

## FY2025 Q3 OSU Operating Management Report

### EXECUTIVE SUMMARY

The fiscal year 2025 (FY25) third quarter operating management report is detailed in Attachment 1. Attachment 2 includes explanatory information about the report.

#### Education and General

Education and General Fund (E&G) revenues are projected to total \$940.0M, which is \$16.7M less than originally budgeted and \$7.3M lower than the previous quarter's projections. The variance from the prior quarter is due largely to higher-than-budgeted tuition waivers. Expenditures are expected to total \$932.7M, which is \$19.1M less than originally budgeted and \$21.9M lower than the previous quarter's projections. The increase in Personnel Services is due to a combination of negotiated compensation increases and increased personnel and is offset by savings in Service & Supplies and Capital Outlay. Service & Supplies and Capital Outlay spending has been less than budgeted throughout FY25. Internal sales reimbursements, which net against this expense, have been higher than budgeted, accounting for about half of this savings.

Transfers in and transfers out are projected to remain unchanged at \$4.1M and \$35.3M, respectively. Overall, unrestricted net assets are projected to decrease by \$23.9M to total \$163.3M at year's end. This would result in a balance at 17.4% of total operating revenues, which is within the board established range of 10% to 20%.

#### Self-Support

Self-Support Fund revenues are projected to total \$283.2M, expenditures are expected to total \$270.6M, and transfers in and transfers out are projected to be \$20.2M and \$19.3M, respectively. Deductions from unrestricted net assets, primarily representing debt principal payments and purchases of fixed assets, are expected to total \$18.4M. Unrestricted net assets are projected to decrease by \$4.8M to a total surplus of \$7.7M at year's end. The ending Unrestricted Net Assets balance is projected to be 2.7% of total operating revenues.

#### Restricted

The Restricted Fund revenues are projected to total \$586.0M, expenditures are expected to total \$552.0M, and transfers in and transfers out are projected to be \$0.6M and \$35.3M, respectively. Restricted net assets are projected to decrease by \$6.3M to total \$5.6M at year's end.

Personnel expenditures to-date are projected at a rate slightly higher than is typical at this point due to anticipated lower spending in the fourth quarter of FY25. The second quarter estimate for Personnel made a significant reduction from budgeted levels, and the new estimate revises this higher, but still lower than budgeted levels.

Non-personnel expenses are below budget and are projected to finish the year slightly higher than the prior fiscal year, primarily due to the winding down of major projects like the [PacWave](#)

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*May 8-9, 2025, Board of Trustees Meetings*

[Energy Test Facility](#). Additionally, a general decline in federal research activity is anticipated in late FY25, contributing to the reduced estimate of spending.

**RECOMMENDATION**

Staff recommend that the Finance & Administration Committee accept the FY2025 Q3 Operating Management Report.

**Oregon State University**  
**Quarterly Operating Management Report**  
(Unaudited, for management purposes only)

**As of March 31, 2025**  
**For the Fiscal Year Ended June 30, 2025**

(in thousands except enrollment)

