Ten-year Business Forecast: FY2023 through FY2033

BACKGROUND AND PURPOSE

OSU's Ten-Year Business Forecast is intended to identify long-term trends in the university's finances that support or jeopardize achievement of the goals of the university's strategic plan. The forecast provides a look far enough ahead to take corrective action or to plan for additional investments, and to carefully consider the long-term impacts of current programmatic and financial decisions. The forecast considers enrollment projections; tuition rates and institutional financial aid; projections of state funding; expense projections for inflation, benefits, salaries, and costs of enrollment growth; and new construction, renovation, and repairs along with associated operating and debt costs.

The forecast is largely dependent on Corvallis Education and General (E&G) operations, as these have the largest impact on the university's financial position and can change the most with fluctuations in projections of tuition and enrollment. However, projections for operating and capital impacts on all funds are included in the assessment of the long-term financial metrics. These include OSU-Cascades E&G operations, self-support operations for Corvallis and OSU-Cascades, restricted funds, and Statewide Public Services funds.

The Ten-Year Business Forecast provides a long-term view of the aggregate impact of near-term operating and capital decisions made in support of the university's strategic plan. The forecast considers the influence of external factors such as enrollment demand, Oregon's economic outlook, compensation costs, projected results of strategic actions driven by SP4.0 and any lingering impacts of the pandemic on operations. The forecast helps management to identify areas of concern and opportunities associated with the university's decisions and external conditions early enough to take action to maintain and improve the university's financial strength. The principal goal of this update is to consider the impact of current operating and capital plans and to illustrate the impact of different enrollment strategies.

The Ten-Year Business Forecast takes an institutional-level view of operating and capital needs and the expected trajectories of revenues and expenses (salary growth, capital costs, staffing growth for enrollment, expected benefit increases, potential new programs, etc.). The twenty actions in the Strategic Plan are being advanced by tactics that require specific decisions at the unit level (for example, which interdisciplinary degree programs to add, which faculty to hire, etc.). Those specific actions are represented in the forecast by planning for certain categories of expenditures or revenues and in the assumptions used to develop the base case and the various initiatives. The assumptions in the forecast, including the capital forecast, derive from the goals and actions identified in the university's strategic plan.

The scenarios described in the forecast and the project detail in the capital forecast are used to assess the relative impact of different strategies. Actual strategies, projects, or decisions may change as circumstances or institutional priorities evolve.

Table 1 summarizes the relationship between the twenty actions to advance the four major goals in SP4.0 and elements of the ten-year forecast.

Table 1 Strategic Plan 4.0 (2019-2023) and the FY2023-2033 Ten-Year Business Forecast relationships.

ACTION		TEN YEAR BUSINESS FORECAST LINKS
1	Continue building and supporting a diverse, world class faculty	Planning for salary and benefit cost increases to retain faculty, planning for faculty growth with enrollment which will support hiring in key areas, capital forecast strategy to improve, renovate, and expand research spaces.
2	Provide distinctive curricula and support innovative pedagogy suited to our mission and vision	Restoring share of resident Oregon undergraduate enrollment including Pell-eligible students, enrollment initiatives for non-residents, transfer students, professional education and Ecampus.
3	Diversify our research portfolio and strategically build our graduate programs	Maintain graduate enrollment and continued strong growth in research portfolio.
4	Retool the OSU experience for the 21st century learner	Represented in assumptions about additional costs for support staffing in academic units and administrative units as enrollment increases and types of students diversify.
5	Implement an integrated approach to recruiting and enrolling learners at all levels	Core to all the enrollment assumptions for Corvallis, OSU-Cascades, Ecampus, and professional education. Enrollment assumptions include more diversity of programs (professional education, certificates, etc.).
6	Substantially improve our physical and administrative research infrastructure	Core part of the ten-year capital forecast is an emphasis on renewal and improvement of research facilities. Cost models assume growth in overhead costs to support services for students and for faculty.
7	Increase experiential learning opportunities and ensure access	Contributes to reaching the enrollment assumptions in the forecast. Budget model provides a strong incentive to get students to a degree and experiential learning contributes to that.
8	Expand pathways to an OSU credential	The assumptions for Ecampus assume continued development of new programs. Enrollment growth assumes some part of that growth is from new credentials with a focus on new audiences like adult learners and working professionals.
9	Make strategic investments in interdisciplinary and transdisciplinary scholarship, teaching and engagement	These kinds of programs are one of the vehicles to support actions 1, 2 and 3 (among others), realizing growth in the research enterprise, and effecting the various enrolment initiatives. A tactical example is the work planning the Engineering and Design for Society initiative.

10	Integrate inclusive excellence principles and practices into all aspects of the university	Underpins how the university approaches all of the actions and realization of the assumptions in the ten-year forecast.
11	Increase our retention and graduation of students	This action is a necessary part of reaching the assumptions for enrollment in both the base case and the enrollment initiatives.
12	Further internationalize OSU	Projections to stem the decline of international student (graduate and undergraduate) enrollments as well as recruiting faculty from around the world and expanding study abroad opportunities for undergraduate students.
13	Support interdisciplinary education, research and engagement on healthy ocean and coasts through the Marine Studies Initiative	Enrollment in the forecast includes growth in MSI programs at Newport. Expenses such as operating costs for the new building at HMSC and new interdisciplinary programs identified by the Graduate School are tactical examples..
14	Reduce our carbon footprint	A part of many (if not all) of the projects in the ten-year forecast which provides a significant part of the strategy for reaching our long-term carbon goals.
15	Strengthen our support system for innovation and entrepreneurship	Related to actions 3, 6 and 16. Innovation and commercialization, while not explicitly modeled in the ten-year forecast, are part of maintaining and realizing growth in the research portfolio and supports action 16.
16	Retool our approach to university-industry and alumni, parent and friend engagement	This relates both to realizing growth in the research portfolio, but also initiatives in professional education growth, and student recruitment and retention
17	Clarify vision, communications and governance guiding our physical and digital footprint	Important support action to realize the capital forecast goals and enrollment goals (recruiting, retention, reputation, etc.).
18	Strengthen alignment within the university among our branding, marketing, communications and public affairs efforts	Assumptions include growth in support expenses but that growth is modest. It is also assumed that expense containment is an ongoing part of management. The work with Heliocampus is helping shape those opportunities.
19	Implement a comprehensive talent management system	This contributes to the expense containment work as well as goals to recruit and retain faculty and staff.
20	Integrate & simplify technology systems, data practices and policies to increase our organizational agility	Part of keeping support growth modest and improving efficiency of operations. Key to success of some of the other actions (research support for faculty for example). The costs to stand up the Administrative Modernization Program are included here as part of this action.

MAJOR ASSUMPTIONS OF THE FY2023-2033 TEN-YEAR BUSINESS FORECAST

The university's forecasting software (Synario) integrates financial information across the three major operating funds and the major elements of the financial statements. This version is updated to include the fiscal year (FY) 2022 audited financial results, projected outcomes for FY2023, and any revised information on projections for enrollment, salary and benefits escalation, and other costs.

A foundational part of the forecast is the estimate of enrollment in major student categories for all locations. The forecast also assumes growth in staffing of faculty, academic staff, and support services, driven largely by growth in various types of enrollment. For the most part, the specific academic programs and administrative support units in which this growth will occur are not identified here, since the forecast is at the institutional level. However, the growth assumptions are based on anticipated student demand in selected programs, priorities in the strategic plan, and needed improvements in critical support services.

The forecast is based on a core enrollment scenario that assumes that present trends continue (incoming class sizes, annual retention and progression rates, annual Ecampus growth, etc.). The following sections discuss the assumptions and outcomes for that core scenario.

Following that discussion, four alternative enrollment strategies are discussed to illustrate the impact of those choices on net revenues and institutional strategic planning.

Operating funds background

The operating forecasts for education and general funds, self-support funds, and restricted funds are based on assumptions for the major revenue and expense drivers from 2023 through 2033. The principal drivers are noted below.

- Enrollment. The enrollment forecast (Figure 1) was built assuming similar new class sizes (both in numbers and mix of transfers and first-year students) as in fall 2022; retention rates consistent with those of the last three years; trends of Ecampus enrollment consistent with recent trends and plans for new programs; and a continued commitment to increased financial aid for Pell eligible Oregon students and Western Undergraduate Exchange enrollments. It is assumed the decline in graduate and international enrollments is stemmed but there is no assumption that those enrollments grow back. These are areas for enrollment growth beyond what is shown here. The forecast shows strong enrollment growth in Corvallis through FY26, after which enrollments reach a steady-state (Figure 1). This is constrained largely by housing capacity for new students. The percentage of non-resident undergraduates of total undergraduates in Corvallis rises from about 31% to about 36%. Enrollment in Ecampus grows consistently though at a slightly lower percentage rate each year. OSU-Cascades growth is modeled at a constant rate but will depend on the development of new programs.
- Tuition increases. Undergraduate rates 3.9% in FY24, 3.5% through FY26, then 3.2%; 3.5% for most graduate programs, but slower rate increases for resident graduate programs in Corvallis and on Ecampus to stay competitive in national markets.
- State funding increases at 2.5% per biennium. This is conservative but is the long-term average rate over the last 20 years, smoothing out highs and lows tracking economic activity to match the state appropriation distribution of 49% in the first year and 51% in the second (this works out to a 0.82% increase in even fiscal years, 4.08% in odd fiscal

years). The same increases are assumed for Corvallis, OSU-Cascades and the Statewide Public Service (SWPS) programs.

- Student fees rates are assumed to increase at 1.7% per year in Corvallis and 3.3% per year at OSU-Cascades.
- Other major revenues (Facilities and Administrative cost recovery, federal and county appropriations, etc.) are assumed to increase 2% per year.
- Salary increases are modeled at 3.5% annually for unclassified staff and at 4.5% per year for classified staff (which includes step increases). Graduate assistant and student salaries are modeled at 3.5% in FY24 and 5.6% to 3.6% thereafter (conservatively for increases in negotiated costs and state minimum wage changes)
- Benefits growth is assumed at 3.5% annually for health insurance, and at state-set rates for retirement, with larger increases in even fiscal years when PERS adopts new rates. The state rate-setting valuation is updated each odd year to establish employer contribution rates for the biennium beginning eighteen months later (i.e. rates effective July 2023 through June 2025 were based on a December 31, 2021 valuation date).
- General inflation on goods and services of 4% for Corvallis and 3.8% for OSU-Cascades and the SWPS.
- The forecast for increased enrollment requires an estimate of the costs to accommodate that growth. An expense increment is added based on modeled numbers of instructional faculty, support staff, and operating costs proportional to student headcount and credit hour increases.

These assumptions are used in Synario to forecast operating statements (revenues and expenses by major category, including transfers in and out), which are an integral part of the calculation of projected financial statements and financial metrics.

Ten-Year Capital Forecast background

The Ten-Year Capital Forecast (see Attachments 1 and 2 for detail) describes how OSU will provide—over the period FY 2023 through FY 2033—for the physical environment necessary to carry out its mission. The Capital Forecast presents projects that cost $10M or more and is sequenced by legislative biennium. Five biennia are projected in the 2023 Capital Forecast: 2023-25, 2025-27, 2027-29, 2029-31 and 2031-33. The 2021-23 biennium, which is nearly over, was kept in Attachment 1 for continuity and reflects projects that have been introduced to the board in previous forecasts as well as Stage Gate submittals.

