

University Budget Committee

The University Budget Committee (UBC) is appointed by and is advisory to the Provost. The vice president for finance and administration, faculty leadership, student government, and others recommend members to serve on the UBC.

The UBC includes a representative cross-section of the university by function, and is the primary forum for discussions on the University's education and general (E&G) budget. Members of the UBC are charged to communicate with their colleagues and communities and to bring a broad university perspective to all discussions. The UBC contributes an independent point of view to central university budgeting and provides advice and oversight to central administration on policies and practices, including the timelines, regularity, visibility, and accuracy of its reports.

Some UBC members have standing appointments due their job responsibilities, and others will typically change on an annual basis, such as the student members and chair of the Faculty Senate Budget and Fiscal Planning Committee. The terms of other members will be staggered to assure both continuity and renewal. The expected average term of service is three academic years and appointments will generally not be renewed for consecutive three-year terms. Sherm Bloomer, Associate Vice President for Budget & Resource Planning, will serve as vice chair of the UBC and is a nonvoting member.

2020-21 University Budget Committee

- Allison Hurst –Associate Professor, School of Public Policy; OSU Faculty – ***UBC Chair***
- Sherm Bloomer – Associate Vice President, Budget and Resource Planning
- Jon Boeckstedt – Vice Provost, Enrollment Management
- Amy Bourne – Senior Instructor, Business; Faculty Senate Budget & Fiscal Planning Committee Chair
- Michaela Canete, Associated Students of OSU; Student Budget Advisory Council
- Joanna DeMeyer – Student at Large
- Jessica Dupont – Exec. Director, Market Development & Student Experience, Ecampus; OSU Faculty
- Taha Elewfati, ASCC
- Lisa Gaines – Director, Institute for Natural Resources
- John Gremmels – Capital Planner, Capital Planning & Development; Infrastructure Working Group
- Alison Johnston – Associate Professor, School of Public Policy; OSU Faculty
- David Min Seo Park, Associated Students of OSU
- Javier Nieto – Dean, College of Public Health and Human Sciences
- Deja Preusser – Student at Large
- Edgar Rodriguez – Student at Large
- Staci Simonich – Executive Associate Dean, College of Agricultural Sciences
- Kelly Sparks – Associate Vice President, Finance and Strategic Planning, OSU-Cascades
- Mackenzie Thibault, Graduate Student
- Jackie Thorsness – Manager, Agricultural Sciences & Marine Sciences Business Center

Charge

The standing UBC charge:

- Make annual recommendations on tuition and mandatory enrollment fee rates to the Provost and President as part of the University’s development of an annual tuition and fee proposal for the Board of Trustees in March of each academic year.
- Oversee the process of development of tuition recommendations consistent with ORS 352-102 and the policies of the University’s Board of Trustees.
- Review and propose edits to policies regarding tuition, differential tuition, course fees, and areas that impact the E&G budget.
- Identify, research, and review issues of concern brought forward by committee members, or the university community, and provide recommendations to the Provost.

The UBC will form subcommittees and/or invite members of the university community to participate on an *ad hoc* basis as necessary in order to address specific issues. Non-UBC participants and guests will not participate in voting.

Members of the university community are welcome to observe UBC meetings. The meeting schedule will be posted on the Budget & Resource Planning web site.

Roles and Responsibilities for Tuition and Fee Recommendations

The University Budget Committee has certain roles and responsibilities in its capacity as the tuition advisory body defined in ORS 352-102.

The University Budget Committee serves as OSU’s tuition advisory board as described in ORS 352.102 as amended by HB4141. The statute requires that, in recommending resident tuition and mandatory fee rates to the President each year, the university will:

- Establish (and post) a document describing the role of the advisory body (a minimum of 2 faculty, 2 administrators, 2 students from government, 2 students representing historically underrepresented groups) and its relationships to the university, president, and board.
- Provide the advisory body with training on:
 - The university budget
 - Mechanisms by which the state funds universities through HECC
 - Historical data on resident UG tuition and fees and state appropriations
- Include information for the advisory group on:
 - A plan for how the board and administration manage costs on an ongoing basis
 - A plan for how resident tuition and mandatory enrollment fees could be decreased with more state funding
- Insure that the advisory group, before making a recommendation for an increase over 5% in tuition and fees to the president, documents a discussion of:
 - The impact on students with an emphasis on historically underrepresented students and the impact on the mission of the university
 - Alternative scenarios with lesser tuition increases and the consequences
- Instruct the advisory group to:
 - Provide meaningful opportunities for student government and other students to participate in the process and deliberations of the advisory body
 - Provide a written report to the president with recommendations (including a summary of the deliberations and observations), including any minority report and the materials referenced above
 - Post all materials, descriptions, processes and data on the university website including agendas, documents, data and minutes

Tuition and the Tuition Setting Process

Tuition and fees provide more than 68% of Corvallis Educational and General funding and more than 80% of gross tuition is from undergraduate instruction. Resident undergraduate, non-resident undergraduate, and Ecampus tuition are 27%, 29% and 35% of tuition revenues, respectively, that total about \$358M. The University Budget Committee is the tuition advisory body for OSU as required by ORS352-102.

OSU is a special type of university. There are around 4,050 higher education institutions in the U.S. of which 680 are public, four-year universities. Of those, 71 are Land Grants (excluding the tribal colleges), 80 are Research 1 or R1 universities (very high research doctoral institutions), and only 34 are both Land Grants and R1 universities. OSU is one of those R1 Land Grants.

