

### Division of Finance & Administration

## Annual Report 2017-2018

### **Table of Contents**

How are we doing? The question that drives our progress	2
Six Focused Initiatives for 2017-2019	
Long-range Planning Initiative	
Clear Policies, Efficient Processes Initiative	7
Supportive Infrastructure Initiative	10
Critical Training and Development Initiative	13
Safety and Readiness Initiative	15
Diversity and Respect Initiative	18
Supporting Student Success & the OSU Mission	19
Awards and Recognition	23
About the Division of Finance and Administration	24

### **HOW ARE WE DOING?** The question that drives our progress

#### A message from Vice President Mike Green

Oregon State University's strategic plan tells us where we are going. In the Division of Finance and Administration (DFA), the big question we have been asking is, "how are we doing?" We want to know if we are offering our colleagues the right services, and meeting their actual needs. Are we helping people across the OSU community advance their goals and respond to the challenges of the 21st century? Could we be more efficient stewards of the university's resources?

In fiscal year 2017-18, employees in all of the units of the division worked hard to answer these questions. while also advancing our three foundational goals:





- Effective **stewardship** of university resources, to keep costs as low as possible for students.
- Providing efficient, reliable and flexible services for the university community.
- Protecting the safety and health of all the people who live and work within our community.

Working collectively, the units of the Division of Finance and Administration have undertaken several major multi-year development projects, which serve to advance our six broad initiatives (listed on the next page).

The Business Operations Project—Beaver Works—is a broad and systematic process of evaluating and developing improvements for business processes and policies that impact nearly every person at Oregon State University. An outgrowth of this project is work we are calling the Framework for Success, where division employees are collectively creating a set of unified principals and performance indicators, so we can more accurately measure outcomes against goals. The BennyBuy project is expanding into an integrated e-procurement and accounting system for the whole university. The division's new Fiscal Policy Program is systematically evaluating and refining division policies and department rules. In the Benny Hire project, the Office of Human Resources worked with stakeholders to redesign—and simplify!—the way the university recruits and hires student workers and graduate assistants.

We also looked outside our division to get new ideas and to work more collaboratively with students and faculty. We joined a consortium of universities to compare administrative costs; in the upcoming years, the resulting data should help us identify ways to be more efficient. In

#### Six Focused Initiatives for 2017-2019

Long-range Planning	Clear Policies, Efficient Processes	Supportive	- Critical Training & Development	Safety & Readiness	Diversity & Respect
Create clarity around integrated planning. Provide access to existing plans and materials for university-level visibility.  Develop high-level knowledge about timelines and planning cycles. Clarify roles, and provide a single point to access information.  Define essential data for units and provide reporting around it. Monitor trends.	Integrate information systems and platforms.  Develop a framework for systematic policy review and revisions for DFA.  Create a culture of continuous process improvement and a way to assess processes.	Develop a long-range plan for capital development and building renewal that reflects university operations and funding, together with the needs of the community.	Determine critical training needs and prioritize delivery of information. Establish a committee to review whether and how to implement a university-wide learning management system. Identify and prioritize professional development strategies.	Meet compliance standards for lab safety requirements. Provide for campus readiness and business continuity during emergency events.	Provide a structural framework for employee responsibilities for diversity and inclusion.  Increase awareness, provide training, and reinforce the importance of equity and inclusion for all.

adopting a new budget development model, the Budget Office partnered closely with the Provost's Office and other university leaders to encourage collaborative decision-making about university investments. Increasing refinement of the DFA's long-range forecasting tools for financial operations and capital projects was made possible through ongoing conversation with deans, administrators and the Board of Trustees and outside financial experts. Division staff started a community-wide dialogue that helped the tuition-setting process become more inclusive and transparent. We provided experiential learning opportunities for students, as with the Business Affairs student auditors program. We shifted budgets and applied for grants to enable increased investments in public safety and environmental health.

Part of understanding how we are doing is evaluating whether we are doing things right. DFA staff believe in accountability, integrity and transparency. We work closely with colleagues, university leadership and the Board of Trustees to fulfill our responsibilities and support each other's successes. We collaborate to solve problems, and we strive to do so in the fairest and most inclusive ways. We will continue to find ways to ask you, the OSU community, how you think we are doing, and we will always strive to meet your high standards.

As our projects advance over the next several years, DFA systems and processes will continue to be improved and refined. Our efforts to analyze and reduce costs and use technology systems to modernize business will continue. At every step of the way, we will be asking "how are we doing" and using what we learn to drive our progress—and yours!

Sincerely,

Michael J. Green Vice President for finance & Administration

#### LONG-RANGE PLANNING





DFA units engage the university community to build integrated planning and budgeting systems, with clear planning cycles, stakeholder input, and access to essential data. In 2017-18, we continued to refine planning tools implemented in prior years, giving university decision-makers richer and more accurate information. At the same time, we invited greater participation from

the entire university community-including students, faculty and the Board of Trusteesin developing priorities for limited resources.

#### Refined long-range planning tools

Throughout 2017-18, staff in the Office of Budget and Planning and University Facilities, Infrastructure and Operations continued to mature the 10-year Business Forecast, which consists of an operating budget forecast and a capital project forecast. In refining the data used to develop these forecasts, OSU's future becomes more clear, and university decision-makers have more information about potential outcomes. The effort to more fully realize the 10-year Business Forecast is driving improvements in budgeting and capital planning processes.