The Capital Forecast lays out OSU's plans for capital investments based on current and anticipated conditions, needs, priorities and resources. The Capital Forecast is guided by OSU's Strategic Plan 4.0 and the Ten-Year Business Forecast. A broad array of campus leaders, staff, committees, programs and consultants provide input and assist in developing the Capital Forecast. The Capital Forecast considers OSU's capital needs across the entire state.

The forecast is exactly that—a plan based on current knowledge and assumptions about needs, gifts, debt capacity, and priorities in the future. As planning progresses, major are referred to the board through Stage Gate submittals for approval to proceed. The inclusion of a project in the ten-year capital forecast is not a commitment that the project is approved to proceed.

Debt Management Assumptions background

The capital forecast is supported by previously issued debt and anticipated additional borrowings.

- Of the unspent bond proceeds as of June 30, 2022,$304.9 million are from issuances intended to fulfill the Ten-Year Capital Forecast in FY2020.
- Total debt as of June 30, 2022 was $942.3 million and $321.3 million in interest payments are included in the forecast.
- The current $40 million short-term debt will expire in FY24 and the forecast assumes replacement with another 5-year short-term facility of $70 million through FY29. Interest payments of $8.4 million are assumed for the new debt at a 4% borrowing rate.
- In FY29 the forecast assumes a $134M long-term debt issuance with an assumption not to replace the short-term facility. Interest payments of $24.1 million are assumed at a 4% borrowing rate.

Other factors affecting financial statement projections

- PERS liability. The state annually assigns OSU a portion of any changes in the PERS liability. Updates for actual investment returns, member census data, and financial information; and variable factors such as statute changes, long-term expected rate of return assumptions, inflation rate, discount rate, projected salary increase assumptions, and demographic assumptions such as expected mortality are made to adjust the current net position. The pool values are allocated to OSU and are recorded accordingly in the financial statements. This is one of the areas of significant uncertainty in projecting the financial statements.
- PERS side account. The forecast includes the $10M side account that OSU funded in 2021, which included $2.2M in matching state funds that reduced PERS retirement cost rates for ten years beginning in December 2020.
- Changes in accounting standards in the future can change the university's financial position.

Principal changes since April 2022

The updated forecast based on the FY22 actual results from the audited financial statements. OSU maintained a strong position through the pandemic because of careful management by unit leaders and help from the federal pandemic relief funds. New student enrollment in fall 2021 and fall 2022 was strong and the enrollment forecasts have been updated to reflect those trends. Most of the cost and expense drivers have not significantly changed from April 2022.

OSU's Capital projects have experienced unprecedented construction cost escalation over the past few years. As a result, the 2023 Capital Forecast update added the 2032-33 biennia, but did not add new major projects. The 2023 update represents a slowing of the pace of projects to accommodate the escalated cost projections. Attachment 1 provides details about the forecasted schedule of projects, planning estimates and anticipated funding sources.

PRINCIPAL CONCLUSIONS AND ANALYSIS

The operating fund assessments use a baseline scenario based on the enrollment forecast shown in Figure 1. The forecast shows growth in Corvallis through FY26 and continued growth at OSU-Cascades and through Ecampus. The operating forecast also includes costs of this enrollment growth including faculty, advisors, graduate assistants, and other staff; average salaries plus other payroll expenses escalated annually; increments for services and supplies per added FTE (full-time employee equivalent) hour and per added student credit hour (SCH); and an Ecampus-specific estimate of the need for marketing, course development staff, and support staff.

More discussion on each of the three major funds is included below.

Education and General Funds: Operating and Capital

The Education and General (E&G) forecast is impacted most significantly by the growth in incoming undergraduate classes in Corvallis. Overall, Corvallis enrollment returns to pre-pandemic levels in FY24 and continues to grow until FY26 (Figure 1). International enrollments will lag pre-pandemic levels for some time and are replaced in part by domestic non-resident undergraduates. The forecast assumes that the decline in graduate and professional enrollments is stemmed but that there is only slow growth in those enrollments. Graduate and professional enrollments are forecast at about 16% of Corvallis enrollments in FY33.

The forecast assumes continued growth in Ecampus with annual credit hour increments consistent with recent growth. The percentage growth rate slows to about 3% in FY33. Ecampus enrollments, which are usually part time and have a lower tuition charge than traditional non-residents, constitute 36% of OSU headcount enrollments by FY33.

OSU-Cascades is forecast to grow consistently, reaching about 1,920 students in FY33. Funding for the SWPS is assumed to escalate modestly through the assumed growth of state funding.

One major result of the forecast is that the strong growth in incoming class sizes helps grow revenues back to pre-pandemic levels by FY25, a more positive outlook than was estimated in April 2022. The forecast projects strong E&G fund balances (Figure 3) and resulting financial metrics. The E&G fund balances do exceed the board’s upper limit of 20% of revenues for much of the forecast.

As the forecast shows (Figure 3), E&G operations are the only funds generating significant net reserves. A few years ago there were also reserves in self-support units, but these were largely from University Housing & Dining Services (UHDS) and were largely consumed through the pandemic response. Maintaining E&G reserves somewhat higher than the 20% upper limit means that overall institutional operating reserves stay in the preferred 10% to 15% range for most of the forecast.

In the later years of the forecast, E&G annual operating margins are projected to be slightly negative (less than 2% of revenues) causing declines in ending fund balances and erosion of the EBIDA financial metric (discussed below). This is a reflection of the very narrow margins between revenue growth and expense growth in the out years of the forecast. Enrollment growth at that point is largely in Ecampus and tuition increases are assumed to be limited to around the rate of OSU’s inflationary costs. Small adjustments in the assumptions about expense growth or revenue growth move those margins into positive ranges or more negative ranges. This observation reinforces the need for long-term planning and monitoring of commitments that have multi-year impacts. It is not an area of concern at this point, but does does indicate something for management to watch.

The business forecast includes the capital forecast discussed in detail in Attachments 1 and 2, addressing the debt service, construction, and operating costs of the projects in in the financial metric analysis.

Self-support Funds: Operating and Capital

The most significant change in the current forecast from April 2022 is revenues in self-support operations are forecast to grow much more strongly than originally forecast (driven by high occupancy in UHDS). Self-support operations revenues are forecast to exceed pre-pandemic estimates and return to historical growth rates by FY25 (Figure 2). Financial forecasts in Athletics are also strong and are returning to the results expected in the Athletics Financial Sustainability plan. The landscape of intercollegiate athletics nationally is changing rapidly. The media rights negotiations currently underway by the Pac-12 will be an important factor in the future of Athletics' financial health. Leadership of the university and Intercollegiate Athletics is actively engaged in monitoring and planning for potential changes.

Federal pandemic relief funds helped offset revenue losses in many self-support units including UHDS, Transportation Services, Printing and Mailing and other operations. Athletics received some of the relief funding to cover only costs of COVID testing services. The pandemic related cumulative deficit in Athletics is projected to top out at approximately $36M by the end of FY2023.

Financial management in the pandemic did, however, require suspending the usual allocation of resources to capital renewal funding, particularly in UHDS. In FY23, UHDS resumed more normal operations in which any cash surpluses were saved for or immediately reinvested into buildings/acquisitions, and increased debt service was covered through operations. This means that self-support operations show periodic net negative annual changes in operations in years when transfers out are made to support capital renewal and repair. UHDS operations are forecast to generate only very modest operating reserves within the current assumptions.

Fund balances in self-support units (in aggregate) begin to grow back in FY24 and reach positive ranges in FY26 (Figure 3). The forecast is conservative in this regard—especially in light of past COVID impacts—and continued strong performance in these units may yield better growth in net working capital balances than is forecast here. The rebuilding of operating reserves in self-support operations is another area for attention. This is one effect of the pandemic that is likely to linger the longest for OSU.

There are significant capital renewal projects planned in self-support units. These projects will rely largely on debt financing paid back by revenues from the projects, student building loan/debt fee revenues, capital reserves in self-support units, and potential partnership opportunities. The specific financing of individual projects, particularly in out years, is being reviewed carefully.

Providing high-quality, student-centered and desirable housing for on-campus student residents is essential to maintain competitiveness in student recruitment and retention. OSU is planning for multiple viable scenarios that address how to increase the capacity of OSU's living centers to meet expected short- and long-term demand and opportunity, as well as address the condition of existing centers as they approach the end of their expected lives. Generally, the first part of the coming decade will feature projects that increase housing capacity, followed by replacements and renewals in the later part of the decade. Projects could include construction, expansion, acquisition or renewal and will be debt-financed from the revenue they generate. Since the nature (and revenue) of each project is not yet established, the capital outlay and revenue from these projects is not reflected in the Business Forecast presented in parallel with the Capital Forecast.

Capital projects for Athletics are assumed to be funded entirely by gifts or other revenues (including debt-financing paid by Athletics) associated with operations of those facilities.

Restricted Funds: Operating and Capital

Restricted fund revenues are forecast to show steady growth (Figure 2, bottom). The projections now are higher than forecast in April 2022, as faculty have continued to be successful securing large grant project initiatives such as the NSF-sponsored COLDEX project. This, with continuing work on the PacWave initiative and the completion of the Regional Class Research Vessel project has increased the university's revenue trajectory. This also includes constant funding of federal and state student financial aid but increases in gift funding as OSU's second comprehensive fundraising campaign is underway. Restricted funds are not expected to generate significant net working capital balances (Figure 3) as they typically are spent shortly after they are committed to meet the needs they are allocated to support.

ALTERNATIVE ENROLLMENT STATEGIES

The forecast assumed the enrollment trajectories shown in Figure 1. These have impacts on net revenues and costs but also impact the mix of faculty needed to deliver different kinds of programs. The forecast does show narrow margins between revenue and expense (Figure 3), which suggests strategies that generate net revenue would create more capacity for investment. The strategic plan of the university may also require management of certain enrollments to shape the kind of faculty OSU needs for that plan. Staff considered four variations on the baseline enrollment strategies to assess their impact on Education and General operations. Each varies the assumptions about headcount or credit hour growth, estimates gross revenues from those changes, considers incremental costs in staffing and operating costs to adjust for those changes, and the resulting net revenue changes. All four effect changes in Education and General operations since they focus on enrollment. The dollar amounts shown in Figures 4 and 5 are increments relative to the core forecast scenario (shown in Figure 1).

- The first enrollment scenario assumes adding additional housing capacity to allow for an additional 350 undergraduate students in incoming classes beginning in FY26. This grows total enrollment by about 1,300 students in 2031 (assuming some attrition). It is assumed these are all non-resident undergraduate students, since resident students are a limited pool, and assumes discounting tuition at about 30% (the current institutional waiver discount is about 28%). The instructional expenses are as noted above, including a 20% general overhead increment. This scenario adds about $24M in net revenue to Corvallis Education and General revenues in the core scenario by FY33 (Figure 4).
- The second scenario assumes adding an additional professional masters-level graduate degree. Enrollments start with an additional 50 students in FY25, growing to an additional 1,100 students by FY33. These students are modeled as paying full tuition (slightly discounted at a mix of resident to non-resident of 60:40). Expenses are

estimated in the same way as in the first scenario and may be high as there is existing graduate instructional capacity in some programs. This scenario generates additional net revenues of about $27M, over what is in the core scenario, by FY33.

