



**Oregon State
University**

The Board of Trustees of Oregon State University

Meeting of the Finance and Administration Committee

March 7, 2025

11:30 a.m. – 2:15 p.m.

Virtual meeting held by Zoom

MINUTES

Committee members present: Kasaundra (Kassy) Bonanno, Susan Clark, Lisa Hale, Román Hernández (*ex-officio*), Carla Ho‘ā (*ex-officio*), Grant Kitamura (*vice chair*), Toby Luther, Elise McClure (*chair*), Marlena (MJ) Mirho (*nonvoting member*)

Other trustees present: Stephanie Bulger, Kate Carter-Cram, Maria Chávez-Haroldson, Greg Macpherson, Julie Manning, Jayathi Murthy, Camille Palmer

University staff present: Jackie Bangs, Jon Boeckenstedt, Bill Callender, Bruce Daley, Leah Hall Dorothy, Ed Feser, Alix Gitelman, Becca Gose, Brent Gustafson, Carla Ho‘ā, Steve Hoelscher, Jen Humphreys, Stacy Jeffries, Paul Odenthal, Staci Simonich, Patti Snopkowski, Troy Snow, Carrie Trant, Irem Tumer, Scott Vignos

1. Call to Order / Roll Call / Declaration of a Quorum

Committee Chair Elise McClure called the meeting to order. Board Secretary Jackie Bangs called the roll and verified a quorum.

2. Vice President for Finance and Administration’s report

Vice President for Finance and Administration Carla Ho‘ā delivered her report to the committee.

She highlighted the institution-wide effort currently underway to realign OSU’s general operating budget more closely with the strategic goals of *Prosperity Widely Shared* and to increase OSU’s longer-term fiscal resiliency.

As part of this effort, she noted that colleges, divisions and departments are developing scenarios for reductions of 3%, 5% and 7% to inform a collaborative decision-making process for the university’s fiscal year 2026 budget.

Ho‘ā described a set of principles that university leaders are using that reflect OSU’s shared values, noting that this broad planning effort will support preparation for potential and still unknown effects of federal funding changes that could impact OSU operations. She reported that trustees will hear more about the results of this work at the May meeting.

Ho‘ā outlined the principles guiding the budget planning process, including prioritizing students’ needs, valuing employees, aligning resources with strategic goals, engaging the university community and making decisions collaboratively.

She invited questions and comments from trustees.

Trustee Luther asked about the budget planning scenarios and whether departments are sharing the cost pressure, given the nearly 5% tuition increase. Ho‘ā confirmed that colleges, divisions and departments are looking at the 3%, 5% and 7% scenarios to identify potential actions up to the 7% range.

Committee Chair McClure expressed appreciation for the budget process and acknowledged the complexity added by federal funding issues. She commended Ho‘ā’s strategic approach to being ready for potential impacts.

3. Consent agenda

- a. Minutes of the Jan. 16, 2025, Finance & Administration Committee Meeting**
- b. FY2025 Q2 Operating Management Report**
- c. FY2025 Q2 Investment Reports**
- d. Liquidity Management Policy Amendments**

Committee Chair McClure sought a motion to approve the consent agenda. A motion was made by Trustee Luther, seconded by Trustee Clark and approved by all committee members in attendance. The motion carried.

4. Action Items

- a. FY2026 Tuition Rates, Mandatory Fees and Student Incidental Fees**

Vice President for Finance and Administration Carla Ho‘ā and Associate Vice President for Budget and Resource Planning Brent Gustafson presented this agenda item. Vice Provost of Enrollment Management Jon Boeckenstedt was available to answer questions.

Ho‘ā stressed the importance of balancing the needs of the university’s operations, strategic investments and financial health while keeping tuition as low as possible, especially for Oregonians. She noted that tuition and fees represent a significant portion of OSU’s budget due to low levels of state funding.

She reported that the University Budget Committee had made its recommendation to the president, and that the presentation reflected the president’s recommendation to the board. Ho‘ā further noted that the amounts shown were sticker prices and that the actual amount paid by students – especially Oregon students – was frequently lower due to financial aid.

Gustafson provided a detailed explanation of the process for determining tuition and fee rates.

He outlined process steps, noting that the University Budget Committee (UBC) convenes in October each year and that a team from the Division of Finance and Administration works throughout the fall and winter to prepare projections and work on assumptions for tuition modeling. He added that the process involves financial analysis, option development and engagement with student government.

Gustafson reported that tuition pricing aims to match the university’s inflationary cost pressures, which are principally driven by salary and benefits. He added that returning students’ rates of increase reflect these pressures, while incoming students’ rates are set with market considerations.

Gustafson acknowledged the complexity of OSU’s tuition and fee structure, with distinctions based on residency status, undergraduate and graduate programs and Ecampus.

Gustafson reported that the president's recommendation included a 4.8% increase for returning undergraduates, a 5.3% increase for new undergraduates and varying rates for graduate and professional programs. He noted mandatory fees were recommended to increase modestly, with specific initiatives for new student onboarding and addressing deferred maintenance.

Ho'ā and Gustafson addressed the following topics in discussion with trustees:

Committee Chair McClure asked for background on differential tuition. Gustafson explained that differential tuition recognizes the additional costs of some educational programs and directs resources to those respective colleges.

McClure asked a follow-up question about state support and its impact on the budget. Gustafson reported that the university is still waiting to see what state appropriations will be, with that information included in the budget brought to the board in May. He added that state budgets across the country are highly influenced by Medicaid funding, and federal changes could have significant ripple effects on state appropriations.

Trustee Macpherson asked if all students pay mandatory fees and the building loan debt fee, adding that a plurality of UBC members had recommended a lower tuition increase but a higher increase in the building loan debt fee. Gustafson explained that mandatory fees are charged to all students, but that Ecampus students do not pay the building loan debt fee or campus health services fee. He explained that the recommendation for a higher building loan debt fee reflected the priority of some UBC members to make improvements to campus buildings.