**EDUCATION & GENERAL**

	YTD Actual			Budget & YE Projection			Notes
	A	B	C	D	E	F	
	YTD	YTD as a % of Projected	Prior 7 yr. avg. YTD %	6/30/2024 Prior Yr. Actual	Budget	YE Projected 6/30/2025	Chg from prior qtr. projection
State General Fund	\$243,194	84%	84%	\$302,677	\$289,643	\$287,961	\$0
Tuition & Resource Fees, net of Waivers	510,458	99%	99%	469,746	527,421	515,614	(7,298)
Other	89,409	66%	64%	142,369	139,606	136,410	0
<b>Total Revenues</b>	<b>843,061</b>			<b>914,792</b>	<b>956,670</b>	<b>939,985</b>	<b>(7,298)</b>
Personnel Services	(527,402)	73%	73%	(671,512)	(712,803)	(722,468)	(2,130)
Supplies & Services & Capital Outlay	(138,747)	66%	66%	(220,948)	(238,940)	(210,223)	<b>23,993</b>
<b>Total Expenditures</b>	<b>(666,149)</b>			<b>(892,460)</b>	<b>(951,743)</b>	<b>(932,691)</b>	<b>21,863</b>
<b>Net from Operations</b>	<b>176,912</b>			<b>22,332</b>	<b>4,927</b>	<b>7,294</b>	<b>14,565</b>
Transfers In	2,308			8,691	4,124	4,124	0
Transfers Out	(21,703)			(30,254)	(35,271)	(35,271)	0
Fund Additions/(Deductions)	0			0	0	0	0
<b>Change in Unrestricted Net Assets</b>	<b>157,517</b>			<b>769</b>	<b>(26,220)</b>	<b>(23,853)</b>	<b>14,565</b>
<b>Beginning Unrestricted Net Assets</b>	<b>187,137</b>			<b>186,368</b>	<b>187,137</b>	<b>187,137</b>	<b>0</b>
<b>Ending Unrestricted Net Assets</b>	<b>\$344,654</b>			<b>\$187,137</b>	<b>\$160,917</b>	<b>\$163,284</b>	<b>\$14,565</b>
% Operating Revenues	40.9%			20.5%	16.8%	17.4%	
Student FTE Enrollment YTD (Summer and Fall terms only)	23,397	73%	71%	31,487	31,959	31,959	0

(1) Service & Supplies and Capital Outlay spending has lagged budgeted amounts and prior year trends throughout FY 2025. Additionally, internal sales reimbursements (which net against this expense), were likely under-budgeted, accounting for about half of this variance.

**Oregon State University**  
**Quarterly Operating Management Report**  
(Unaudited, for management purposes only)

**As of March 31, 2025**  
**For the Fiscal Year Ended June 30, 2025**

(in thousands)

**SELF-SUPPORT - Auxiliaries, Designated Operations and Service Departments**

	YTD Actual			Budget & YE Projection			Notes
	A	B	C	D	E	F	
	YTD	YTD as a % of Projected	Prior 7 yr. avg. YTD %	6/30/2024 Prior Yr. Actual	Budget	YE Projected 6/30/2025	Chg from prior qtr. projection
Enrollment Fees	\$54,914	99%	98%	\$50,678	\$53,984	\$55,609	\$933
Sales & Services	110,713	62%	62%	203,955	182,515	178,787	341
Other	37,245	76%	70%	48,184	48,790	48,809	(616)
<b>Total Revenues</b>	<b>202,872</b>			<b>302,817</b>	<b>285,289</b>	<b>283,205</b>	<b>658</b>
Personnel Services	(102,667)	73%	74%	(132,510)	(143,563)	(140,515)	1,526
Supplies & Services & Capital Outlay	(101,048)	78%	76%	(146,101)	(131,262)	(130,035)	1,926
<b>Total Expenditures</b>	<b>(203,715)</b>			<b>(278,611)</b>	<b>(274,825)</b>	<b>(270,550)</b>	<b>3,452</b>
<b>Net from Operations</b>	<b>(843)</b>			<b>24,206</b>	<b>10,464</b>	<b>12,655</b>	<b>4,110</b>
Transfers In	18,412			10,759	19,621	20,155	0
Transfers Out	(13,289)			(32,095)	(16,106)	(19,279)	0
Additions/(Deductions) to Unrestricted Net Assets	(5,729)			(14,028)	(16,096)	(18,367)	(1,578)
<b>Change in Unrestricted Net Assets</b>	<b>(1,449)</b>			<b>(11,158)</b>	<b>(2,117)</b>	<b>(4,836)</b>	<b>2,532</b>
<b>Beginning Unrestricted Net Assets</b>	<b>12,498</b>			<b>23,656</b>	<b>12,498</b>	<b>12,498</b>	<b>0</b>
<b>Ending Unrestricted Net Assets</b>	<b>\$11,049</b>			<b>\$12,498</b>	<b>\$10,381</b>	<b>\$7,662</b>	<b>\$2,532</b>
% of Operating Revenues	5.4%			4.1%	3.6%	2.7%	
<b>Total Unrestricted Net Assets</b>	<b>\$355,703</b>			<b>\$199,635</b>	<b>\$171,298</b>	<b>\$170,946</b>	
<b>Days of Expenditures in Total Unrestricted Funds</b>	<b>149</b>			<b>62</b>	<b>51</b>	<b>52</b>	