- The third scenario assumes that OSU decides Ecampus headcount should be no more than 1/3 of enrollment, so it caps enrollment of distance students in FY28. This might be a strategic choice for the university if there were concerns about the proportion of non-tenure rank or remote faculty members to the total faculty size. Revenue losses were calculated based on current Ecampus rates escalated by year with some discounting for withdrawals and a small amount of financial aid. Instructional cost savings are calculated the same way as in the other scenarios. This approach reduces net Education and General revenues in the core scenario by about $11M in FY33 (Figure 5).
- The final scenario assumes OSU decides to pursue aggressive Ecampus growth such that Ecampus distance students are 50% of total OSU headcount by 2033. Revenue increases were calculated based on current Ecampus rates escalated by year with some discounting for withdrawals and a small amount of financial aid. Instructional cost savings are calculated the same way as in the other scenarios and include growth in staffing in Ecampus, the Registrar's Office, and Enrollment Management (the cost escalation is a very high level, aggregate estimate and needs refinement if this is a path OSU chooses to pursue). This approach increases net Education and General revenues over the core scenario by about $145M in FY33 (Figure 5).

Each of these scenarios has significant effects on E&G operations. The first two (additional undergraduates or additional professional masters students) generate sufficient net revenue to make the E&G operating margins positive in FY32 and FY33 and increase the EBIDA values in those years. The third scenario creates a somewhat larger operating loss but is not so large it can't be managed, if that is an important strategic decision for other reasons. Finally, the approach of aggressive Ecampus growth yields net revenues that reverse the negative operating margins in the out years with a significant amount of net revenue that could be invested in other priorities or needs (scholarships, faculty, facilities, research work, etc.). It would likely require significant changes in how Ecampus programs were planned, developed, and marketed and in the mix of faculty who delivered those greatly expanded programs.

FINANCIAL STATEMENT METRICS

The final component of the Ten-Year Business Forecast is a review of long-term trends in four of OSU's financial metrics. The previous year's (FY2022) audited financial statements provide the baseline for the FY2023-2033 Ten-Year Business Forecast. The OSU Annual Financial Report, including the audited financial statements and management's discussion and analysis, was presented to the Executive & Audit and Finance & Administration Committees on January 19, 2023. The FY2018 to FY2022 financial metrics were presented to the Finance & Administrative Committee on that same day. The financial metrics and operating ranges, as shown in Table 2, which the Finance & Administration Committee adopted on October 7, 2021, are used to monitor the financial health of the university for historical and forecast analysis and when the use of debt capacity is assessed or considered.

The model uses institution-wide averages and trends based on completed audited financial statements beginning in FY14. It brings together the assumptions in the operating and capital forecasts with other components of the institution's financial statements, including non-cash components, and accounts for revenues and expenses consistent with GASB accounting requirements that OSU follows.

Table 2. Financial Metrics Approved in October 2021.

Ratio	Operating Ranges	Purpose
Operating Performance		
Fund Balance	10.0% - 20.0%	Measures the available operating balance relative to the size of the Education and General operations and reported in the quarterly management reports
EBIDA (Earnings before Interest, Depreciation and Amortization) Margin	8.0% - 18.0%	Measures the ability to repay debt from operating revenue as well as invest in academic programs and facilities to advance strategic objectives
Reserve Levels and Debt Capacity		
Total Cash and Investments to Operating Expenses	0.75 – 1.25 times	Measures level of available reserves to meet the university's operating expenditures
Total Cash and Investments to Adjusted Debt	0.5 – 2.0 times	Measures the ability to repay debt and pension obligation with available financial resources
Debt Affordability		
Debt Service Coverage	1.5 - 3.5 times	Measures the sufficiency of operations on a cash flow basis to cover debt service

EBIDA (Earnings before Interest, Depreciation and Amortization) Margin (see Figure 6 below) measures the available cash flows generated by the university after paying operating expenses. These cash flows are available to pay debt service, reinvest in capital assets (deferred maintenance), invest in new capital projects, academic programs, strategic initiatives, and to set aside reserves for uncertain events and future strategic opportunities. If cash flows and other available revenues like state capital appropriations are insufficient to meet cash needs, the university must draw on reserves.

EBIDA peaks in FY23 and remains in the preferred range until FY32. FY23 reflects operating revenue growth of 12.02% and operating expenditure growth of 6.75%. Beyond FY23, institutional net working capital generally decreases as operating expense increase at a higher rate than operating revenues. The forecast shows that OSU has developed reserves sufficient to meet the EBIDA range that is in line with our peers (between the green and blue dashed lines in Figure 6) and can support additional strategic investments as needed for OSU's upcoming revised strategic plan. The forecasted revenue growth modeled in E&G comes largely from strong enrollment growth in Corvallis through FY24.

Total Cash and Investments to Operating Expenses (see Figure 6) measures the level of available financial resources to meet the university's operating expenditures. The ratio reflects the anticipated growth in cash and investments above the forecasted needs for operating expenses.

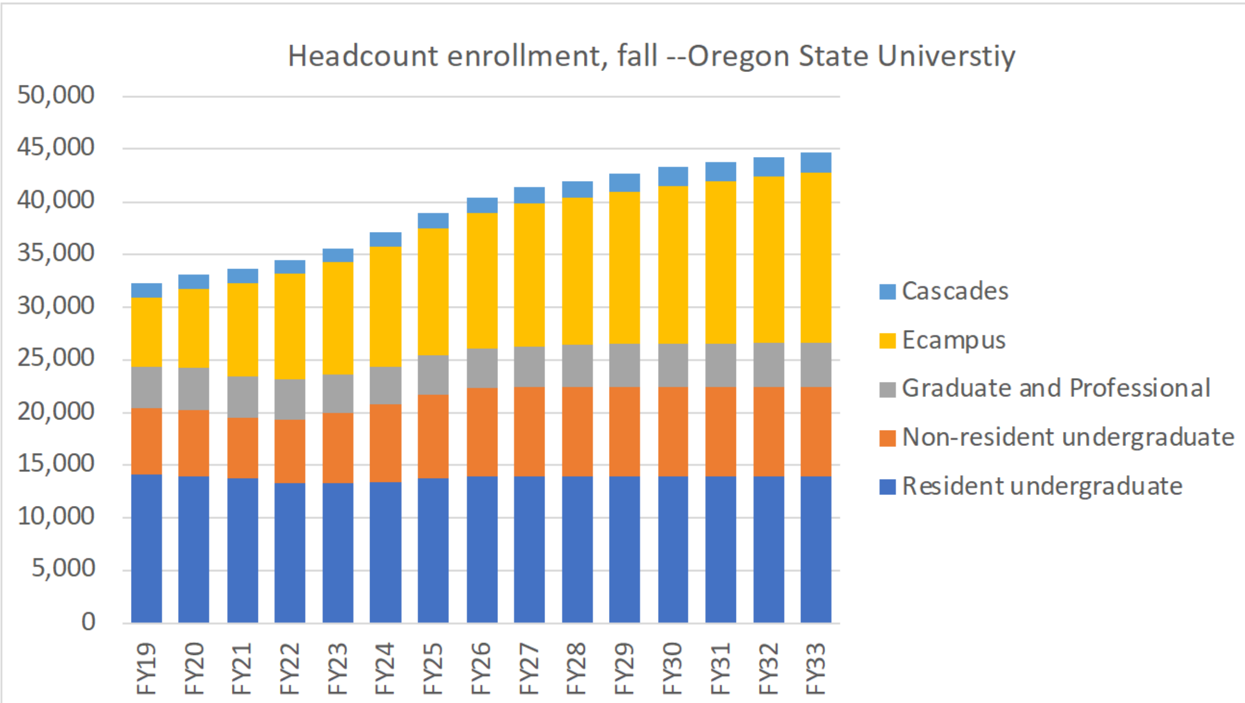
Total Cash and Investments to Adjusted Debt (see Figure 6) measures the ability to repay debt and pension obligations with available financial resources. The big driver here is based on forecast assumptions for adjusted net pension liability. The calculations show steady increases each year after considerations for the impact of the side account and the changing demographics of retired employees. The metric remains relatively constant due to the corresponding increase in cash and investments.

Debt Service Coverage (see Figure 6) measures the sufficiency of cash flow from operations to cover debt service. The ratio moves up and down through FY33 as short-term debt of $40M is repaid in FY24 and $70M is forecasted to be repaid in FY29. The ratio is forecasted to in range for all years except FY33. FY33 reflects the low forecast for EBIDA.

RECOMMENDATION

Staff recommend that the Finance and Administration Committee recommend to the board that it accept the FY2023-2033 Ten-Year Business Forecast, including the Ten-Year Capital Forecast as detailed in Attachment 1.

Figure 1: Summary of enrollment trends in the business forecast by student headcount. *Top*: Fall headcount enrollment for major student categories; Corvallis enrollments (bottom three segments of each bar) are split out by resident and non-resident undergraduates and graduate and professional students. Note that Ecampus enrollments are typically part-time (one to three courses per quarter). *Bottom:* Details of enrollment forecast at Corvallis. Note the slow recovery of international undergraduates and growth of domestic non-resident undergraduates relative to FY19.