Tuition comparisons to OSU peer institutions:

| Undergraduate (academic year) | Annual Tuition | |
|-------------------------------|----------------|---------------|
| | Resident | Non-resident |
| Oregon State | 10,155 | 30,345 |
| Median Strategic Peers | 10,615 | 29,348 |
| Median Peer Land Grants | 10,834 | 29,526 |
| Median Public Pac-12 | 10,728 | 36,546 |

| Graduate (academic year) | Annual Tuition | |
|--------------------------|----------------|---------------|
| | Resident | Non-resident |
| Oregon State | 13,257 | 26,109 |
| Median Strategic Peers | 11,442 | 28,010 |
| Median Peer Land Grants | 11,106 | 27,079 |
| Median Public Pac-12 | 11,720 | 26,811 |

| Online (per credit, semester basis) | Credit hour cost | |
|-------------------------------------|------------------|------------|
| | Undergrad | Graduate |
| Oregon State | 477 | 840 |
| Median all programs | 443 | 646 |
| Median peer institutions | 500 | 646 |
| Median other online | 434 | 653 |

Table 2: Cost of Attendance comparisons

Tuition only sets the list price for attendance. For many students, the actual cost is reduced by awards of financial aid. Grant aid (that students do not have to pay back) comes from three sources: university aid (paid for out of tuition revenues), governmental grants (mostly Federal), and privately funded scholarships. Loans can come from government-sponsored programs or private sources.

Table 1: Tuition comparisons 2020-21

OSU’s tuition is similar to our peers among those public R1 institutions (Table 1)¹. Academic year tuition is for 15 credits per term for undergraduates and 12 credits per term for graduates.

Tuition is only one part of the cost for students. Students also have costs for fees, room and board, books, transportation, and incidentals. Every university provides a cost of attendance estimate annually (Table 2—not updated to FY21 yet).

| 2017-18 Cost of Attendance estimates: | | |
|---------------------------------------|---------------|---------------|
| | Resident | Non-resident |
| OSU | 26,046 | 44,707 |
| Average Strategic Peers | 27,839 | 47,523 |
| Average Peer Land Grants | 27,680 | 47,697 |
| Average Public Pac-12 | 28,747 | 51,960 |
| Median Strategic Peers | 27,036 | 46,834 |
| Median Peer Land Grants | 27,168 | 47,085 |
| Median Public Pac-12 | 27,884 | 51,469 |

¹ Strategic peers include Ohio State, Penn State, UC Davis, Purdue, Florida, Illinois, Wisconsin, Colorado State, NC State, UC Riverside, Tennessee and Washington State. Other land grants used include Michigan State, Texas A&M, Virginia Tech, Louisiana State, Kansas State, Arizona, and Georgia. Online comparisons include Penn State, Florida, Colorado State, Washington State and a number of other online programs ranked highly by U.S. News and World Report.

Tuition rates are set by the Board of Trustees. The Board's policy on the Tuition and Fee Process states that:

"Tuition and mandatory enrollment fees are established annually by the Board, generally at the Board's meeting in March or April prior to the applicable academic year. When setting tuition and fees, the Board considers a number of factors, including the desire to provide access to degree programs, create a diverse student body, maintain strong degree programs at every level, and develop and maintain the human and physical infrastructure necessary to support Oregon's educational outcome goals. The Board's commitment to maintaining the long-term quality of the university's programs for students and for the state requires a deliberate approach to managing costs, planning for inflationary increases in costs, and considering new strategic investments. The Board, based on its commitment and fiduciary duties, including managing anticipated inflationary cost increases, establishes the expectation that annual tuition rate increases will be between 2 and 5 percent. Changes outside this range will be considered when necessitated by external factors such as changes in state funding, costs of state-provided benefits, or reductions in program scope or costs. "

The policy recognizes that there are annual increases to costs largely outside the control of the institution. These include salary increases (recently 2% to 4% annually, depending on employee group), increases for health insurance and retirement plans (2% to 10% annually depending on rates for the state's retirement plan), and inflation on the costs of goods and services (about 2.0% this year). The aggregate cost increase is usually between 2% to 5% and, because tuition is over 60% of revenues, this places annual pressure on tuition rates. Those rate increases occur every year and can be offset some years, in part, by reductions in programs or personnel if the university chooses that path. Repeated cost reductions can, over time, harm the quality of the academic and other services the university provides students, faculty, and staff.

The President recommends tuition rate increases to the Board based on advice from the University Budget Committee². The UBC includes student government representatives, students at large, faculty, and administrators and begins their work in fall. They review the overall budget of the institution, historical tuition and fee trends, comparative data for peer institutions, the University's budget and projected costs, anticipated state appropriation levels, and advice from the Student Budget Advisory Council (a volunteer group of students from across campus). Cost projections include the inflation components noted above, costs for any expected enrollment growth (faculty and advisors for new Ecampus growth, for example) and any new initiatives or investments (such as additional money for building repairs). Over several meetings, the UBC considers these factors and makes recommendations to the Provost and President for all tuition rates (undergraduate, graduate, differential, etc.) as well as student health fees and matriculation fee. Meeting notes and materials are posted online for the university community. The recommendations are made by the end of February and the UBC then convenes a series of forums, meetings with student groups, and solicitations for public comment through March. The President shares the feedback from those discussions with the Board, including any minority reports from the UBC.

