University Budget Committee
Meeting Minutes
June 5, 2020, 2:00 – 3:30 pm
Zoom

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 29th¹

- 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

¹ 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
Update on budget planning and state funding

• FY21 projected shortfalls range from:
  o $78M to $241M for all funds,
  o including $31M to $101M in Corvallis Education and General finding (E&G), and
  o $800,000 to $3M in E&G at OSU-Cascades.

• Anticipated actions to help close the projected $49M gap:
  o Use fund balances of approximately $15 million.
  o Reduce capital renewal spending by delaying projects, saving approximately $8 million.
  o Reduce services and supplies spending by approximately $6 million.
  o 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.
  o 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:
  o Offer smaller conversations for Faculty to better understand the budget process.
  o 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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2 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