

University Budget Committee
January 25, 2019

Attachments

- UBC Minutes – Jan 11, 2019
- CAPS FY20 UBC Budget Proposal & Narrative
- FY20 Scenario and Notes
- SHS Narrative

Overview of CAPS Services

CAPS' mission is to provide mental health counseling to students, and consultation, outreach and education to OSU students, faculty, and staff. We do this in order to facilitate students' academic success, mental health, and personal development and promote a culture of positive mental health at OSU. Of the many important and essential roles CAPS plays on campus, the most important is the provision of mental health clinical services to OSU students. Across the nation, university counseling centers have been experiencing an unprecedented increase in demand for mental health services, and CAPS is no different. **Over the past five years the number of students seeking clinical services at CAPS has increased from 1,897 in 2013-2014 to 3,004 in 2017-2018, which is a staggering increase of 58%.** Given the current attention given to OSU's decreased enrollment, and its subsequent budgetary implications, it would be logical to think that decreasing enrollment would lead to decreased demand for services. Unfortunately, that is not the case. **A comparison of the number of students receiving CAPS services during fall 2017 (1414) and during fall 2018 (1481) in fact shows that despite a decrease in enrollment, the number of students seeking services increased by 5%.** It appears that the upward trend in demand for mental health services is so robust that it has not been significantly reduced by OSU's decreasing enrollment.

CAPS is making every effort to keep up with this increased demand for services. **The number of total clinical appointments provided by CAPS has increased during this five-year period from 9,985 in 2013-2014 to 15,026 in 2017-2018, which is an increase of 50%.** In addition to increasing the total number of appointments, CAPS is fundamentally changing its model of clinical service delivery to increase its capacity to serve more students. These fundamental changes include building an innovative infrastructure of services beyond traditional individual therapy that can serve a greater number of students (e.g., group therapy). **The number of group therapy appointments has increased from 1,646 in 2013-2014 to 3,546 in 2017-2018, an increase of 115%.**

Despite CAPS' successful efforts to increase its clinical capacity, while receiving very modest increases in resources, there are often times when capacity simply does not keep pace with demand. Students frequently have to wait weeks or even months for an appointment. This delay can have myriad negative consequences for students. Beyond the prolonged negative psychological impact, this delay can also lead to decreased academic performance and reduced retention rates. Given the dire economic impact of current downward enrollment trends, it is now more important than ever that we provide our students with the support they need, so that they can stay enrolled, continue paying tuition, and ultimately graduate.

Although CAPS is perhaps best-known for the provision of clinical services to students, it also fulfills other important roles on campus. CAPS has a highly regarded training program, including an American Psychological Association-accredited internship program. CAPS also has a very active Mental Health Promotion (MHP) team, whose purpose is to create a culture of positive mental health across campus. Last year the MHP team provided outreach and education to more than 7,096 students. CAPS also conducted a Mental Health Needs Assessment at OSU, and more than 1400 OSU students

completed a survey describing the types of mental health support they want and need. This student feedback led to the identification of five initiative areas: 1) Campus-wide resilience programming; 2) the development of a peer support network; 3) a mental health stigma reduction campaign; 4) the development of an interactive quiz that connects students to resources based on need; and 5) faculty/staff/student training in how to effectively support those who are struggling with mental health issues.

Relevant CAPS Budget History

To understand CAPS' current budget situation, it is important to understand its budget context during the past few years. For several years in the recent past (most prominently 2012-2015) CAPS experienced a high rate of employee turnover. Because CAPS' budget is approximately 90% salaries and OPE, the vacancy funds accumulated during this multi-year period of frequent vacancies unintentionally resulted in the growth of CAPS' working capital fund, in excess of what was recommended. As a solution to this excess, ASOSU's Student Fee Committee (SFC) required CAPS to intentionally operate at a deficit in order to spend down its excess working capital. This period (FY17, FY18, and FY19) of CAPS spending down its working capital, and not asking for student fee increases to sufficiently cover inflationary increases, was also timely because during this same time Student Health Services (SHS) needed to aggressively raise their student fees in order to recover from having their fee amount slashed by the SFC several years prior to that. However, because CAPS was asked to not raise its fee amount to account for inflationary costs for three years, an unanticipated consequence was that CAPS dug itself into a financial hole, from which it now needs to climb out in order to balance its budget. This requires that we raise our student fee to make our income commensurate with our expenditures, keep pace with inflation, and maintain current service levels.

