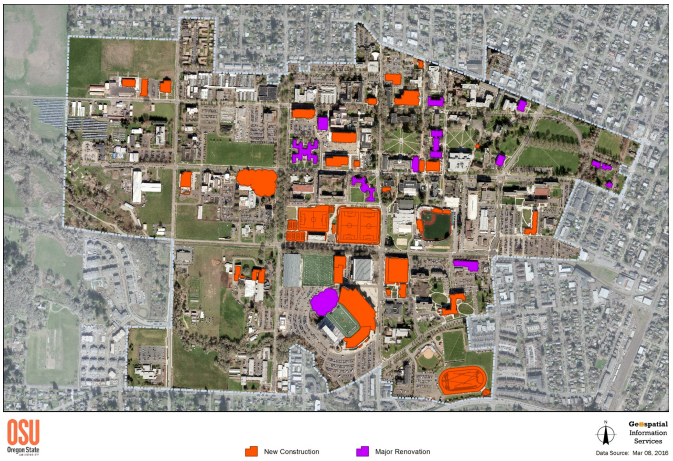
Aspirations—progress in SP 1.0 through 3.0

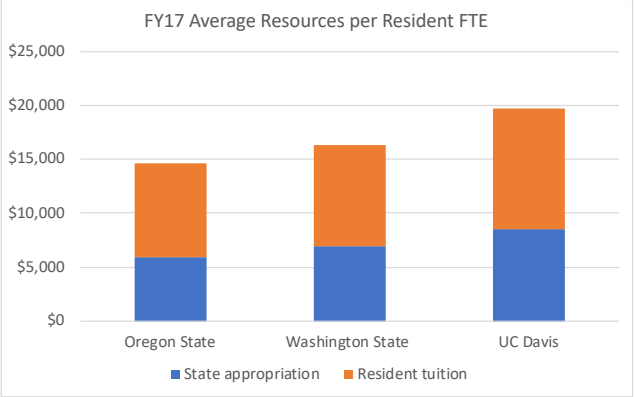


2004 to 2019

Since 2004:

- *Degrees from 4,114 to 7,123*
- *Enrollment from 18,979 to 30,986*
- *Over $700M in capital projects*
- *Grant expenditures from $134M to $246M*
- *Full-time faculty (all categories) from 2,747 to 4,021*

Challenges: State support and tuition



Low state support per student

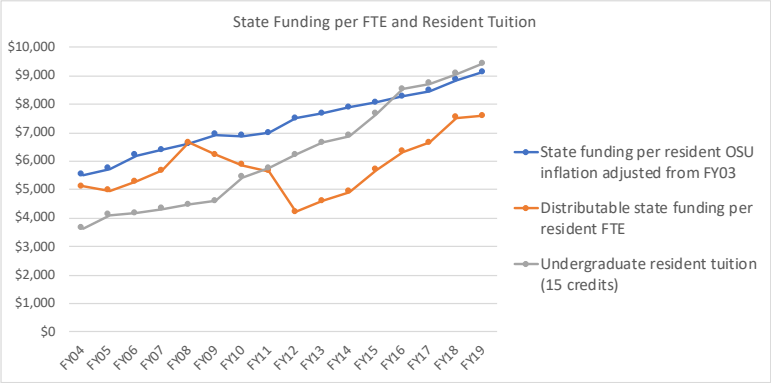
+

Moderate tuition per student

=

Lower resources per student

Challenges: Trends in state funding

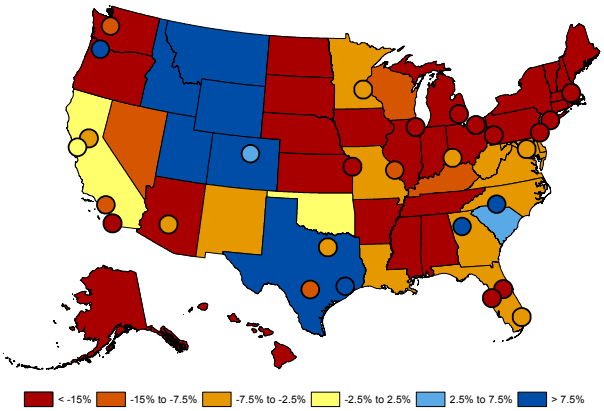


State funding (adjusted for local cost increases) has not returned to the level of support in 2004

