

## Oregon State University Student Budget Advisory Council

### Council Purpose

The purpose of the *Student Budget Advisory Council* is to provide an avenue for student input to the University Budget Committee on issues regarding tuition, fees, and budget priorities; to improve communication between students and the administration about issues regarding university finances and budgeting; and to provide a forum for students to raise issues and questions about the University budget. The Council will work to:

- Increase student engagement and input in key budget decisions such as the setting of tuition rates and policies.
- Help with communication strategies to provide information about and to solicit student opinions about how the university's finances work; how different kinds of revenues are used; and what the short- and long- term financial challenges are for the university community.
- Improve the communication network between various student communities and OSU leadership and the University Budget Committee so that a broader range of perspectives on issues are more widely shared and understood.

### Council Membership

The council is convened by the Associate Vice President of the Office of Budget and Resource Planning at the direction of the Provost and Vice President for Finance and Administration. The council is advisory to the University Budget Committee.

The council will have 15 student members:

- Ten will be selected by application and chosen for expertise, motivation, and distribution across university colleges and programs.
- ASOSU will appoint one representative from the elected members of ASOSU and the Graduate School, with advice from the Graduate Council, will appoint one graduate student.
- Three seats will be filled at large, by invitation from the chairs of the council to ensure representation from a cross-section of OSU's student population.

The council will identify a student chair or co-chairs from the membership to co-chair the council with the Associate Vice President of Budget and Resource Planning. Membership is ideally for two years, with a rotation that replaces half of the membership each academic year. Flexibility will be required in terms given the many demands on student time and schedules.

Members will be identified to the campus community and asked to serve as a point of contact for students or groups with questions or concerns.

Membership will be identified, to the extent possible, in spring term of each year.

### **Council Activities**

The Council will meet every two weeks during fall and winter quarters, and as needed in spring quarter. Meeting times will be set in advance to allow committee members to plan. Meetings will usually be for one and a half hours at a location on campus. Topics for discussion may include:

- Tuition strategies, rates, and policies including long-term planning for tuition strategies and short-term recommendations for the next year, informed by projections for the next fiscal year, principal contributors to cost changes and revenue changes, and budget priorities.
- Advisory Council recommendations to the University Budget Committee as part of the development of tuition and fee proposals.
- Financial aid policies, amounts and components.
- Long-range budget and allocation planning, with particular reference to student concerns.
- Long-range capital planning and maintenance and improvement of facilities.
- Discussion of current university actions and students' ideas and suggestions to improve access, affordability, and success for students at the university.
- Ideas and suggestions to improve budget communications and knowledge among the overall student body.
- Other topics as identified by the Council.

The first meeting of the year will provide some training on the University budget, including an overview of and reporting on the University budget, information on structure and functioning of the budget, and where to find (and how to read) various budget and financial reports.

The co-chairs of the council are invited to serve on the University Budget Committee.

# Oregon State University Budget Primer



Office of Budget and Fiscal Planning

## Funds<sup>1</sup>

OSU organizes its finances using fund accounting. To use the Wikipedia definition “**Fund accounting** is an **accounting** system for recording resources whose use has been limited by the donor, grant authority, governing agency, or other individuals or organizations or by law. It therefore emphasizing accountability rather than profitability and is used by nonprofit organizations and by governments.” Not all of the limitations we recognize are necessarily in law but they are long-standing practice.

There are three major operating funds (there are some other funds for things like construction projects):

- **Education and General (E&G) funds:** These come from state appropriations (designated amounts of the State’s General Fund, which comes largely from tax revenues), tuition and fees, and a few other sources. These funds support the major academic missions of the University (faculty salaries, classrooms, laboratories, the library, etc.). There are three major operations within the Education and General funds, which are largely kept separate (Tables 1 and 2):
  - *Corvallis Campus:* This is the operation of the Corvallis campus and most of the management, business, and administrative functions of the university. It includes Ecampus, summer session, and the Hatfield Marine Science Center, as well as some operations in Portland (like Pharmacy’s joint program with OHSU). These are funded about 22% by state funds, 66% by tuition, and the balance from other funds.
  - *Cascades Campus Education and General:* This is the operations of the campus in Bend. The state funds about 40% of the costs here.
  - *Statewide Public Services (SWPS):* These provide outreach, service, and research to organizations across the state. They are funded principally by state, federal, and county governments. They include the Agricultural Experiment Station (AES), the Cooperative Extension Service (Extension), and the Forest Research Laboratory (FRL). Faculty in the SWPS do supervise students but these funds do not normally support formal instruction. 68% of these funds are from the state; tuition does not support operations here.
- **Self-Support Funds:** These are funds that support operations that charge for their services and use the income to support those services. Many of these are business-type activities. The largest are Housing and Dining Services, Athletics, and the Memorial Union, but there are many others. There are some transfers of money back and forth between to cover management costs incurred by Education and General Funds and to support some functions in the self-support units.

