE: \$5,000 – Hillis, Clark, Martin & Peterson

Rates:

INTEREST RATE: One week prior to closing the Borrower may choose to either:
(a) Accept the rate below, which will be held firm until closing; or
(b) Elect to reset the rate below based on the formula below.
i. Either rate choice will become a fixed rate from closing until the line of credit's initial maturity on 12/31/2024.

2.51% Tax-Exempt Fixed Rate

3.17% Taxable Fixed Rate

Interest Rate Formula: The 5-year rate will be based on the 5-year Bloomberg Swap Rate (or comparable index), plus 1.75%, multiplied by the calculation of 100 minus the highest marginal tax rate applied to subchapter C corporations, expressed as a decimal (currently 0.79).

Rates quoted are for the WOU, a Tax-Exempt entity.

EXPIRATION: This proposal letter shall automatically expire on November 22, 2019.

Covenants and Financial Reporting Requirements:

COVENANTS: Usual and customary for transactions of this type.

REPORTING REQUIREMENTS: The Borrower shall provide the following information and statements in form and content acceptable to the Bank:
(a) Within 270 days after the close of each financial year of the Borrower, the complete audited financial statements of the Borrower.

Description of Basic Terms and Conditions

DOCUMENTATION: Documentation will be usual and customary for transactions of this type, including:

- (a) A copy of the Resolution passed by the Council/Board authorizing the issuance of the Credit Facility;
- (b) A receipt of the original signed Note or Bond at closing;
- (c) The resolution or financing/bond purchase agreement ("Agreement"), prepared by bond counsel and subject to approval by Bank Counsel.
 - i. The Agreement will include, but is not limited to, the terms and conditions outlined herein, as well as provisions that are customary and standard with respect to conditions precedent, representations and warranties, covenants, events of default and remedies;

- (d) An unqualified legal opinion of nationally recognized bond counsel, in form and substance acceptable to Bank and its legal counsel that:
 - i. The resolution and all documents related to the Credit Facility have been properly adopted, authorized and executed; and
 - ii. The resolution and all documents related to the Credit Facility constitute a legally binding obligation of the Borrower and enforceable according to their terms (subject to standard exceptions).
 - iii. Opinion of counsel that the term portion of the loan under the revolving line of credit option will be treated in parity with all other senior lien holders at the time of conversion.

EVENTS OF DEFAULT: Usual and customary in transactions of this type including, without limitation the following:

- (a) Nonpayment of principal, interest, fees or other amounts; or a
- (b) Failure to perform or observe covenants/reporting requirements set forth in the loan documentation;

Description of the Process:

THE PROPOSAL: This summary of terms is not a commitment. It represents a willingness on the part of the Bank to seek approval to provide the commitment indicated herein and consummate a transaction based on the terms and conditions outlined in the proposal and is subject to:

- (a) Final credit approval (see “Credit Process” below),
- (b) Such any due diligence as Bank may require, and
- (c) Agreement as to all final terms and conditions and satisfactory documentation thereof (including satisfactory legal opinions).

CREDIT PROCESS: The credit process will take approximately 4-weeks from the point at which the Bank is officially awarded the transaction and has in its possession all materials necessary to undertake a full credit analysis.

Washington Federal is a Seattle based; FDIC insured financial institution with total assets in excess of \$16 billion. Washington Federal and assigned contacts have specific experience in lending to governmental issuers.

BILLING STATEMENTS: Unfortunately, the Bank is unable to provide separate account and billing statements for each respective project.

Contacts:

BANK: Washington Federal N.A.
 Pete Sullivan
 425 Pike Street

Seattle, WA 98101
206-626-8111
pete.sullivan@wafd.com

BANK COUNSEL: Hillis Clark Martin & Peterson P.S.
Brandon Pond
999 Third Avenue, Suite 4600
Seattle, Washington 98104
206.470-7623
brandon.pond@hcmp.com

Agreement by the Borrower:

By signing below, the Borrower agrees to engage the Bank to provide the Credit Facility pursuant to the terms and conditions stated in this proposal, including the Borrower's responsibility for the Bank's legal fees even if closing & funding does not occur.

Please evidence your agreement with the foregoing by signing and returning a copy of this document to the Bank.

Accepted and Agreed to:

Western Oregon University

Signature: _____ **Date:** _____

Printed Name: _____

Disclosure:

The transaction contemplated by this term sheet is an arm's length, commercial transaction between you and the Bank, in which the Bank (i) is acting solely as a principal and for its own interest; (ii) is not acting as a municipal advisor or financial advisor to you; (iii) has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to you with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto; and (iv) is not recommending that you take any action with respect to the transaction contemplated by this term sheet, and before taking any action with respect to the contemplated transaction, you should discuss the information contained herein with your own legal, accounting, tax, financial and other advisors, as it deems appropriate.

The only obligations the Bank has to you with respect to the transaction contemplated hereby are set forth in this term sheet. If you would like a municipal advisor in this transaction that has legal fiduciary duties to you, you are free to engage a municipal advisor to serve in that capacity. This term sheet is provided to you pursuant to and in reliance upon the "bank exemption" provided under the municipal advisor rule of the Securities and Exchange Commission, Rule 15Ba1-1 et seq.

UNDER OREGON LAW, MOST AGREEMENTS, PROMISES AND COMMITMENTS MADE BY US CONCERNING LOANS AND OTHER CREDIT EXTENSIONS WHICH ARE NOT FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES OR SECURED SOLELY BY THE BORROWER'S RESIDENCE MUST BE IN WRITING, EXPRESS CONSIDERATION AND BE SIGNED BY US TO BE ENFORCEABLE.