Undergraduate tuition has made up most of that gap both through rates and enrollment growth

Distributable state funding excludes earmarked funds
Inflation is actual cost inflation at OSU (including PERS increases)

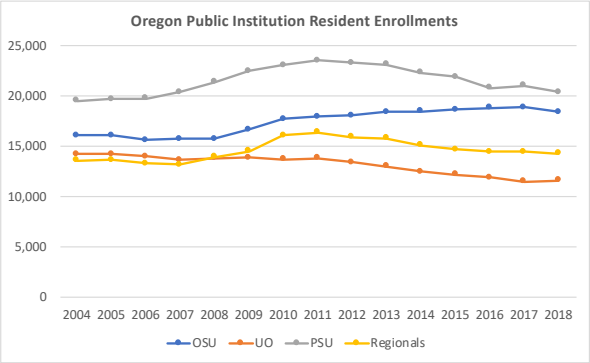
Challenges: Demographic nationally

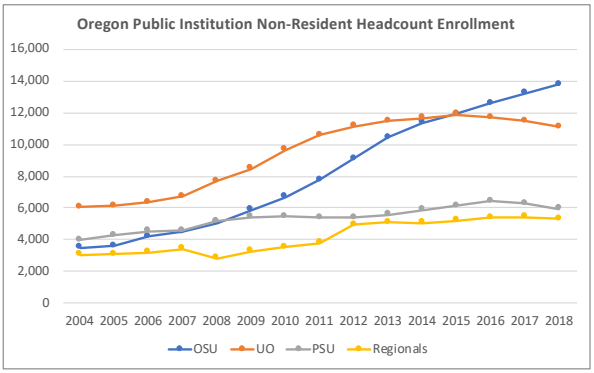


- Growth in demand for higher education is declining in much of the country
- Combination of number of traditional aged students and the college going inclination of populations within that group

Grawe,2018. Demographics and the Demand for Higher Education

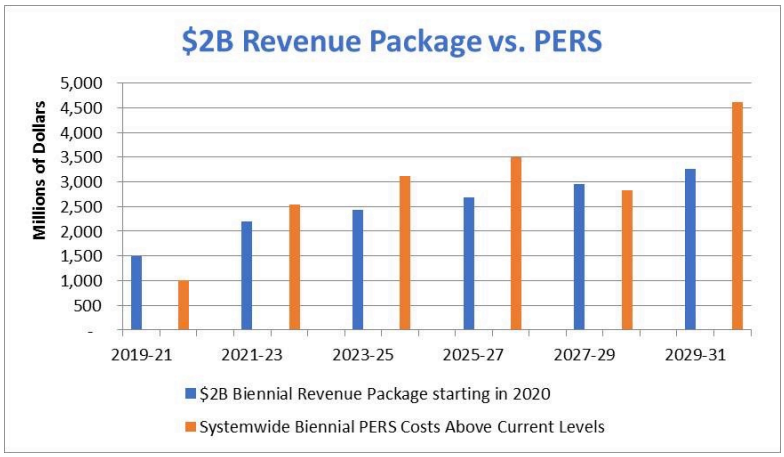
Challenges: Demographics locally





- All the Oregon institutions are seeing a resident decline
- And are fighting the competition for non-resident growth (Ecampus has helped OSU)