Over the past year, the Infrastructure Working Group—staffed by stakeholders from across the university—was more fully integrated in prioritizing large building and renewal projects on the 10-year capital forecast.

The Treasury Office was also involved in longterm planning, in analyzing the impacts that capital and building renewal projects have on the university's cash flow and its overall need for bond funding. Improved data analysis and reporting allows administrators to position the university to best meet its financial objectives and use the Internal Bank to more efficiently fund projects. In the last year, the university established an independent line of credit to assist with cash flow stability. Treasury also worked closely with the State of Oregon as the university issued revenue bonds to fund several major capital projects over the coming years.

#### Began implementation of the Shared Responsibility budget model

In 2017-18, the Office of Budget and Planning began an overhaul of the university's budgetsetting process, as a way to ensure that OSU remains fiscally sound and can make the long-term investments required for success. After a phased implementation, the **new** budget model was the primary vehicle for developing fiscal year 2019 academic budgets. Financial staff at the seven business centers assisted colleges in developing FY2019 budget plans for colleges. In many cases, Business Center Managers consulted with college leadership in determining how best to implement the details of the new budget model within their operations.

The shared responsibility budget model recognizes the diverse missions of OSU's colleges, centers and departments, and aligns the allocation of resources in ways that best advance the university's goals. This type of model encourages OSU's culture of cooperation by promoting collaborative and interdisciplinary teaching, research and outreach.

A significant education and outreach **program** was included in the rollout of the new budget model, and an annual cycle of open budget forums are now a standard part of the budget development process. Education forums last year included topics like understanding state funding, and how research and indirect costs are established.

#### University Budget Committee

Stakeholder input is regularly considered in making improvements to the overall budget program. Last year, the Office of Budget and Planning worked with the Provost to establish



the University Budget Committee, an advisory council that includes faculty, students and administrators. The group develops priorities and recommendation in response to the Provost's charge, and contributes input into budget development and policy questions.

#### Enhanced OSU's tuition rate development process

Tuition is a major source of operational funds for the university and tuition rates are a significant part of budget planning, as well as a major factor in students' ability to attend OSU. University staff develops a tuition rate proposal each year, and the Board of Trustees establishes the final tuition amounts. Last year, the Office of Budget and Planning instituted a communication program designed to get broad student and stakeholder input into the development of the tuition rate recommendation. This included the establishment of the Student Budget Advisory Council, a subgroup of the University Budget Committee.

#### Student Budget Advisory Council

Through the committee and public forums, the OSU community receives data, reports and information about how tuition and other types of institutional funding work together to cover the university's planned operational expenses. The Student Budget Advisory Council provides for student input into tuition rates, fees and budget priorities. It also provides a forum for students to raise concerns about the university budget. By working closely with OSU student government and other organizations. DFA staff ensure tuition and budget issues are more widely shared, discussed and understood.

In FY2018, student and community feedback was incorporated into the university tuition rate recommendation, with a proposal that the Board make a longerterm statement about expected tuition rates. The Board resolved at its June 2018 meeting to keep tuition increases between 2% and 5% unless there are significant external factors to consider. With the expectation of a low and stable rate increase, students can now more accurately predict their tuition costs for their years of study.

#### **Leadership Framework for Success**

Near the end of FY18, the DFA leadership team undertook a long-term effort to align operational policies, practices and services—what we say and do—with our stated values and long-term goals. We named this project the Framework for Success. Division leaders are working with Javier Calvo-Amodio, an OSU associate professor of industrial engineering, to develop

a set of guiding principles that will inform how we measure what we do. Over the upcoming year, managers of all the DFA units will be involved in creating a set of key performance indicators that tie their work to one or more of the guiding principles. Our goal is that the Framework for Success will help work teams meet our mutual goals, and enhance the division's culture of responsiveness and collaboration with university partners.



### CLEAR POLICIES, EFFICIENT PROCESSES





The Division of Finance and Administration creates clear, compliant and responsive policies, procedures and processes. Our broad goal is to reduce administrative burdens and make things easier for users, while also protecting the community through compliance and risk management. In 2017-18, we undertook structural improvements based on internal reviews and

benchmarking against national peers. We are creating a culture of continuous improvement and developing systems for regular policy and process reviews.

### **Beaver Works: The Business Operations Project**

Established following a contracted review of the university's business operations, policies and processes in FY17, the Business Operations Project got underway during 2018. The review was initiated as DFA leaders sought to better align business services and resources with the needs of the university community.

Over spring term, a project manager was assigned to work with the executive steering committee, and a core project team was formed. The core project team spent summer 2018 conducting a series of community forums and collecting feedback about the

recommendations that informed a broad project plan.

The Business Operations project is a multiyear plan that will address each of the ten recommended actions from the review. Early work by the core project team included the creation of a business operations function inventory for the university, as aspects of business services are distributed broadly. Project phases and detailed project planning will continue to be outlined throughout 2019. Foundational work that began in fall 2018 and will continue through FY19 includes the separate Framework for Success performance project and a risk tolerance definition exercise.