May 8-9, 2025, Board of Trustees Meetings

**Oregon State University**  
**Quarterly Operating Management Report**  
(Unaudited, for management purposes only)

**As of March 31, 2025**  
**For the Fiscal Year Ended June 30, 2025**

(in thousands)

**RESTRICTED FUNDS**

	YTD Actual			Budget & YE Projection			Notes	
	A	B	C	D	E	F		
	YTD	YTD as a % of Projected	Prior 7 yr. avg. YTD %	6/30/2024 Prior Yr. Actual	Budget	YE Projected 6/30/2025		Chg from prior qtr. projection
Federal	\$301,782	70%	71%	\$412,200	\$427,500	\$428,071	\$571	
State	39,313	77%	77%	47,467	63,200	51,115	(3,885)	
Other	80,356	75%	71%	115,961	112,500	106,805	(5,695)	
<b>Total Revenues</b>	<b>421,451</b>			<b>575,628</b>	<b>603,200</b>	<b>585,991</b>	<b>(9,009)</b>	
Personnel Services	(141,311)	74%	73%	(186,449)	(197,500)	(190,225)	<b>(7,821)</b>	(2)
Supplies & Services & Capital Outlay	(276,996)	77%	75%	(351,300)	(380,000)	(361,710)	<b>13,290</b>	(3)
<b>Total Expenditures</b>	<b>(418,307)</b>			<b>(537,749)</b>	<b>(577,500)</b>	<b>(551,935)</b>	<b>5,469</b>	
<b>Net from Operations</b>	<b>3,144</b>			<b>37,879</b>	<b>25,700</b>	<b>34,056</b>	<b>(3,540)</b>	
Transfers In	570			3,851	3,500	570	6	
Transfers Out	(28,918)			(44,505)	(16,330)	(35,276)	(1,999)	
Additions/(Deductions) to Restricted Net Assets	0			0	0	0	0	
<b>Change in Restricted Net Assets</b>	<b>(25,204)</b>			<b>(2,775)</b>	<b>12,870</b>	<b>(650)</b>	<b>(5,533)</b>	
<b>Beginning Restricted Net Assets</b>	<b>6,298</b>			<b>9,073</b>	<b>6,298</b>	<b>6,298</b>	<b>0</b>	
<b>Ending Restricted Net Assets</b>	<b>(\$18,906)</b>			<b>\$6,298</b>	<b>\$19,168</b>	<b>\$5,648</b>	<b>(\$5,533)</b>	
% of Operating Revenues	-4.5%			1.1%	3.2%	1.0%		

(2) Personnel expenditures to date are projected at a rate slightly higher than typical at this point due to anticipated lower spending in the fourth quarter of FY25. However, the updated estimate revises higher from a substantial reduction in the second quarter.

(3) Non-personnel expenses are below budget and are projected to finish the year slightly higher than the prior fiscal year, primary due to the winding down of major projects like PacWave. Additionally, a general decline in federal research activity is anticipated in late FY25, contributing to the reduced estimate of spending.