CAPS Proposed Base Budget Student Fee Increase

CAPS' FY20 budget proposal requests an \$8.35 fee increase, which if approved would raise its fee from \$43.96 to \$52.31 (an increase of 19%). At first glance, this 19% fee increase request may appear to be unreasonable, given the austere budget climate. However, as was previously explained, this request is to recover from previous years of flat student fees that did not keep pace with inflation. Our hope is that we can continue to help those who are some of our most vulnerable students.

CAPS Request for Funding Beyond Current Base Budget

In recent years CAPS' primary strategy for keeping up with increased student demand for services has been to emphasize more resource-efficient interventions (e.g., group therapy). A strategy that has been secondary, out of concern for the negative financial impact on students, has been to hire additional therapists. **During the past five years CAPS has requested and received funding for an additional two therapist positions, while the number of students seeking services increased 58% during that same time period.** It is becoming increasingly clear that this continually growing demand for services is a challenge that CAPS cannot simply hire its way out of. Yes, clearly more clinicians are needed, but even hiring more clinicians would likely not be a sufficient solution in and of itself. A sufficient response must engage and leverage the resources of the broader campus community—helping everyone at OSU to see the role they can play in supporting our students' mental well-being. In addition to having the entire OSU community see themselves as playing a role, they also need to learn how to recognize a student in distress, and how to intervene effectively. As was previously

discussed, OSU students have expressed a strong desire to have faculty, staff, and students learn how to effectively support students who are struggling with mental health issues. CAPS has extensively researched the most cost-effective and impactful way to equip our community to provide this support, and has identified an online training program, Kognito, as the clear choice. Kognito is an interactive online role-play simulation training program with educational modules specifically tailored for training faculty, staff, and students about how to identify, support, and connect distressed students with campus resources. There is a large body of research demonstrating its effectiveness, and it is widely considered to be the industry standard for mental health training in higher education settings. Although Kognito is not inexpensive, when one considers the alternatives (e.g., having a CAPS staff member provide training), and the limited scalability of alternatives, Kognito is the best choice for its overall positive impact and return on investment. Furthermore, discussions are currently underway with the office of the Vice Provost of Student Affairs, and the Provost's office, regarding the importance of mandating that all OSU students, faculty, and staff regularly participate in Kognito training. It is our belief that training the entire OSU community will have a much greater positive impact on our students than spending that same amount of money on additional staffing. The \$30,330 annual licensing fee associated with Kognito would translate into an additional \$.46 increase in the CAPS student fee.

Conclusion

We respectfully submit CAPS' proposed base budget for your consideration. We also ask that you consider our request for additional funding for Kognito. It is our belief that, if approved, this budget will equip CAPS with the resources needed to more effectively keep pace with students' intense and ever-increasing needs for mental health services. Additionally, it will move CAPS closer to financial solvency after recent years of underfunding.