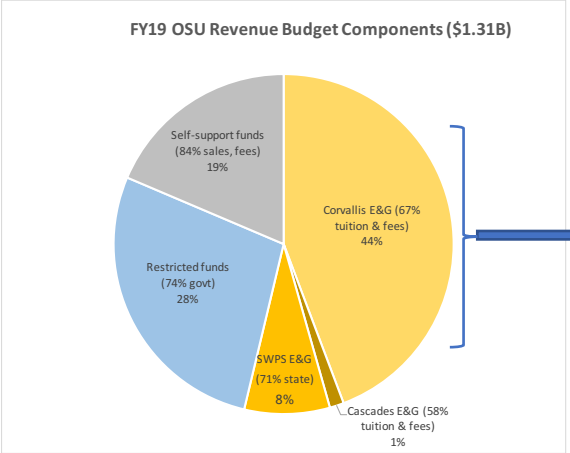
Challenges: PERS and PEBB costs

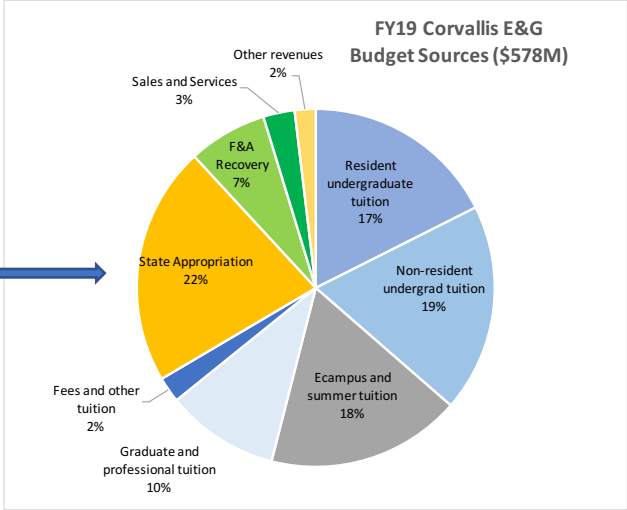


https://perssolutions.org

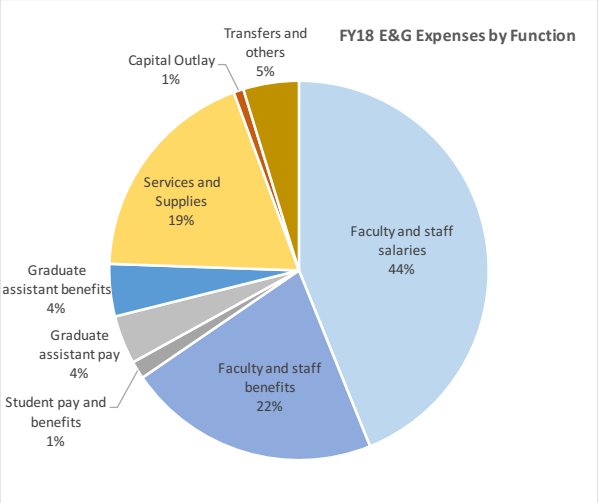
- Benefit costs will continue to grow as long as OSU is required to be part of PERS and PEBB
- PERS cost growth will consume most of any state revenue package of the next few biennia (i.e. the state won't be able to cover all the cost growth)

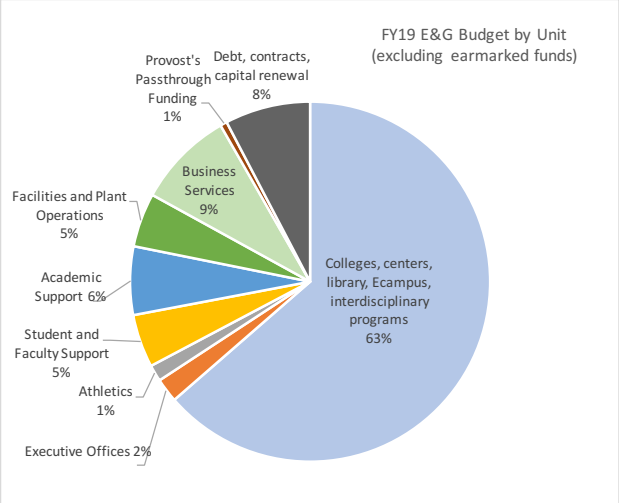
Budget Context: What are the sources?



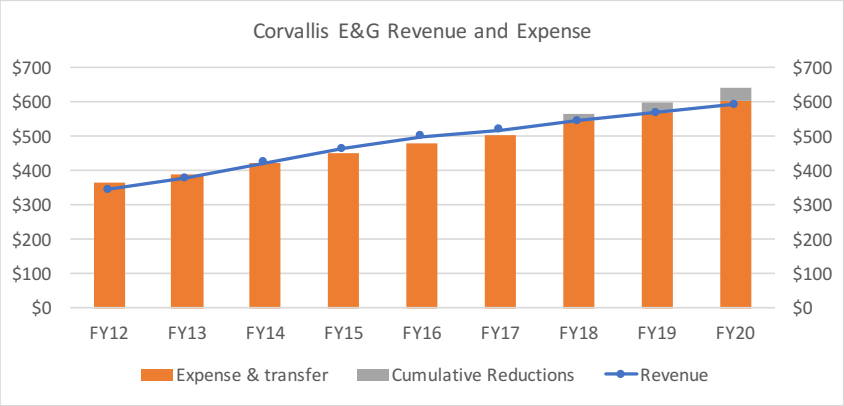


Budget Context: Where does it go?



