Budget Savings Calculations
Explanation of Budget Reduction Spreadsheets

**Department Size** – See detailed methodology below.

Year 1 – 2009-10 - Budget reductions are 10% of the Total Estimated Savings

Year 2 – 2010-11 – Budget targets are estimates. Final numbers will be refined and approved in Spring 2010.

**Class Size** – See detailed methodology below.

Year 1 – 2009-10 - Budget reductions are 50% of the Total Estimated Savings

Year 2 – 2010-11 – Budget targets are estimates. Final numbers will be refined and approved in Spring 2010.

**OUS Targeted Cuts** – Line Item reductions mandated by the legislature.

Year 1 – 2009-10 - Budget reductions of 49% were allocated by OUS

Year 2 – 2010-11 – Budget reductions of 51% will allocated by OUS in Fall 2010.

**OSU Plan** – Budget reductions reflect Cost Savings in Administrative and Academic Support Units approved by President Ray in July 2009. See detailed spreadsheet itemizing the reductions.

Year 1 – 2009-10 - Budget reductions are based on individual estimates of the amount of savings that can be achieved in the first year.

Year 2 – 2010-11 – Budget reductions reflect the remainder of the estimated savings that can be achieve over the biennium.
Savings from Consolidation of Departments

Calculation Methodology

Identify the number of FTE department head positions by college compared to the system guidelines.

Determine the number of FTE department head positions that could be reduced.

Multiply the number of positions to be reduced by the average department head stipend for the college.

Identify the average number of courses currently taught by department head faculty compared to a full teaching load.

Calculate the additional number of sections that could be taught by faculty.

Multiply the number of sections by the average cost per instructor per section.

Assume a .75 FTE support staff reduction for each department head position reduced, and multiply by average support staff cost.

Stipend savings plus instructor savings plus support staff savings = college Total estimated savings.

For 2009-10, the budget cut is 10% of the Total estimated savings. For 2010-11, the budget target is 90% of the Total estimated savings. The second year target will be refined as colleges develop their restructuring plans.

Example:

<table>
<thead>
<tr>
<th>College</th>
<th>Number of Depts</th>
<th>Reduce Dept Chair positions by</th>
<th>Stipend Savings</th>
<th>Reduce instructors by</th>
<th>Savings</th>
<th>Reduce support staff by</th>
<th>Total Estimated Savings</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>10</td>
<td>5</td>
<td>$124,000</td>
<td>3</td>
<td>$228,000</td>
<td>3.75</td>
<td>$206,250</td>
<td>$558,250</td>
</tr>
</tbody>
</table>
Class Size Cost Savings Methodology

Basis for Calculation

OUS 2007-08 Course Database: Sections Taught 2007-08, by Campus and Discipline

Courses Included:
- Corvallis Campus
- Traditional Lecture
- Lower Division, Upper Division, 5th Year

Courses Excluded:
- Honors College
- Activity, Discussion, Independent or Special, Laboratory, Other Experiential/Cooperative, OUS approved Internship, Recitation, Seminar, Reading and Conference
- Beyond 5th Year

Calculation:
Identify courses with enrollment below the specified minimum in the guidelines: 25 - Lower Division, 15 - Upper Division, 6 - Graduate.

Determine the number of course sections that fall below the specified minimum and the total number of students served in these sections.

Calculate the number of sections required to serve these students at the specified minimum.

Subtract the Required number of courses from the Current number of courses = Number of course sections reduced

Multiply the Number of course sections reduced by the Average Instructor cost per course by college = Total Savings per college.

Multiply estimated Total Savings by college by 50% to develop a conservative budget target and to allow for data anomalies, cross listed courses, etc.

See Example below:

<table>
<thead>
<tr>
<th>Lower Division</th>
<th>Classes with less than 25 students</th>
<th>Targeted Class Amounts</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td># Classes Offered</td>
<td># Students Served</td>
</tr>
<tr>
<td>College</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>7</td>
<td>90</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th># of sections saved</th>
<th>Cost per Section</th>
<th>Total Cost Savings</th>
<th>Budget Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>$12,000</td>
<td>$36,000</td>
<td>$18,000</td>
</tr>
</tbody>
</table>