FY20 Budget 130002 - Counseling and Psych Services

Account Category	Actual FY17 2016-2017	Approved Budget FY18 2017-2018	Actual FY18 2017-2018	Approved Budget FY19 2018-2019	Requested Budget FY20 2019-2020	Amount of Change FY20 2019-2020	Requested % Change FY20 2019-2020	Decision Package #1 FY20 2019-2020
Revenue								
Investments (05100 - 05265)	27,195	25,000	29,646	25,000	17,808	(7,192)	-29%	0
Sales & Services (06000 - 06998)	27	0	4,739	0	0	0	0%	0
Medical and Hospital Services Income (07000 - 07899)	0	0	178	0	0	0	0%	0
Other Revenues (08000 - 08899)	2,530	0	1,000	0	0	0	0%	0
Internal Sales (09000 - 09403)	0	0	0	0	0	0	0%	0
Internal Sales Reimbursement (79000 - 79398)	0	0	0	0	0	0	0%	0
Total Revenue	29,753	25,000	35,563	25,000	17,808	(7,192)	-29%	0
Expenses								
Salary								
Unclassified Salaries (10100 - 10299)	1,523,742	1,658,051	1,628,931	1,753,390	1,788,031	34,641	2%	0
Classified Salaries (10300 - 10485)	114,608	116,251	130,190	142,704	136,382	(6,322)	-4%	0
Student Pay (10500 - 10540)	40,352	42,799	28,510	44,939	47,029	2,090	5%	0
GTA Pay (10600 - 10640)	128,016	130,577	145,427	138,740	159,451	20,711	15%	0
Moving Expenses (10780 - 10790)	6,650	0	9,129	0	0	0	0%	0
Total Salary	1,813,367	1,947,678	1,942,186	2,079,773	2,130,893	51,120	2%	0
Other Payroll Expenses (OPE)								
Other Payroll Expense (10900 - 10935)	14,007	0	(974)	0	0	0	0%	0
Grad Assistant Fee Remissions (10941 - 10954)	0	0	0	0	0	0	0%	0
Unclassified Other Payroll Expense (10960 - 10968)	722,465	804,051	828,096	934,038	1,021,251	87,213	9%	0
Classified Other Payroll Expense (10970 - 10978)	82,565	86,177	100,741	126,535	129,826	3,291	3%	0
Student Other Payroll Expense (10980 - 10988)	409	728	343	741	756	15	2%	0
GTA Other Payroll Expense (10990 - 10998)	28,462	27,534	33,955	29,932	38,524	8,592	29%	0
Total Other Payroll Expenses (OPE)	847,908	918,490	962,161	1,091,246	1,190,357	99,111	9%	0
Total Salary & Other Payroll Expenses (OPE)	2,661,275	2,866,168	2,904,347	3,171,019	3,321,249	150,230	5%	0
Other Expenses								
Supplies (20000 - 21070)	30,434	30,850	45,431	30,850	31,776	926	3%	0
Communications / Postage & Shipping (22000 - 22599)	84,207	85,726	71,886	39,726	63,955	24,229	61%	0
Facilities & Utilities (23000 - 23599)	48,017	5,513	27,528	5,513	5,678	165	3%	0
Rentals & Leases (24000 - 24299)	5,649	0	11,914	0	0	0	0%	0
Fees & Services (24500 - 24999)	67,379	49,400	81,789	49,400	50,882	1,482	3%	30,330
Medical and Scientific Services (25000 - 25199)	18,000	23,000	14,400	23,000	23,690	690	3%	0
Assessments (28000 - 28590)	85,858	102,384	97,057	252,266	277,057	24,791	10%	0
Conferences, Entertainment, etc (28600 - 28699)	27,049	18,600	27,490	18,600	19,158	558	3%	0
Fiscal Management Expense (28700 - 28725)	14,420	0	13,920	0	0	0	0%	0
Medical Insurance Expense (28730 - 28731)	0	0	0	0	0	0	0%	0
Debt/Investment Expense (28800 - 28840)	0	0	0	0	0	0	0%	0
Miscellaneous Services & Supplies (28900 - 28999)	15,012	8,000	10,896	8,000	8,240	240	3%	0
Training (29000 - 29052)	1,775	2,000	9,246	2,000	2,060	60	3%	0
Travel (39100 - 39999)	36,229	34,000	37,620	34,000	35,020	1,020	3%	0
Student Aid (50000 - 59101)	0	0	0	0	0	0	0%	0
Merchandise for Resale or Redistribution (60000 - 65199)	0	0	0	0	0	0	0%	0
Total Other Expenses	434,029	359,473	449,176	463,355	517,516	54,161	12%	30,330
Grand Total Expenses	3,095,304	3,225,641	3,353,523	3,634,374	3,838,765	204,391	6%	30,330
Total Revenue less Total Expenses	(3,065,551)	(3,200,641)	(3,317,960)	(3,609,374)	(3,820,957)	(211,583)	6%	(30,330)

