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