



We are in the middle of the most challenging time in higher education that most of us have ever seen. Unfamiliarity and uncertainty remain but we, collectively, are working to help faculty, staff and students continue to make progress in their education, scholarship, and engagement.

Timelines : Some of the important benchmarks for budget planning:

- October 16th Board of Trustees meeting ✓
- October 18th Last day for withdrawal 50% refund ✓
- October 23rd Fourth week enrollment census ✓
- November 15th Beginning of registration for winter term
- November 30th Prospective FY22 budget model to units for planning
- December 1st Governor’s recommended Budget for 2021-23
- December 1st Suspension of salary reduction program for all but senior administrators
- January 19th Legislature convenes for 2021-23 session
- Ongoing: Engagement with federal congressional delegation on higher education and state support

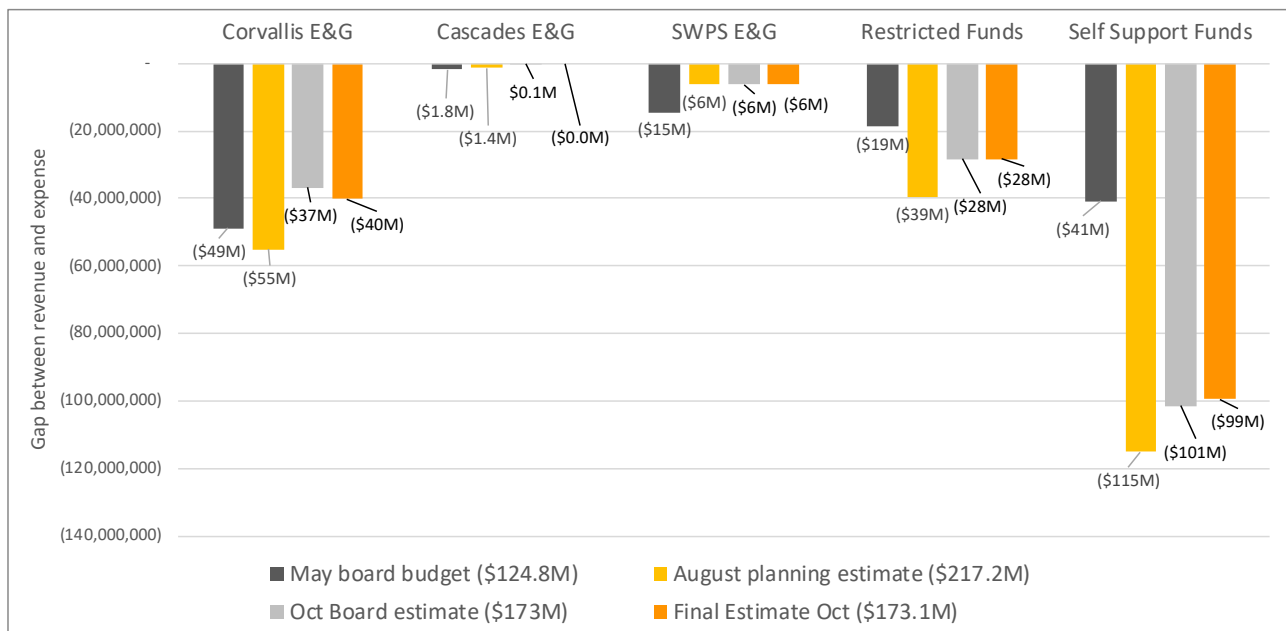
What’s changed and where are we now?

Ecampus enrollments for fall are up 28% and we estimate an increase of 18% for the whole year. There are declines in Corvallis enrollments, mostly for undergraduate students with particular drops among international students. Graduate enrollments are down slightly. Average credit hour load per student is down a bit.