Revenue Less Expense	\$ (3,065,551.12)	\$ (3,200,641.00)	\$ (3,317,960.44)	\$ (3,609,374.00)	\$ (3,820,957.37)	\$ 211,583.37	5.86%	\$ (30,330.00)
Summer Request		\$ 260,916.00	\$ 252,282.75	\$ 261,760.14	\$ 265,803.00	\$ 4,042.86	1.54%	\$ -
FWS Request	\$ 3,065,551.12	\$ 2,939,725.00	\$ 3,065,677.69	\$ 3,347,613.86	\$ 3,555,154.37	\$ 207,540.51	6.20%	\$ 30,330.00

FEE REQUEST	Actual FY17 2016-2017	Approved Budget FY18 2017-2018	Actual FY18 2017-2018	Approved Budget FY19 2018-2019	Requested Budget FY20 2019-2020	Approved Budget FY20 2019-2020	Decision Package #1 FY20 2019-2020
Student Fees Operations							
Fall, Winter, Spring	\$ 2,639,856.00	\$ 2,639,856.00	\$ 2,639,856.00	\$ 3,067,089.20	\$ 3,555,154.37	\$ -	\$ 30,330.00
Summer	\$ 260,916.00	\$ 260,916.00	\$ 252,282.75	\$ 261,760.14	\$ 265,803.00	\$ -	\$ -
Total Fee Income	\$ 2,900,772.00	\$ 2,900,772.00	\$ 2,892,138.75	\$ 3,328,849.34	\$ 3,820,957.37	\$ -	\$ 30,330.00
Enrollment							
Fall, Winter, Spring	68800	68800	68800	69770	65277	65277	65277
Summer	6800	6800	6575	6822	5842	5842	5842
Cost per Student per Term							
Fall, Winter, Spring	\$ 38.37	\$ 38.37	\$ 38.37	\$ 43.96	\$ 54.46	\$ -	\$ 0.46
Summer	\$ 38.37	\$ 38.37	\$ 38.37	\$ 38.37	\$ 45.50	\$ -	\$ -

change needed \$ to 3.5% fee increase + Decision Package to bring budget to 19% increase \$ (2.15) \$ (140,357.84)

change needed % to 3.5% fee increase + Decision Package to bring budget to 19% increase -3.67%

19% Increase \$ 52.31

CAPS Full Budget \$ 54.46

Short to Full \$ 2.15

DRAFT

FY20 Corvallis E&G Budget Projections Update Steps

Red are to be done, black completed

- Current winter term FY19 tuition revenue projections
- Updated state funding scenarios forecasts
- Updated enrollment forecasts
- Updated costs of growth (by headcount and SCH)
- Updated composite benefit rates
- E&G Debt service forecast schedule
- Project \$7.2M of budget reductions taken in FY19
- Updated tuition revenue projections (differentials held flat correction)
- F&A Recovery Projection for FY20

- Q2 Expense projection update from budget
- FY19 \$7.2M expense reduction forecast

- College level enrollment projections

- Updated scenarios table

IF there were the \$186M per biennium investment package, where would OSU invest?

- Bridge to Success need-based financial aid
- Completion grants for seniors with need near graduation
- Summer academic start and orientation for first generation or at-risk new students
- Community college transfer partnerships and programs

Tuition Scenario Table (Corvallis campus):

The pressures on tuition come from inflation (3.9% to 4.2% this year because of large increases in benefit costs (about \$10M total), mostly in retirement rates); costs of growth (about 0.3% for modest growth in Ecampus but small declines in Corvallis); and new commitments (this year largely for capital renewal and repair, athletics, and the OSU Foundation).