Board Chair Hernández asked how this year's recommended tuition increases compared to last year's. Gustafson reported that last year's tuition increase was 4.65% for returning undergraduates and 5.13% for incoming undergraduates, with fee increases slightly higher last year.

Hernández asked a follow-up question about how OSU's tuition and fees compare to institutions like the University of Oregon (UO) and Portland State University (PSU). Gustafson said that direct comparisons are difficult but said OSU tuition and fees for incoming students were lower than at UO, but that UO has a pricing structure that is flat for five years. He estimated OSU tuition and fees were slightly higher than PSU's.

Trustee Bonanno expressed concerns about non-resident undergraduate students being priced out of OSU. Gustafson deferred to Jon Boeckstedt, who discussed efforts to keep costs low, including significant expansion of the Western Undergraduate Exchange program, which lowers costs to about 1.5x that of residents. He added that the average net cost for non-residents has remained stable.

Trustee Mirho asked about the higher tuition rates for the veterinary medicine program. Gustafson cited financial challenges and market considerations (cost of attendance relative to peer institutions) particular to the Carlson College of Veterinary Medicine, noting the college felt it could raise prices and still attract students.

Board Chair Hernández sought to confirm that OSU is not turning down qualified Oregonians over out-of-state students who pay higher tuition. Boeckstedt confirmed that OSU does not turn down qualified Oregonians in favor of non-residents. He said that, when Oregonians are not admitted to OSU, it is generally because their academic qualifications indicate they are not ready to enroll. He added that OSU still stresses the possibilities of a path to an OSU degree for those students, which might include community college or Ecampus.

Committee Chair McClure inquired about financial aid and its impact on tuition increases. Gustafson noted that, in the aggregate, OSU has substantially increased the amount of institutional aid it provides. Boeckenstedt noted challenges posed by low levels of state funding, which impedes the university's ability to do more.

Committee Chair McClure sought a motion to recommend to the board that it approve the resolution in attachment 1, establishing the academic year 2025-2026 and summer 2025 tuition and mandatory fees at the rates documented in Attachment 1, Exhibit A. The principal recommendations are for a 4.8% increase for continuing undergraduates at Corvallis and OSU-Cascades; a 5.3% increase for new undergraduate students at Corvallis and OSU-Cascades; and a 4.8% increase for Ecampus students continuing and new.

A motion was made by Trustee Luther and seconded by Trustee Clark. Trustees Clark, Hale, Kitamura, Luther and McClure voted yea, and the motion carried.

b. Capital Project Stage Gate I: Sinnhuber Aquatic Research Laboratory (SARL) Modernization

Bruce Daley, associate vice president for University Facilities, Infrastructure and Operations; Staci Simonich, dean of the College of Agricultural Sciences; and Carrie Trant, project manager of capital planning and development gave a presentation on the proposed modernization of the Sinnhuber Aquatic Research Laboratory.

Bruce Daley gave an overview of the project and stated the goal of advancing it to the design development phase.

He provided information on project funding, which includes a \$7.5M National Institutes of Health (NIH) grant; \$2M from the College of Agricultural Sciences; \$1M in state improvement funds; and \$3M from existing revenue bonds.

Daley provided information on the scope of the project, which involves modernization of the integrated specific pathogen-free zebrafish core facility, including the renovation of an existing 3,500-square-foot building and aquatic center.

He noted that the project is relatively new and was not included in the ten-year capital forecast, adding that the team anticipates returning to the board in October for Stage Gate II approval.

Dean Simonich provided additional context about the SARL, highlighting its location and historical significance. She noted that the SARL has been in operation for over 60 years and has contributed over \$150M in grant funding, primarily from the NIH and National Science Foundation (NSF).

Simonich provided background on the facility's research focus, explaining that it uses zebrafish as a model for human health research, leveraging the fish's genetic similarity to humans to study the impact of chemicals on embryo development.

She further noted the interdisciplinary nature of the SARL, a facility used by multiple colleges, including the College of Health, College of Science, College of Pharmacy and the Linus Pauling Institute.

Carrie Trant discussed the technical aspects of the project.

She provided renovation details, which will transform a 3,500-square-foot unused storage space into a state-of-the-art zebrafish housing center, upgrading systems, providing automation, improving efficiencies and addressing deferred maintenance.

Trant gave an overview of the project timeline, with construction anticipated to begin in March 2026 and be completed by March 2027, well in advance of the NIH grant drawdown date of May 2028.

She noted that the team had conducted comprehensive cost modeling and value engineering exercises to ensure cost efficiencies throughout the design phases.

Trustee Macpherson voiced support for the project, having toured the lab and been impressed by the research scale and the need for modernization.

Committee Chair McClure expressed concerns about the NIH grant's uncertainty but acknowledged that it was not a reason to halt the project.

Committee Chair McClure sought a motion to approve advancement of the Sinnhuber Aquatic Research Laboratory modernization project to the design development phase. A motion was made by Trustee Hale, seconded by Trustee Kitamura and approved by all committee members in attendance. The motion carried.

c. Capital Project Stage Gate I: Dixon Recreation Center Improvements

For the second capital project on the agenda, Bruce Daley was joined by Christina Vinson, project manager for design and construction, and Bill Callender, associate director for facilities and risk management for Recreational Sports. Also available to answer questions were Leah Hall Dorothy, executive director of recreational sports; Troy Snow, associate director of recreational operations and initiatives; and Steve Hoelscher, associate vice president for student affairs, finance and operations.

Daley provided an overview of the project – which is included in the ten-year capital forecast – and stated the team's goal of advancing the proposed improvements to the design development phase.

He noted that the recreation center is 50 years old and has many urgent remodel and replacement needs, adding that project improvements would address safety, accessibility, egress pathways, lighting, roof replacement, skylights, heating, ventilation and air conditioning.

Daley added that the project also includes replacement of climbing gym surfaces, a retrofit of the reconfigured east entry and improvements to racquetball and squash courts. He expects the project to advance rapidly, with a request for stage gate II approval anticipated in May.