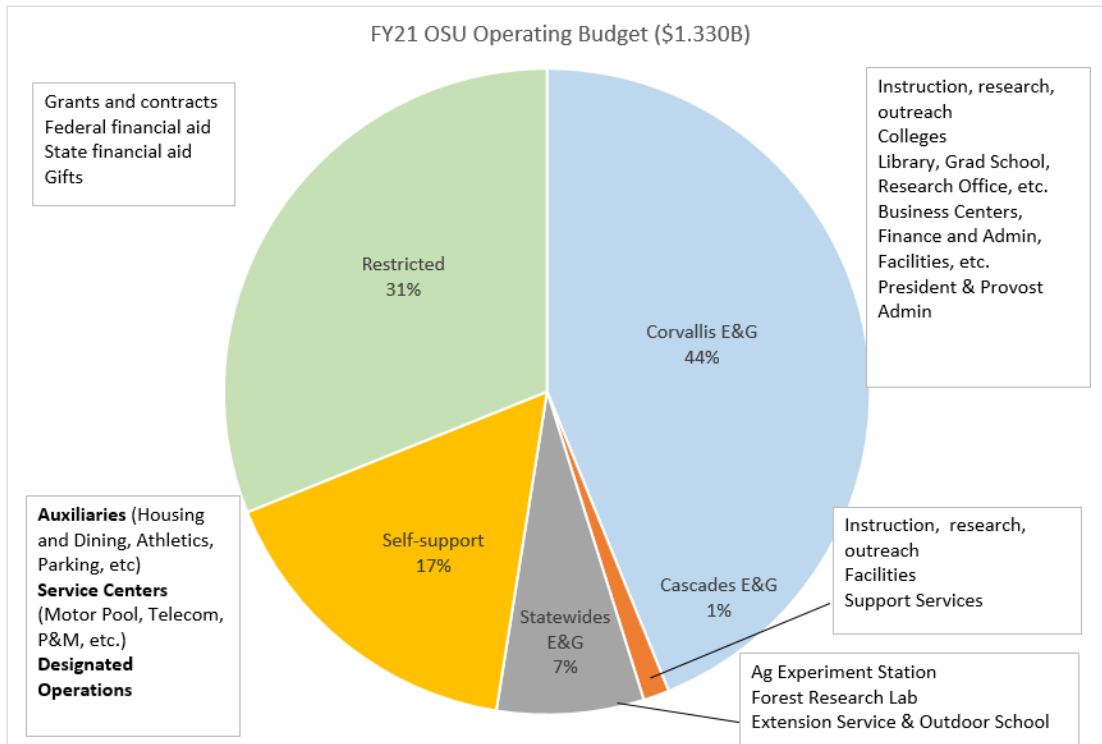
Student incidental fees (supporting things like Rec Sports, the MU, Cultural Centers, etc.) are developed by the Student Fee Committee of ASOSU and ASCC. These groups make recommendations of fee rates to ASOSU who approves and sends them to the President. With the President's approval, those recommendations are forwarded to the Board for final approval.

² The whole University Budget Committee usually comprises OSU's Tuition Advisory Council and was established to comply with ORS 352.102 that defines some particular aspects of the tuition advisory process.

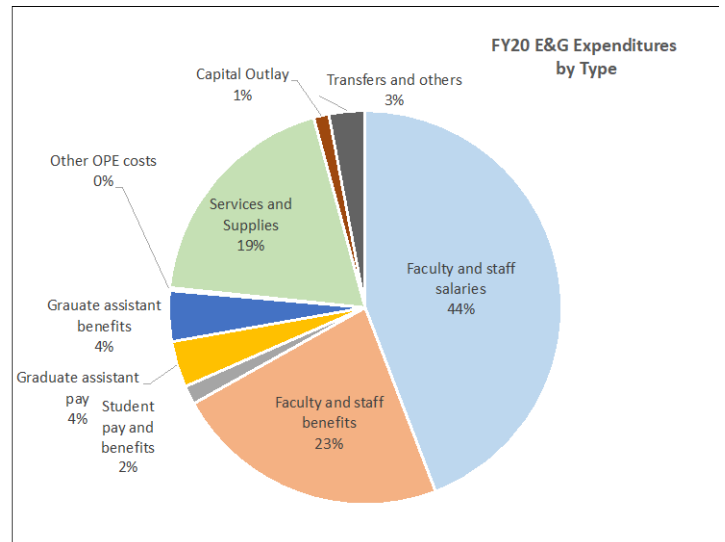
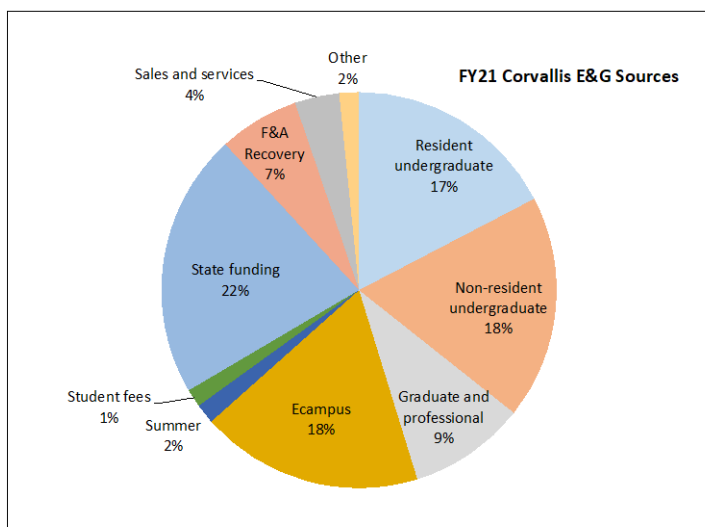
Overview of the FY21 University Budget

This presents a high-level summary of a couple of big-picture parts of OSU’s budget and some of the issues that will affect 2021-22.

The operating budget has three main buckets: (1) Education and General (Corvallis, Cascades, and Statewide Public Services) Funds, (2) Restricted Funds, and (3) Self-Support Funds.

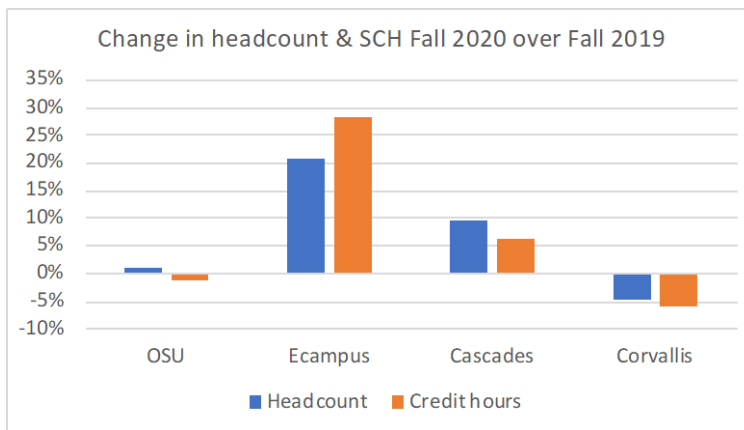


Tuition is the biggest component of Cascades and Corvallis E&G revenue. The left pie chart below shows the sources of Corvallis E&G revenue in FY21. The right pie chart shows the expense distribution for Corvallis E&G last fiscal year (FY20) ---note that 77% is related to labor expense.