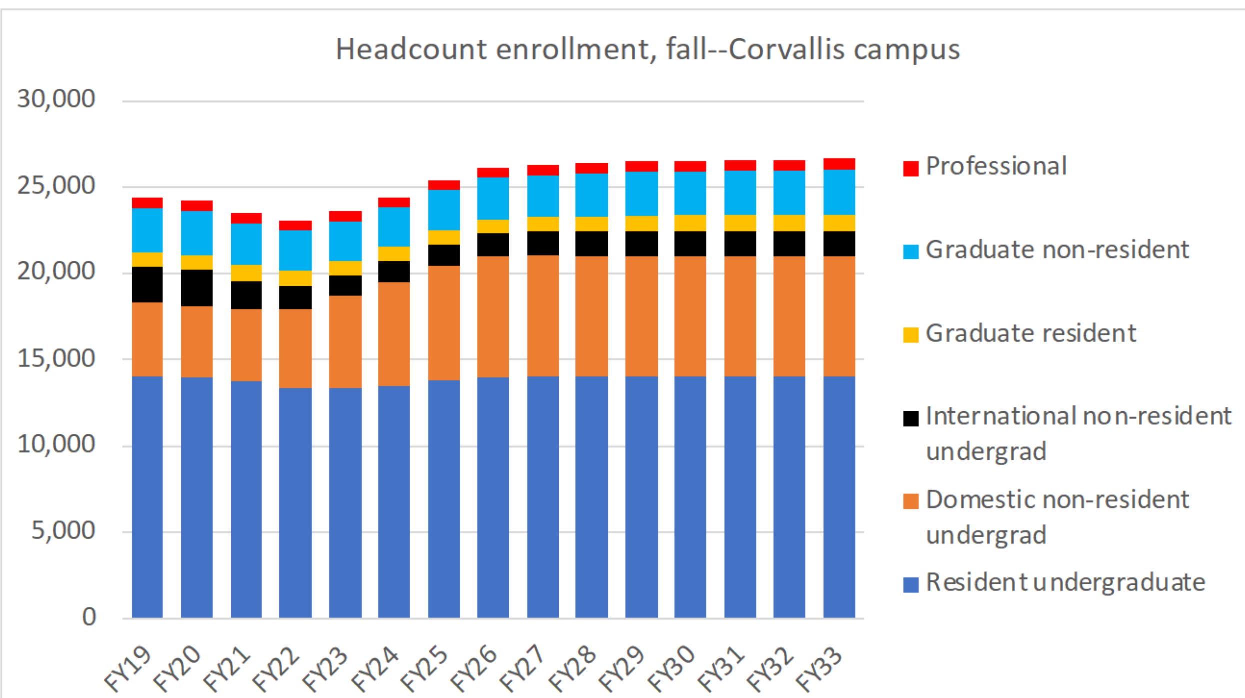
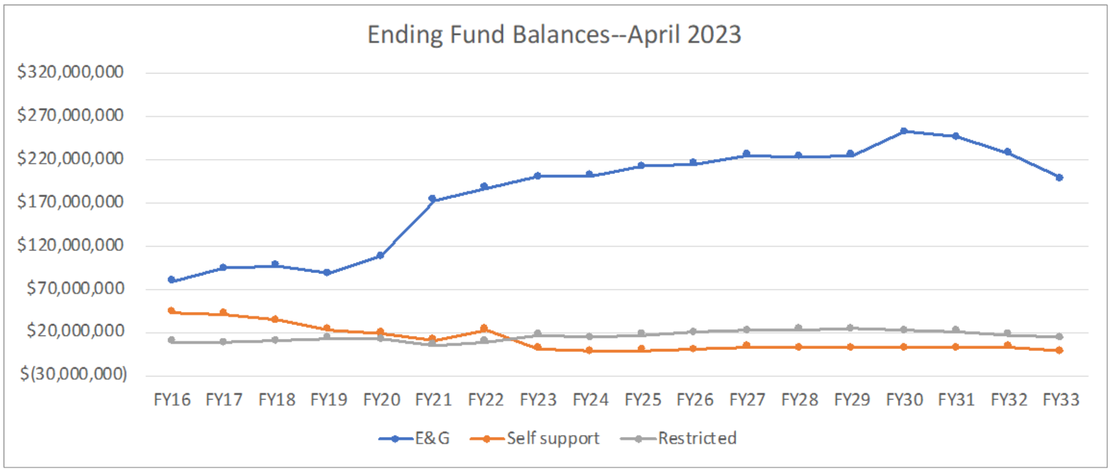
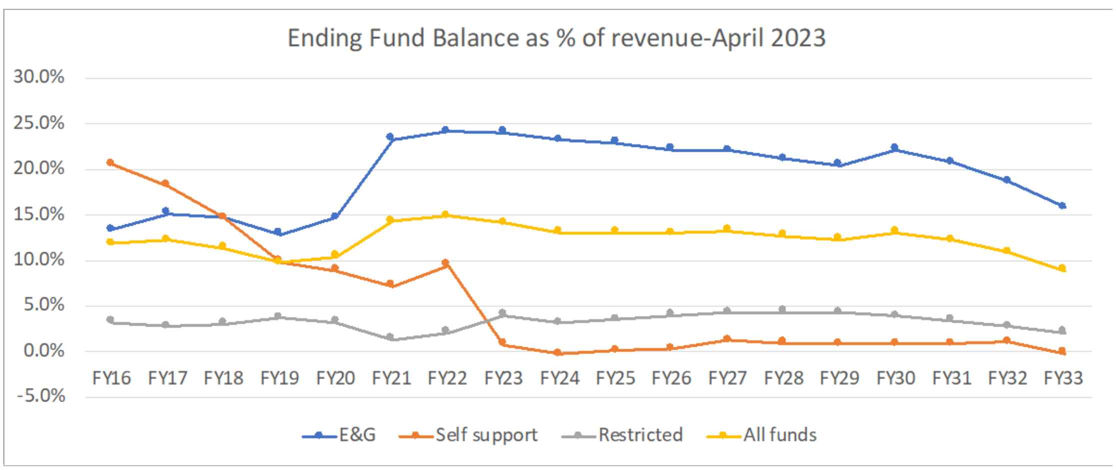


Figure 2: Revenues forecast for major operating funds. Orange shows the current forecast, grey the forecast in April 2022, and the dotted blue line estimates what revenues would have been if pre-pandemic trends had persisted. *Top:* Education and General funds; *Middle:* Self Support funds; *Bottom:* Restricted funds.

Figure 3: Comparison of operating fund balance or unrestricted net working capital projections for the current forecast shown as both dollars (*top*) and as a % of annual revenues (*middle*) and annual net change in operations including net transfers and fund additions or deductions (*bottom*). Self-support operations are putting funds into capital renewal needs that were deferred in the pandemic and do not build back significant fund balance. E&G fund balances are held higher than before the pandemic to keep institutional reserves in an appropriate range.





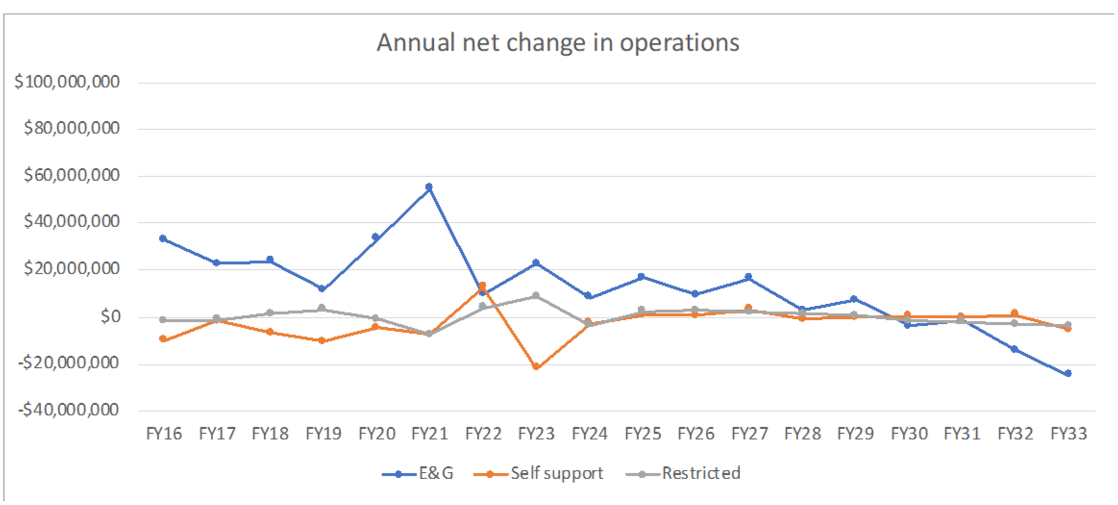
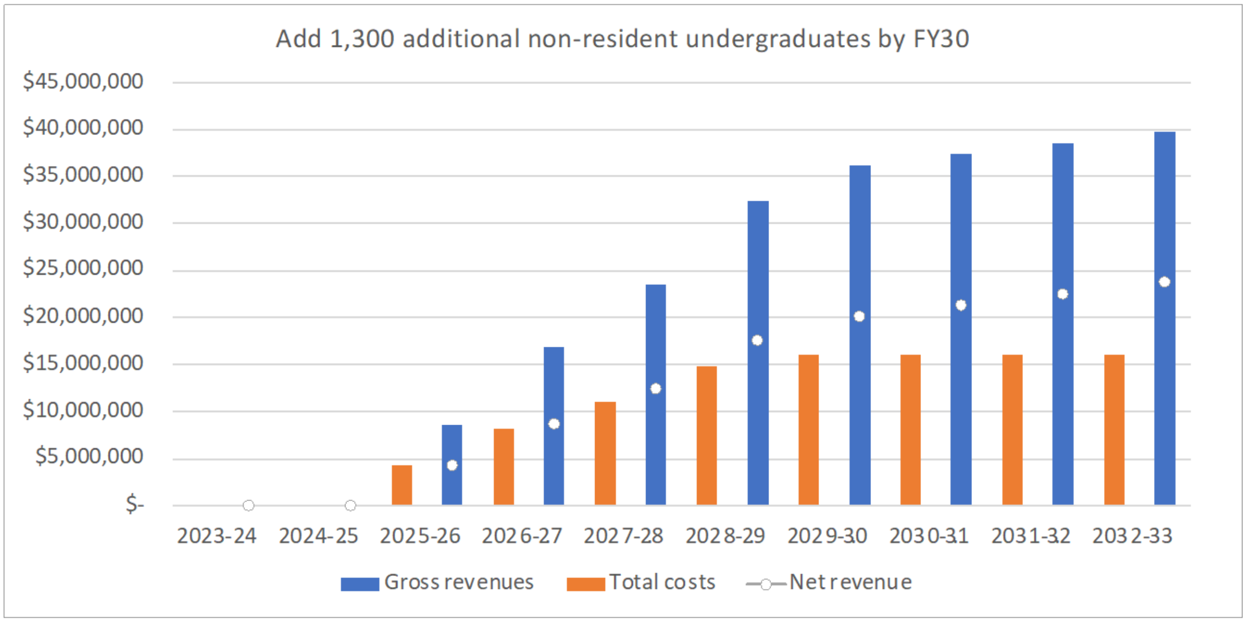


Figure 4: Alternative enrollment scenarios for Corvallis enrollment. These show incremental revenues (blue bars), incremental costs (orange bars), and net revenues (white circles) relative to the baseline scenario. The *top* scenario assumes adding additional housing capacity so incoming classes can add an additional 350 non-resident students reaching a total of 1,300 additional students in 2031. The *bottom* scenario assumes adding additional non-research based, professional masters degree programs such that enrollment grows by an additional 1,100 students by 2033.



