

Fiscal Year 2024 Operating Budget Update

SUMMARY

The operating budget approved by the Board of Trustees in June projected \$1.638B in revenues across all funds and ending unrestricted net assets of \$202.5M (\$205.3M or 23.6% of revenue in Education and General Funds, (\$4M) or -1.4% of revenue in self-support funds, and \$1.1M or 0.2% of revenue in restricted funds).

UPDATED PROJECTIONS FOR FY24 BUDGET

The updated revenue forecast is for \$1.709B with total ending Education and General Funds (E&G) balances of \$197M or 21.7% of total operating revenues. The revenue and expense forecasts for self-support remain the same (Table 1) and have increased for Restricted funds based on the strong prior fiscal year. Total projected revenues for Education and General Funds (E&G) have improved by about \$36.9M as a net result of \$29.6M improvement in state funding (\$16.6M in Corvallis and \$13M in SWPS), a \$6.3M increase in net tuition and fee revenues and a \$1M increase in Other Revenue. The state funding increase for Corvallis of \$16.6M includes \$8M of state targeted funding that is a direct pass-through to E&G units. In addition, for some of the state targeted funds, the state provided the full biennium funding instead of just the first year as has been the historical practice, resulting in \$5.3M in FY24 that normally would have been deferred to FY25.

Detail is provided in Table 2 for the net tuition and fee revenue change in Education and General funds. Ecampus enrollment is strong but slightly less than projected (\$2M). Resident enrollment growth is slightly higher than projected, increasing the forecast by \$2.7M. Non-resident undergraduate revenues are outpacing the forecast, with \$5.7M additional net revenue anticipated.

The ending balance for Corvallis (Table 3) is projected to decrease by (\$1.3M) as the university invests in targeted strategic initiatives, such as funding for the new University Arts program in support of the PRAX building; Enrollment Management support; a variety of student success efforts; annual support for infrastructure renewal (CIR) funding from E&G; additional resources for Ecampus growth; Research Office operations support; debt service increases, including AMP funding; and other various initiatives directly supporting faculty and staff. E&G funds are forecast to end with fund balances of \$197M or 21.7% of revenue, self-support funds at ending unrestricted net assets of \$9.3M or 3.3% of revenue, and restricted funds at ending restricted net assets of \$9.1M or 1.7% of revenue.

While enrollments will not be final until the university census is completed (October 27th), OSU is projected to welcome a record-setting class of first-year students to campus this fall. Additionally, despite dramatic enrollment declines at Oregon's community colleges, a sizeable number of transfer students is projected such that OSU will be the largest destination for transfer students of all public universities in the state. While enrollment growth comes from beyond Oregon borders, OSU enrolls a solid majority (and growing numbers) of Oregonians, which maintains our strong history of higher education access for Oregonians and enrollment projections suggest that we will maintain strong enrollment of Oregonians in the foreseeable future. OSU's ability to attract students from outside the state is testament to the university's solid academic reputation (which is always the number one reason students choose OSU). This

October 19-20, 2023 Board of Trustees Meetings

reputation, coupled with a diversified enrollment portfolio and investments in enrollment management, serves as the bedrock for continuing growth and record enrollment levels.

NEXT STEPS

Staff will update the Board in January with an enrollment summary and the Quarter 1 management report.

Table 1: Summary of FY24 budget updates including actual FY23 ending balances. Amounts in \$1,000s.

EDUCATION & GENERAL (Corvallis, Cascades, Statewide Public Services)			
(in thousands)	2023 Final	2024 Budget	2024 Updated
State General Fund	\$270,348	\$270,724	\$300,329
Tuition & Resource Fees, net of Remissions	432,881	475,011	481,309
Other	128,798	125,254	126,296
Total Resources	832,027	870,989	907,934
Personnel Services	(613,600)	(642,500)	(662,255)
Supplies & Services & Capital Outlay	(201,873)	(202,831)	(212,376)
Total Expenditures	(815,473)	(845,331)	(874,631)
Net transfers and deductions	(17,497)	(22,623)	(22,651)
Change in Fund Balance	(943)	3,035	10,652
Beginning Unrestricted Net Assets	187,311	202,293	186,368
Ending Unrestricted Net Assets	\$186,368	\$205,328	\$197,019
% Operating Revenues	22.4%	23.6%	21.7%
SELF-SUPPORT (Auxiliaries, Designated Operations and Service Departments)			
(in thousands)	2023 Final	2024 Budget	2024 Updated
Enrollment Fees	\$47,164	\$50,530	\$50,530
Sales & Services	175,466	185,819	185,819
Other	51,109	44,697	44,697
Total Revenues	273,739	281,046	281,046
Personnel Services	(124,699)	(142,115)	(142,115)
Supplies & Services & Capital Outlay	(127,083)	(124,069)	(124,069)
Total Expenses	(251,782)	(266,184)	(266,184)
Net transfers and deductions	(22,106)	(29,220)	(29,220)
Change in Unrestricted Net Assets	(149)	(14,358)	(14,358)
Beginning Unrestricted Net Assets	23,804	10,370	23,656
Ending Unrestricted Net Assets	\$23,656	(\$3,988)	\$9,298
% Operating Revenues	8.6%	-1.4%	3.3%

Table 1 (continued): Summary of FY24 budget updates including actual FY23 ending balances. Amounts in \$1,000s.