What’s state funding looking like for FY22?

The state revenue forecast in September was more positive than the May forecast, but still short of funding full continuing service level cost increases for 2021-2023 (you could think of this as the state’s calculated inflation rate), and certainly short of the base funding needed as calculated by the public universities. Current discussions suggest funding for many state services at the state’s continuing service level (CSL) less 3% to 5%. The actual amount will depend on how much funding needs to go to healthcare services. The Governor’s budget, to be published by December 1, will be based on the next forecast that will be released on November 18. The other factor at play is that the Higher Education Coordinating Commission is adjusting the state distribution formula and that process is likely to reduce OSU’s allocation by 1% to 5%, relative to what the university would otherwise receive. Multiple scenarios are being modeled for FY22 ranging from flat funding (FY22 over FY21) to a decrease of 5% year over year.



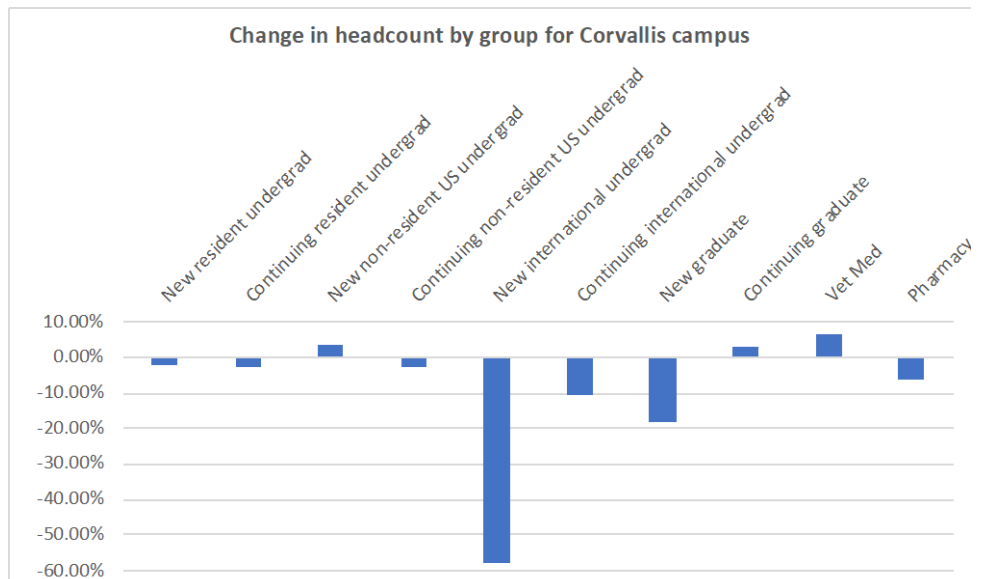
How is enrollment doing?

Complicated. But important because enrollment this year shapes much of enrollment next year. OSU is actually up in headcount but the change is very different for different student groups. The chart at the left shows the % change in headcount and SCH change this fall over last fall for Cascades, Corvallis and Ecampus. The chart below shows the % change in

headcount for different student groups in Corvallis. These are so different from historical patterns projecting for fall of 2021 is a going to be a new challenge.

What are the budget priorities?

- Maintain programs and employees to the greatest extent possible in order to continue to support the mission of the university and to continue making progress on actions to advance Strategic Plan 4.0.
- Investment in Student Affairs to support programs and student progress
- Comprehensive strategic planning in Information and Technology
- Investment in Enrollment Management to improve recruitment and retention and improved pathways for transfer students
- Revised capital renewal strategy to continue to make progress on facilities improvements



State funding mechanisms and recent history of state funding and tuition

The state provides two major types of funding to OSU—operating funds (which are part of the Education and General operations for OSU) and capital funding, usually as state-paid long term debt.

Operating Funding

| FY20 OSU State Appropriations | | |
|--------------------------------------|-----------------------|-----------------------|
| Category | Amount | Total HECC |
| Public University Support Fund | \$ 134,780,799 | \$ 410,080,306 |
| Public University State Programs | \$ 10,829,655 | \$ 24,564,861 |
| Targeted and One-time Appropriations | \$ 3,439,596 | |
| Agricultural Experiment Station | \$ 36,156,542 | \$ 36,156,542 |
| OSU Extension Service | \$ 26,076,527 | \$ 26,076,527 |
| Outdoor Schools Program | \$ 22,199,864 | \$ 22,199,864 |
| Forest Research Laboratory | \$ 5,597,779 | \$ 5,597,779 |
| Subtotal | \$ 239,080,762 | \$ 524,675,879 |
| Sports Lottery | \$ 515,000 | \$ 7,049,905 |
| State Energy Loan Program (SELP) | \$ 1,072,584 | |
| Total | \$ 240,668,346 | \$ 531,725,784 |

The table to the left shows the operating allocations to OSU for 2019-20 as well as totals for the state allocations to all the universities. The Public University Support Fund is the largest allocation and is distributed to universities by the Student Success and Completion Model (SSCM)—more on this below.