Bill Callender provided historical context for recreational sports at OSU, which date back to 1916 and are recognized as the third oldest program in the country. He noted that the department serves over 18,000 unique students, comprising 79% of the student body in Corvallis.

He further noted that the program utilizes the support of over 470 student employees to operate 355 days a year at facilities including Dixon Recreation Center, a portion of the historic McAlexander Field House, Student Legacy Park, the challenge course and Peavy sports fields.

Callendar reported that the project is 100% cash funded through unit-level reserves from incidental fees and revenue generation, as well as the student building loan and debt fee funds.

Christina Vinson discussed the timeline and budget for the project.

She noted that the schematic design was completed in May 2024, confirming the scope of several items from the Dixon Recreation Center deferred maintenance list including the east entry and climbing wall, racquetball and squash courts, heating and cooling equipment replacement, roof replacement and the addition of an emergency generator.

Vinson reported that the original cost estimate of \$8.5M had increased to \$11.5M due to additional electrical and HVAC elements and finishing one of the racquetball courts as an athletic training space.

She gave an overview of the project timeline, with an early construction package for the climbing wall and east entrance planned to begin in April. The project is scheduled for full completion in May 2026.

There being no questions or discussion from trustees, Committee Chair McClure sought a motion to approve advancing the Dixon Recreation Center improvements project to the design development phase, and for early work to proceed. A motion was made by Trustee Luther, seconded by Trustee Clark and approved by all committee members in attendance. The motion carried.

5. Discussion item

a. **Division of Finance and Administration Update: DFA Strategic Alignment with Prosperity Widely Shared**

Vice President for Finance and Administration Carla Ho‘ā delivered this update to the committee.

Ho‘ā emphasized the importance of the Division of Finance and Administration, which she likened to the administrative backbone of Oregon State University. She highlighted the division's role in delivering essential services and providing stewardship and strategic leadership necessary for the university to achieve its mission and advance its goals.

She noted that the division supports every aspect of the university's work, from financial strategy and fiscal management to capital planning, facilities operations, risk management, public safety and sustainability. She added that the division's work touches every student, faculty member, staff member and visitor at OSU.

Ho‘ā emphasized the need for the division to remain fluid and adaptable, anticipate challenges, embrace innovation and continuously seek opportunities to enhance its value. She acknowledged the complexity and pace of change within higher education and the importance of shaping the division's plan around those changes.

She discussed how the division's priorities and goals align with *Prosperity Widely Shared*, the university's strategic plan. She explained the connectors that tie the division's work to the goals of the strategic plan, including allocating resources to support research and innovation; prioritizing facilities that support research; integrating AI into processes; and reducing administrative burdens.

Ho‘ā stressed the importance of assigning accountability to leaders within the division to ensure the successful implementation of goals. She discussed the targets related to increasing annual research expenditures and equalizing the six-year graduation rate. She emphasized the need for strategic investment in the research enterprise and prioritizing the renewal and modernization of facilities.

The following topics were discussed in conversation with trustees:

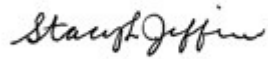
Trustee Manning asked about the timeframe for implementing the work within the division and requested updates on progress. Ho‘ā noted that timelines are being developed to stage the work effectively and emphasized the importance of convening the right groups of people and building a set of metrics to measure success.

Committee Vice Chair Kitamura expressed appreciation for Ho‘ā’s approach and focus on collaboration to achieve the goals and priorities of *Prosperity Widely Shared*. He acknowledged the uncertainty and challenges faced by the university and looked forward to hearing progress updates.

6. Adjournment

With no further discussion or business before the committee, Chair McClure adjourned the meeting.

Respectfully submitted,



Stacy Jeffries
Executive Assistant, Office of the Board of Trustees

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](#)

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
Total Revenues	843,061			914,792	956,670	939,985	(7,298)
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)	23,993
Total Expenditures	(666,149)			(892,460)	(951,743)	(932,691)	21,863
Net from Operations	176,912			22,332	4,927	7,294	14,565
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
Change in Unrestricted Net Assets	157,517			769	(26,220)	(23,853)	14,565
Beginning Unrestricted Net Assets	187,137			186,368	187,137	187,137	0
Ending Unrestricted Net Assets	\$344,654			\$187,137	\$160,917	\$163,284	\$14,565
% 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)
Total Revenues	202,872			302,817	285,289	283,205	658
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
Total Expenditures	(203,715)			(278,611)	(274,825)	(270,550)	3,452
Net from Operations	(843)			24,206	10,464	12,655	4,110
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)
Change in Unrestricted Net Assets	(1,449)			(11,158)	(2,117)	(4,836)	2,532
Beginning Unrestricted Net Assets	12,498			23,656	12,498	12,498	0
Ending Unrestricted Net Assets	\$11,049			\$12,498	\$10,381	\$7,662	\$2,532
% of Operating Revenues	5.4%			4.1%	3.6%	2.7%	
Total Unrestricted Net Assets	\$355,703			\$199,635	\$171,298	\$170,946	
Days of Expenditures in Total Unrestricted Funds	149			62	51	52	

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	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)	
Total Revenues	421,451			575,628	603,200	585,991	(9,009)	
Personnel Services	(141,311)	74%	73%	(186,449)	(197,500)	(190,225)	(7,821)	(2)
Supplies & Services & Capital Outlay	(276,996)	77%	75%	(351,300)	(380,000)	(361,710)	13,290	(3)
Total Expenditures	(418,307)			(537,749)	(577,500)	(551,935)	5,469	
Net from Operations	3,144			37,879	25,700	34,056	(3,540)	
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	
Change in Restricted Net Assets	(25,204)			(2,775)	12,870	(650)	(5,533)	
Beginning Restricted Net Assets	6,298			9,073	6,298	6,298	0	
Ending Restricted Net Assets	(\$18,906)			\$6,298	\$19,168	\$5,648	(\$5,533)	
% 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>	
Education & General				
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)
Total	\$ 2,308		\$ 21,703	
Self-Support				
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	
Totals	\$ 18,412		\$ 13,289	
Restricted				
Education & General	\$ -		\$ 167	(f)
Capital Construction	570		28,751	(h)
	\$ 570		\$ 28,918	
Total Transfers	\$ 21,290		\$ 63,910	
Capital Construction	1,428		42,640	
Internal Bank and Other	8		1,416	
Net Transfers	\$ 19,854		\$ 19,854	

- (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.