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<sup>1</sup> This primer is intended to provide an overview of the OSU budget, define some commonly used terms, and help answer common questions about the budget. Questions, suggestions for content, or corrections can be sent to [Sherman.Bloomer@oregonstate.edu](mailto:Sherman.Bloomer@oregonstate.edu).

**Table 1:** Major revenues and expenditures for the three operating funds in the FY2021 budget.

<b>2020-21 Operating Budget</b>					
	<b>E&amp;G</b>	<b>Self Support</b>	<b>Restricted</b>	<b>Total</b>	
(in thousands except enrollment)	<b>2021 Budget</b>	<b>2021 Budget</b>	<b>2021 Budget</b>	<b>2021 Budget</b>	<b>2021 Budget</b>
State General Fund	\$196,336			\$196,336	
Federal Grants			\$293,648	293,648	
State Grants			21,976	21,976	
Tuition & Resource Fees, net of Remissions	404,425			404,425	
Enrollment Fees		\$36,889		36,889	
Sales & Services		143,773		143,773	
Other	97,626	37,460	97,784	232,870	
<b>Total Revenues</b>	<b>698,387</b>	<b>218,122</b>	<b>413,408</b>	<b>1,329,917</b>	
Personnel Services	(527,100)	(106,535)	(147,305)	(780,940)	
Supplies & Services & Capital Outlay	(153,700)	(108,501)	(259,560)	(521,761)	
<b>Total Expenditures</b>	<b>(680,800)</b>	<b>(215,036)</b>	<b>(406,865)</b>	<b>(1,302,701)</b>	
<b>Net from Operations</b>	<b>17,587</b>	<b>3,086</b>	<b>6,543</b>	<b>27,216</b>	
Transfers In	5,476	9,093	70	14,639	
Transfers Out	(34,254)	(6,236)	(3,000)	(43,490)	
Fund Additions/(Deductions)	0	(4,394)	0	(4,394)	
Change in Fund Balance	(11,191)	1,549	3,613	(6,029)	
<b>Beginning Unrestricted Net Assets</b>	<b>89,472</b>	<b>(970)</b>	<b>18,705</b>	<b>107,207</b>	
<b>Ending Unrestricted Net Assets</b>	<b>\$78,281</b>	<b>\$579</b>	<b>\$22,318</b>	<b>\$101,178</b>	
% Operating Revenues	11.2%	0.3%	5.4%	7.6%	
<b>E&amp;G - EDUCATION &amp; GENERAL</b> - Corvallis, Cascades, Statewide Public Services					
<b>SELF-SUPPORT</b> - Auxiliaries, Designated Operations and Service Departments					
<b>RESTRICTED FUNDS</b> - Grants, Contracts, Gifts					

Table 2: Revenues and Expenses for Corvallis Education and General Budgets for 2020-21