Public university state programs are line item allocations for specific activities of interest to the state. Examples include the Institute for Natural Resources and the

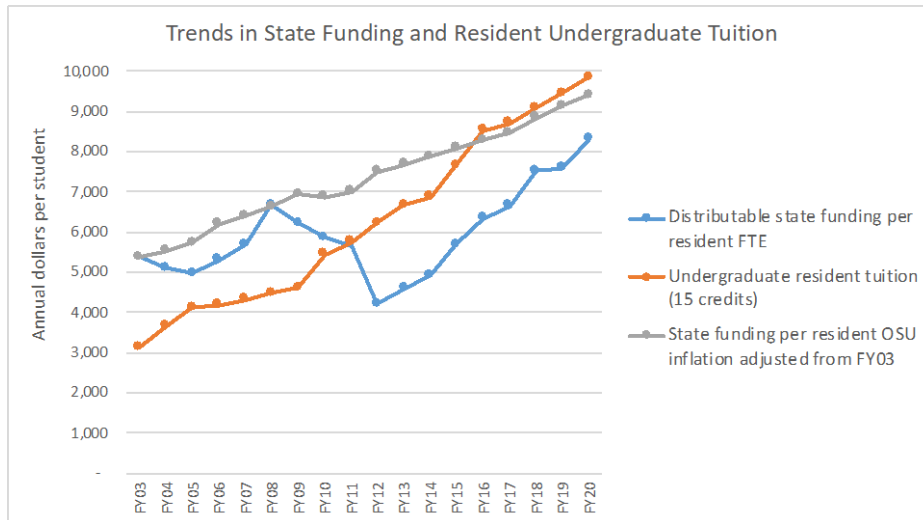
Oregon Climate Change Research Institute. The funding for these is recurring, but subject to review every legislative session.

Sometimes there are one-time funds for specific projects of interest to the legislature. These can range from crops to salmon to ocean acidification. The three parts of the Statewide Public Services (Agriculture Experiment Station, Forest Research Laboratory, and Oregon Extension Service) receive the largest part of their operating funds through this state appropriation. The Extension Service also manages the funds for Oregon’s Outdoor School program, a new initiative that began in 2017-18. The state program funds, one-time funds, and Statewide Public Service funds are passed through to those particular units. There are also small allocations from the Sports Lottery (to Athletics and the Graduate School) and a loan program for energy efficiency projects (SELP).

The largest part of the operating allocation is the Public University Support fund (PUSF) which is divided between the seven public universities through the SSCM. The SSCM has three components:

- **Mission Differentiation Funding** supports aspects of the work each public university does that are unique to its location or mission. It includes allocations based on regional criteria (OSU-Cascades gets some of this, but not as much as the other regional universities), research (OSU-Corvallis is allocated some of these funds) and public service missions and activities. This funding is 18% of the PUSF.
- **Activity-Based Funding** distributes resources based on student credit hour (SCH) completions of Oregon residents. The model counts credit hours by lower-division, upper-division, graduate, and professional courses and weights the credit hours by both level of study (lower-division vs graduate for example) and by discipline (engineering, english, etc.). 33% of the PUSF is allocated by the weighted credit hour activity.
- **Completion Funding** rewards degree and certificate completions by Oregon resident students. These are also counted and weighted by discipline and level. Completions by underrepresented students (underrepresented minority, low-income, rural and veteran status) and those in academic disciplines in high-demand and high-reward fields (STEM, Health, Bilingual Education) are provided additional 49% of the PUSF (60% of the non-mission differentiation funding) is allocated this way.

The operating budget is set in full sessions (odd years) for the next biennium. 49% of the allocated funding is distributed in the first year of the biennium and 51% in the second year. There are not usually large changes in short legislative sessions (even years) unless there is a sudden economic downturn.



Trends

State funding for higher education declined significantly during the recession in Oregon as in many other states. The graphs on the left show distributable (meaning with earmarked funds like state programs or statewide public services taken out) state funding per resident student in blue. The steep declines through the recession are evident. The orange line

shows annual resident undergraduate tuition (before tuition waivers or other financial aid-- the so-called list price). The grey line shows FY03 state funding adjusted for local inflation (meaning the aggregate of actual rate increases for salaries, retirement and health benefits set by the state, and CPI inflation on goods and services). The slope of the grey line is an indication of the actual rate of cost increases. Tuition rose more rapidly than the cost increase rate from FY10 through FY16, then has followed the trend of inflation. The large rate increases in tuition in FY15 and FY16 are the change from a tuition plateau structure to per credit hour tuition (the other public universities in Oregon had made this change several years before). State support has grown back significantly but has still not reached the inflation adjusted level it was at in 2003. Increasing costs for the state pension system and public healthcare costs will continue to put significant pressure on state.

Capital Funding

OSU has an internal process to identify high priority capital projects through an Infrastructure Working Group that helps develop a ten-year capital forecast, which is approved by the Board of Trustees. When a project includes a request for state-paid debt support, it goes into the state budget process. The steps include:

- A submission of the project to the HECC. Projects are scored by the HECC using a rubric that looks at:
 - Compliance with HECC and institutional master plans
 - Alignment with HECC priorities
 - Cost Savings (much of this is deferred maintenance issues)
 - Life, Safety and Code compliance (a lot of this addressed deferred maintenance too)
 - Institutional priority and Impact of project on student success
 - Leveraging dollars (use of gifts, institution funds, other)
 - Strategic priorities of the state
- Based on the scoring, a set of projects from all institutions are submitted to the Governor. The Governor’s budget includes recommendations for which projects to fund
- The Legislature gets an assessment of the state’s borrowing capacity from Treasury and decides how to allocate the capacity. The university requests have not uncommonly been 80% to over 100% of the available capacity (and we don’t get all of what we ask for)
- Universities work to facilitate the funding of their highest priority projects with legislators, stakeholders, and the other universities

Cost Management Strategies

Over the last 11 years OSU has moved from an environment of robust enrollment growth to one with much slower or declining (for Corvallis) growth. This has led to expense reductions in each of the last three fiscal years. While we often talk about these as “budget cuts” these are really expense reductions as both revenue and expense have continued to grow, the former just more slowly than the latter.

Figure 1: Corvallis E&G revenue and expense growth (including net transfer out expenses). When we talk about budget cuts we are usually talking about slowing expense growth not reducing total overall spending year over year.

