Student Budget Advisory Council
November 7, 2016 – 212 Memorial Union, MLK Room
Meeting Notes

Budget Outcomes: What issues should an effective budget address?

(in no particular order)

- Address affordability for all students but particularly students at risk
- Structures effective student financial aid to support affordability and access; effectively coordinates all forms of financial aid
- Review expenses on marketing (for recruitment and other things) and "free stuff" to assess effectiveness and return; redirect savings to books or student resources
- Effective (cost and quality) public safety and community relations (concern about cost of investments in community relations/public safety)
- Enhancement of OSU's recognition, reputation, rankings
- Strategies to promote lower cost of books and course materials (faculty engagement strategies?, concerns about effectiveness/expense of custom books)
- Flexibility and options in student billing (bookstore charges to student accounts?, options in payment methods, encouraging ease of charges and payments)); review interest rates charged to student accounts, billing cycles/costs; flexibility for students with holds on accounts preventing registration
- Efficiencies in housing and dining costs (as they are a large part of cost of attendance)—food use and sourcing, effectiveness of live-in requirement, low-cost alternative like coops restored, assess cost effectiveness of RAs)
- Service and supplies cost controls---investments in systems or practices to lower costs of goods and services wherever possible (a 1% reduction saves $1.2M)
- Manages the cost of regulation/compliance appropriately
- Promotes diversity in the student population
- Minimizes management costs at all levels
- Controls overhead costs of operations (best practices, comparisons to peers, innovation)
- Promotes appropriate class sizes and faculty development to provide effective learning
- Creates structures to address financial barriers to student continuation and particularly to completion (funds to get to graduation)
- Addresses issues with the quality of facilities, space and infrastructure, considering both renovation and new construction as strategies
- Promotes student success but looks like changes in practice and use of existing resources before addition of new resources (mandated advising and PIN control, more interactive/discussion in advising, review efficiency of current advising structures, assess unit by unit differences in culture/wait times/outcomes)

Budget Levers: once a budget scenario is identified (new investments, cost reductions, raises, level of state funding) and there is a gap between projected spending and projected revenues, how is that gap filled by expense reductions or revenue increases?

Cost increases were acknowledged as appropriate but they required clear explanation, clear purposes, and a contextual link to the goals of the university.

Revenue changes:

- Increases in state funding
- Maximize use of community college partnerships to increase transfer enrollments
- Tuition increases
- Maximize investment income from all sources
- Increased research expenditures and associated increase in research overhead to Education and General Funds
- Find ways to bring some PAC-12 athletics revenues into the E&G budget
- Use debt strategically to address issues that create costs
- Review licensing revenue opportunities broadly to maximize E&G revenue
- Explore options for donor support of key functions

Expense changes:

- Personnel reductions, vacancies
- Salary controls (reductions in some high salary positions, restricting raises to certain categories, overall salary rate increases)
- Reductions/controls in overhead and management costs
- Reduce required retirement and health insurance costs (it was recognized this may be a longer term strategy)
- Improve purchasing efficiency and agreements with vendors
- Look at options for energy efficiencies both in buildings and in behaviors
- Reduce/postpone construction projects – renovations and new
- Find alternate routes to support new initiatives other than new expenses---e.g. experiential learning through existing research grants, improving use of current advising capacity, etc.
- Reduce costs of PAC-12 athletic programs and reduce institutional commitment or send some revenues to E&G to defray costs

These discussions did touch on concerns about the development of a corporate or for-profit university. This was “parked” for discussion in the future.

Budget Scenarios Discussion

(I have expanded this discussion in a couple places---edit if I am off base—Sherm)

Any budget scenario should be informed by some common considerations:

- Addresses issues likely to arise for students most at risk for continuation and completion
- Considers the long term view as well as the short term---does not create long-term risk or imbalance for short term gain
- Is balanced and meets the institution's financial stability requirements
- Takes into account all budget components—state funding, tuition funding, costs controls, other revenues (i.e. just because state funding might be good, opportunities to reduce costs should not be ignored)

Budget scenarios will need to include:

- Identifying cost assumptions about raises, retirement and health insurance costs, inflationary increases on service and supplies
- State funding levels anticipated
- Tuition rate levels
- Enrollment growth projections
- Institutional financial aid pool (a major cost so usually reviewed/discussed in addition to overall cost assessment)
- Known new cost commitments (costs of accommodating enrollment growth, new initiatives, new facilities operations, etc.)
- Known cost reduction commitments (reduction in costs of supplies through electronic purchasing for example)
- Assessment of projected revenues and projected cost balance
- Adjustments if there is excess revenue (likely by reconsidering tuition rates); adjustments if there is a projected deficit (specific changes if the gap is to be closed by cost reductions….otherwise loop back to the beginning and reassess assumptions)