	Scenario A	Scenario B	Scenario C	Scenario D
State biennium \$0M -\$4.5M FY20 to OSU	Resident undergraduate: 2% Non-res undergraduate: 2% Financial aid increase \$0.6M Surplus or (deficit): \$(21.7M) \$189 annual increase residents \$567 annual increase non-res	Resident undergraduate: 4% Non-res undergraduate: 3% Financial aid increase \$1.0M Surplus or (deficit): \$(18.9M) \$377 annual increase residents \$851 annual increase non-res	Resident undergraduate: 5% Non-res undergraduate: 3.81% Financial aid increase \$1.2M Surplus or (deficit): \$(17.0M) \$472 annual increase residents \$993 annual increase non-res	Resident undergraduate: 7% Non-res undergraduate: 4.5% Financial aid increase \$1.5M Surplus or (deficit): \$(14.7M) \$660 annual increase residents \$1390 annual increase non-res
State biennium +\$40M +\$2.0M FY20 to OSU	Resident undergraduate: 2% Non-res undergraduate: 2% Financial aid increase \$0.6M Surplus or (deficit): \$(14.4M) \$189 annual increase residents \$567 annual increase non-res	Resident undergraduate: 4% Non-res undergraduate: 3% Financial aid increase \$1.0M Surplus or (deficit): \$(11.8M) \$377 annual increase residents \$851 annual increase non-res	Resident undergraduate: 5% Non-res undergraduate: 4% Financial aid increase \$1.2M Surplus or (deficit): \$(9.9M) \$472 annual increase residents \$993 annual increase non-res	Resident undergraduate: 7% Non-res undergraduate: 4.5% Financial aid increase \$1.5M Surplus or (deficit): \$(7.6M) \$660 annual increase residents \$1390 annual increase non-res
State biennium +\$120M +\$15.0M FY20 to OSU	Resident undergraduate: 2% Non-res undergraduate: 2% Financial aid increase \$0.6M Surplus or (deficit): \$(2.3M) \$189 annual increase residents \$567 annual increase non-res	Resident undergraduate: 4% Non-res undergraduate: 3% Financial aid increase \$1.0M Surplus or (deficit): \$0.5M \$377 annual increase residents \$851 annual increase non-res	Resident undergraduate: 5% Non-res undergraduate: 3.5% Financial aid increase \$1.2M Surplus or (deficit): \$2.5M \$472 annual increase residents \$993 annual increase non-res	Resident undergraduate: 7% Non-res undergraduate: 4.5% Financial aid increase \$1.5M Surplus or (deficit): \$4.7M \$660 annual increase residents \$1390 annual increase non-res
State biennium +\$186M +\$25.3M FY20 to OSU	Resident undergraduate: 2% Non-res undergraduate: 2% Financial aid increase \$0.6M Surplus or (deficit): \$8.2M \$189 annual increase residents \$567 annual increase non-res	Resident undergraduate: 4% Non-res undergraduate: 3% Financial aid increase \$1.0M Surplus or (deficit): \$11.0M \$377 annual increase residents \$851 annual increase non-res	Resident undergraduate: 5% Non-res undergraduate: 3.5% Financial aid increase \$1.2M Surplus or (deficit): \$12.9M \$472 annual increase residents \$993 annual increase non-res	Resident undergraduate: 7% Non-res undergraduate: 4.5% Financial aid increase \$1.5M Surplus or (deficit): \$15.2M \$660 annual increase residents \$1390 annual increase non-res

- After 7%, each 1% increase in resident undergraduate tuition reduces budget gap by about \$0.9M and increases financial aid by \$0.1M.
- Graduate resident tuition, professional tuition, and Ecampus up at local rate of inflation (3.5-4.2%)
- Non-resident graduate tuition up about 5% (long-term adjustment to get closer to peers)
- Most differential tuition charges flat, though some adjustments in Engineering and Business may be necessary

Student Health Services Mission

Student Health Services (SHS) provides leadership for student health and wellness on the OSU campus, including critical public health, prevention and advocacy services. SHS's mission is to enhance student success through the provision of holistic and comprehensive health care, health education, student support and life-long capacity-building. SHS works collaboratively with numerous campus and community partnerships to create safe, healthy and supportive learning and living environments while supporting academic, personal and social success.