Fiscal Year 2026 Operating Budget

EXECUTIVE SUMMARY

This agenda item includes Oregon State University’s fiscal year (FY) 2026 operating budget for the university, which supports the goals of *Prosperity Widely Shared—The Oregon State Plan* (PWS) and reflects allocations and estimated revenue of \$1.85 billion (B) for the fiscal year that begins July 1, 2025 and ends June 30, 2026 (referred to as FY26 throughout).

The proposed budget incorporates the projected financial impact of tuition and fee increases approved by the board in March 2025 and includes estimates about major external revenues that have varying levels of uncertainty. Also incorporated is the impact of internal budget reallocation and realignment decisions. These decisions have engaged broad segments of the university in a process aimed at reducing expenditures to manage within the anticipated revenue, to build financial resilience and make strategic investments in FY26 and beyond.

BACKGROUND

The OSU Board of Trustees is charged with reviewing and approving the university’s annual operating budget. Each year’s budget is the compilation of estimates for major revenue sources such as tuition and fees, state appropriations, indirect cost reimbursement, sales and services, grants, and gifts. Additionally, the university makes estimates for expenditures that reflect operating decisions as well as assumptions about cost escalation across major spending categories such as personnel and services and supplies.

Attachment 2 provides a set of notes that explain budget terminology in more detail.

For FY26, the university’s proposed operating budget is \$1.85B in revenues and \$1.84B in expenditures, net transfers and fund deductions:

The university’s finances are grouped into three operating fund types as summarized below. Detailed tables for each operating fund are provided in Tables 1, 2, and 3.

- Education and General (E&G) Funds** support instructional, research, and outreach work on the Corvallis campus, on the OSU-Cascades campus in Bend, and in the Statewide Public Services (SWPS). E&G detail among these units is provided in Table 4.

Education & General Fund (\$millions)	
Beginning balance	\$163.3
Revenue	\$1,009.3
Expenditures & Net Transfers	(\$1,010.5)
Net	(\$1.2)
Ending balance	\$162.1

- Self-Support Funds** include Auxiliaries (Athletics, University Housing & Dining Services, Student Centers, etc.), Service Centers, Designated Operations, and Royalties.

Self-Support Funds (\$millions)	

Beginning balance	\$7.9
Revenue	\$285.6
Expenditures & Net Transfers	(\$297.7)
Net	(\$12.1)
Ending balance	(\$4.3)

- **Restricted Funds** include expenditures from externally funded grants and contracts and gift expenditures from the OSU Foundation and other entities. Revenues and expenses are consistently at or near balance in these funds, as expenditures are limited by revenue.

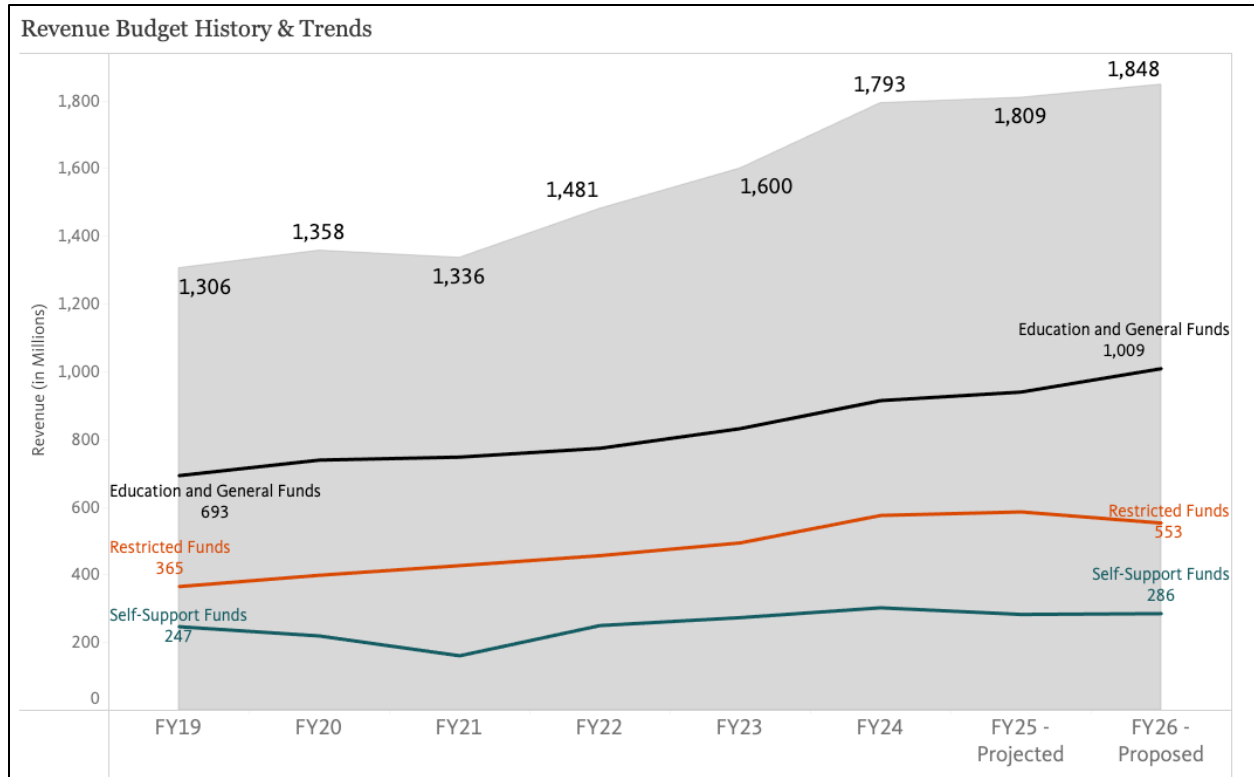
Restricted Funds (\$millions)	
Beginning balance	\$5.6
Revenue	\$553.1
Expenditures & Net Transfers	(\$530.4)
Net	\$22.7
Ending balance	\$28.3

BUDGET CONTEXT

OSU’s operating budget provides a plan to develop and distribute resources for employees to pursue the goals outlined in the *Prosperity Widely Shared* plan. These goals guide decisions about developing and distributing budget to academic units, service and support units, and long-term strategic investments like capital and fundraising.

