

Student Budget Advisory Council
October 13, 2016, 5:00-6:30 PM
SUMMARY MEETING NOTES

Notes on Discussion of Agenda Items (***bold, italics items are actions***)

1. Introductions, are there communities or voices missing?
 - Student athletes
 - Students in Greek Life
 - Non-traditional students
 - Students using disability access services
 - African American students
 - ***Sherm to follow up on looking for nominations in those areas***
2. Review of the SBAC concept, tuition and budget timelines and questions
 - Review of the purpose, process, timeline particularly for tuition recommendations to the Board (see graphic in meeting agenda)
3. Student co-chair for committee?
 - Time commitment a few additional hours a month likely
 - ***Interested members to contact Sherm, will follow up with group via email***
 - ***Sherm to ask Provost about adding student co-chair to University Budget Committee***
4. Meeting times/frequency? How to communicate and schedule?
 - Email best way to communicate
 - Post and distribute membership list to campus, with contact information for the co-chairs, who can then pass on questions or comments to the group
 - Meetings every two weeks at least through March to have enough time for meaningful discussion
 - Materials for the group will be posted on a website
5. Discussion---ideas for process, topics, structure, information? (these are summarized and grouped - --please correct if I missed a point!)
 - Looks at the whole budget, costs and revenues. Likely particular emphasis on tuition rates since the group advises the University Budget Committee which makes recommendations on rates that go to the Board. Costs control can be part of that, things like lean process improvements can be considered, energy efficiencies, recycling strategies
 - Consider as one scenario a reduction in tuition rates
 - Program reductions are one tool universities have to reduce costs; it can be challenging when the reduction is an academic program with tenured faculty
 - Are administrative salaries a piece of cost-cutting strategies? They can be, though OSU tries to set salaries in general competitively in the market since we recruit for many positions nationally and internationally. How close we are to market does vary (***Sherm to look for salary comparison data by position type, if possible.***)

- Are salaries merit based? There have been merit raises in the last few years, but also cost of living raises. The staff represented by unions have contracts with cost of living raises and some built-in escalators.
- How does construction impact the operating budget? The construction often doesn't as it is from gift and state bond funding. The operating budget does have to cover new operating and maintenance costs for the building (which can include support for some maintenance staff). If OSU borrows money to pay for part of something like the LINc, the debt service cost comes from operating. The legislature borrows money for the capital project so the incremental budget devoted to capital each year is a few million dollars in debt service. There is not a large new building scheduled for operation in 2017-18.
- Deferred maintenance and the state of many of the buildings was a concern in a lot of questions. The repair and renovation of buildings can be funded by the state (not enough to keep up), gifts (harder to get for renovations), and money OSU borrows. The university has room to borrow money (from a financial health sense) but doesn't have a lot of cash to pay additional debt service. Projects get reviewed and prioritized at the university level.
- Private philanthropy is an important part of OSU's funding. Those gifts are often restricted (scholarships, a building, etc.). The majority of donations go to academic programs (as opposed to Athletics) though giving to Athletics is large. The Foundation can help prioritize giving for things like Student Success and scholarships.
- How is athletics funded? Where do the funds come from and go? (***Sherm to provide some summaries on the impact of athletics on the operating budget.***)
- Would investments in a non-fossil fuel portfolio give the Foundation better returns and the University more money? The Foundation pays out at a constant rate so it wouldn't impact most departments' funding, but it would improve overall health.
- Will the Council have any real impact? The intention is that the input from the Council is a serious part of the deliberations about tuition recommendations to the Board.
- Why does the President say OSU's financial health is good when the State isn't investing enough in Higher Education? The financial balance sheet of the university is in good shape, but Oregon remains at some of the lowest per student funding rates in the US. The university presidents recommended a 30% increase in state funding. State funding overall will rise but not enough to cover the cost increases from raises, pension costs, and other inflation (they think they will be \$1-1.5B short).
- Experiential learning and the initiatives around student success should be priorities
- What is spent on the cultural centers, how can it be increased? (***Sherm to find current budgets for the Centers.***)
- What is the impact of research on the operating budget? Where do the indirect costs from grants go?

6. Other items?

- ***Questions about the Budget Briefing document to Sherm***
- ***Other ideas, questions, concerns to Sherm before next meeting***

7. Next meeting, next steps

- ***Karren will send a Doodle poll to set up the next time***