<b>E&amp;G Projections</b>	<b>E&amp;G-Corvallis</b>	<b>E&amp;G-Cascades</b>	<b>AES</b>	<b>EXT</b>	<b>FRL</b>	<b>OS</b>	<b>Adj</b>	<b>Total</b>
State Appropriation	\$ 119,488,478	\$ 6,595,642	\$ 32,365,189	\$ 23,791,500	\$ 4,853,275	\$ 9,242,393		\$ 196,336,478
Net Tuition & Resource Fees	393,922,901	10,501,615	-	-	-	-		404,424,516
Other Revenue	69,876,281	194,671	5,988,515	17,887,813	3,679,035			97,626,315
	<b>583,287,660</b>	<b>17,291,928</b>	<b>38,353,704</b>	<b>41,679,313</b>	<b>8,532,310</b>	<b>9,242,393</b>		<b>698,387,309</b>
Personal Services	436,862,379	14,768,518	30,442,800	36,428,265	8,008,320	589,650		527,099,931
Supplies & Services	136,188,680	4,189,590	9,752,000	7,632,457	1,746,000	8,652,744		168,161,470
Capital Outlay	7,205,590	5,710	607,200	77,350	19,400			7,915,250
Student Aid	1,753,576	-	-	-	-			1,753,576
Internal Sales	(23,363,406)	-	(598,400)	(159,250)	(9,700)			(24,130,756)
	<b>558,646,820</b>	<b>18,963,818</b>	<b>40,203,600</b>	<b>43,978,821</b>	<b>9,764,020</b>	<b>9,242,393</b>		<b>680,799,472</b>
<b>Net Operating Gain (Loss)</b>	<b>24,640,840</b>	<b>(1,671,890)</b>	<b>(1,849,896)</b>	<b>(2,299,508)</b>	<b>(1,231,710)</b>	-		<b>17,587,837</b>
Transfers In	5,327,000	433,243	-	700,000	250,000	-	(1,234,000)	5,476,243
Transfers Out	(35,290,619)		(91,000)	(106,230)	-	-	1,234,000	(34,253,849)
<b>Change in Fund Balance</b>	<b>(5,322,779)</b>	<b>(1,238,647)</b>	<b>(1,940,896)</b>	<b>(1,705,738)</b>	<b>(981,710)</b>	-		<b>(11,189,769)</b>
Beg Est Fund Balance-FY20 3rd Qtr Est	64,346,871	1,718,337	6,928,055	4,018,015	4,059,274	8,399,875		89,470,427
<b>FY21 Estimated Ending Fund Balance</b>	<b>\$ 59,024,092</b>	<b>\$ 479,690</b>	<b>\$ 4,987,159</b>	<b>\$ 2,312,277</b>	<b>\$ 3,077,564</b>	<b>\$ 8,399,875</b>		<b>\$ 78,280,658</b>
	10.1%	2.8%	13.0%	5.5%	36.1%	90.9%		11.2%

- **Restricted Funds:** These are funds provided to the university for very specific purposes, mostly from state or federal governments and private gifts. These include research grants to faculty, Pell Grants, Oregon Opportunity Grants, and gifts that are given to the Oregon State University Foundation and then passed on to be spent in support of the donor's intention. Restricted funds impact the Education and General Funds as research grants pay some of the overhead costs associated with the research work (for lab space, library, accounting, etc.) and scholarship funds in part are paid as tuition to the university.

### Fiscal Years and Academic Years:

The University (and the State of Oregon) manages on a fiscal year that runs from July 1<sup>st</sup> through June 30<sup>th</sup> of the following year. The State budgets on a biennial basis (two years at a time). Legislative sessions beginning in February of odd numbered years set state budgets that run from July of that odd numbered year to the end of June in the next odd numbered year.

Academic years are the three quarters of instruction (fall, winter, spring) from mid-September through mid-June. Academic years are defined by the academic calendar and have an impact on the management of Federal financial aid administration.

These years cross over calendar years and are usually named for the last year in the cycle. So the academic year 2020-21 runs from fall 2020 through spring 2021 might be abbreviated as AY21. The fiscal year that runs from July 2020 through June 2021 might be referred to as FY21.

A biennium funded by the state is often referred to by the two odd numbered years. So the state's 21-23 biennial budget is for July, 2021 through June, 2023 or FY22 and FY23.

### Education and General Revenues and Expenses:

The Education and General Funds support most of the academic operations of the university and almost all instruction, so the focus of most of the rest of this primer is on those E&G funds. There are a lot of definitions and acronyms in the revenue and expense side of the budget. Table 1 includes a worksheet that shows the major categories of revenues and expenses used in building an E&G budget.

### **Revenue categories:**

Table 3 shows the major revenue categories for the Corvallis E&G budget.

Table 3: Revenues for the 2020-21 Corvallis Education and General operating budget.