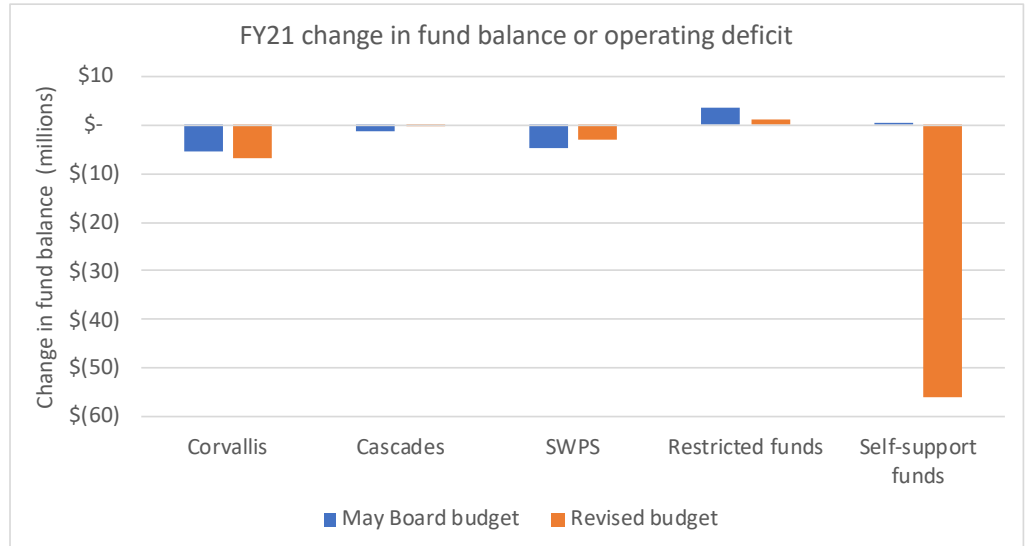
	Census October 26th		Forecast	
	Sept, 2019	Sept, 2020	Fall Change	FY21 Annual
Total credit hours	387,726	382,444	-1.4%	
Ecampus	47,034	60,335	28.3%	18.3%
Cascades	13,298	14,086	5.9%	6.0%
Corvallis all	325,987	306,605	-5.9%	
Resident undergraduate	191,585	183,831	-4.0%	-5.0%
Non-resident U.S. undergraduate	54,571	53,012	-2.9%	-3.0%
Non-resident, international, PRC	13,901	9,433	-32.1%	-33.0%
Non-resident, international, other	17,142	12,987	-24.2%	-25.0%
Graduate and Professional	48,788	47,342	-3.0%	-3.0%

The snapshot to the left is for fall term after fourth week census. We are still assuming some erosion of Corvallis enrollments for FY21 over the rest of the year through normal attrition. The improved enrollment has narrowed the projections for the Corvallis E&G budget gap to about \$40M and, if enrollments hold for winter, the university will be in a better financial position (which led to the suspension of the salary reduction program).

Significant expense reduction is still needed. The dark grey bar is the May budget, the yellow bar is the August estimate, the light grey bar is the estimate in early October and the orange bar is the current forecast. We are in a significantly



better place than initial forecasts. As previously planned and communicated, we will continue to manage the shortfalls with reductions in capital and services and supplies spending, reductions in personnel costs, use of significant fund balance, and likely some other funds from sources that might include a Federal stimulus package, Federal funding provided to the state, loans from the Pac-12, or use of some internal bank resources to manage cash flow for the year. The most challenging circumstances are in self-support units where we expect significant operating deficits.



What is the outlook for next year?

	First projection for next year		
	Sept, 2020	Sept. 2021	Fall Change
Total headcount	32,532	32,679	0.5%
Ecampus	7,867	8,330	5.9%
Cascades	1,397	1,502	7.5%
Corvallis all	23,079	22,659	-1.8%
Resident undergraduate	13,817	13,635	-1.3%
Non-resident U.S. undergraduate	3,914	3,898	-0.4%
Non-resident, international, PRC	659	569	-13.7%
Non-resident, international, other	910	776	-14.7%
Graduate and Professional	3,779	3,781	0.1%

There are two big questions for next year: enrollment and state funding. Though it's early to predict enrollment, we can look at historical progression and retention rates. When doing so, the picture next year looks like Ecampus will have the most growth, with some at Cascades, and declines in Corvallis undergraduates, particularly losses in international students. Graduate enrollments would be relatively flat. A lot can change either way in these forecasts, depending on things we control (student recruitment and retention) and things we don't (economic circumstance, public health, public perceptions, etc.)

On the state front, the September revenue forecast showed revenues for this biennium up \$2B over the previous forecast, so no additional reductions are expected this year. It is also improved for next biennium, although still down. The state budget starts with estimating a continuing service level increase (5.9% for the next biennium), then reducing from that. The initial thought was that reduction might be a net over the current biennium of about 11%, but the new forecast would allow for a net increase of about 2.4%. The final change will depend a great deal on how much funding needs to be committed to support and maintain Oregon's health programs. There is, in addition, some loss expected from revisions to the formula by which the state allocates appropriate funds to the seven universities (an additional 2% to 5% reduction depending on how it is phased in). We will plan for scenarios from a 0% biennial change (a 3.9% decrease for FY22 over FY21) to a 10% biennial reduction (a 13.5% decrease for FY22 over FY21).

What's uncertain?

The two most important benchmarks now are, first, finishing fall term in the current mode (i.e. not going to fully remote) so we can maintain current activities (enrollment, housing, athletics) and, second, ensuring student retention and enrollment for winter term continues at fall term levels. The experiences students have this fall are critical to that retention.