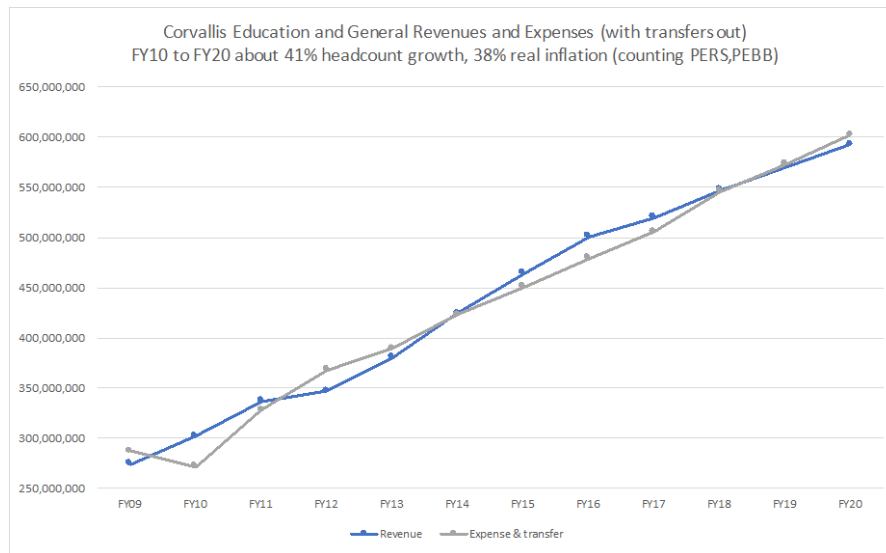
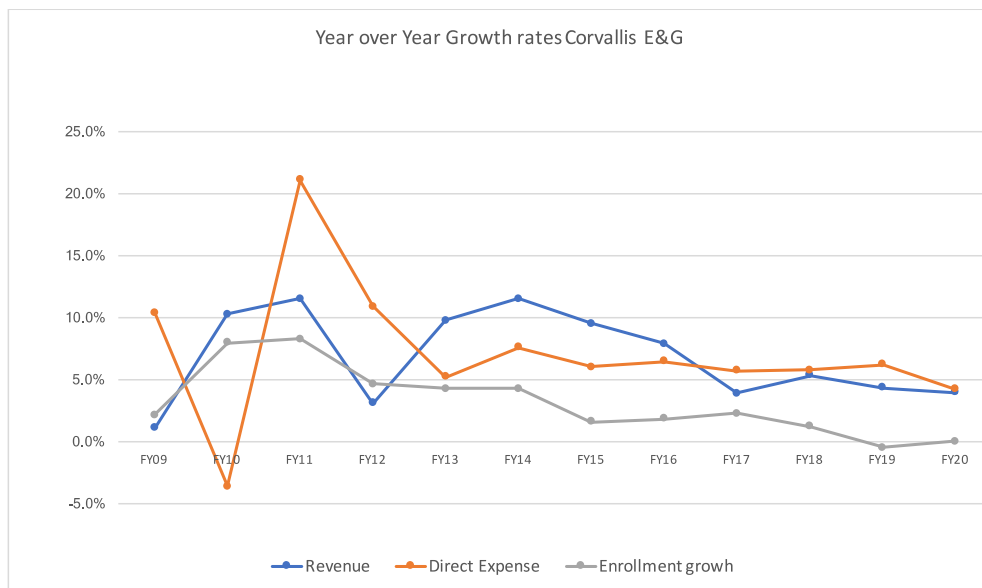


Figure 2: The year-over-year rates of growth of revenue, expense (here direct expense without transfers), and enrollment illustrate the pressures on the net budget position. The odd large rate increases in expenses in FY11 and FY12 were due to spending Federal stimulus funds.



The practical consequences of these trends for the Corvallis E&G budget have been expense reductions of about \$20M (\$7.6M from central resources) in 2017-18, \$7.5M in 2018-19 (taken as a mid-year rescission), and about \$14M in 2019-2020.

The university monitors and reviews costs both at the Board level and through university leadership at all levels. Those include:

Board of Trustees:

- Annual approval of budgets for all funds, which requires a review of overall expenditures, projected fund balance, and strategies for cost reductions or investments of new state funding
- Quarterly management reports assessing trajectories of actual revenues and expenses to budget, with an assessment of the reasons for changes outside set tolerances
- Review of a ten-year business forecast every two years to consider long-term trajectories for tuition, enrollments, expenditures, other revenues, and financial metrics.
- Periodic assessment of PERS liabilities and alternatives to the increasing costs of those liabilities.
- Tuition policy that states the board expects that “annual tuition rate increases will be between 2 and 5 percent” which acknowledges expense reduction will be a regular, necessary part of budget planning, as state funding and enrollment growth often will not keep up with inflationary cost growth at those tuition increases.

University Leadership:

- Maintain an annual budget development process that looks three years out and assesses relative needs and priorities across units.
- Manage a system with highly distributed budget authority (deans and senior leaders have a budget with the charge to carry out the unit mission within the allocated resources. Units have significant authority over how to use those funds).
- Periodically assess cost budget growth rates by categories and units over five-year spans to guide decisions about budget reductions or new investments
- Participating in cost benchmarking with ABC Insights, a cost benchmarking consortium that provides comparisons of costs for various kinds of services (payroll, IT, etc.) for peer institutions including the University of Oregon, University of Texas, University of North Carolina and others.
- Assess salary levels relative to peer institutions for most professional faculty (classification-compensation structure) and leadership positions to make sure salaries are appropriate to market and job.
- Implemented \$20M of expense reductions for the 2018-19 academic year and \$7.2M in January of 2019 to adjust to declining enrollments and increased PERS costs. FY20 reductions will total about \$14M in strategic allocations, services and supplies spending, and personnel expenses. FY21 reductions included planning for about \$49M in Corvallis E&G reductions.
- In these reductions have distributed a larger proportion of reductions (as a percent of budget) to service and administrative units.
- Periodically identify areas for cost-reduction strategies (BennyBuy eprocurement, BennyHire process revision for hiring students, copier contracts, efficacy of custodial contracts, utilities strategies, insurance options, etc.)
- Are working to initiate a zero-based budget review of expenses for service, support and management areas as well as productivity benchmarks for academic units.

