

## Agenda

1. Debrief on the Board meeting on May 29th
2. Update on budget planning and state funding
3. Debrief on the year and committee feedback

### Debrief on the Board meeting on May 29th<sup>1</sup>

- Reviewed budget scenario planning ranging from different levels of uncertainty
- Budget context and challenges
  - State funding reductions and differential impacts to OSU units
    - No update on state funding reductions; currently looking to meet in June or delaying until August.
  - Softening enrollment, generally
    - A 2-4% reduction in Corvallis graduates was already expected pre-COVID.
  - COVID-specific uncertainty for international, non-resident and resident students
    - Paid deposits look very good and are up over the last couple of years for new and transfer students (resident and non-resident).
  - Pricing competition and discounting
    - Dependent on the outcome of semester schools which begin before OSU and the public health environment.
  - Uncertainty in public health environment and what fall looks like for instruction, housing, athletics and all operations
- Major revenue variables
  - State funding
  - Enrollment by major student group
  - Sales, service, other revenues
  - Research revenues and indirect costs
  - Additional discounts of tuition or not
- Currently planning for Scenario 1: Rapid and effective control-remote teaching for summer and modified return by fall (Case 2)
  - 18% drop in state funding;
  - 3% drop in resident undergraduate tuition; 5% drop in U.S. non-residents
  - 10-15% drop in international student tuition; 6% gain in Ecampus
  - Gap: \$48M Corvallis E&G (\$124M all funds)
- Challenges & Uncertainties
  - Enrollment projections and yield in the fall
  - Uncertainty in levels of state funding reductions
  - Maintaining program growth at OSU-Cascades
  - Sustaining Statewide Public Services with state cuts
  - Increases in debt service, insurance, and contractual costs
- Budget strategies evolving for best and worst cases
- The Board has approved the budget; an update will be given in October

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<sup>1</sup> FY2021 Operating Budget, Finance & Administration Committee – May 26, 2020

[https://leadership.oregonstate.edu/sites/leadership.oregonstate.edu/files/fac\\_5a\\_fy2021\\_operating\\_budget\\_presentation.pdf](https://leadership.oregonstate.edu/sites/leadership.oregonstate.edu/files/fac_5a_fy2021_operating_budget_presentation.pdf)

### Update on budget planning and state funding<sup>2</sup>

- FY21 projected shortfalls range from:
  - \$78M to \$241M for all funds,
  - including \$31M to \$101M in Corvallis Education and General finding (E&G), and
  - \$800,000 to \$3M in E&G at OSU-Cascades.
- Anticipated actions to help close the projected \$49M gap:
  - Use fund balances of approximately \$15 million.
  - Reduce capital renewal spending by delaying projects, saving approximately \$8 million.
  - Reduce services and supplies spending by approximately \$6 million.
  - Implement a university-wide and progressive temporary pay reduction — beginning with executive level positions — saving approximately \$12 million.
    - A salary reduction program would only be used as a part of the strategy if reductions above \$35M are needed.
  - Reduce staffing in selected areas where less work is needed and leave vacant positions unfilled over the course of the coming year, saving approximately \$8 million.

### Debrief on the year and committee feedback

- Ecampus tuition workgroup to resume in the Fall
- Suggestions from the committee:
  - Offer smaller conversations for Faculty to better understand the budget process.
  - Have discussion on committee principals earlier in the year.
- A special thank you to the committee for their valuable contribution and willingness to participate.

### Attendees

Belinda Batten – *Chair and Associate Dean, College of Engineering*  
Sherm Bloomer – *Vice Chair and AVP, Budget & Resource Planning*  
Safi Ahmad – *Associated Students of OSU*  
Rakesh Gupta – *Professor, College of Forestry*  
Jon Boeckenstedt – *Vice Provost, Enrollment Management*  
Kelly Sparks – *Associate Vice President, OSU-Cascades*  
Javier Nieto – *Dean, College of Public Health & Human Sciences*  
John Gremmels – *Capital Planner, Infrastructure Working Group Representative*  
Drew Ibarra, *Director, Physical Activity Programs, College of Public Health & Human Sciences; Faculty Senate Budget & Fiscal Planning Committee Chair*  
Bob Cowen – *Director, Hatfield Marine Science Center*  
Alison Johnston – *Associate Professor, School of Public Policy; Faculty Senate Representative*  
Allison Hurst – *Associate Professor, School of Public Policy*  
Michaela Canete – *Student at Large, School of Public Policy, Student Budget Advisory Council*  
Lana Klipfel – *Student Budget Advisory Council*  
Nicci Dolan – *Director of Budget Development*

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<sup>2</sup> Budget Planning in Uncertain Times, *University Budget Conversation – June 4, 2020*  
[https://fa.oregonstate.edu/sites/fa.oregonstate.edu/files/budgets\\_in\\_a\\_time\\_of\\_uncertainty\\_v.pdf](https://fa.oregonstate.edu/sites/fa.oregonstate.edu/files/budgets_in_a_time_of_uncertainty_v.pdf)