<b>Corvallis Budget</b>	<b>E&amp;G 2020-21</b>
Revenues:	
State Appropriations, general	108,710,359.00
State Appropriations, earmarked	9,705,535.00
Tuition	429,475,878.00
Student Fees	8,881,435.00
Financial Aid	(44,989,312.00)
F&A Cost Recovery	41,659,281.00
Sales and Services	16,641,365.00
Other	12,350,325.00
	<b>582,434,866.00</b>

Table 4: Detail of tuition and fee revenues including institutional financial aid (sometimes called tuition waivers or fee remissions)

<b>Tuition:</b>	FY21 Projections
Subtotal Res Undergraduate	106,892,952
Subtotal NR Undergraduate	112,735,809
Subtotal Res Graduate	29,171,815
Subtotal NR Graduate	12,864,627
Subtotal VetMed	10,175,622
Subtotal Pharmacy	9,998,174
Subtotal Miscellaneous	1,533,505
Ecampus tuition	104,136,432
Ecampus fee (approx)	34,276,883
Summer	7,690,059
Waivers*	(44,989,312)
<b>Total Net Tuition</b>	<b>384,486,566</b>

- The state appropriations include both general appropriations (from what is called the Public University Support Fund) which can be used for any purpose to support OSU's mission and earmarked appropriations (dollars that are required to be used for specific purposes, usually research or public service work).
- Tuition includes the gross revenues from all categories of students (undergraduate, graduate, Ecampus, etc.) and all types of tuition (base tuition and differential tuition. Table 4 shows the breakdown of tuition revenues by category.
- Student fees include those set by the University (the matriculation fee for examples) and the incidental fee recommended by students through ASOSU.
- Financial aid here is the university-paid financial aid that offsets some tuition expenses, principally for undergraduates. There is also financial aid from Federal and State government sources (about \$39M) and privately funded scholarships (about \$50M).
- F&A cost recovery is the Facilities and Administrative costs paid by research grants to help cover the cost of maintaining research facilities and services. These are sometimes called overhead or indirect cost charges. These rates are negotiated with the Federal government and cover costs to support research like utilities, library, research administration, and others.
- Sales and services revenues come from the sale of goods or service by individual departments or units. Chemistry, for example, runs a chemical stores shop which sells chemicals to units across campus, much of that paid by research grants.
- Other revenues are principally interest income and additional appropriations from the state to cover the costs of a certain kind of energy improvement loan.

**Expense categories:**

Table 5 shows the major expenditures categories for the Corvallis E&G budget in 2019-20:

Personnel Services (77% of FY20 spending):

- **Unclassified Salary and Pay:** Unclassified employees are those not represented by a union. Salary refers to compensation for a contracted period of time, pay to compensation based on a per unit measure (per hour for example). These employees include many categories of people:
  - 9-month professorial faculty: Assistant, Associate, Full Professors who are on contract from September 15<sup>th</sup> through June 15<sup>th</sup> (the academic year). These people may work in the summer paid from summer session teaching or research grants. They have responsibilities for teaching, scholarship and research, advising, and in some case outreach and engagement. Many are tenured or tenure-track positions, but some that are principally focused on research maybe on year to year appointments contingent on grant funding.
  - 12-month professorial faculty: These are Assistant, Associate, and Full Professors who are on year-long contracts. These are more common in Agricultural Sciences, Forestry, Pharmacy, Veterinary Medicine, and for some of the research professorial appointments.

Table 5: Expenditures by category

<b>Corvallis E&amp;G Expenditure Distribution</b>				
<b>Fiscal Year 2020</b>	<b>E&amp;G</b>	<b>% of Total</b>	<b>% of Total</b>	
<b>Personnel Services:</b>				
Unclassified Salaries & Pay	221,647,757.00	49%		
Unclassified OPE	108,104,440.00	24%		
Classified Salaries & Pay	41,302,797.00	9%		
Classified OPE	27,132,471.00	6%		
Student Pay	8,997,928.00	2%		
Student OPE	214,138.00	0%		
Graduate Assist Pay	22,562,017.00	5%		
Graduate Assist OPE	6,141,537.00	1%		
Graduate Fee Remissions	18,600,688.00	4%		
OPE & Other	1,464,096.00	0%		
Subtotal	456,167,869.00		77%	
<b>Services and Supplies:</b>				
Fees & Services	32,394,161.00	23%		
Maintenance & Repairs	14,843,715.00	11%		
Utilities/Waste Disposal	15,815,208.00	11%		
Minor Equipment	7,801,727.00	6%		
Debt Service	13,023,827.00	9%		
Supplies	9,471,466.00	7%		
Subscriptions	439,040.00	0%		
Library Electronic Resources	5,013,182.00	4%		
Travel	4,555,442.00	3%		
Communications	6,773,767.00	5%		
Rentals & Lease Expense	3,696,617.00	3%		
Assessments	4,405,213.00	3%		
Other	21,816,913.00	16%		
Subtotal	140,050,278.00		24%	
Capital Outlay	7,486,886.00			
Student Aid	1,883,963.00			
Merchandise for Resale	110.00			
Internal Sales	(26,127,097.00)			
Net Transfers	15,852,179.00			
Subtotal	(903,959.00)		-0.2%	
<b>Total Expenses</b>	<b>595,314,188.00</b>			