FY26 Overview

The graph below indicates the history of these operating fund revenues as well as the aggregate operating budget for the university. It’s important to recognize that Oregon State approaches a period of budgeting uncertainty from a position of relative strength, having experienced consistent revenue growth, as well as planning for modest additional revenue for FY26.



E&G revenues are projected to increase in FY26, primarily due to projected enrollment growth in Ecampus, an anticipated modest increase in state appropriations, and an increase in tuition rates. Self-support revenues are projected to be only modestly higher compared to FY25 due to increases in charges for housing and dining, offset by declines in Athletics revenue. Restricted revenues are projected to decline from FY25 levels due to an anticipated decrease in federal funding for research activities.

EDUCATION AND GENERAL FUNDS

E&G funds support Corvallis academic and support operations, OSU-Cascades academic and support operations, operations of the Statewide Public Services (SWPS), and the state’s Outdoor School program.

As part of developing the FY26 E&G budget, all academic and administrative divisions and units underwent a scenario development exercise to reduce expenditures relative to base funding. Each unit had the same set of parameters for developing scenarios, but the university has made differential reduction decisions that reflect OSU’s strategic priorities and align with *Prosperity Widely Shared* goals. As part of this budget realignment, each unit is experiencing some level of expense reduction relative to their FY25 base level of funding. This is to help bridge an anticipated imbalance of revenues and expenditures, as well as reallocate resources toward strategic priorities.

Revenues

The total revenue in E&G funds, as compared to the FY25 third quarter (Q3), is projected to increase 7.4% or \$69.3M. This assumes modest growth in Corvallis and OSU-Cascades (similar to recent years), continued growth in Ecampus, and relatively flat graduate and professional

enrollment. Revenue increases are also the result of rising tuition rates and an anticipated increase in state appropriations. Total operating revenues are projected to be \$1.01B. Approximately \$20M of this increase is attributable to the restoration of funding for Outdoor School. In FY25, the Oregon Legislature made a one-time reduction to the Outdoor school funding in order to draw down accumulated funds. Restoring more “normal” funding results in an outsized annual increase.

Expenditures and Net Transfers

Budgeted expenditures in E&G funds are rising 7.4% overall, relative to FY25 Q3 year-end projections (Tables 1, 4). Despite implementation of budget reductions, the FY26 budget framework will provide an inflationary-type adjustment to allocated resources which allows flexibility for the projected net increase in FY26 expected spending (relative to FY25’s third quarter spending levels).

Net transfers out in FY26 are projected to be \$11.5M, a sharp decrease from FY25 levels due to a change in the E&G support for Athletics. For FY26, the E&G funds for Athletics will be directly budgeted instead of transferred between two operating funds.

Uncertainties, Issues, and Opportunities

The proposed operating budget is an *estimate* of the resources and spending for the next fiscal year, so there are always uncertainties in the projections. The FY26 budget has a greater degree of uncertainty than has been typical in recent years.

State Appropriations – Corvallis, OSU-Cascades, Statewide Public Services

State appropriations for the 2025-27 biennium are still under development by the Oregon legislature. The current legislative session will conclude in June with appropriations bills. These bills will set the total state support for the Public University Support Fund, targeted state programs, and funding levels for the Statewide Public Services. Specific allocations to each of the state’s public universities will be finalized in the fall. This budget incorporates the most recent information available for estimating OSU’s support from the state, but the final outcome of the appropriations process is not yet known.

Enrollment – Tuition and Fees

Tuition and fees are OSU’s largest single source of revenue, which introduces a level of uncertainty regarding enrollment and the resulting revenue from student charges. Although national trends affect the overall higher education sector, the budget process attempts to model specific revenue estimates based on OSU’s profile and experience. Flagship and land grant universities have generally shown relatively strong enrollment patterns since the pandemic, while regional publics, mid-market private institutions, and especially community colleges are struggling to varying degrees. An emerging concern relates to international enrollment in light of a shifting landscape for students from abroad. The impacts of potential U.S. policy changes or shifts in the market demand from international students are not specifically factored into the budget estimates.

OSU has experienced a long period of enrollment growth that is unmatched among similar public universities. The budgeted revenue assumes that enrollment will continue to grow in

FY26. Only modest enrollment growth is assumed for Corvallis (1.5%) and OSU-Cascades (5%), so most of the enrollment growth is expected to come from Ecampus students (7%).

Federal F&A revenue

Similar to other research universities, OSU's budget is partially supported by revenue from the federal government and other grantors. This revenue is intended to reimburse the university for the facilities and administrative costs of conducting research on behalf of external funding partners. This funding goes by a variety of names—indirect cost recovery (ICR), facilities and administrative reimbursement (F&A), or returned overhead (ROH). This revenue is paid by external funding agencies as part of receiving research awards.

Since the start of the new federal administration, federal granting agencies have either announced or attempted to implement restrictions on this type of F&A revenue for universities and others who receive federal research funding. While court orders have restricted actual implementation of F&A caps, these types of changes are also part of federal budget discussions and could emerge from the appropriations process as a federal budgetary savings measure.