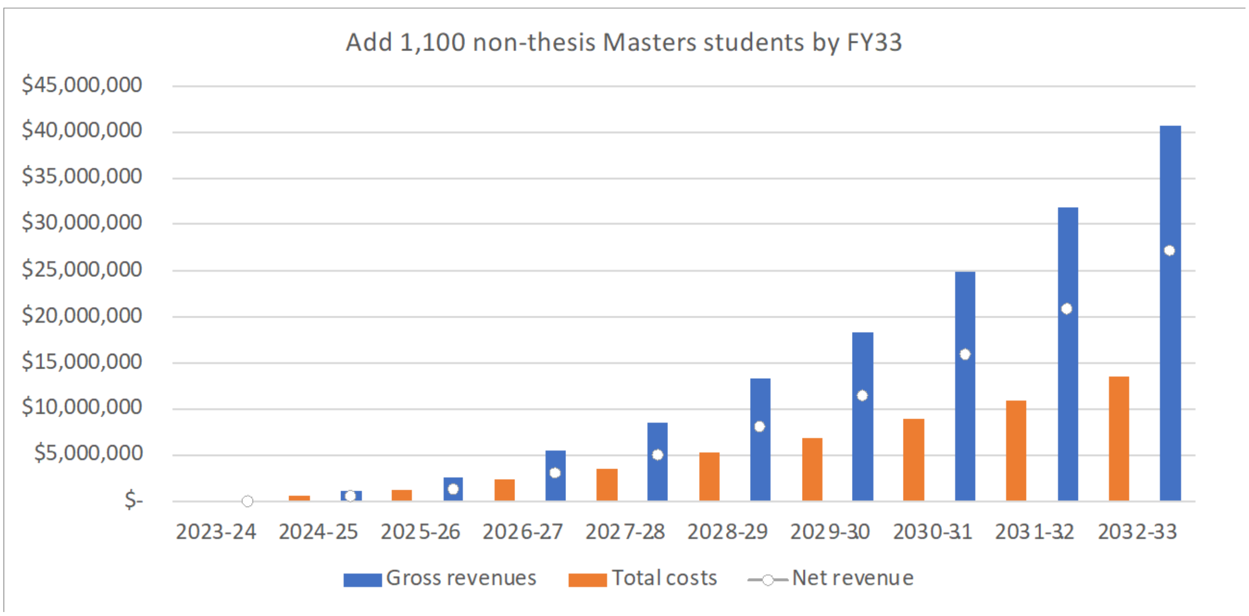
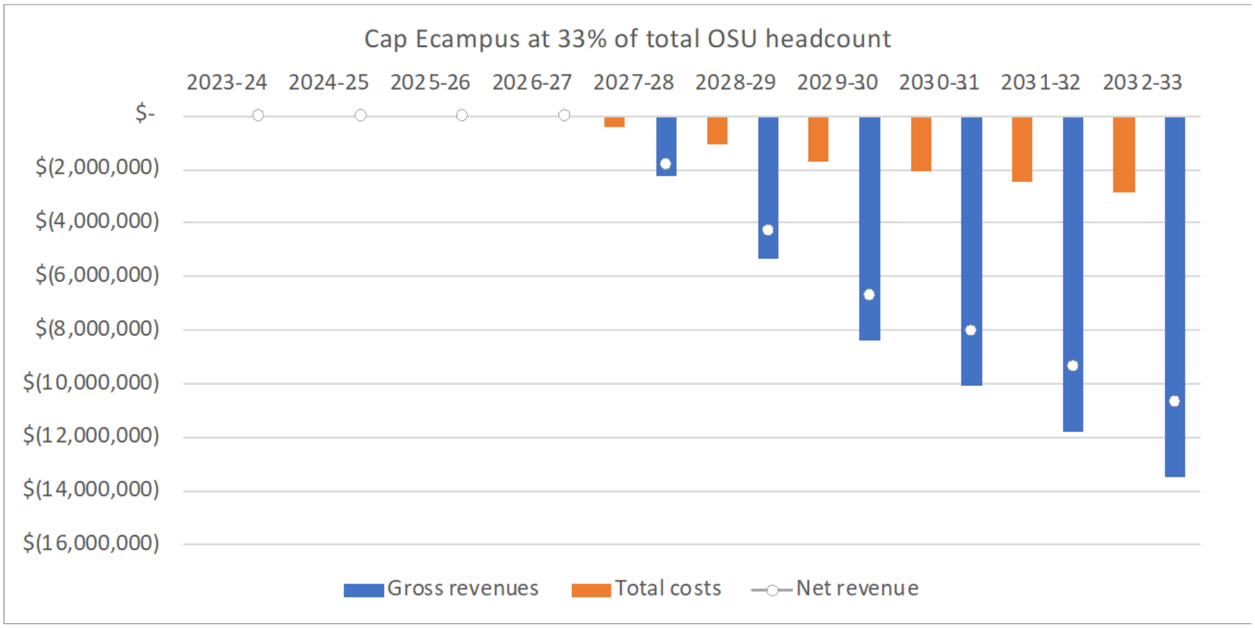


Figure 5: Alternative enrollment scenarios for Ecampus enrollment. These show incremental revenues (blue bars), incremental costs (orange bars), and net revenues (white circles) relative to the baseline scenario. The *top* scenario assumes capping Ecampus enrollments at one-third of total OSU headcount. The *bottom* scenario assumes pursuing aggressive growth in Ecampus such that Ecampus enrollments are 50% of OSU headcount enrollment by 2033.



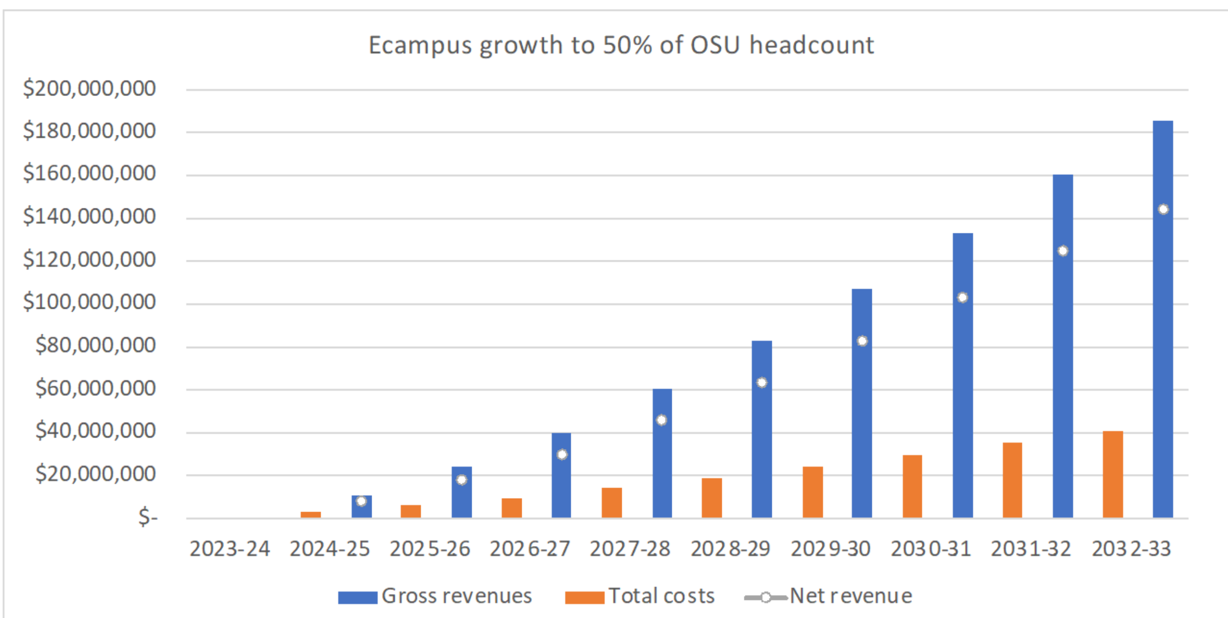
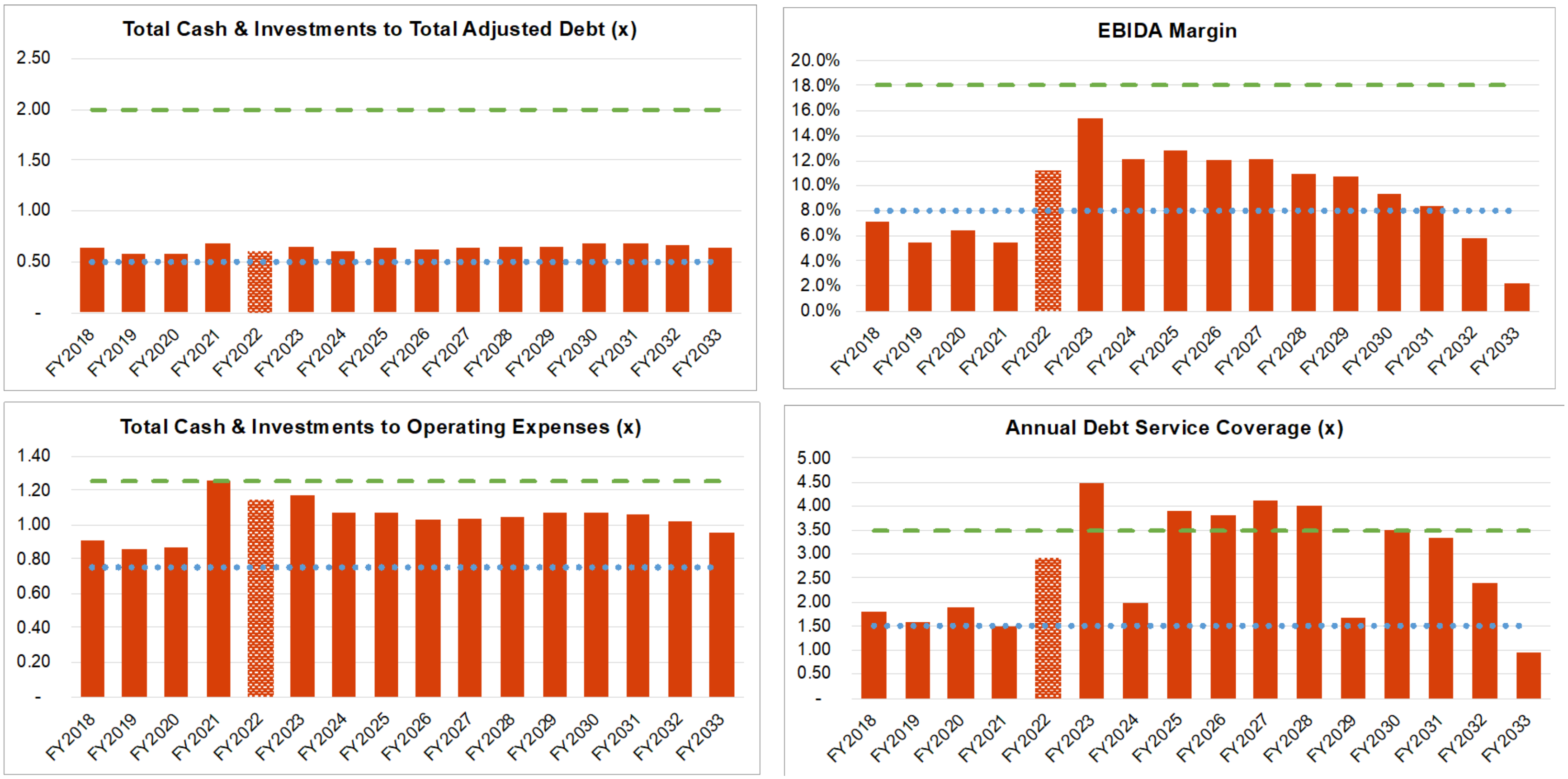


Figure 6: Principal financial metrics from FY2018 projected through FY2033. These are based on the ten-year forecast structure updated to actual results for FY22, known changes, and projected trends for FY23 and FY24. Horizontal lines show board-approved preferred limits (green is stronger results, blue weaker results).