#### Continued to automate procurement processes in BennyBuy

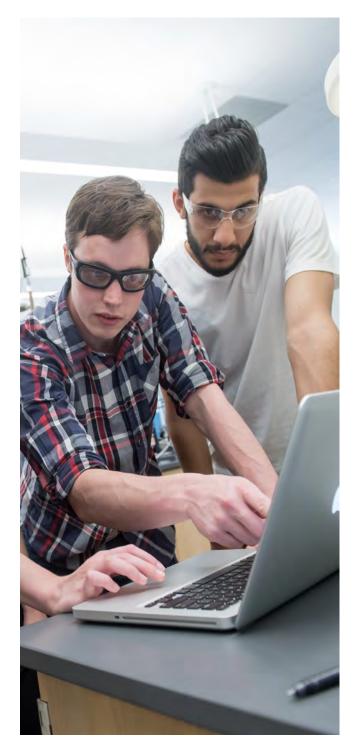
The BennyBuy eProcurement system arose from a 2012 initiative by the Procurement, Contracts and Materials Management (PCMM) team to improve costs and timeliness of services. The result is a robust online procure-to-pay system that integrates and automates purchasing, payments, supplier management, sourcing and contract management. The BennyBuy system is being implemented in phases (it started in FY17).

As it becomes fully implemented, the spend analytics enabled by the system will allow OSU to have a faster and easier procurement experience, enable the university to leverage OSU's collective buying power for strategic price negotiations, and will allow better data reporting for greater transparency and accountability. The BennyBuy eProcurement platform is being integrated with other university data systems, like Capital Planning's eBuilder and Facilities project management software, for greater efficiency. Before any aspect of the eProcurement system gets implemented, the BennyBuy team analyzes and streamlines the existing work flows. This means that new technology isn't simply being applied to cumbersome and outdated processes.

The full benefits of the eProcurement system will only be realized when most university purchases are made through the online platform. In 2017-18, the PCMM team and Business Center staff focused on increasing the number of users in the BennyBuy system. They delivered user training sessions, and collaborated on focus groups to make sure the platform meets user needs. The BennyBuy implementation team started a weekly newsletter for users.

#### Implementing two-phase improvement to student recruitment processes

In November 2017, the **Benny Hire student** recruitment project began, in response to concerns that hiring students was overly difficult and time consuming. Each year, colleges and departments hire and process approximately 4,300 student hires and 2,660 graduate assistant appointments. Because of the big impact, the Office of Human Resources worked with a stakeholder advisory



group to quickly define a streamlined student hiring process that went into effect in fall term 2017.

Throughout 2017-18, the project team has focused on implementing a permanent ITbased solution, based on the Salesforce platform. This long-term solution began to be tested in fall 2018, with full implementation scheduled for winter and spring term in 2019.

#### Developed a Fiscal Policy Oversight and **Review Program**

The new fiscal policy committee provides quidance for the regular and systematic review of business policies and processes, working closely with stakeholders to set useful and straightforward standards. The committee also ensures that division-level rules comply with the university's policies and strategic plan.

The Fiscal Policy Program made its debut in late fall 2018, building on earlier work from 2017. This year, the program was fully rolled out with a steering committee, coordinators in each business center, and a dedicated fiscal policy officer.

#### **Procurement and Contracts Services update** systems in response to client needs

The Procurement and Contracts team updated OSU's procurement standards, working closely with the university compliance office and a broad range of stakeholders. This university guide for purchasing establishes new purchasing thresholds, increases efficiency and makes informal procurements faster and easier. All while ensuring compliance with the federal Office of Management and Budget's Uniform Guidance.

Construction Contract Administration (CCA) conducted a comprehensive document review to incorporate industry best practices. improve the experience for university staff

and build better business relationships with contractors.

CCA staff also participates in continuing education and training to expand their industry knowledge and make sure OSU contracts and methodologies are up to date. In FY2017-18, they adopted new types of contracts to respond to current business needs, such as design-build construction contracts and public-private partnership agreements.

#### Open communication with Office of Audit, Compliance and Risk

DFA staff worked cooperatively throughout FY2017-18 with the Office of Audit Services, which serves as a double-check to make sure division-wide work complies with rules and regulations around financial compliance and health safety.

Accountability is built into the system at multiple levels. We collaborate on a cycle of reviews and reports to university leaders and the Board of Trustees. And we work together to address issues that result in improved functions and clear information.

OSU's financial health is also regularly evaluated by an external auditor. In FY2017-18, OSU's financial statements were found to be in accordance with generally accepted accounting principles and no issues were identified.



#### SUPPORTIVE INFRASTRUCTURE





Units in the DFA work with stakeholders to guide the building and maintenance of OSU's physical infrastructure. It's our goal to make university spaces that can be used in many ways to meet the needs of community members, while helping advance OSU's strategic priorities. In 2017-18, we focused on streamlining complex processes and establishing clear

checkpoints in project development. We incorporate community-wide input to develop priorities for investing OSU's resources. In these ways and others, we ensure that the projects we start today will meet their financial and academic goals tomorrow.

#### New UFIO unit aligns services for efficiency

In 2017-18, several DFA units were merged to create University Facilities, Infrastructure and Operations (UFIO). It makes sense to manage Facilities, Capital Development and Transportation Services as a consolidated group that can more seamlessly deliver services and use shared resources more efficiently.

Over the past year, work groups have formalized communication systems and coordinated project development processes. Teams have focused on improving the experience of project stakeholders, with a comprehensive website redesign, a new monthly newsletter, and written guidance for project sponsors.

At the same time, staff is building a set of tools and data sets that improve efficiency in many ways. In 2017-18, eBuilder, the facilities project management platform was integrated with Banner and the BennyBuy eProcurement system.

UFIO regularly calculates a facilities condition index, which rates campus buildings according to how they meet a number of criteria. The index accounts for a building's age, seismic rating, accessibility and other factors. The facilities condition index is considered together with space usage data and other information when prioritizing building renovation funds.