- Professional faculty: These include people in a variety of jobs both in academic colleges and in service and support units. These are positions which do not have professorial rank and which are not represented by the union. These include:
  - Instructors: These are positions on annual (or sometimes 2 to 3 year) contracts with principal responsibilities for teaching. They can be 9- or 12-month employees.
  - Advisors: These are positions on annual contracts with principal responsibilities for advising. They can be 9- or 12-month employees.
  - Faculty research assistants: These can be 9- or 12-month positions and are most commonly paid from grant or contract revenues to assist with specific kinds of research work.
  - Business center managers, finance and administration staff and managers, library positions, directors of centers, etc.---almost every other kind of non-union salaried position is a professional faculty job.
  
- Unclassified OPE: OPE stands for “Other Payroll Expenses” and is OSU language for benefits. These include the costs to OSU for health insurance, retirement contributions, Social Security, Workman’s Compensation, etc. OSU is required by the state to participate in the state retirement and health plans and the state sets the contribution rates for those programs. Table 6 shows the components and cost of the components of OPE
- Classified salary and pay: This is pay for employees who are represented by a union (Service Employees International Union or SEIU) and whose job is in a classification defined by the contract. Many staff in Facilities, Business Centers, Information Services, and Finance and Administration are classified employees.
- Classified OPE: The same as for unclassified OPE, the cost of various benefits.
- Student pay and Student OPE: OSU employs thousands of students a year on a part-time basis in a variety of jobs from laboratories to housing and dining.
- Graduate Assistant Pay and OPE: OSU employs Graduate Teaching Assistants (paid mostly from Education and General funds) and Graduate Research Assistants (paid mostly from Restricted Funds or SWPS funds). These assistants work 30% to 49% time (always less than half-time) and are represented by a union (CGE or the Coalition of Graduate Employees).
- Graduate Fee Remissions: One of the negotiated employment benefits that Graduate Assistants have that other employees do not is that tuition and fees are paid for them by the employing unit or fund source. This is the cost of those tuition and fee remissions to Corvallis Education and General Funds.
- OPE and Other: There are small other personnel costs each year that get captured here (paying out accrued vacation time when someone retires, benefit adjustments, etc.)

Table 6: Components of Other Payroll Expenses at OSU for FY20 and FY21, including the distribution of employees in the various retirement plans.

<b>Components of Benefits Costs at OSU</b>		
	FY20	FY21
<b>% of Salary Components</b>		
Social Security	6.20%	6.20%
Medicare	1.45%	1.45%
Unemployment	0.10%	0.10%
SAIF	0.31%	0.31%
Average Retirement	25.22%	25.05%
<b>Total</b>	<b>33.28%</b>	<b>33.11%</b>
<b>Fixed charge components</b>		
Health insurance	17,128.00	18,024.00
Workers Comp	23.94	22.92
Basic Life	10.80	10.80
<b>Total</b>	<b>17,162.74</b>	<b>18,057.72</b>
<b>Illustration of Costs at Different Salary Levels</b>		
	FY20	FY21
Annual 12-month Salary	Benefits as %:	
\$30,000	90.5%	93.3%
\$47,000	69.8%	71.5%
\$82,000	54.2%	55.1%
\$110,000	48.9%	49.5%
	Benefits as \$:	
\$30,000	\$27,146.74	\$27,990.72
\$47,000	\$32,804.34	\$33,619.42
\$82,000	\$44,452.34	\$45,207.92
\$110,000	\$53,770.74	\$54,478.72
<b>Detailed retirement rates and distribution</b>		
Program:	Rate	
PERS - Tier1 / Tier2	32.81%	15.6%
PERS - Tier3	26.35%	57.6%
ORP - Tier1 / Tier2	33.20%	5.2%
ORP - Tier3	15.85%	11.4%
ORP - Tier4	8% plus up to 4% match of 403(b)	10.2%