RESTRICTED FUNDS			
(in thousands)	2023 Final	2024 Budget	2024 Updated
Federal	\$348,530	\$352,000	\$370,000
State	42,256	36,000	45,000
Other	103,730	98,000	105,000
Total Resources	494,516	486,000	520,000
Personnel Services	(168,256)	(165,000)	(172,000)
Supplies & Services & Capital Outlay	(302,651)	(283,000)	(306,000)
Total Expenditures	(470,907)	(448,000)	(478,000)
Net transfers and deductions	(24,325)	(43,132)	(42,000)
Change in Unrestricted Net Assets	(716)	(5,132)	0
Beginning Unrestricted Net Assets	9,789	6,282	9,073
Ending Unrestricted Net Assets	\$9,073	\$1,150	\$9,073
% Operating Revenues	1.8%	0.2%	1.7%

Table 2: Education and General tuition and fee revenues for FY24 budget and current forecast.

	FY24 Budget	FY24 October Update	Variance
Corvallis			
Resident Undergraduate	\$ 117,830,033	\$ 120,623,000	\$ 2,792,967
Non-Resident Undergraduate	152,822,334	158,531,000	\$ 5,708,666
Resident Graduate	29,647,436	29,647,000	\$ (436)
Non-Resident Graduate	11,371,739	11,372,000	\$ 261
Veterinary Medicine DVM	12,558,946	12,656,000	\$ 97,054
Pharmacy PharmD	9,011,638	9,087,000	\$ 75,362
Other	1,438,871	1,439,000	\$ 129
Summer	5,577,845	5,649,000	\$ 71,155
Waivers	(95,000,000)	(95,000,000)	\$ -
Fees	10,309,000	10,069,425	\$ (239,575)
Ecampus	202,207,014	200,000,000	\$ (2,207,014)
Cascades	17,235,621	17,235,621	\$ -
Total Net Tuition	\$ 475,010,477	\$ 481,309,046	\$ 6,298,569

FAC Agenda Item 4b - ~~Corrected Table 3 (Delete Red Header Text)~~

Table 3: Detail for the Corvallis Education and General budget forecast. ~~Amounts with updated values are shaded.~~ The Statewide Public Services (SWPS) include the Agricultural Experiment Station (AES), Extension Services (EXT), Forest Research Laboratory (FRL), and Outdoor School (OS).

FY24 Budget Request to Board

E&G Projections	E&G-Corvallis	E&G-Cascades	AES	EXT	FRL	OS	Adj	Total
State Appropriation	\$ 173,995,497	\$ 9,235,375	\$ 46,244,893	\$ 35,875,715	\$ 6,774,016	\$ 28,203,032		\$ 300,328,528
Net Tuition & Resource Fees	464,073,425	17,235,621	-					481,309,046
Other Revenue	90,856,693	145,370	9,621,921	21,350,000	4,322,221			126,296,205
	728,925,615	26,616,366	55,866,814	57,225,715	11,096,237	28,203,032		907,933,779
Personal Services	553,138,707	22,862,537	34,862,000	43,850,250	6,000,000	1,541,796		662,255,290
Supplies & Services	176,488,200	4,495,530	14,702,000	10,150,000	1,700,000	24,020,000		231,555,730
Capital Outlay	5,075,000	75,000	2,300,000	100,000	600,000			8,150,000
Student Aid	3,045,000	150,000						3,195,000
Internal Sales	(28,420,000)	(30,000)	(1,002,000)	(1,022,415)	(50,000)			(30,524,415)
	709,326,907	27,553,067	50,862,000	53,077,835	8,250,000	25,561,796		874,631,605
Net Operating Gain (Loss)	19,598,708	(936,701)	5,004,814	4,147,880	2,846,237	2,641,236		33,302,174
Transfers In	3,449,844	310,000		791,680	-	-	(791,680)	3,759,844
Transfers Out	(24,378,384)	(50,000)	(1,955,000)	(27,300)	-	-		(26,410,684)
Change in Fund Balance	(1,329,832)	(676,701)	3,049,814	4,912,260	2,846,237	2,641,236		10,651,334
Beg Est Fund Balance-FY23	123,932,809	1,473,836	15,994,620	9,445,385	6,465,271	29,055,947		186,367,868
FY24 Estimated Ending Fund Balance	\$ 122,602,977	\$ 797,135	\$ 19,044,434	\$ 14,357,645	\$ 9,311,508	\$ 31,697,183		\$ 197,019,202
	16.8%	3.0%	34.1%	25.1%	83.9%	112.4%		21.7%