#### **New Board-Approved Capital Project Process**

The Board of Trustees adopted a new capital project approval policy, with formal stage gates for different levels of project completion. This new approach requires project phases and budgets to be more clearly defined at each stage.

The university's Infrastructure Work Group is a significant part of the new capital project approval process. This body of stakeholders and expert advisors sets criteria for proposed major capital projects and helps prioritize their placement on the ten-year capital forecast. One outcome of developing this formal process for capital project planning is improved communication and transparency about how the system works.

#### Robust Long-range Infrastructure Planning

In 2017-18, UFIO initiated a number of infrastructure studies (most will be completed in FY2019). These allow us to assess overall maintenance and renewal needs, prioritize projects, and plan appropriately for financial resources. The studies currently in process include reviews of:

- Standby Power Program
- Storm and Sanitary Systems
- Steam Distribution Study
- Roof Management Plan
- Transportation Plan
- Parking Plan
- Accessible Travel Grid
- Pavement Management Plan

#### Stewardship funds reduce deferred maintenance backlog

The university has added a number of new buildings over the last decade, and it is important to have funding to maintain them into the future, as well as address the deferred maintenance needs of older buildings. As a result, the current ten-year capital plan prioritizes renovation projects over new construction, to modernize older labs and classroom spaces for the needs of students today and tomorrow.

With this in mind, DFA staff have developed a dual approach that, together with planned building renovations, will reduce the deferred maintenance backlog by about \$400 million over the next ten years.



In fiscal year 2018, the university began building an **annual fund of \$45 million for building repair and renewal**, budgeting annual increments of \$5 million until the fund is fully established.

We have also created a stewardship fund for all new capital building projects. Ten percent of a project's budget will be allocated to partially cover costs for future maintenance and building system replacements.

#### Upgrading the university's power grid

Starting in 2016, university leaders began working closely with the regional power supplier to **improve the reliability of the Corvallis campus energy grid** and make long-term investments in the health of our power system. The first phase of targeted investments, addressing critical and safety systems, began in 2018 and is planned for completion in 2021. In the coming several years, a series of planned power outages will be coordinated to allow for this work.

#### Capital construction and renovation projects

At the end of FY18, there were approximately **150 capital construction projects in progress**, with combined budgets totaling over \$300 million. Most of these projects take

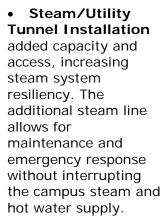
multiple years to complete. To improve communication, the Capital Planning and Development team created a new website detailing active projects underway.

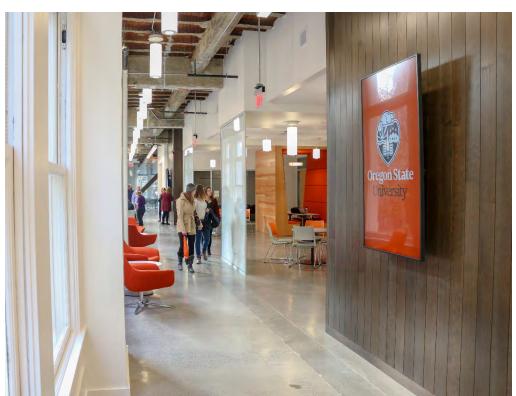
A notable project began in FY2018, as the College of Veterinary Medicine celebrated the groundbreaking of the **Magruder Hall expansion project**. Funded in part by major gifts, the project adds a two-story addition to the veterinary teaching hospital, a new lecture hall and a radiation oncology wing.

Capital Planning and Development, together with Facilities Services and outside contractors, also completed several major capital construction projects in 2017-18, including:

- Renovation of Strand Agricultural Hall was completed in 2018. This \$25 million project added seismic safety, accessibility and modern systems to this one-hundred year old legacy building.
- OSU Marine and Geology Repository, a 95,000 square foot facility that houses one of the largest sediment sample collections in the West, and includes cold storage, dry storage and freezers for samples.
- Portland Initiative Building Renovation

was completed, providing classroom and office space for academic programs, OSU Extension Service, OSU Alumni Association and OSU Foundation in downtown Portland.





### CRITICAL TRAINING AND DEVELOPMENT





The Critical Training and Development initiative arose from the need to modernize the ways the university delivered and tracked employee training on mandatory topics. At the same time, this initiative recognizes the need for ongoing professional growth and career development for employees across the

university. DFA units prioritized in 2017-18 the implementation of information systems and invested in specific skills training for staff members.

#### Fully implemented university-wide online critical training for employees

In 2017-18, the Office of Human Resources implemented the first phase of the university's new web-based tracking and delivery system for critical employee training.

The project was divided into two key efforts. A critical training work group was established to identify important and required training sessions. The group prioritized training needs and developed the initial training programs.

A second group was tasked with identifying a Learning Management System (LMS) that would meet the university's needs and criteria for automated delivery and tracking of the programs. To allow time for a robust evaluation, OSU's Professional and Continuing

Education (PACE) system was chosen as a short-term LMS platform.

In April 2018, the first set of critical training programs was delivered to employees. Topics included ethics, IT security, protected leave eligibility, protected leave, and mandatory reporting of child abuse. Additional training modules will be developed and added to the system in FY2018-19.