Beyond limitations or caps on reimbursement rates, the other factor that creates uncertainty for F&A revenue is the level of potential funding for federally-sponsored research. A reduction in federal research activity would also result in lower F&A revenue earned on those projects (see Restricted Funds section below). With this in mind, the FY26 budget contains an estimate of F&A revenue that is 15% lower relative to projected FY25 levels.

Contingency and Strategic Investment

Given the relatively greater level of uncertainty in budgeting for FY26, the budget plan includes setting aside a greater level of contingency funds than in recent years—an additional 1% of projected E&G expenses. An additional 1% has been set aside for strategic investments to support Prosperity Widely Shared.

SELF-SUPPORT FUNDS

Self-Support Funds (Table 2) include the operations of the Auxiliaries (Athletics, University Housing & Dining Services, Student Centers, Student Health Services, Transportation Services, and other smaller units); Service Centers (Telecommunications, Network Services, Motor Pool, Printing and Mailing, and others); Designated Operations; and expenditures from Royalty Funds.

Structure of Self-Support Operations

Self-support operations provide a variety of essential services to students, university employees, stakeholders, and alumni. In the long-run, self-support operations need to have sufficient revenue to maintain balanced operating budgets. There are limited circumstances when a self-support operation must operate at a loss for a period of time.

Revenues

Within self-support operations, revenues are expected to be up only 0.8% over FY25's third quarter. Over time, self-support funds have grown as OSU's enrollment has grown. Given that anticipated enrollment growth is largely from Ecampus students, growth in revenue in self-supports stems more from increases in rates than from the volume of students paying. The

rising revenue within Housing and Dining and other self-support operations is offset by declining revenue for Athletics.

Expenditures

Personnel Services are projected to decline by about 4.5%. This is the net result of projected compensation increases that are more than offset by the movement of a portion of Athletics compensation to direct E&G funding (in lieu of transferring funds from E&G to self-supports as was done in prior years). Supplies & Services costs are projected to increase 4.8% from FY25 projected levels.

Uncertainties, Issues, and Opportunities

The self-support operations include a wide range of operations, so there are a variety of uncertainties. UHDS is expected to be at full occupancy again this coming year, which in turn puts pressure on the capital renewal timeline for UHDS.

Athletics faces continued uncertainty; however the rebuilding of the Pac-12 Conference presents a picture of the future that is somewhat clearer than the budget planning of a year ago. Conference revenues and the shifting landscape of athlete transfers and compensation will increase the financial pressures on Athletics, while the university remains committed to student athletes' ability to compete at the highest level.

RESTRICTED FUNDS

Restricted Funds (Table 3) include grants and contracts for research awarded by the federal government, states, and other agencies; federal financial aid dollars; gifts from the OSU Foundation (including scholarships); and support from other entities such as Oregon counties. Restricted funds are awarded for specific purposes and are spent directly for those purposes. Revenue and expense generally match closely in any given year.

Structure of Restricted Funds

Restricted funds do not provide discretionary revenues to the university. However, they are an essential part of supporting OSU's missions of scholarship and student success and do require some investments from Education and General funds to ensure continued success.

Successful competition for federal research awards requires suitable facilities and instrumentation. The E&G investments to support capital renewal can directly impact the quality of research (and other) facilities and support the long-term success in research funding.

Revenues

Restricted fund revenues are expected to decline by 5.6% from FY25 Q3 projections, driven largely by expected decreases in federal grant and contract awards and the expenditures tied to these awards.

Expenditures

Total expenditures are expected to decrease by about 5.6% when compared to FY25 projections. Transfers out from restricted funds are principally to plant funds, and these transfers are expected to be much lower than FY25's higher level related to the PacWave project.

Uncertainties, Issues, and Opportunities

The outlook for federal research funding has changed since the start of the new federal administration. Funding agencies have been undergoing pauses and reviews that have in some cases slowed or narrowed the scope of grant awards for which faculty researchers might compete. The university has been actively engaged in assessing risks and options, but there remains substantially more uncertainty for this type of funding than in prior years. That being said, growing the externally-sponsored research portfolio of the university remains a key priority of *Prosperity Widely Shared*, even if the pace of that growth may differ from previous expectations.

RECOMMENDATION

Staff recommend that the Finance & Administration Committee recommend to the Board of Trustees approval of the proposed operating budget for FY26 as presented in Tables 1-4.

Table 1: Education and General Funds Revenues and Expenditures projected for FY25.

EDUCATION & GENERAL (Corvallis, Cascades, Statewide Public Services)								
(in thousands)	2023 Actual	2024 Actual	2025 Q3 Projection	2026 Budget	2023-24 % Chg.	2024-25% % Chg.	2025-26 % Chg.	
State General Fund	270,348	302,677	287,961	336,506	12.0%	-4.9%	16.9%	
Tuition & Resource Fees, net of Remissions	432,881	469,746	515,614	571,645	8.5%	9.8%	10.9%	
Other	128,798	142,369	136,410	101,136	10.5%	-4.2%	-25.9%	
Total Revenues	832,027	914,792	939,985	1,009,286	10.5%	2.8%	7.4%	
Personnel Services	(613,600)	(671,512)	(722,468)	(772,590)	9.4%	7.6%	6.9%	
Supplies & Services & Capital Outlay	(201,873)	(220,948)	(210,223)	(229,000)	9.4%	-4.9%	8.9%	
Total Expenditures	(815,473)	(892,460)	(932,691)	(1,001,590)	10.5%	4.5%	7.4%	
Net from Operations	16,554	22,332	7,294	7,696				
Transfers In	4,784	8,691	4,124	2,625	81.7%	-52.5%	-36.3%	
Transfers Out	(22,281)	(30,254)	(35,271)	(11,527)	35.8%	16.6%	-67.3%	
Fund Additions/(Deductions)	0	0	0	0				
Change in Fund Balance	(943)	769	(23,853)	(1,205)				
Beginning Unrestricted Net Assets	187,311	186,368	187,137	163,284				
Ending Unrestricted Net Assets	\$186,368	\$187,137	\$163,284	\$162,079	10.5%	-12.7%	-0.7%	
% Operating Revenues	22.4%	20.5%	17.4%	16.1%				

Table 2: Self-support Funds Revenues and Expenditures projected for FY25.

