

## Agenda

1. Overview of current budget planning
2. Advice and perspective on the budget guidance being prepared for unit leaders
3. Open discussion or questions

## Overview of current budget planning

- We are seeing the lowest level of state support per student in over 20 years.
- National public FTE enrollment, education appropriations per FTE, and net tuition revenue per FTE, U.S., 1994-2019
  - Average education appropriations per student (FTE) has been slowly eroding.
  - Average net tuition per student (FTE) has been growing consistently.
  - Oregon history shows we get hit hard during recessions because Oregon is an income tax funded state.
  - Data shows national FTE enrollment has peaked and is slowly declining.
  - This is a national challenge and every public university is struggling with navigating this pandemic.
- FY21 budget scenario planning
  - Currently planning for several scenarios with different cases within each scenario
    - First case – modified return to campus in the fall
    - Second case – return to campus in January
- Based on current expenditures and no reduction in expenses, projected revenue gaps range from \$50M to \$195M depending on varying assumptions in state funding and enrollment.
- Budget proposal for the Board of Trustees
  - Preliminary budget will be based on Scenario 1, Case 2 (about a 7-8% reduction for Corvallis E&G expenses).
- Expense reduction guidance and planning exercise
  - Units will be asked to provide a budget reduction exercise to understand strategies and options.
  - The goal of this exercise is to inform university decisions about expense planning and possible salary reduction needs.

## Advice and perspective on the budget guidance being prepared for unit leaders

- Have some type of progressive structure for salary reductions.
- Other options include reduced FTE and furlough (legal implications to consider and not a preferred course of action).
  - Furloughs are not seen as the right mechanism; we need faculty in order to maintain student credit hours.
- Reduction to retirement contribution as an alternative to salary reductions.
- Add language to guidance that there are multiple strategies which include the possibility of a university wide personnel savings plan.
- Add more clarity on how equitable shared pay reductions would work compared to reduced FTE, etc.

### **Other discussion or questions**

- We are assuming an 18% reduction in state funding from this year to next year. This does not assume any additional federal funding.
  - We do not anticipate receiving any state funding.
  - Federal funding (if available) will be factored in but at this point in time we are not counting on it.

### **Next UBC Meeting**

May 22, 2020 2:00-3:30  
Zoom

### **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*  
Javier Nieto – *Dean, College of Public Health & Human Sciences*  
Jackie Thorsness – *Manager, Agricultural Sciences and Marine Sciences Business Center*  
Halli Barrios – *Student at large*  
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*  
Lana Klipfel – *Student Budget Advisory Council*  
Nicci Real – *Director of Budget Development*  
Laurie Henry – *Executive Assistant to AVP, Budget & Resource Planning*