#### Training the university community

The Division of Finance and Administration hosts the annual university-wide Training Days, a two-day conference. Informational workshops by guest speakers and educators (many are OSU faculty) cover a broad range of topics, including everything from emergency preparedness to student success, from technology training to marketing. In November

2017, nearly 400 employees attended close to 80 training sessions.

#### Investing in professional skills development

Units across the DFA invest in education, training and professional development for employees. Support includes flexible scheduling to allow people to attend classes, and efforts to match job duties with individual areas of interest.

In 2017-18, business center managers completed a strength-based leadership training program and learned how to maximize team effectiveness. They also hosted an annual Excel training for financial staff.

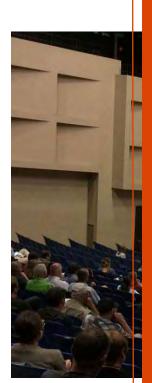
Professional development funds allow several DFA employees each year to attend the Business Management Institute hosted by the Western Association of College and University Business Officers. This week-long annual conference provides an immersion program

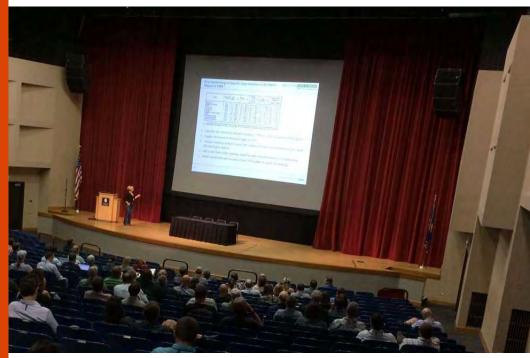
customized to multiple career levels. BMI graduates have a greater understanding of the accounting, risk management, strategic planning, decision-making and leadership skills required in higher-education institutions.

DFA units also ensure employees in specialized trades receive appropriate training and certifications. For example, in 2017-18, Facilities Services conducted training sessions on maintaining hydronic and refrigeration systems.

#### Improving new employee orientations

In 2017-18, Risk Services worked with the Office of Human Resources to include information about making insurance claims in the regular employee orientation sessions. DFA units also updated department-specific orientations to improve the onboarding experience across the division. In the next fiscal year, the DFA plans to formalize onboarding practices for new leaders.





### SAFETY AND READINESS



The primary mission of several DFA units is to protect the safety and health of people in the community. In 2017-18, they collectively focus resources on preventing and preparing for emergency situations, reducing safety risks among researchers in laboratory settings, and supporting university staff with the development of department response and continuity plans for operations. The year also saw increased investments in tools and training programs.

#### Investment in public safety programs

The Department of Public Safety (DPS) works to continually improve the safety of the university community. In fiscal year 2018, DPS implemented a new bi-annual training program for OSU's public safety officers. The unit also partners with the State of Oregon on statewide public safety officer training programs.

As part of its **community policing program**, DPS worked to increase officer visibility. Officer uniforms and DPS vehicles have been updated so they can be clearly identified in Beaver orange and black with a newly designed patch. The Public Safety website was rebranded and reorganized to more clearly provide a "one stop shop" for all safety matters. New brochures and wallet-sized cards offer the community a variety of important safety information and contacts.

Under new Chief Suzy Tannenbaum's leadership, the Department of Public Safety offers several on-demand safety training **programs** to the OSU community. In fiscal year 2018, DPS trained over 800 community members about topics including responding in active shooter situations and identifying emergent threats. Safety presentations provide community members with tips, tricks, and tools for making it through threatening situations. DPS also proactively shares information about several new safety initiatives and plans for the future.

#### New OSU-specific public safety app

This year, the Department of Public Safety was awarded a 5-year grant to develop and **implement a smart phone app** that allows OSU students, staff, and faculty to have immediate one-button contact to a campus public safety dispatcher, so people don't have to have the phone number at hand. The app links to the university's emergency management website, so it can instruct users on what steps to take during different types of incidents. The app allows users to assign a virtual companion, allowing family and friends to track them remotely via GPS, which can provide another level of comfort and protection. The app is currently being tested and will be available for the OSU community to use starting in fall 2018.

#### Access control and alarms project

A central station alarm notification system that automates research alarms and reduces work for Public Safety. This system allows researchers and building managers to customize their notification preferences and contact information.

### Lab safety updates

In 2016, the safety of research laboratories was identified by OSU's Board of Trustees as an important area to monitor and reduce risk. In 2017-18, the Environmental Health & Safety (EHS) team advanced a number of projects to make researchers safer, including these:

- Created three new positions to better provide support and guidance—Director of EHS to oversee programs and compliance; a hazardous waste officer; and a lab training manager.
- Focused on lab safety training with the development of a system to identify and track the education status of individual lab employees. They also developed additional lab safety training modules.
- Created stand-alone hazardous waste lab assessments and systems to support lab personnel's compliance with best practices for chemical storage and disposal. This includes online inventory tracking to reduce the burden on investigators.

#### **Emergency Preparedness and Response Planning**

Environmental Health & Safety finalized the university's overall Emergency Operations Plan, which helps OSU community members understand in plain language what to do in an emergency situation. It includes specific building plans for all campuses. The Emergency Operations Plan is continually updated, and EHS is assisting departments develop individual EOPs.

**EHS implemented a Situational Assessment Team** to triage university-level emergency events and determine whether the full Incident Management Team should be deployed. Additional staff was hired to provide 24/7 coverage by the Situational Assessment Team.