Ten-year Capital Forecast: FY2023 through FY2033

BACKGROUND

The Ten-Year Capital Forecast describes how OSU will provide—over the period of fiscal year (FY)2023 through FY 2033—for the physical environment necessary to carry out its mission. The FY23 Forecast presents projects that cost $10M or more. These projects will be presented to the board through Stage Gate submittals. The Capital Forecast is sequenced by legislative biennium. Five biennia are covered in the 2023 Capital Forecast: 2023-25, 2025-27, 2027-29, 2029-31 and 2031-33. The 2022-23 biennium, which is nearly over, was kept in this document for continuity and reflects projects that have been introduced to the board in previous forecasts as well as Stage Gate submittals.

The Forecast lays out OSU's plans for capital investments based on current and anticipated conditions, needs, priorities and resources. The Capital Forecast is guided by OSU's Strategic Plan 4.0 and the Ten-Year Business Forecast. A broad array of campus leaders, staff, committees, programs and consultants provide input and assist in developing the Capital Forecast. The Capital Forecast considers OSU's capital needs across the entire state.

The Infrastructure Working Group (IWG) is charged by the Provost and Vice President for Finance and Administration to develop the Capital Forecast using the university's strategic plan as the lens for prioritization. In support of the IWG process, University Facilities, Infrastructure and Operations conducts annual interviews with every dean, major department, and major office to understand specific infrastructure needs. The IWG vets, prioritizes and recommends investments based on their effectiveness advancing strategic goals and their relationship to campus initiatives. A preliminary updated Capital Forecast is prepared for consideration by the vice president for finance and administration and the provost, who make a recommendation to the president for approval before it goes before the Board of Trustees.

Further details on the process and priorities of OSU's Capital Forecast can be found at: https://ufio.oregonstate.edu/capital-forecast.

CAPITAL PROJECT PRIORITIZATION CRITERIA

The IWG evaluates each project based on four primary criteria:

1. ***Advancing OSU's Strategic Plan***: The proposed project must make a critical contribution to the advancement of OSU's Strategic Plan 4.0 and support the proposing unit's strategic direction. The proposal should address the contribution that the capital project will make towards achieving four main goals:
   - Preeminence in research, scholarship and innovation.
   - Transformative education that is accessible to all learners.
   - Significant and visible impact in Oregon and beyond.
   - A culture of belonging, collaboration and innovation.

2. ***Minimizing the Impact on Environmental and Financial Resources*:** Proposed projects also will be evaluated for their effect on the cost of operating our campuses and facilities and their impact on the environment.

- Projects should increase space efficiency, use less energy and require less operational cost to maintain and renew.
- New buildings should only be considered when absolutely required.
- Projects that contribute to reducing energy usage and promote renewable energy and carbon reduction should be emphasized.

3. ***Cultivating a Safer, More Equitable, Accessible and Welcoming Environment*:** Proposed projects should advance OSU's commitment to our students, staff, visitors and community that OSU is a safer, more accessible and welcoming place for all.
   - Projects should consider how facilities and infrastructure and the living, learning, teaching, research and other uses they will support will contribute to and support equitable outcomes for students and employees of color, students and employees with disabilities, first generation students, and students with high financial need.
   - Projects should reduce physical and perceived barriers and advance safety and well-being.
   - Projects should improve access and internal circulation to our campuses and facilities for all modes of transportation with an emphasis towards sustainability, accessibility and equity.
   - Projects should address building and infrastructure renewal, reliability and preservation as well as seismic and fire-life safety.

4. ***Leveraging Funding*:** If proposed projects advances one or more of the other principles, projects that have the ability to attract private gifts, grants, state bond and other outside funding should be emphasized.

CAPITAL FORECAST PROJECT DETAILS FOR CORVALLIS AND NEWPORT

The unprecedented construction cost escalation experienced over the past few years essentially spread the anticipated capital investment plans from the prior forecast over the new forecast, including the FY2032-33 biennium. Accordingly, this 2023 Capital Forecast update adds the 2032-33 biennia, but does not add new major projects. The 2023 update represents a slowing of the pace of projects to accommodate the escalated cost models. **Tables 3 and 6** provide details about Corvallis and Newport projects.

New Construction

- Jen-Hsun and Lori Huang Collaborative Innovation Complex (CIC) ($213M; gifts of $75M and $16M of OSU CIR funds and $47M in OSU Revenue bonds will back OSU's request of $75M from the state). The CIC has been approved by the board at Stage Gate I and is well into the design phase. The 150,000 square feet of new space will host OSU's most advanced research infrastructure including a gifted supercomputer, clean rooms and signature research centers supporting team-based interdisciplinary research in some of OSU's most distinctive fields. Constructed in the heart of the campus with the aim of enhancing synergies among STEM disciplines, the project will demolish and improve the site of the 211,000 square foot Weniger Hall. Demolishing Weniger Hall, which has been determined to not be economical to renew, would remove $70 million in deferred maintenance from OSU's backlog. A series of related improvement projects, including the repurposing of Plageman Hall and the Heat Plant, will accompany the project to further advance the goal of supporting collaborative interdisciplinary research and to ensure the needs of units and activities in Weniger Hall are accommodated. Staff expect to present Stage Gate II to trustees at the June 2023 board meeting.

Renovations

- Gilkey Hall Interior Renovation ($13M) – Renovation to create a quality Counselling and Psychological Service (CAPS) center and renewal of buildings systems including plumbing, steam, accessibility and roof. A seismic load resisting shear plane will be constructed under the roof to improve seismic rigidity. This project has been approved at Stage Gate II and Construction will begin during summer 2023.
- Cordley Hall East Renewal ($82.6M) – The Cordley Hall project finished the modernizing of the west half of the building and the North District Utility Plant in the spring of 2022. The east half of Cordley is under renovation until the summer 2024. The Cordley project (both halves) were approved at Stage Gate II in 2019.
- Newport Housing ($16.5M) – Provides housing opportunities outside of the Tsunami Inundation Zone in Newport as the Marine Studies Initiative increases education, research and engagement activities at the Hatfield Marine Science Center and other OSU activities in Newport. This project has been approved at Stage Gate I. We anticipate bringing the project forward for Stage Gate II approval at the June 2023 board meetings.
- Withycombe Hall Renovations ($71M) – This renovation will focus on accommodating the Dairy Products Research Center and will create additional research and education space centered around food and animal and rangeland sciences. The project will link cooling to the recently completed North District Utility Plant and addresses life safety and accessibility in the building. This project has been approved at Stage Gate II and starts construction in spring 2023.
- HMSC Building 900 Renewal ($10M) – Begins deferred maintenance removal and seismic safety at the Newport Hatfield Marine Science Center.
- Heat Plant Repurpose & Community Place Infrastructure ($78M) – The Heat Plant was decommissioned in 2010 and has been vacant since. The historic façade will be retained with essentially a new building being created inside to accommodate programs from Weniger Hall and complement the aspirations of the CIC. The renewal of the surface and underground infrastructure in the area will create a modern, inviting and exciting district from the emerging Center for Creative Arts to Goss Stadium and north to the recently completed Phase 1 of the Community Slope Accessibility project.
- Plageman Student Health Center Repurpose ($26M) – Student Health Services will move into the new facility at Reser Stadium in 2023 and the old infirmary will be repurposed for academic, administrative and computational space in compliment to the CIC.
- Gleeson Hall Renovation ($47M) – Will return functionality to a research building with aged systems and a large amount of unusable space. Envisioned as a fume hood-intensive hub for all colleges preceding and enabling the renovation of fume hood-dense Gilbert Hall. This project will likely be coupled with the Campus Way Infrastructure project.
- Gladys Valley Building Renovation ($17M) – Renews and repurposes one of OSU's oldest buildings in the heart of campus.

- Dearborn Hall Renovation ($68M) – Starts the renewal of the historic Engineering Triangle and updates an aged research building to modern purposes such as clean room research and education.
- Gilbert Hall Renovation ($92M) – Addresses OSU's energy-intensive and distressed fume hood research infrastructure creating a safe, energy-efficient, modern facility in compliment and supplement to modern facilities like Linus Pauling Science Center and Johnson Hall.
- Rogers Hall Renewal ($30M) – Renews systems and research infrastructure in the Engineering Triangle.
- Plant Science Innovation Center ($70M) – Replaces (either on site or at a different location) the aged 1929 East Greenhouse range with a modern versatile greenhouse facility which will meet the changing needs of our current and future research and teaching programs.
- Dairy Center Modernization ($16M) - Renewal of the aged 1969 dairy, located west of the Corvallis campus, to become a next-generation dairy farm, featuring a robotic dairy barn that incorporates multiple data-sensing and automated systems.
- McAlexander Fieldhouse North Building ($16M) – This project will provide an interior renovation and seismic safety upgrade to the north section of the building that houses the Army and Air Force ROTC programs.
- Community Hall Renovation ($25M) – Renews, preserves and brings much-needed accessibility and functionality to OSU's oldest building.
- Pharmacy Building Renewal ($43M) – Renews, strengthens, and re-organizes academic, research and administrative spaces and provides for accessibility.
- Batcheller and Covell Halls Renewal ($50M) – Envisions renewals and improvement to create modern and efficient academic and research space.
- Kerr Administration Building Seismic Upgrade ($13M) – Strengthens the building for seismic events.

Infrastructure

- Campus Way Infrastructure Renewal ($14M) – Renews underground and surface infrastructure through the heart of campus and implements modern transportation, streetscape and accessibility improvements.
- Snell Hall Demolition ($12M) - Removes Snell Hall after its extended use as a surge space for campus building renewal projects. The project will also restore and modernize the area around it providing accessibility and infrastructure renewal.

University Housing and Dining Services & Student Affairs

Table 4 provides details about UHDS and Student Affairs projects

- Upper Division and Graduate Student Housing ($56M) – This project provides much-needed studio and two-bedroom suite-style units targeted for upper-division and graduate students on campus. The project was approved by the Board of Trustees in 2018, delayed due to COVID and land-use issues, and is now back on track to be completed for 2024. This project has been approved at Stage Gate II and starts construction during summer 2023.

- Pride Center Improvement & Expansion ($3.3M) – Expands and renews the Pride Center to provide an upgraded community space for LGBTQQIAA students. This project is below the Stage Gate threshold and is under construction. (It was included in this report for greater visibility).
- Residence Hall and Dining Center Added Capacity and Renewal projects (five projects totaling ~$750M over five biennia - Providing high-quality, student-centered and desirable housing for on-campus student residents is essential to maintain competitiveness in student recruitment and retention. OSU is planning multiple viable scenarios to address how to increase the capacity of living centers to meet expected short and long term demand and opportunity, as well as address the condition of existing centers as they approach the end of their expected lives. Generally, the first part of the coming decade will feature projects that increase capacity, followed by replacements and renewals in the later part of the decade. Projects could include construction, expansion, acquisition or renewal and will be debt financed from the revenue they generate. Since the nature (and revenue) of each project is not yet established, the capital outlay and revenue from these projects is not reflected in the Business Forecast presented in parallel with the Capital Forecast.
- Recreational Sports and Memorial Union Deferred Maintenance Projects (~ $160M over the forecast period) – Recreational Sports and Memorial Union (MU) bundled capital projects that address critical infrastructure and safety standards across iconic buildings in both departments including the roofs, mechanical systems, MU water infiltration mitigation/prevention, synthetic turf replacement, sports surfaces, swimming pool envelope, sky lights, and flooring.