**OREGON STATE UNIVERSITY**  
**Transfers schedule**  
(in \$000's)

**As of March 31, 2025**  
**For the Fiscal Year Ended June 30, 2025**

	<u>Transfers In</u>		<u>Transfers Out</u>	
<b>Education &amp; General</b>				
Self-Supports				
Royalties	\$ 800	(a)	\$ -	
Athletics	230		17,550	(b)
Other Auxiliaries	135	(c)	59	
Designated Operations	217		173	(d)
Service Centers	95		406	(d)
Unrestricted Gifts	22	(e)	-	
Restricted	167	(f)	-	
Other	8		-	
Capital Construction	634		3,515	(g)
<b>Total</b>	<b>\$ 2,308</b>		<b>\$ 21,703</b>	
<b>Self-Support</b>				
Education & General				
Royalties	\$ -		\$ 800	(a)
Athletics	17,550	(b)	230	
Other Auxiliaries	59		135	(c)
Designated Operations	173	(d)	217	
Service Centers	406	(d)	95	
Unrestricted Gifts	-		22	(e)
Capital Construction	224		10,374	(g)
Internal Bank	-		1,416	
<b>Totals</b>	<b>\$ 18,412</b>		<b>\$ 13,289</b>	
<b>Restricted</b>				
Education & General	\$ -		\$ 167	(f)
Capital Construction	570		28,751	(h)
	<b>\$ 570</b>		<b>\$ 28,918</b>	
<b>Total Transfers</b>	<b>\$ 21,290</b>		<b>\$ 63,910</b>	
<b>Capital Construction</b>	1,428		42,640	
<b>Internal Bank and Other</b>	8		1,416	
<b>Net Transfers</b>	<b>\$ 19,854</b>		<b>\$ 19,854</b>	

- (a) Transfer of royalties to E&G
- (b) FY25 support from E&G to Athletics
- (c) Support from ASOSU to PRAX and child care subsidy
- (d) Subsidies from E&G for supporting Designated Operations and Service Departments
- (e) Transfer from unrestricted gift to E&G
- (f) Transfer for USGS Space Lease at Jefferson Street Building
- (g) Transfers to plant fund for remodels and space renovations
- (h) Transfer for federally funded PacWave capital project

**OPERATING REPORT BACKGROUND**

Oregon State University’s Operating Management Report presents the operating results for the three operating fund groups: Education and General, Self-Support, and Restricted funds.

The quarterly management report is a summary-level report that compares:

- Year-to-date actual activity relative to the projected total for the year to the same relationship in prior years or to expected current year totals; and
- The current quarter projection for year end to the board approved budget.

The percentage of year-to-date actual revenue and expenditures as compared to the total projected annual amounts is calculated to help ensure that the Board and management have an early warning regarding unanticipated operating trends in the major categories. This percentage is called the *realization rate* for revenues and the *burn rate* for expenditures. The current year realization/burn rate is compared to the seven-year average of prior years’ actual rates. The seven-year average is used to smooth out one-time operating changes. This method has proven to be very successful in identifying when the current year actual results are not tracking as expected, allowing management to make any necessary changes to address unanticipated results.

The low standard deviation of the actual year-to-date results for each quarter over the past seven years provides support for the predictive value of the data. The standard deviation, coupled with the materiality of the amounts, provides the basis for OSU’s established tolerance ranges, within which the actual results should track. If the actual year-to-date amounts fall outside the established tolerances, the data is flagged for further analysis.

This approach is applied with the following tolerances of plus or minus:

Tuition & Resource Fees, net of waivers	2%
Enrollment Fees	2%
Sales & Services	5%
Other revenue	7%
Federal restricted	5%
State restricted	7%
Other restricted	6%
Personnel Services	2%
Supplies & Services & Capital Outlay	5%

To provide similar precision to the State General Fund category in the report for which actual results do not track similarly from year to year, the anticipated current year results provide similar predictive value to the report. We have established a tolerance range based upon materiality. This approach is applied with the following tolerances of plus or minus:

State General Fund	2%
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Additionally, accountability for material changes made to the year-end projection as compared to the previous quarterly report is provided by highlighting those fluctuations greater than 1% of total operating revenues for further analysis and reporting to the committee. Transfer variances are tracked quarterly and are generally explained at Q4 because of the frequency of schedule changes for major transfers. Material variances in transfers that are decision-related are explained within each quarterly report.