#### Safety Purchase Assistance Program

In 2017-18, Risk Services and Environmental Health & Safety partnered to establish the Safety Purchase Assistance Program. It provides the university community with a way to fund safety-related purchases that promote a safer work environment, and prevent or reduce the severity of an occupational injury or disease.

Common safety purchases are those that prevent sprains and strains that can occur from repetitive motion or heavy lifting. Upon approval, the program will reimburse up to 75 percent of qualifying purchases (limited at \$5,000 per request).



## Simplified Campus Grounds Use Request Process

Transportation Services staff worked cooperatively with the LaSells Stewart Center staff to update the Campus Grounds Use Request process. The **online permit application system** makes it easier for staff and event hosts to safely plan coordinated events. The new process includes automatic routing for approval by different units depending on the event, such as if a road needs to be closed or alcohol is being served.

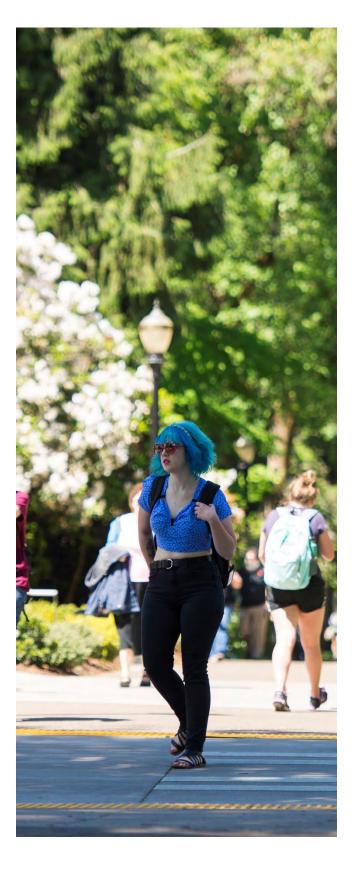
#### **Protecting Community Health**

The Safe Drinking Water program was updated in 2017-18 by Environmental Health & Safety. This water sampling program provides for the health and safety of the OSU community by monitoring the quality of drinking water across university locations on a regular basis. Water is tested for a variety of contaminants such as lead. Annual water sampling results are posted on the FHS website.

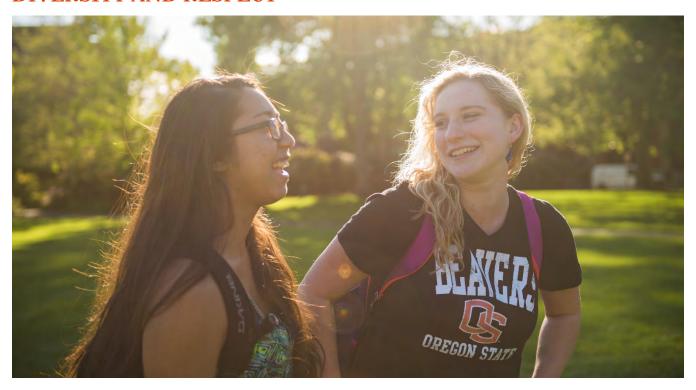
## Improving awareness through reporting and communication

The Clery Act is a national law that requires universities to provide annual security reports to inform the community of crimes committed on campus locations. In 2017-18, OSU created a Clery Advisory Committee and updated reporting processes to enhance compliance and oversee accurate reporting for OSU's many locations.

The Department of Public Safety improved community notifications and timely warnings by updating its communication platform. OSUAlert allows DPS to send emergency messages and other notifications to students, staff, and faculty with a press of a button. People can register online to choose how they receive messages, which are sent as phone calls, emails and text messages. The system automatically updates the university's official social media accounts and the OSU website. One new feature is the ability for community members to register family members and others to receive emergency notifications as well.



### **DIVERSITY AND RESPECT**





The DFA is committed to a being a rich community of diverse and engaged people who collaborate to develop positive outcomes. In 2017-18, division leadership focused this initiative on providing a structural framework for employees, and increasing staff education about equity, inclusion and social justice.

#### Encouraging inclusive actions through education

In October 2017, the vice president established an internal directive that all search committees for leadership positions (including associate vice presidents, directors and professional faculty members who report directly to them) are required to include a search advocate. At the same time, all of these division leaders are asked to become search advocates in order to support the whole community. Division employees are also encouraged to participate in social justice education workshops available at OSU.

In 2018, the Office of Human Resources began partnering with the Office of Diversity and with Basic Rights Oregon (a non-profit organization that advocates for LGBTQ people) to offer educational workshops about transgender inclusion in the workplace.

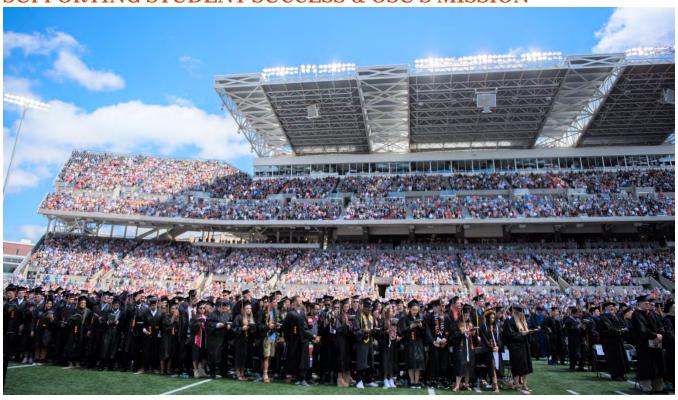
#### Continued MWESB outreach in contracts and suppliers

In March 2018, Kelly Kozisek, Director of Purchasing, Contracts and Materials Management; Christine Atwood, Administrative and Diversity Manager at PCMM, and Lori Fulton, Project Manager at Capital Planning and Development, represented OSU at the Oregon Governor's Marketplace.