Athletics

Table 5 provides details about Athletics projects

- Reser Stadium West Grandstands ($160.8M) – Replaces the aged and seismically vulnerable west grandstands of Reser Stadium. The project focuses on accessibility and fan experience, and will also host several year-round programs such as the OSU Visitor Center, Student Health Services and space for health-care partners.
- Field Sports Building ($14.5M) – Creates much-needed logistical support for field sport events and operations, and provides amenities for student athletes (contributing especially to gender equity goals).
- Leadership Center ($20.4M) – Relocates coaches and administration from Gill Coliseum, and provides amenities, services and support to retain and attract student athletes (contributing especially to gender equity goals).
- Gill Coliseum Basement and Concourse ($22.9M) – Makes improvements to the historic coliseum, including fan amenities on the concourse and event levels, and redesigns the basement footprint to improve locker room facilities (contributing especially to gender equity goals).
- Softball Buildout ($5M+) – Improvement to the softball field and expansion and improvements to stands and amenities. This project contributes to OSU's gender equity goals.
- Goss Stadium Addition ($5M+) – Expansion and improvements to the baseball field stands and amenities.

CAPITAL FORECAST DETAILS FOR OSU-CASCADES

To meet the State of Oregon's goals for higher education in central Oregon, OSU will expand the Bend campus through land improvements, infrastructure and buildings over the next decade to meet student growth projections of 2,000-2,400 students by 2027. **Tables 7 and 8** detail OSU-Cascades projects.

E&G buildings

- Student Success Center ($21.6M) – Provides space vital for academic success and student retention. This project will be submitted at Stage Gate II during the April 2023 board meeting. Construction will start in summer 2023.
- Campus Maintenance Center ($10M) – Adds a necessary resource for the growing campus and includes configurable space for industrial/engineering research. Replaces inadequate temporary facilities currently in use (shipping containers and tension-fabric structure).
- Innovation District – Land Development ($34M) - Advances the physical development of the OSU-Cascades Innovation District. Project includes remediation, filling, grading, utilities and on- and off-site infrastructure on the former Deschutes County demolition landfill. The site will support the development of future innovation partner buildings, including affordable or middle-market housing. This project will be presented to the board for Stage Gate II approval during the June 2023 meeting.
- Health Sciences and Recreation Center ($83.16M) - An E&G and student fees-supported health sciences and recreation center vital to the delivery of health sciences programming, student recreation and attracting and retaining students. A potential partnership could expand this project by an additional $50M.
- Academic Buildings 3&4 ($71.9M and $50.3M) – Provides academic and research space to meet student and staff growth as well as specialized academic program teaching and research needs.

Other Buildings

- Mt. Washington Row Housing ($29.45M cost to third-party) – Housing development on the western edge of the OSU-Cascades campus. Will be developed by a third-party developer in a real-estate or public private partnership deal. Includes street and utilities improvements on and off campus.
- Innovation District – Partner Buildings and Housing ($240.4M cost to third-party) - Integrates academic programs with industry, facilitate research and student internship partnerships with the private sector, leverage the campus as a natural laboratory, and create a physical environment for private sector industry activity and housing.
- Assembly Conference Center ($53.16M cost to third-party) – Provides a needed large format convening space for the growing campus as well community needs for conferences or the arts.

Table 3: FY2021-2033 Capital Forecast for Corvallis and Newport (Education & General)

2021-2033 OSU Capital Forecast OSU Corvallis/Newport Major Capital Projects					Projects funded in previous biennia and approved by the Board through the Stage Gate process do not appear on this forecast. Sources of funds ($M)					
Project name	GKSF	FCA	DM removed ($M)	Total forecasted budget ($M)	State-paid Bonds	State-paid CIR	OSU-paid bonds	Pledged gift funds	E&G CIR	Gifts, Partner-ships, Other
2021-2023										
Gilkey Hall Interior Renovation	22	2.94	5.20	13.00	3.00	8.00	2.00	-	-	-
Cordley Hall East	134	2.67	49.00	82.60	70.60	5.00	7.00	-	-	-
Newport Housing	TBD	N/A	0.00	16.50	-	-	10.00	-	-	6.50
Ship Ops and HMSC Dock and Operations	N/A	N/A	5.00	13.00	-	5.00	8.00	-	-	-
Withycombe Hall East & West (Oregon Dairy Products) Renovation	80	2.58	30.00	71.00	3.00	-	47.00	-	18.00	3.00
Total			**89.20**	**196.10**	**76.60**	**18.00**	**74.00**	**-**	**18.00**	**9.50**
2023-2025										
Collaborative Innovation Complex - Weniger Removal	150	2.62	70.00	213.00	75.00	-	47.00	-	16.00	75.00
HMSC Building 900 Renewal	38	2.60	7.80	10.00	-	5.00	-	-	-	5.00
Total			**77.80**	**223.00**	**75.00**	**5.00**	**47.00**	**-**	**16.00**	**80.00**
2025-2027										
Heat Plant Repurpose-Community Place Infrastructure	50	2.00	35.00	78.00	55.00	-	-	-	23.00	-
Plageman Repurpose	27	2.90	8.00	34.00	15.00	-	8.00	-	11.00	-
Total			**43.00**	**112.00**	**70.00**	**-**	**8.00**	**-**	**34.00**	**-**
2027-2029										
Gleeson Hall Renovation	39	2.20	15.10	47.00	35.00	-	-	-	12.00	-
Campus Way Infrastructure Renewal	N/A	N/A	9.00	14.00	-	3.00	-	-	11.00	-
Gladys Valley Building (former gymnastics) Renovation	16	2.79	6.70	17.00	12.00	-	-	-	5.00	-
Dearborne Renovation	65	2.65	22.80	68.00	34.00	-	-	-	-	34.00
Total			**53.60**	**146.00**	**81.00**	**3.00**	**-**	**-**	**28.00**	**34.00**
2029-2031										
Gilbert Hall Renovation	83	2.15	32.00	92.00	70.00	-	17.00	-	5.00	-
Rogers Hall Renewal	55	3.12	7.00	30.00	15.00	-	-	-	-	15.00
Plant Science Innovation Center (East GH Repl)	40	N/A	0.00	70.00	-	-	-	-	-	70.00
Dairy Center Modernization	28	2.50	13.00	20.00	-	-	-	-	-	20.00
Mc Alexander Fieldhouse North (ROTC) Renewal	20	2.45	11.00	16.00	-	-	-	-	16.00	-
Total			**63.00**	**228.00**	**85.00**	**-**	**17.00**	**-**	**21.00**	**105.00**
2031-2033										
Community Hall Renovation	24	2.56	8.30	25.00	15.00	-	-	-	10.00	-
Pharmacy Building Renovation	41	2.47	13.00	49.00	32.00	-	-	-	17.00	-
Kerr Admin Seismic Strengthening	131	2.96	7.00	13.00	-	-	-	-	7.00	6.00
Bachellor & Covell Renewal	58	2.61	19.00	50.00	25.00	-	-	-	-	25.00
Snell Demolition/Site Restore	70	2.20	33.00	12.00	-	-	7.00	-	-	5.00
Total			**80.30**	**149.00**	**72.00**	**-**	**7.00**	**-**	**34.00**	**36.00**

* Cost are escalated at 5% per year based on 2023 estimates

Table 4: FY2021-2033 Capital Forecast for Corvallis and Newport (University Housing & Dining)

2021-2033 OSU Capital Forecast University Housing and Dining Services & Student Affairs					Projects funded in previous biennia and approved by the Board through the Stage Gate process do not appear on this forecast. Sources of funds ($M)					
Project name	GKSF	FCA	DM removed ($M)	Total forecasted budget ($M)	State-paid Bonds	State-paid CIR	OSU-paid bonds	Pledged gift funds	E&G CIR	Gifts, Partner-ships, Other
2021-2023										
Upper Division and Grad Student Housing	90	N/A	N/A	56.00	-	-	50.00	-	-	6.00
Memorial Union & Rec Sports Renewal	N/A	N/A	16.00	16.00	-	-	-	-	-	16.00
Pride Center Comprhensive Renovation	N/A	N/A	1.00	3.40	-	-	-	-	-	3.40
Total			**17.00**	**75.40**	**-**	**-**	**50.00**	**-**	**-**	**25.40**
2023-2025										
Residence Hall and Dining Center Added Capacity and Renewal	N/A	N/A	0.00	215.00	-	-	-	-	-	215.00
Memorial Union & Rec Sports Renewal	N/A	N/A	20.00	20.00	-	-	-	-	-	20.00
Total			**20.00**	**235.00**	**-**	**-**	**-**	**-**	**-**	**235.00**
2025-2027										
Residence Hall and Dining Center Added Capacity and Renewal	N/A	N/A	0.00	75.00	-	-	-	-	-	75.00
Memorial Union & Rec Sports Renewal	N/A	N/A	20.00	20.00	-	-	-	-	-	20.00
Total			**20.00**	**95.00**	**-**	**-**	**-**	**-**	**-**	**95.00**
2027-2029										
Residence Hall and Dining Center Added Capacity and Renewal	N/A	N/A	0.00	80.00	-	-	-	-	-	80.00
Memorial Union Deferred Maintenance	N/A	N/A	30.00	30.00	-	-	-	-	-	30.00
Total			**30.00**	**110.00**	**-**	**-**	**-**	**-**	**-**	**110.00**
2029-2031										
Residence Hall and Dining Center Added Capacity and Renewal	N/A	N/A	0.00	290.00	-	-	-	-	-	290.00
Memorial Union & Rec Sports Renewal	N/A	N/A	36.00	36.00	-	-	-	-	-	36.00
Total			**36.00**	**326.00**	**-**	**-**	**-**	**-**	**-**	**326.00**
2031-2033										
Residence Hall and Dining Center Added Capacity and Renewal	N/A	N/A	7.00	95.00	-	-	-	-	-	95.00
Memorial Union & Rec Sports Renewal	N/A	N/A	0.00	40.00	-	-	-	-	-	40.00
Total			**7.00**	**135.00**	**-**	**-**	**-**	**-**	**-**	**135.00**
*** Cost are escalated at 5% per year based on 2023 estimates**										

Table 5: FY2021-2033 Capital Forecast for Corvallis and Newport (Athletics)