SELF-SUPPORT - Auxiliaries, Designated Operations and Service Departments							
(in thousands)	2023 Actual	2024 Actual	2025 Q3 Projection	2026 Budget	2023-24 % Chg.	2024-25% % Chg.	2025-26 % Chg.
Enrollment Fees	\$47,164	\$50,678	\$55,609	\$56,115	7.5%	9.7%	0.9%
Sales & Services	175,466	203,955	178,787	190,382	16.2%	-12.3%	6.5%
Other	<u>51,109</u>	<u>48,184</u>	<u>48,809</u>	<u>39,095</u>	-5.7%	1.3%	-19.9%
Total Revenues	273,739	302,817	283,205	285,592	10.6%	-6.5%	0.8%
Personnel Services	(124,699)	(132,510)	(140,515)	(134,168)	6.3%	6.0%	-4.5%
Supplies & Services & Capital Outlay	<u>(127,083)</u>	<u>(146,101)</u>	<u>(130,035)</u>	<u>(136,338)</u>	15.0%	-11.0%	4.8%
Total Expenditures	(251,782)	(278,611)	(270,550)	(270,505)	10.7%	-2.9%	0.0%
Net from Operations	21,957	24,206	12,655	15,087			
Transfers In	10,571	10,759	20,155	2,068	1.8%	87.3%	-89.7%
Transfers Out	(20,485)	(32,095)	(19,279)	(12,699)	56.7%	-39.9%	-34.1%
Additions/(Deductions) to Unrestricted Net Assets	<u>(12,191)</u>	<u>(14,028)</u>	<u>(18,162)</u>	<u>(16,587)</u>			
Change in Unrestricted Net Assets	(148)	(11,158)	(4,631)	(12,131)			
Beginning Unrestricted Net Assets	23,804	23,656	12,498	7,867			
Ending Unrestricted Net Assets	\$23,656	\$12,498	\$7,867	(\$4,264)	-47.2%	-37.1%	-154.2%
% Operating Revenues	8.6%	4.1%	2.8%	-1.5%			

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Table 3: Restricted Funds Revenues and Expenditures projected for FY25.

RESTRICTED FUNDS							
(in thousands)	2023 Actual	2024 Actual	2025 Q3 Projection	2026 Budget	2023-24 % Chg.	2024-25% % Chg.	2025-26 % Chg.
Federal	\$348,530	\$412,200	\$428,071	\$389,800	18.3%	3.9%	-8.9%
State	42,256	47,467	51,115	53,700	12.3%	7.7%	5.1%
Other	<u>103,730</u>	<u>115,961</u>	<u>106,805</u>	<u>109,600</u>	11.8%	-7.9%	2.6%
Total Revenues	494,516	575,628	585,991	553,100	16.4%	1.8%	-5.6%
Personnel Services	(168,256)	(186,449)	(190,225)	(177,600)	10.8%	2.0%	-6.6%
Supplies & Services & Capital Outlay	<u>(302,651)</u>	<u>(351,300)</u>	<u>(361,710)</u>	<u>(343,300)</u>	16.1%	3.0%	-5.1%
Total Expenditures	(470,907)	(537,749)	(551,935)	(520,900)	14.2%	2.6%	-5.6%
Net from Operations	23,609	37,879	34,056	32,200			
Transfers In	0	3,851	570	0			-100.0%
Transfers Out	(24,325)	(44,505)	(35,276)	(9,500)	83.0%	-20.7%	-73.1%
Additions/(Deductions) to Restricted Net Asss	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>			
Change in Restricted Net Assets	(716)	(2,775)	(650)	22,700			
Beginning Restricted Net Assets	9,789	9,073	6,298	5,648			
Ending Restricted Net Assets	\$9,073	\$6,298	\$5,648	\$28,348	-30.6%	-10.3%	401.9%
% Operating Revenues	1.8%	1.1%	1.0%	5.1%			

Table 4: Summary of budgeted inter-fund transfers for FY25.

OREGON STATE UNIVERSITY - Budgeted Transfers
Fiscal Year 2026

		Education & General			
	<u>Transfers In</u>			<u>Transfers Out</u>	
	From Self Support			To Self Support	
	Royalties (Trademark fund)	1,551,023		various Auxiliaries	10,000
	Auxiliaries	228,060		various Service Centers	1,637,000
	Termination of Plant Funds	500,000		Designated Operations	168,000
	From Plant Funds (Cascades)	346,155		Royalties	3,000
				Cascades to Auxiliary	200,000
				Cascades to Des Ops	50,000
				To Plant	8,837,000
				SWPS - AES to Plant	622,000
	Total Transfers In	2,625,238		Total Transfers Out	11,527,000
Self Support	<u>Transfers In</u>			<u>Transfers Out</u>	
	From Education & General - Cascades (Aux)	200,000		To Education & General - Royalties (Trademark)	1,551,023
	From Education & General - various Auxiliaries	10,000		To Education & General - Athletics	228,060
	From Education & General - Misc Service Centers	1,637,000		To Plant - UHDS	7,000,000
	From Education & General - Cascades (Des Ops)	50,000		To Plant - Student Centers	3,000,000
	From Education & General - Designated Operations	168,000		To Plant - Misc Service Centers	920,000
	From Education & General - Royalties	3,000			
	Total Transfers In	2,068,000		Total Transfers Out	12,699,083
Restricted Funds	<u>Transfers In</u>			<u>Transfers Out</u>	
				To Plant	9,500,000
	Total Transfers In	-		Total Transfers Out	9,500,000
	Transfer In	4,693,238		Transfer Out	33,726,083

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Table 5: Detail for Education and General Fund Operations Projected for FY25.