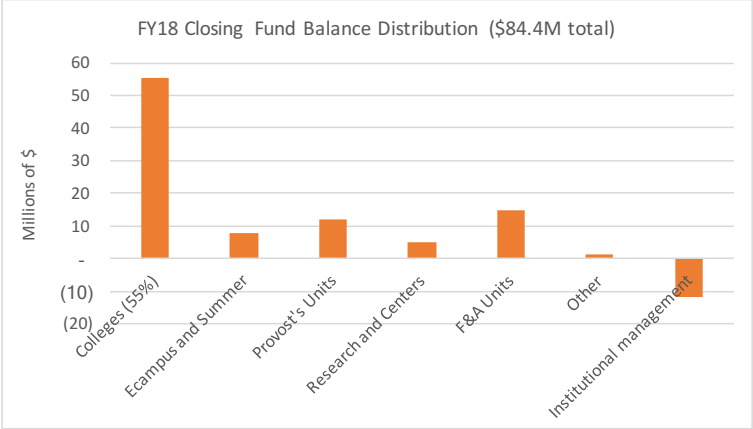


Budget Context: Expense reductions



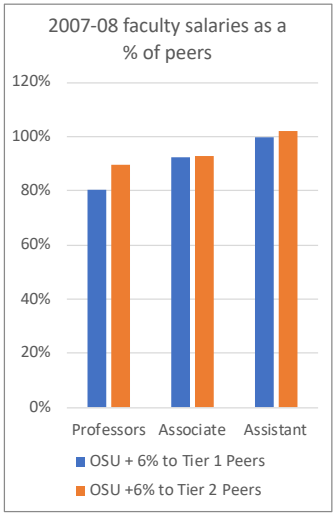
The reductions made are to expense growth, not absolute dollar reductions. Revenues continue to grow but expense pressures (particularly for benefits) have outpaced that growth.

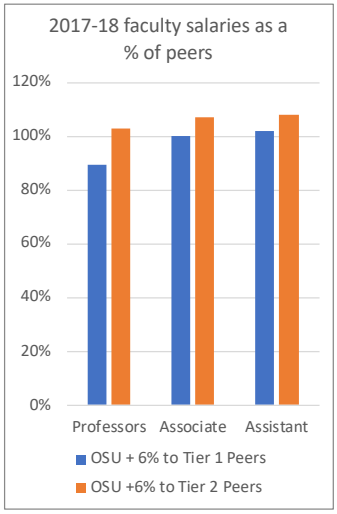
Budget Context: Reserves and endowment



- There is fund balance (reserves) but largely in the colleges. Much of college reserves are committed.
- The endowment is in the OSU Foundation and most of those funds are restricted in use.

Path Forward: We need to invest in people





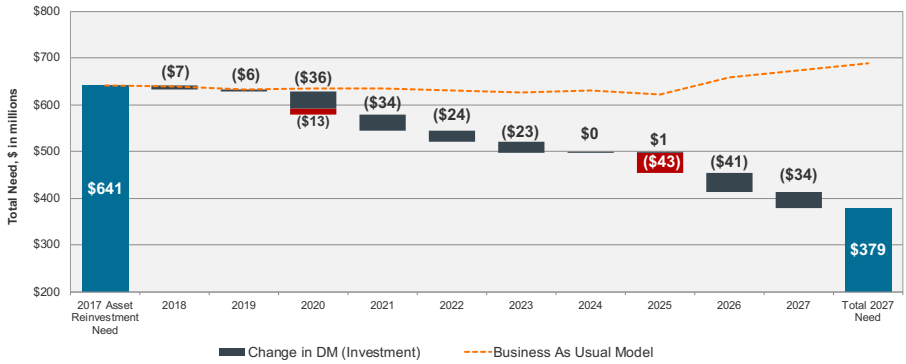
- Committing to raises, even in difficult economic times, to recruit and retain faculty and staff

Tier 1 peers: Ohio State, Penn State, Davis, Purdue, Florida, Illinois, Wisconsin
Tier 2 peers: Colorado State, Iowa State, NC State, Riverside, Tennessee, Washington State
From Chronicle of Higher Education Faculty Salary data

