

What is a budget?

An estimate (and plan) of revenues and expenses for the next year or some other time in the future.

OSU has an *operating budget* (paying people for teaching, scholarship, support services, materials, utilities, etc.) and a *capital budget* (projects to repair buildings, build or renovate new buildings, and improve the infrastructure between buildings).

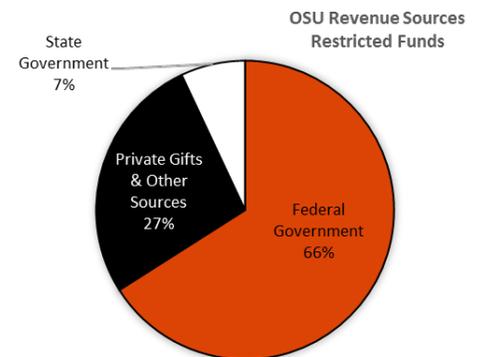
Government entities are required by law to have a budget, unlike corporations or private businesses.

How big is OSU's operating budget?

About \$1.2 billion. There are three major parts to the budget:

1. **Education and General (E&G) Funds:** The sources for E&G are tuition, state appropriations and other sources. These funds support all of the university's work in teaching and much of the work in scholarship.
2. **Restricted Funds:** Typical sources of restricted funds include Federal and state agency funds (grants), and private gifts that support the research component of the OSU mission.
3. **Self-support Funds:** A unit that has self-support revenues is University Housing and Dining Service. The revenues from these operations cover most of their expenses. A self-support unit is defined by its "business-type activities."

There is sometimes movement of money across these funds, but mostly they have specific purposes within the fund. However, restricted funds cannot be used to support teaching nor can self-support funds be used for E&G purposes. However, E&G funding can be transferred to self-support units for their use.



What time period does OSU's budget cover?

OSU runs on a fiscal year that starts on July 1 and ends on June 30 every year. Summer term is the first term of a new fiscal year.

Who decides the budget?

The Board of Trustees (Board) is responsible for approving the annual operating budget for the University. This is usually done at the late spring meeting (late May or early June). The Board reviews the budget developed by the Office of Budget and Fiscal Planning. It includes known cost increases due to raises, increases in benefit costs, inflation on materials, debt service, changes in contracts with outside agencies (the City of Corvallis, the OSU Foundation, SEIU, etc.) and increases due to new personnel or programs. The Provost, Vice President for Finance and Administration, and the President have authority to make new commitments of budget for programs or people for the next fiscal year. They make those decisions based on an evaluation of requests from deans and unit leaders, campus safety needs, requests from students and the Faculty Senate, and compliance needs defined by Federal and State governments.

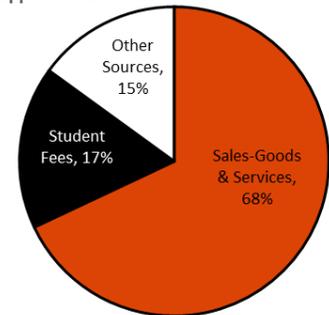
Where do the revenues come from?

Restricted Funds come from the Federal government, State government, with the balance coming from other sources, mostly private gifts.

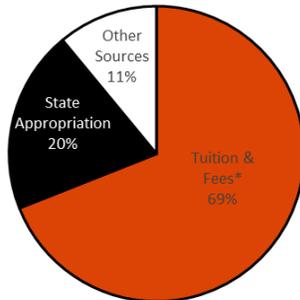
Self-Support Funds come from student fees, sales of goods and services, and from other funds sources.

The **Education and General (E&G) Funds** (these pay for the main academic operations of the university) include funds for the Corvallis campus, Cascades campus, and Statewide Public Services (or SWPS which do research and outreach to industries and communities across Oregon).

OSU Revenue Sources
Self-Support Funds



OSU Revenue Sources
E&G: OSU-Corvallis



*Net (after distribution of University-paid financial aid).

The **Corvallis E&G budget** is comprised of funds from the State, from tuition and fees (after university-paid financial aid), and from other sources. The **Cascades budget** funds are 39% from the state, 60% from tuition and fees and 1% from other sources. The **SWPS budget** 68% is from the state and 32% from other sources (Federal funding and county funding). The SWPS do not have tuition and fee revenues.

Where are most of the expenses?

The spending patterns vary by type of fund. For **Restricted Funds**, 40% of expenditures are for people (salaries and benefits) and 60% for materials, utilities, repairs and services. **Self-support Funds** spend 50% of revenues on people and the balance on supplies and services. **Corvallis E&G** expenditures are 77% for people (and the same for Cascades). The **SWPS** spend 83% of budget on people.

How does the budget relate to tuition?

Tuition is the largest component of revenues for the Education and General Funds budgets at Corvallis and Cascades. The tuition recommendations to the Board consider expense increases, new budget commitments, revenue growth from enrollment, state funding, financial aid needs, program quality and scope, any planned expense reductions or cuts, and the need to balance the annual operating budgets.

Who is in charge of managing budgets?

The University budget development is a collaborative process. The Budget Director each winter meets with the Deans and Senior Executives to discuss needs and changes for the coming fiscal year. Once the budget is final and receives approval by the Board, the day-to-day budget management is the responsibility of the colleges and major service and support units.

How is the budget monitored?

The Office of Budget and Fiscal Planning and Business Affairs monitor actual expenditures compared to the approved budget every quarter and report to the Board on progress. Any significant differences from budget are reviewed and if necessary the Provost or Vice President for Finance and Administration work with units that need spending adjustments to operate within the approved budget. There are both annual internal summary reports (<http://fa.oregonstate.edu/budget/management-reports>) and annual audited financial statements (<http://fa.oregonstate.edu/business-affairs/annual-financial-reports-audited>).