SHS provides high-quality, affordable and convenient primary health care and mental health care, including the treatment of acute and chronic medical and mental health conditions. Medical services offered at SHS include primary care medicine, psychiatry, nursing services, asthma/allergy care, sports medicine, travel medicine, occupational health, women's health, comprehensive laboratory services, radiology, immunizations, tobacco cessation, substance use disorder counseling, nutrition, and physical therapy. Alternative health care services (chiropractic, acupuncture, and massage) are also available. SHS operates out of three clinical locations: the main Plageman clinic, the Tebeau Hall same-day care clinic, and SHS@Dixon. SHS is accredited by the Accreditation Association for Ambulatory Health Care.

- SHS leads campus public health initiatives, including a robust immunization requirement for incoming students. SHS provides specialized vaccination clinics for incoming INTO OSU students to ensure students are able to meet university requirements. And, in partnership with Benton County Public Health Department, SHS provides leadership for major public health response efforts. For example, this past year SHS took lead on the Meningococcal B outbreak response.
- SHS provides evidence-informed health promotion services, including sexual violence and substance abuse prevention and a comprehensive peer education program. SHS also provides nutritional counseling, outreach and education, as well as sexual health education and support. SHS also houses the expanding Collegiate Recovery Community, including the new Recovery Living Community within Dixon Lodge.
- SHS houses the Survivor Advocacy Resource Center (SARC), which provides safe and confidential support to all university community members affected by different forms of violence. SARC works in close collaboration with SHS Sexual Assault Nurse Examiners, CAPS, and CARDV.
- SHS provides a number of student support services, including patient support and referral, participation in the state-funded CCare program that provides free or low-cost contraceptives, and access to a high-quality student health insurance plan. The SHS billing office assists students with insurance issues and submits insurance claims as a courtesy for students.

SHS Impacts and Outcomes for the OSU community

The Student Health Services Fee provides unlimited access to health and wellness services at SHS at no charge. For the 2017-18 academic year, SHS had approximately 48,000 clinic visits. Non-appointment visits, such as calls to the Nurse Advice line, totaled over 29,200. These totals are higher than average

given the Meningococcal B outbreak response, but the typical number of SHS visits has held steady at 45,000.

The Prevention and Wellness department is housed in Plageman, McNary Hall and Dixon Lodge, which is the new Recovery Living Community. SHS prevention and wellness programs and services reaches nearly 24,000 students a year through education, outreach and early intervention.

SHS also provides services and programs that are tied to institutional compliance with federal policies, such as Title IX, the Clery Act and Drug Free Schools and Campus Act. These include mandatory on-line educational training, and SARC services. The Occupational Health program provides essential employee health and safety services in compliance with OSHA and other federal and professional guidelines.

Revenue Generation and Cost-drivers:

SHS is largely supported by the SHS portion of the Health Fee – approximately 60% of SHS operating expenses are covered by the SHS Fee. Of note, after a six-year reserve spend-down directed by the Student Incidental Fee Committee in 2010, the SHS Fee was returned to current service levels for FY18, and was moved from the SIFC to UBC starting FY19.

A key challenge for SHS in generating substantive revenue is OSU's HIPAA status, which limits contracting with private insurance vendors and becoming "in-network" with plans to allow for wider-scale cost reimbursements. HIPAA compliance will incur costs to the university to establish and maintain compliance. Efforts will continue to explore both costs and benefits of HIPAA compliance for OSU.