2021-2033 OSU Capital Forecast Athletics					Projects funded in previous biennia and approved by the Board through the Stage Gate process do not appear on this forecast. Sources of funds ($M)					
Project name	GKSF	FCA	DM removed ($M)	Total forecasted budget ($M)	State-paid Bonds	State-paid CIR	OSU-paid bonds	Pledged gift funds	E&G CIR	Gifts, Partner-ships, Other
2021-2023										
Reser Stadium West Grandstands & Student Health Center	TBD	N/A	70.00	160.80	-	-	68.00	91.40	-	1.40
Total			**70.00**	**160.80**	**-**	**-**	**68.00**	**91.40**	**-**	**1.40**
2023-2025										
Field Sports Building	N/A	N/A	N/A	14.50	-	-	-	-	-	14.50
Total			**0.00**	**14.50**	**-**	**-**	**-**	**-**	**-**	**14.50**
2025-2027										
Gill Coliseum Basement	N/A	N/A	N/A	10.00	-	-	-	-	-	10.00
Gill Coliseum Concourse	N/A	N/A	N/A	12.90	-	-	-	-	-	12.90
Leadership Center	N/A	N/A	N/A	20.40	-	-	-	-	-	20.40
Total			**0.00**	**43.30**	**-**	**-**	**-**	**-**	**-**	**43.30**
2027-2029										
Goss Stadium Addition	N/A	N/A	N/A	5.00	-	-	-	-	-	5.00
Softball Build-Out	N/A	N/A	N/A	5.00	-	-	-	-	-	5.00
Total			**0.00**	**10.00**	**-**	**-**	**-**	**-**	**-**	**10.00**
2029-2031										
No Projects Planned	N/A	N/A	N/A	-	-	-	-	-	-	-
Total			**0.00**	**0.00**	**-**	**-**	**-**	**-**	**-**	**-**
2031-2033										
No Projects Planned	N/A	N/A	N/A	-	-	-	-	-	-	-
Total			**0.00**	**0.00**	**-**	**-**	**-**	**-**	**-**	**-**

*** Cost are escalated at 5% per year based on 2023 estimates**

Table 6: FY2021-2033 Capital Forecast for Corvallis and Newport (Minor Projects)

2021-2033 OSU Capital Forecast Minor Capital						Sources of funds ($M)					
Project name	Project type	GKSF	FCA	DM removed ($M)	Total forecasted budget ($M)	State-paid Bonds	State-paid CIR	OSU-paid bonds	Pledged gift funds	E&G CIR	Gifts, Partner-ships, Other
2021-2023											
CIR Systems Renewal	Renovation	N/A	N/A	23.00	26.80	-	22.80	-	-	4.00	-
E&G AES (State Wide)	Renovation	N/A	N/A	2.10	2.10	-	2.10	-	-	-	-
Corvallis Campus Carbon Neutrality Projects	Renovation	N/A	N/A	N/A	5.00	-	-	5.00	-	-	-
Corvallis Campus Electrical Infrastructure Improvements	Renovation	N/A	N/A	N/A	3.00	-	-	3.00	-	-	-
UHDS	Renovation	N/A	N/A	N/A	6.00	-	-	-	-	-	6.00
Student Affairs	Renovation	N/A	N/A	N/A	4.80	-	-	-	-	-	4.80
Athletics	Renovation	N/A	N/A	N/A	18.80	-	-	-	17.10	-	1.70
Total				**25.10**	**66.50**	**-**	**24.90**	**8.00**	**17.10**	**4.00**	**12.50**
2023-2025											
CIR Systems Renewal	Renovation	N/A	N/A	28.20	28.20	-	24.70	-	-	3.50	-
E&G AES (State Wide)	Renovation	N/A	N/A	2.10	2.10	-	2.10	-	-	-	-
Corvallis Campus Carbon Neutrality Projects	Renovation	N/A	N/A	N/A	2.00	-	-	2.00	-	-	-
Corvallis Campus Electrical Infrastructure Improvements	Renovation	N/A	N/A	N/A	5.00	-	-	5.00	-	-	-
UHDS	Renovation	N/A	N/A	N/A	13.00	-	-	-	-	-	13.00
Student Affairs	Renovation	N/A	N/A	N/A	5.90	-	-	-	-	-	5.90
Athletics	Renovation	N/A	N/A	N/A	8.50	-	-	-	8.50	-	
Total				**30.30**	**64.70**	**-**	**26.80**	**7.00**	**8.50**	**3.50**	**18.90**
2025-2027											
CIR Systems Renewal	Renovation	N/A	N/A	53.00	32.70	-	28.70	-	-	4.00	-
E&G AES (State Wide)	Renovation	N/A	N/A	2.10	2.10	-	2.10	-	-	-	-
UHDS	Renovation	N/A	N/A	N/A	14.50	-	-	-	-	-	14.50
Student Affairs	Renovation	N/A	N/A	N/A	6.70	-	-	-	-	-	6.70
Athletics	Renovation	N/A	N/A	N/A	5.00	-	-	-	5.00	-	-
Total				**55.10**	**61.00**	**-**	**30.80**	**-**	**5.00**	**4.00**	**21.20**
2027-2029											
CIR Systems Renewal	Renovation	N/A	N/A	34.00	30.20	-	25.70	-	-	4.50	-
E&G AES (State Wide)	Renovation	N/A	N/A	2.10	2.10	-	2.10	-	-	-	-
UHDS	Renovation	N/A	N/A	N/A	13.00	-	-	-	-	-	13.00
Student Affairs	Renovation	N/A	N/A	N/A	7.50	-	-	-	-	-	7.50
Athletics	Renovation	N/A	N/A	N/A	5.00	-	-	-	5.00	-	-
Total				**36.10**	**57.80**	**-**	**27.80**	**-**	**5.00**	**4.50**	**20.50**
2029-2031											
CIR Systems Renewal	Renovation	N/A	N/A	53.00	33.70	-	28.70	-	-	5.00	-
E&G AES (State Wide)	Renovation	N/A	N/A	2.10	2.10	-	2.10	-	-	-	-
Corvallis Campus Carbon Neutrality Projects	Renovation	N/A	N/A	0.00	5.00	-	-	5.00	-	-	-
Corvallis Campus Electrical Infrastructure Improvements	Renovation	N/A	N/A	0.00	5.00	-	-	5.00	-	-	-
UHDS	Renovation	N/A	N/A	N/A	14.00	-	-	-	-	-	14.00
Student Affairs	Renovation	N/A	N/A	N/A	8.30	-	-	-	-	-	8.30
Athletics	Renovation	N/A	N/A	N/A	5.00	-	-	-	5.00	-	-
Total				**55.10**	**73.10**	**-**	**30.80**	**10.00**	**5.00**	**5.00**	**22.30**
2031-2033											
CIR Systems Renewal	Renovation	N/A	N/A	53.00	34.70	-	28.70	-	-	6.00	-
E&G AES (State Wide)	Renovation	N/A	N/A	2.10	2.10	-	2.10	-	-	-	-
Corvallis Campus Carbon Neutrality Projects	Renovation	N/A	N/A	0.00	5.00	-	-	5.00	-	-	-
Corvallis Campus Electrical Infrastructure Improvements	Renovation	N/A	N/A	0.00	5.00	-	-	5.00	-	-	-
UHDS	Renovation	N/A	N/A	N/A	16.00	-	-	-	-	-	16.00
Student Affairs	Renovation	N/A	N/A	N/A	9.10	-	-	-	-	-	9.10
Athletics	Renovation	N/A	N/A	N/A	5.00	-	-	-	5.00	-	-
Total				**55.10**	**76.90**	**-**	**30.80**	**10.00**	**5.00**	**6.00**	**25.10**

*** Cost are escalated at 5% per year based on 2023 estimates**

Table 7: FY2021-2033 Capital Forecast for OSU-Cascades (Education & General)

2021-2033 OSU Capital Forecast OSU-Cascades Education and General Fund					Projects funded in previous biennia and approved by the Board through the Stage Gate process do not appear on this forecast. Sources of funds ($M)					
Project name	**GKSF**	**FCA**	**DM removed ($M)**	**Total forecasted budget ($M)**	**State-paid Bonds**	**State-paid CIR**	**OSU-paid bonds**	**Pledged gift funds**	**E&G CIR**	**Gifts, Partner-ships, Other**
2021-2023										
Student Success Center	18	N/A	N/A	21.60	13.80	-	5.00	-	-	2.80
Campus Maintenance Center	14	N/A	N/A	10.00	-	-	-	-	-	10.00
Innovation District Land Development	N/A	N/A	N/A	34.00	-	-	24.00	-	-	10.00
Total			**0.00**	**65.60**	**13.80**	**-**	**29.00**	**-**	**-**	**22.80**
2023-2025										
Health Sciences and Recreation Center - Ph1 and Area 2 Land	40	N/A	N/A	83.16	45.35		37.81	-	-	-
Health Sciences and Recreation Center - Ph1B	31	N/A	N/A	50.00	-		-	-	-	50.00
Total			**0.00**	**133.16**	**45.35**	**-**	**37.81**	**-**	**-**	**50.00**
2025-2027										
Academic Building 3	55	N/A	N/A	71.85	44.00	-	-	12.00	-	15.85
Total			**0.00**	**71.85**	**44.00**	**-**	**-**	**12.00**	**-**	**15.85**
2027-2029										
No Projects Planned	N/A	N/A	N/A	-	-	-	-	-	-	-
Total			**0.00**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2029-2031										
Academic Building 4	28	N/A	N/A	50.34	25.17	-	-	25.17	-	-
Total			**0.00**	**50.34**	**25.17**	**-**	**-**	**25.17**	**-**	**-**
2031-2033										
No Projects Planned	N/A	N/A	N/A	-	-	-	-	-	-	-
Total			**0.00**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
*** Cost are escalated at 5% per year based on 2023 estimates**										

Table 8: FY2021-2033 Capital Forecast for OSU-Cascades (Auxiliaries)

2021-2033 OSU Capital Forecast OSU-Cascades Auxiliaries					Projects funded in previous biennia and approved by the Board through the Stage Gate process do not appear on this forecast. Sources of funds ($M)					
Project name	GKSF	FCA	DM removed ($M)	Total forecasted budget ($M)	State-paid Bonds	State-paid CIR	OSU-paid bonds	Pledged gift funds	E&G CIR	Gifts, Partner-ships, Other
2021-2023										
No Projects Planned	N/A	N/A	N/A	-	-	-	-	-	-	-
Total			**0.00**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2023-2025										
Cascades NZE Solar	TBD	N/A	N/A	2.60	-	-	2.60	-	-	-
Total			**0.00**	**2.60**	**-**	**-**	**2.60**	**-**	**-**	**-**
2025-2027										
Row Housing - Mt. Wash	TBD	N/A	N/A	29.45	-	-	-	-	-	29.45
Innovation District - Workforce Housing	TBD	N/A	N/A	39.20	-	-	-	-	-	39.20
Innovation District - Partner Buildings 1 & 2	TBD	N/A	N/A	87.00	-	-	-	-	-	87.00
Total			**0.00**	**155.65**	**-**	**-**	**-**	**-**	**-**	**155.65**
2027-2029										
Innovation District - Partner Buildings 3 & 4	TBD	N/A	N/A	114.20	-	-	-	-	-	114.20
Assembly Conference Center	TBD	N/A	N/A	53.16	-	-	-	-	-	53.16
Total			**0.00**	**167.36**	**-**	**-**	**-**	**-**	**-**	**167.36**
2029-2031										
No Projects Planned	N/A	N/A	N/A	-	-	-	-	-	-	-
Total			**0.00**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2031-2033										
No Projects Planned	N/A	N/A	N/A	-	-	-	-	-	-	-
Total			**0.00**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
* Cost are escalated at 5% per year based on 2023 estimates										