Path Forward: we need to invest in spaces

Deferred Maintenance Projection of Capital Forecast

Capital forecast leads to approximately $310M difference from business as usual plan

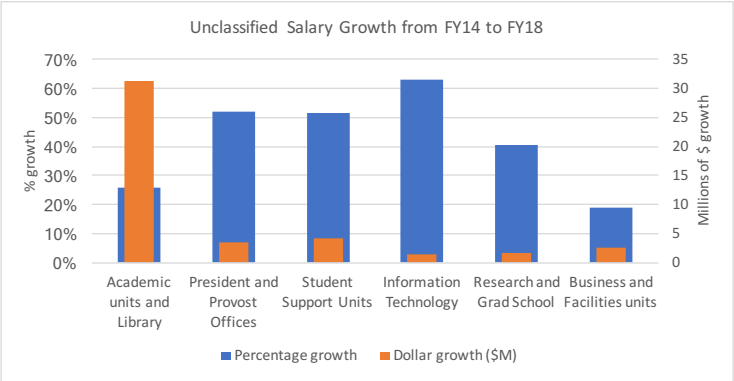


- Adding $45M of E&G funding to state $, gift $ and revenue bonds will reduce deferred maintenance by over 40% in ten years

Path Forward: Tuition and Enrollment

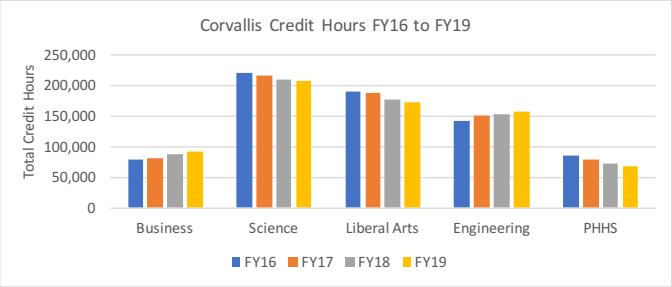
- Tuition rate changes
  - 2% to 5% maximum per year for undergraduates
  - Similar ranges for research graduate degrees
  - Professional degrees, masters degrees, certificates, post-baccalaureate programs (online or in person) priced to demand and market
- Enrollment planning
  - Strategies for non-resident growth including international
  - Identify goals for masters and Ph.D. enrollment
  - Non-thesis MS, certificates, post-baccalaureate programs
  - Matching OSU offerings to demand in Portland from traditional and non-traditional students

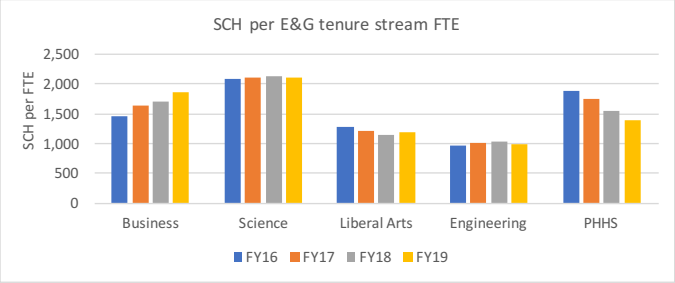
Path Forward: Managing administrative costs



- High % growth in some support areas (though $ growth largely in academics)
- Review value, need, alternative strategies
- Common language on “administration” vs. “central services”

Path Forward: Assessing academic costs





- Colleges have quite different enrollment conditions
- Colleges have very different models of delivering programs and using tenure-rank faculty time and effort
- A candid assessment of practices and costs, as well as program quality, will be important
- Get the budget model right for all colleges to provide incentives but also to recognize growth and decline

Path Forward: Other revenues

- Maximize research overhead to support research infrastructure (constrained by Federal funding)
- Continue to lobby for state support (constrained by revenue model, next recession, pressures on K-12 and health care)
- Enhance private fundraising—next campaign has a particular focus on scholarships as well as other priorities and OSU is making an investment in OSUF staffing
- Important to support students and enhance ability to recruit and retain faculty, but doesn't usually replace operating dollars

Path Forward: Constant vision—evolving strategies to adapt to circumstances and resources

Leadership among land grant universities in the integrated creation, sharing and application of knowledge for the betterment of humankind.