Services and Supplies (24% of expenditures):

This category covers a wide variety of costs, all for things or for services provided by non-OSU personnel or organizations. The major categories are broken out in Services and Supplies in Table 5 (there is detail available down to very specific levels if there are questions).

Other Expenditures (1% of spending):

- Capital Outlays: These are purchases of equipment costing more than \$5,000. Almost all of the spending here is for equipment, as facilities projects are usually funded by the transfer of dollars to a plant fund and the expenditures are made from that fund.
- Student Aid: This is only a tiny part of financial aid and includes small scholarships and awards paid from Education and General funds. Most institutional financial aid is given as tuition waivers and shows up as a reduction in revenues (see Table 4)
- Merchandise for resale: As you can tell, this isn't something that happens very often!
- Internal Sales: This is a major category and a somewhat confusing one. This entry adjusts for the fact that units on campus pay each other to do certain kinds of work. For example, if the College of Science wants to refurbish a department office, they might pay Facilities Services for the cost of the project. Facilities would buy the paint and carpet and do the installation. Science would show the cost as an expense, but if Facilities also showed the expense for the carpet and paint it would be double counted. Instead, the initial expense shows on facilities books and there is a negative offsetting expense (internal sales) to account for the payment from Science. The end result is that Science shows the true expense of the project. There are other ways to do this, but this is the one that OSU has used for many, many years.
- Net transfers: There are a variety of transfers between funds for various reasons. Corvallis Education and General transfers funds out, to fund plant funds for building or infrastructure renovations, to support Athletics, to support use of some of the Service Centers, and for other reasons. Transfers into Education and General funds come from closing out plant funds, payments from royalties, and insurance claims from service centers.

### What do tuition dollars support?

The Education and General budget is allocated to major units on campuses---academic colleges and large service and support units like Information Services, the Library, Student Affairs, etc. (Table 7). Deans and unit heads have substantial authority to distribute that budget across their units as they best see fit to deliver their mission, but they are also accountable for operating within the budget they are allocated.

Institutional Management is the annual “savings account” for the Education and General Funds. There are some expenses which belong to the whole university and which are paid from here (payments on some university debt, leases for buildings, contracts with the OSU Foundation and INTO-OSU, etc.). Funding for some part of repairing buildings (often called capital renewal and repair or depreciation funding) is also budgeted here. The university usually times salary increases for January and the cost of raises for the second half of the year is budgeted here and then passed out to units. There are a number of categories of funds which are distributed out to units during the academic year (Ecampus tuition, summer tuition, actual F&A recovery, graduate health insurance costs, etc.). Units start out with a budget for these and then additional funds are passed out during the year. For FY21, nearly \$14M in these reserve and “settle-up” funds starts out in Institutional Management and then are passed out (mainly to Colleges) during the fiscal year.

Major units receive some budget from “dedicated funds”. These are things generated by work specific to the unit and include earmarked state appropriations, fees charged to students in the programs, sales and service revenues, and a portion of the F&A recovery (research overhead) dollars generated. These funds all come from sources other than tuition.

The balance of the budget comes from general state appropriations and student tuition (both base and differential tuition). These dollars are not tracked separately but are used together to support the various academic programs and university services. The proportion of general tuition and state dollars allocated to these areas is a rough measure of where a tuition dollar goes. Table 8 shows that distribution for the FY19 budget. The first column shows the dollar amount, the second the percentage share (or cents on a dollar if you prefer). The division of service, support, and management units by type of function is noted at the bottom of Table 8.

Table 7: FY21 Education and General Budget allocations to units by type of revenue.