Employee Benefit Costs

The benefits paid to employees are referred to at OSU as “Other Payroll Expenses” or OPE. They include health insurance, retirement, social security and Medicare, as well as costs for unemployment and other benefits. The tables below shows the components of those benefits (top table), how they translate to a percentage of salary (middle table), and the distribution of employees across the various retirement plans.

The state requires that OSU use the state’s retirement plans (administered by the Public Employees Retirement System or PERS) and health plans (administered by the Public Employees Benefit Board or PEBB). You may here PERS used as shorthand for retirement costs or programs and PEBB used as shorthand for health costs or programs. The rates OSU is charged for both are set by the respective state programs.

| Components of Benefits Costs at OSU | | |
|--|------------------|------------------|
| | FY20 | FY21 |
| % of Salary Components | | |
| 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% |
| Total | 33.28% | 33.11% |
| Fixed charge components | | |
| Health insurance | 17,128.00 | 18,024.00 |
| Workers Comp | 23.94 | 22.92 |
| Basic Life | 10.80 | 10.80 |
| Total | 17,162.74 | 18,057.72 |

| Illustration of Costs at Different Salary Levels | | |
|---|------------------------|-------------|
| | 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 | \$53,771 | \$54,479 |

| Detailed retirement rates and distribution | | |
|---|--|-----------------------------|
| Program: | Rate | Percent of active employees |
| 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% |

Impact of Increased or decreased state funding on tuition recommendations

Tuition Scenario Table (Corvallis campus): Precise percentage increases in each box are different than the nominal increases in per credit hour charges at the top because there is a fixed zero-credit hour charge that is part of undergraduate tuition and rates are rounded to the nearest whole dollar. **This is a starting point for illustration NOT recommended rates OR actual values.** Central scenario set at estimated overall inflationary increase. Rates are applied to resident undergraduate (including Ecampus) and non-resident undergraduate tuition rates.

| | Scenario A: Resident 1.5%, Non-resident 1.5% | Scenario B: Resident 3%, Non-resident 3% | Scenario C: Resident 4.5%, Non-resident 4.5% |
|--|--|--|---|
| State biennial funding change to universities: +\$10M | Resident undergraduate: 1.52% Non-res undergraduate: 1.48% Financial aid increase \$0.8M Surplus or (deficit): \$0M \$360 annual increase residents \$1080 annual increase non-res | Resident undergraduate: 3.05% Non-res undergraduate: 3.01% Financial aid increase \$1.4M Surplus or (deficit): \$1M \$295 annual increase residents \$883 annual increase non-res | Resident undergraduate: 4.57% Non-res undergraduate: 4.48% Financial aid increase \$2.0M Surplus or (deficit): \$1.5M \$443 annual increase residents \$1325 annual increase non-res |
| State biennial increase to universities: +\$0M | Resident undergraduate: 1.52% Non-res undergraduate: 1.48% Financial aid increase \$0.8M Surplus or (deficit): \$(-3.0M) \$360 annual increase residents \$1080 annual increase non-res | Resident undergraduate: 3.05% Non-res undergraduate: 3.01% Financial aid increase \$1.4M Surplus or (deficit): \$(-2.0M) \$295 annual increase residents \$883 annual increase non-res | Resident undergraduate: 4.57% Non-res undergraduate: 4.48% Financial aid increase \$2.0M Surplus or (deficit): \$(-0.5M) \$443 annual increase residents \$1325 annual increase non-res |
| State biennial increase to universities: -\$10M | Resident undergraduate: 1.52% Non-res undergraduate: 1.48% Financial aid increase \$0.8M Surplus or (deficit): \$(-13.4M) \$360 annual increase residents \$1080 annual increase non-res | Resident undergraduate: 3.05% Non-res undergraduate: 3.01% Financial aid increase \$1.4M Surplus or (deficit): \$(-8.7M) \$295 annual increase residents \$883 annual increase non-res | Resident undergraduate: 4.57% Non-res undergraduate: 4.48% Financial aid increase \$2.0M Surplus or (deficit): \$(-4.1M) \$443 annual increase residents \$1325 annual increase non-res |
| | Base resident tuition & fees: 1.50% Average res. tuition & fees: 1.35% | Base resident tuition & fees: 3.10% Average res. tuition & fees: 3.00% | Base resident tuition & fees: 4.50% Average res. tuition & fees: 4.40% |

- Graduate tuition, professional tuition, differential tuition and Ecampus at the rates in Appendix A. Cost estimates include ~3.0% overall inflation this year because of modest increases in benefit costs ; costs of growth (about 0.2% for modest growth in Ecampus but declines in Corvallis); and new commitments (this year largely for capital renewal and repair, insurance, debt service, investments in research, student affairs and enrollment management; and the OSU Foundation).