Clinical staffing needs continue to increase due to the volume of serious health and mental health needs of students. While the number of students seen at SHS has remained steady, the amount of time and staff resources to manage these more serious cases has increased the need for higher levels of specialization (e.g., psychiatry).

SHS also continues to face the challenge of maintaining an aging and sub-optimal clinical facility (Plageman Health Center, which was established in 1936). And from a best-practice standpoint, SHS and CAPS should be co-located to provide more integrated and student-centered care. Efforts to acquire a new facility have not been advanced to OSU's Capital Plan.

FY19 Budget Impacts

Like most areas at OSU, SHS is facing negative impacts from decreasing enrollment in combination with other cost drivers, such as employee benefit increases and medical inflation costs. The FY19 operating budget for SHS was approved at \$17.8 million. Due to a projected enrollment decline of 3.4% for the current year, SHS is adjusting spending for the anticipated full-year impact by reducing the SHS FY19 budget by approximately \$300,000. Also impacting the SHS budget are increasing assessment costs to the university, which have increased over 95% from FY18 to FY20.

For the current year, new revenues have included modest fee-for-service increases for certain clinical services (e.g., labs, x-rays, minor surgeries, etc.), particularly for those covered by insurance. These fees remain below market rates, and costs for uninsured students are managed on a case by case basis to

ensure minimal financial impacts to students. Additional revenue has also been realized through administrative adjustments that now allow reimbursements to SHS for state family planning services. As another cost-saving measure for the current year, SHS has initiated an MOU with the OSU pharmacy for a clinical pharmacist to provide limited clinical services. This MOU replaces the need for a vacant nursing position, saving SHS approximately \$50K.

The SHS fund balance remains strong at \$8.7M at the end of FY18; however, projected decreases in the SHS Fee revenue are expected to reduce these reserves. SHS seeks to maintain a 30% operating reserve, as well as a minimum of \$1-2M in cash reserves to utilize for emergency response. The SHS building reserves is currently underfunded for Plageman repair costs given restrictions in fee increases.

FY20 Fee Increase:

This past fall the Student Affairs coordinated the fee-funded units to align fee requests across the division. This process included both incidental fee units and the Health Fee units (SHS and CAPS), which now fall under the UBC. Current service level increases were set for the Division at 3.5%, with some units being approved to request additional amounts to fund for reserves and other needs.

For SHS, a 3.5% increase in the SHS Fee will result in approximately \$554,800 shortfall in current service levels for FY20. For comparison purposes, a 4.5% increase would leave a \$488K deficit. For SHS to remain at FY19 current service levels the SHS Fee would need to be increased by 10.4 %, which is not feasible in the current fiscal environment. These impact are predominantly driven by enrollment shortfalls and as other inflationary costs; for instance, medical inflation nationally hovers around 6.5%.

The \$554K funding deficit anticipated for FY20 will necessitate immediate measures to increase revenue, as well as not filling vacant positions and reducing expenditures for professional development and continuing education. The most ready source for new revenue would come through charging a nominal office visit fee (e.g., \$10). This practice has been done at UO for many years, as well as other campuses around the country (the office visit charge for UO ranges from \$15 - \$28 per visit). This fee could raise approximately \$450,000 and would be billable to OSU's sponsored health insurance plans, which include GAs and most international students. However, SHS is not "in network" with private insurance plans, so most students would have to cover this cost themselves. While nominal, this cost would present barriers for some students in seeking medical care at SHS, specifically students with financial need.

SHS will also need to continue seeking the means to build up an adequate building and equipment reserves to meet security and technology needs of the unit, including ongoing facility needs. SHS is working with a facilities collaborative within Student Affairs to explore opportunities for shared services, including the acquisition of a new door entry system. One large purchase for FY19 was the acquisition of a new electronic medical record system, which when fully implemented will streamline communication and build efficiencies within SHS, while increasing the number of reports needed to assess productivity and project future costs.