**OREGON STATE UNIVERSITY  
FY2021 Education & General Initial Budget**

Budget Unit	General Resources Bdgt	Central Pools & Reserves	Strategic OSU Funding	Other Adjustments	Dedicated Resources						FY21 Initial Budget		
					Targeted State Funding	Capital Renewal Funding	Contractual Obligations	AY Diff & Prof Tuition	Student Fees Sales & Service	Endowment Match		F&A Recovery Allocation	Dedicated Resources O/H
Institutional Management:	(6,647,724)	42,099,021		(3,740,485)		13,000,000	10,041,143	692,531	3,900,000		3,319,441	(18,130)	62,645,797
<b>Instruction &amp; Research</b>													
Agricultural Sciences	21,944,000				671,894				345,000	228,695	1,700,000	(92,174)	24,797,415
Business	22,096,075						2,734,000	794,500		124,567	3,000	(68,011)	25,684,131
Engineering	47,472,955				5,954,894		9,750,000	1,295,473	63,073	2,450,000		(541,195)	66,445,200
Forestry	5,933,518				1,568,117		109,000	304,161		356,331	438,600	(164,917)	8,544,810
Public Health & Human Sciences	15,180,688		850,000	1,828,800			212,000	1,027,000	92,448	825,000		(82,839)	19,933,097
Education	5,753,370			200,000				324,750		12,000		(24,032)	6,266,088
Liberal Arts	43,992,577		50,000	511,684			124,000	965,000	272,489	80,000		(91,574)	45,904,176
Earth, Ocean & Atmospheric Sciences	10,553,177		10,875			1,098,516		130,000	16,099	4,000,000		(42,648)	15,766,019
Pharmacy	6,406,117					1,010,716		3,708,000	1,047,000	185,255	325,000	(152,271)	12,529,817
Science	39,281,924		750,000	1,200,000					1,100,000		750,000	(95,109)	42,986,815
Veterinary Medicine	9,530,605				4,570,406		3,905,000	8,508,000		180,000		(967,802)	25,726,209
University Honors College	1,853,328						1,845,000	2,700				(200)	3,700,828
Extended Campus	-								21,610,993				21,610,993
Research Equipment Reserve Fund	-										4,999,114		4,999,114
Global Affairs	651,853												651,853
Graduate School Interdisciplinary Programs	957,380												957,380
University Libraries	8,657,835					43,687		40,500	90,685	2,499,557		(12,941)	11,319,323
Research (Centers / Institutes / Programs)	12,151,701					412,114		1,500,150	128,392	914,300		(151,009)	14,955,648
<b>Instruction &amp; Research Total</b>	<b>252,417,103</b>	<b>-</b>	<b>1,660,875</b>	<b>3,740,484</b>	<b>15,330,344</b>	<b>-</b>	<b>-</b>	<b>22,387,000</b>	<b>38,995,227</b>	<b>1,558,034</b>	<b>19,176,571</b>	<b>(2,486,722)</b>	<b>352,778,916</b>
<b>Service, Support, &amp; Management</b>													
Executive Office	9,277,097												9,277,097
Intercollegiate Athletics	671		7,750,000										7,750,671
University Relations & Marketing	4,029,645								6,840			(506)	4,035,979
Provost	1,171,072												1,171,072
Provost Pass-through	1,477,510												1,477,510
Marine Studies Initiative	1,003,047												1,003,047
Enrollment Management	9,174,083								3,418,961			(253,003)	12,340,041
Undergraduate Education	3,684,738								795,000			(58,830)	4,420,908
Faculty Affairs	1,424,403												1,424,403
Information Services	21,920,083								274,006		2,499,557	(20,276)	24,673,370
Graduate School Administrator	2,176,862		930,050						1,042,000		416,593	(77,108)	4,488,397
Outreach & Engagement	641,479												641,479
Research - Admin	4,423,357								5,000		3,332,742	(370)	7,760,729
Student Affairs	11,957,919				64,826				1,003,000			(79,019)	12,946,726
University Business Centers	12,027,812										1,666,371		13,694,183
Finance and Administration (includes Risk Svcs)	26,514,365								641,500		1,666,371	(47,471)	28,774,765
UFIO - Facilities / CPD / Energy Center	21,501,841								50,000		9,581,635	(3,700)	31,129,776
<b>Service, Support, and Management Total</b>	<b>132,405,984</b>	<b>-</b>	<b>8,680,050</b>	<b>-</b>	<b>64,826</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,236,307</b>	<b>-</b>	<b>19,163,269</b>	<b>(540,283)</b>	<b>167,010,153</b>
<b>Total Educational and General Budget</b>	<b>378,175,363</b>	<b>42,099,021</b>	<b>10,340,925</b>	<b>(1)</b>	<b>15,395,170</b>	<b>13,000,000</b>	<b>10,041,143</b>	<b>23,079,531</b>	<b>50,131,534</b>	<b>1,558,034</b>	<b>41,659,281</b>	<b>(3,045,135)</b>	<b>582,434,866</b>