| Corvallis Education and General Budget Scenarios for 2020-21 | | | | | | | 31-Oct-19 |
|---|---------------------|--------------------|---------------------|--------------------------------|--------|--------------------|-----------|
| <i>cells in green we have some control over, cells in tan not as much</i> | | | | | | | |
| Projected Costs | | | | | | 626,633,371 | |
| Projected Revenues | | | | | | 617,892,124 | |
| Balance | | | | | | (8,741,247) | |
| Balance as percentage | | | | | | -1.4% | |
| Cost Projections: | FY19 Final Expenses | FY20 Board Budget | FY20 Initial Budget | Inflation/ Rate Change | Growth | FY21 Projections | |
| Unclassified Salary & Pay | 211,564,736 | 215,425,924 | 218,744,099 | 3.00% | 0.20% | 225,757,035 | |
| Unclassified OPE | 97,872,675 | 102,693,729 | 104,275,505 | 2.50% | 0.20% | 106,678,222 | |
| Classified Salary & Pay | 39,929,761 | 40,977,174 | 41,608,340 | 5.00% | 0.07% | 43,717,883 | |
| Classified OPE | 24,955,291 | 25,820,543 | 26,218,253 | 3.00% | 0.07% | 27,022,804 | |
| Graduate & Student Pay | 32,295,709 | 32,236,603 | 32,733,138 | 2.00% | 0.00% | 33,387,801 | |
| Graduate Fee Remissions | 18,396,898 | 19,294,468 | 19,591,658 | 3.00% | 0.00% | 20,179,408 | |
| Graduate & Student OPE | 6,626,586 | 6,140,673 | 6,235,257 | 5.00% | 0.00% | 6,547,020 | |
| Other Salary Costs | 392,614 | 425,617 | 432,173 | 3.00% | 0.07% | 445,435 | |
| Services & Supplies | 136,102,431 | 137,736,000 | 139,857,578 | 2.00% | 0.20% | 142,939,988 | |
| Capital Outlay | 9,154,324 | 5,906,000 | 5,996,969 | 2.00% | 0.00% | 6,116,909 | |
| Student Aid | 1,674,982 | 1,568,000 | 1,592,152 | 2.00% | 0.20% | 1,627,243 | |
| Service Credits | (26,818,289) | (25,000,000) | (25,385,071) | 0.74% | 0.20% | (25,624,067) | |
| Total Expenditures | 552,097,717 | 563,224,730 | 571,900,000 | | | 588,795,678 | |
| Transfers In | -10,003,094.15 | (3,447,610) | (3,447,610) | | | (3,447,610) | |
| Transfers Out | 32,639,140.72 | 27,985,303 | 27,985,303 | | | 27,985,303 | |
| Net transfers: | 22,636,047 | 24,537,693 | 24,537,693 | 0.00% | | 24,537,693 | |
| Net expenditures: | 574,733,764 | 587,762,423 | 596,437,693 | | | 613,333,371 | |
| x | | | | Inflation/ Tuition Rate Change | Growth | FY20 Projections | |
| State Enrollment Funding | 99,271,369 | 101,534,756 | 111,199,441 | 0.00% | 4.08% | 115,736,378 | |
| State "Distributable Base" Funding | 12,574,027 | 12,860,715 | 6,672,750 | 0.00% | 4.08% | 6,944,998 | |
| State "Targeted Base" Funding | 1,989,837 | 2,035,205 | 8,577,085 | 0.00% | 4.08% | 8,927,030 | |
| State Program Funding | 6,451,586 | 6,580,618 | 3,498,626 | 0.00% | 4.08% | 3,641,370 | |
| State ETIC Funding | 7,100,000 | 7,140,000 | 6,985,908 | 0.00% | 4.08% | 7,270,933 | |
| State one-time funding | 433,500 | 703,706 | 901,396 | 0.00% | 4.08% | 938,173 | |
| Other Revenues | | | | | | | |
| F&A Recovery | 43,161,575 | 43,860,000 | 43,860,000 | 0.00% | 2.00% | 44,737,200 | |
| BUO/Disallowance | (1,726,463) | (1,754,400) | | 0.00% | 2.00% | - | |
| Sales and Service | 19,487,832 | 16,579,000 | 17,218,705 | 0.00% | 2.00% | 17,563,079 | |
| Interest | 6,871,505 | 6,600,000 | 6,600,000 | 0.00% | 2.00% | 6,732,000 | |
| Other Funding | 3,463,000 | 3,346,000 | 3,311,000 | 0.00% | 2.00% | 3,377,220 | |
| SELP | 1,072,584 | 1,072,584 | 1,072,584 | 0.00% | 0.00% | 1,072,584 | |
| Resource and Student Fees | 10,757,153 | 10,665,000 | 10,770,356 | 3.00% | 0.00% | 11,093,467 | |
| Tuition: | | | | | | | |
| Subtotal Res Undergraduate | 109,765,660 | 109,744,592 | 109,981,165 | 3.00% | -2.70% | 110,222,024 | |
| Subtotal NR Undergraduate | 120,047,994 | 124,342,995 | 123,506,111 | 3.00% | -3.10% | 123,267,744 | |
| Subtotal Res Graduate | 28,419,861 | 29,536,938 | 29,251,924 | 3.00% | 0.60% | 30,310,259 | |
| Subtotal NR Graduate | 12,238,093 | 12,725,146 | 12,550,219 | 4.50% | -1.00% | 12,983,829 | |
| Subtotal Vet Med | 8,358,070 | 8,783,191 | 9,434,519 | 4.00% | 8.86% | 10,681,234 | |
| Subtotal Pharmacy | 10,318,231 | 10,664,108 | 10,705,519 | 3.51% | 0.00% | 11,081,283 | |
| Revenue projection correct (differential) | | | | | | - | |
| Subtotal Miscellaneous | 1,363,900 | 1,608,667 | 1,458,176 | 4.00% | 1.00% | 1,531,668 | |
| Ecampus tuition | 100,263,458 | 114,391,230 | 113,600,000 | 3.00% | 8.00% | 126,368,640 | |
| Summer | 9,490,705 | 9,566,361 | 9,566,631 | 3.00% | 8.00% | 9,065,340 | |
| Waivers* | (42,652,266) | (44,824,228.0) | (44,237,891) | | | (45,654,328.40) | |
| Total Net Tuition | 357,613,706 | 376,539,000 | 375,816,374 | | | 389,857,692 | |
| Total Revenues | 568,521,211 | 587,762,184 | 596,484,225 | | | 617,892,124 | |
| Change in Fund Balance: | | | | | | (8,741,247) | |
| Cost Reductions: | | | | | | - | |
| Detail for additional strategic expenses: | | | | | | 13,300,000 | |
| | | | | | | 350,000 | |
| | | | | | | 1,200,000 | |
| | | | | | | 7,000,000 | |
| | | | | | | 2,000,000 | |
| | | | | | | 350,000 | |
| | | | | | | 1,000,000 | |
| | | | | | | 200,000 | |
| | | | | | | 1,200,000 | |

What is the outlook for 2021-2022 (FY22)?

A preliminary planning sheet for the Corvallis E&G budget is shown at left.

THIS VERSION IS ACTUALLY FOR FY21 PLANNING AND IS FOR ILLUSTRATION ONLY.

We are working on building the FY22 version and will have it for our next meeting.