This is a statewide outreach event for minority-owned, women-owned, emerging small businesses and businesses owned by service-disabled veterans. The Marketplace provides a venue and opportunity for these entities to connect with state agencies, public entities and higher education institutions. OSU benefits from the opportunity to broaden its supplier base and, at the same time, support the university community's values.

#### Transcending Initiatives:

### SUPPORTING STUDENT SUCCESS & OSU'S MISSION





DFA units participate in many activities that impact the university community, among the units of the division and on cross-disciplinary teams with faculty, staff and students across OSU. As we advance the DFA's six initiatives, we do so with an overarching focus on advancing OSU's mission and supporting the success of students and faculty as they engage in education and research. Some of the more significant work in 2017-18 is highlighted here.

### **Student Budget Advisory Council and University Budget Committee**

The Office of Budget and Resource Planning increased its outreach efforts with the **creation** of a new Student Budget Advisory Council, part of the university-wide budget committee. Based on student input, staff suggested to the Board that it make a longer-term statement about tuition levels to help families plan expenses more effectively. After consideration at its 2018 meeting, the OSU Board of Trustees amended its tuition and fee process to include a statement that annual tuition rate increases are expected to remain between 2 and 5 percent.

Over the past year, DFA units have also been working with ASOSU and the Student Fee Committee to update and simplify policies and processes and to implement new budget guidelines.

#### UFIO supports the work of Student Welcome Center

University Facilities, Infrastructure and Operations worked closely with the Student Welcome Center to develop a maintenance schedule that helps to enhance student recruitment and retention. Under the plan, facilities and landscaping crews put a greater emphasis on the spaces and places on campus tours to make sure they are at their most aesthetically pleasing during the busiest tour times. As student tour guides highlight the history of significant areas, they can be assured that the entrances, restrooms, hallways, art and architecture look their best.

## Provide financial and administrative support to students

Business Affairs partnered with the Office of Financial Aid and academic colleges to **create OSU persistence scholarships**. These need-based scholarships assist students by providing more flexibility during critical times, like near the end of academic terms or during registration periods.

#### Managing long-term cost drivers

The Office of Budget and Planning worked closely over the year with colleagues in Government Relations and staff at Oregon's other public universities to examine ways the institutions can collectively reduce the financial impacts of long-term retirement and health insurance plans. In addition to collaboratively advocating for state-funded higher education resources, the universities are investigating how these costs can be managed in the near term. These are complex and ongoing efforts.

# Collaborating with Oregon's public universities to promote higher education

The vice president and DFA staff members regularly collaborate with the other Oregon public universities to advocate for higher education concerns and funding. Staff from the Office of Budget and Fiscal Planning participated in work groups and contributed to development of the 2019-21 Public University Consolidated Funding Request that was submitted to the Higher Education Coordinating Commission in May 2018.

#### Committed to sustainability

In FY2018, Surplus Property increased sales by more than 60%, and in the process **returned** \$732,277 to OSU departments and public agencies that utilize Surplus Property. In addition to adding revenue, the sale of unneeded university property contributes to keeping useable items and furniture out of landfills and in the hands of people who can use them. A percentage of surplus property revenue is retained by the department as operational funds, which support students in an indirect way: Materials Management (which includes Surplus Property and Campus recycling) is among the largest employers of student workers in the division.

Campus Recycling partners each year with University Housing and Dining to conduct the Great Move Out—a broad effort to assist students moving out at the end of the year with recycling, donating and disposing unwanted items. The event was a great success in 2018, with more than 32,000 pounds of items (including clothes, furniture and housewares) removed from the waste stream and donated to local non-profit organizations.

In 2018, Transportation Services launched ZAP Oregon State, the university's first comprehensive bike commuter incentive and reward program. Part of the unit's effort to promote and support alternatives to driving, the ZAP technology tracks a cyclist's trips to campus when they ride past entrances to the Corvallis campus. ZAP users are automatically entered to win a prize drawing when they collect 10 ZAPs in a month.



Rae DeLay, Materials Manager, with PCMM staff

## Promoting emergency preparedness among OSU community

Emergency Preparedness completed the university's Emergency Operation Plan, and will begin assisting units across the university with developing individual emergency plans. The team also conducts a range of emergency management training and drills for members of the Incident Management Team. Annual incident exercises are conducted across OSU's locations.

# Expanding learning locations—in Portland and at sea

As OSU expanded its presence in Portland, DFA teams worked to finalize lease terms and develop contracts for renovating the second floor of the former Meier & Frank building in the city center. Real Property successfully bridged the gap between the private sector and public

agencies, interfacing with legal teams and property brokers for each party to finalize the lease terms. The renovation **opened up 35,000 square feet of classroom, meeting and hot-desk space for OSU students and employees**, and brings the historic building back to its glory by exposing windows and other historic features.

DFA teams have been working on the development of Regional Class Research Vessels since the inception of this project, funded by the National Science Foundation, to build up to three ships to conduct ocean-based research. In FY2018, the project **moved into the fabrication stage at a shipyard facility** in Louisiana. In 2017, contract officers at PCMM worked with the RCRV project team to source and develop the contract to construct ships, and managed the first contract option with Gulf Island Shipyard to build the second ship.