Table 8: FY20 Distribution of general state appropriation and net tuition dollars by major unit by dollar amounts and percentage shares.

		Tuition and General State Dollars	Share	
Academic Programs	Academic Colleges	282,443,721.00	51.2%	
	Ecampus and Summer Session	21,610,993.00	3.9%	
	Centers and Insitutes	13,455,498.00	2.4%	
	Interdisciplinary Programs	957,380.00	0.2%	
	University Libraries	11,278,823.00	2.0%	
	Executive Offices	10,448,169.00	1.9%	
	Outreach and Engagement	641,479.00	0.1%	
	Student and Faculty Support	25,915,117.00	4.7%	
	Academic Support	36,253,343.00	6.6%	
	Facilities and Plant Operations	31,079,776.00	5.6%	
	Business Operations	45,838,457.00	8.3%	
	Provost's Pass Through Funding	2,480,557.00	0.4%	
	Institutional Management			
	Capital renewal, depreciation	13,000,000.00	2.4%	
	Debt Service	13,785,540.00	2.5%	
	Outside Contracts	18,428,002.00	3.3%	
	Reserves for Colleges	11,441,819.00	2.1%	
	Salary Increase - Represented	2,530,000.00	0.5%	
	Strategic Funding	9,966,775.00	1.8%	
	Total	551,555,449.00		
	<b>Academic Support:</b> International Programs, Info Services, Grad School, Research Office			
	<b>Student and Faculty Support:</b> Enroll Mngmt, Undergrad Ed, Faculty Affairs, Student Affairs			
	<b>Facilities &amp; Plant Ops:</b> Facilities services, capital planning and energy ops			
	<b>Executive Office:</b> President and Provost			
	<b>Business Operations:</b> F&A, Business Ctrs, Univ Relations & Marketing, Risk Mngmt			
	<b>Provost's Pass through:</b> Faculty Senate, Athletics, Faculty Diversity, Graduation, MSI			

### What are administrative costs?

There are many conversations about the size and growth of administrative costs at the university. Often, administrative costs are assumed to be everything that happens outside of academic units (colleges, centers, and the library for example). However, as the notes at the bottom of Table 8 show, those costs include many direct student and faculty services as well as business services and facilities operations.

It would be useful for the conversations if the University Budget Committee and the Student Budget Advisory Council considered some definitions of costs by functional categories.

### What about the audited financial statements?

OSU's financial statements are audited each year and published at the Business Affairs web site (<http://fa.oregonstate.edu/business-affairs/annual-financial-reports-audited> ). The audited financial statements have sometimes been used to assess the financial health and operations of the university by third parties. However, without a careful understanding of the financial statements it is easy to come to inaccurate conclusions.

This is in part because of the definitions for how various revenues, expenses, and assets are documented and in part because the financial statements look at the total picture---both operating and non-operating revenues and expenses, assets, liabilities, cash flow, and any relevant notes on changes in practice. This requires that the meaning of each category in the statements is carefully understood in drawing conclusions about operations of a particular fund.

An example is expenditures on instruction (a functional category reported in the audited financial statements). A large part of this expense is the payroll (salary and benefits) paid to people coded with instruction as all or part of their duties. Within the E&G budgets, this is typically measured by the actual expenditures. However, in the financial statements, the amount spent on instruction also includes any changes in liability or assets for the pension obligations OSU has to those people doing instruction. If the liability grows, the amount attributed to instruction grows. However, if the liability decreases the amount spent on instruction might decrease, even if the actual dollars spent on salaries and benefits for instruction increased. This in fact happened from 2014 to 2015 because of changes in how OSU's pension costs had to be reported.