### **Awards and Recognition**

#### Celebrating outstanding employees and teams





Employees and work groups within the Division of Finance and Administration are often recognized for their care and successful outcomes, both within the division and by outside parties. Some of the accolades received in fiscal year 2018 are highlighted in this report.

### **External Recognitions**

For the 10<sup>th</sup> year in a row, **Facilities Services** received the Tree Campus USA designation from the Arbor Day Foundation.
OSU was recognized for its work in sustaining healthy community forests through stewardship and student involvement.

Thanks to the work of **Surplus Property and Campus Recycling**, Oregon State was ranked 15 on the Sierra Club's Top 20 Coolest Schools 2018, for its promotion of sustainable environmental practices across the university.

Deanne Lahaie-Noll, Procurement Contract Officer at PCMM received the National Association of Educational Procurement's Distinguished Service Award. Deanne was recognized for her efforts in generating innovative procurement solutions for OSU's RCRV project.

Lissa Perrone, Director of Business Affairs, received the Innovative Partner Award from OSU's College of Business. Lissa led a team in developing a collaborative solution for accounts that supports student success.

Kelly Kozisek, Chief Procurement Officer, received an appreciation award from the National Association of Educational Procurement for her five-year service on the Board of Directors and her contributions to the higher education procurement profession.

## Annual Division Employee Award Recipients

**DFA All-Star:** Tiffany Gillis, Finance & Accounting Manager at the University Administrative Business Center

**Community Builder:** Ray DeLay, Operations Manager at Purchasing, Contracts & Materials Management

**Customer Service:** Janna Whippo, Accountant 2 at the Auxiliaries and Activities Business Center

**Innovation:** RaeLee Aguilar, Accounts Payable Supervisor at Purchasing, Contracts & Materials Management

**Teamwork:** Lauren Achenbach, Gwen Frye and April Cummings, AMBC Benny Buy Implementation Team at the Agricultural and Marine Sciences Business Center

Outstanding Student: Maria Alcaraz, Transportation Services

**Leadership Award**: Diane McGill, Fiscal Coordinator 2 at University Facilities, Infrastructure & Operations

Vice President's Award for Stewardship: Les Walton, Energy Center Supervisor at University Facilities, Infrastructure & Operations

### About the Division of Finance and Administration

Business and operations units



Pictured left to right: Cathy Hasenpflug, Chief Human Resources Officer; Ron Adams, Senior Associate Vice President for Administration;
Mike Green, Vice President for Finance & Administration



Near the end of fiscal year 2018, the vice president began a transition to a new organizational structure, providing for a senior leadership team that offers DFA units and work teams a higher level of support and guidance. With the changes, the vice president will focus more on areas of strategic importance and engagement with key constituents inside and outside the university. The changes are detailed in this report.

## Created the position of Senior Associate Vice President for Administration

Established in July 2018, the senior associate vice president for administration (SAVPA) was first held on a temporary basis by **Ron Adams**, who formerly served as a special advisor to the



president
(for
strategic
initiatives),
interim
provost,
interim vice
president
for research
and the
dean of the
College of
Engineering.

A national search is being conducted for a long-term senior leader in the SAVPA role.

The SAVPA's leadership portfolio includes oversight of University Facilities, Infrastructure & Operations; the Department of Public Safety; Risk Management Services; Environmental Health & Safety, and the newly-created position of Director of Information Technology for the division. These units have wide-ranging and critical responsibilities that impact the entire university community, and the SAVPA can provide unit leaders with a high level of access, advice and consultation. The SAVPA also serves as acting VPFA when needed.

#### Redefined division leadership teams

Together with the organizational changes, the vice president clarified the leadership structure for the division's units.

The new **Senior Leadership Team** consists of the VPFA's direct reports, responsible for matters of division operations and strategy, communication with the Board of Trustees, coordination of the work of DFA units, and oversight of certain university-wide projects.

The **DFA Leadership Council** continues as a consultative body, collaborating with senior leaders on implementing division-wide planning and strategy, directing DFA units, and overseeing compliance matters. The DFA Leadership Council membership was updated to consist of those who lead the core operational units of the division (the direct reports of the VPFA and SAVPA), along with colleagues in Athletics, UHDS and at OSU-Cascades responsible for financial operations.

The **DFA Extended Leadership Team** includes the directors and managers of the units in the division. This group meets regularly to coordinate the implementation of strategic actions, to share information with colleagues and to learn new skills.

# Realigned Accounts Payable for efficiency

In FY2018, the Accounts Payable department, responsible for the timely payment of invoices and vendor management, moved from Business Affairs to Procurement, Contracts and Materials Management, both units of the Controller's Office. As the implementation of the university's new eProcurement system progressed, it became clear that the source-to-settle business function could be better streamlined and managed by having the payment, procurement and vendor management operations within one department. The Controller's Office team

conducted a great deal of research and benchmarking to recommend this decision.

# Change in leadership for Insurance and Risk Management

Patrick Hughes, Director of Risk Management Services and responsible for overseeing the university's complex insurance program, resigned from OSU near the end of FY2018 after relocating for family reasons. During his time at OSU, Hughes streamlined management of risk operations and served as a board member on the statewide Public Universities Risk Management and Insurance Trust.

Christina McKnight, currently the department's associate director, is serving as interim director while the SAVPA oversees a national search.



# **DFA Organization Chart**

August 1, 2018