FY26 Budget Request to Board

E&G Projections	E&G-Corvallis	E&G-Cascades	AES	EXT	FRL	OS	Total
State Appropriation	\$ 182,493,766	\$ 10,740,593	\$ 50,498,502	\$ 55,614,206	\$ 7,248,332	\$ 29,910,500	\$ 336,505,899
Net Tuition & Resource Fees	554,182,893	17,461,760	-				\$ 571,644,653
Other Revenue	93,691,386	111,204	2,433,000	2,200,000	2,700,000		\$ 101,135,590
	830,368,045	28,313,557	52,931,502	57,814,206	9,948,332	29,910,500	\$ 1,009,286,142
Personnel Services	649,373,781	27,986,337	33,886,500	50,290,000	8,792,671	2,260,504	\$ 772,589,793
Supplies & Services & Capital Outlay	171,118,347	5,606,356	15,122,000	8,347,586	1,155,661	27,649,996	\$ 228,999,946
	820,492,128	33,592,693	49,008,500	58,637,586	9,948,332	29,910,500	\$ 1,001,589,738
Net Operating Gain (Loss)	9,875,917	(5,279,136)	3,923,002	(823,380)	(0)	0	\$ 7,696,403
Transfers In	2,279,083	346,155					\$ 2,625,238
Transfers Out	(10,655,000)	(250,000)	(622,000)				\$ (11,527,000)
Change in Fund Balance	1,500,000	(5,182,981)	3,301,002	(823,380)	(0)	0	\$ (1,205,359)
Beg Est Fund Balance-FY25 3rd Qtr Est	134,484,430	3,422,638	17,421,222	15,389,205	6,195,888	171,856	\$ 177,085,239
FY26 Estimated Ending Fund Balance	\$ 135,984,430	\$ (1,760,343)	\$ 20,722,224	\$ 14,565,825	\$ 6,195,888	\$ 171,856	\$ 175,879,880
	16.4%	-6.2%	39.1%	25.2%	62.3%	0.6%	17.4%

BUDGET EXPLANATORY NOTES

Oregon State University, like most colleges and universities, uses fund accounting. Fund accounting recognizes the diversity of sources and purposes of resources and emphasizes accountability for the proper use of those resources. Each fund type is self-balancing and has its own resources, expenditures, assets, liabilities, and fund balance.

Fund Types

E&G Funds: These are unrestricted current funds expendable for any purpose in performing the primary objectives of the institution (instruction, research, and public service).

E&G Funds come principally from tuition and fees paid by students and state appropriations. They also include indirect costs paid by external grants and contracts (termed Facilities and Administrative, or F&A costs) to defray the added costs of providing support for funded research projects. Additionally, there are miscellaneous sources of income such as interest and sales and services fees within academic units. The E&G funds provide the primary support for the instructional, academic support, institutional management, outreach and engagement, and some research activities of the university.

Self-Support Funds: Self-Support Funds are for units that are expected to generate revenues sufficient to cover most of their expenses. OSU defines three kinds of self-support operations.

- **Auxiliary Enterprises**: Self-sustaining units which provide goods or services primarily to students, faculty, and staff as individuals. They charge a fee directly related to, although not necessarily equal to, the cost of the goods or services. The general public may be served incidentally by auxiliary enterprises. Examples of Auxiliary Enterprises at OSU include University Housing & Dining Services, Athletics, Student Health Services and Parking Services.
- **Service Centers**: Self-sustained activities which provide goods or services to the academic university community. No more than 20% of revenue may be from external sales. Examples of Service Centers at OSU include Telecom, Printing & Mailing, Motor Pool and Surplus Property.
- **Designated Operations**: Self-sustaining activities related to instruction and public service where 80% or greater of the revenue is derived from external sources. Examples include non-credit instruction portion of field trips and international education, community education (non-credit conferences, workshops, seminars), the OSU Press, and public service (testing services) like the Seed Certification Lab.

Revenues from royalty payments are also managed with the self-support funds.

Restricted Funds: Restricted Funds are provided to the university for specific purposes and projects.

The most common types are grants or contracts from:

- Federal, state, and private foundations for research and scholarships;
- Federal financial aid awards;
- Gift funds distributed from the OSU Foundation;
- Other endowments for scholarships, endowed professorships, research projects; and

- Other specifically designated activities.

Revenue and Expense Categories

The summary budget reports in Tables 1 through 3 include the following components:

Revenue:

- State General Fund: Appropriations authorized by the State of Oregon. These include funds for general operations of the university as well as funds designated for specific university functions such as the Statewide Public Services and the Oregon Climate Change Research Institute
- Tuition and Resource Fees, net of Remissions: These are tuition and fee charges to students, less waivers of tuition made as financial aid. Tuition waivers are the principal form of institutional financial aid provided to undergraduates.
- Other E&G Revenue: These include the F&A costs paid by grants, sales and service income generated within departments and colleges outside designated operations, and interest income from various university accounts
- Enrollment Fees: Some student fees are directed to self-support operations such as the Memorial Union and Student Health Services
- Sales & Service: Many of the self-support operations sell goods and services to the university community and the general public. Examples include ticket sales in Athletics, dining hall revenues, and housing contract charges.
- Other Self-Support Revenue: The self-support operations have other sources of revenues including charges to other university units, interest revenue, and lottery proceeds
- Federal Restricted Funds: Awards from Federal agencies for research and scholarship projects
- State Restricted Funds: Awards from State agencies for research and scholarship projects
- Other Restricted Funds: Research grants or contracts from other government entities, private foundations, and other universities

Expense:

- Personnel Services: These include salaries for classified employees, unclassified employees, students, and graduate assistants and benefits including retirement, health insurance, taxes, and graduate tuition remissions.
- Supplies & Services & Capital Outlay: Office expenses, utilities, telecommunications, assessments, debt payments, non-capital equipment, contract services, capitalized equipment and property

Other Adjustments:

- Transfers in: Transfer from other funds in support of operations
- Transfers out: Transfers to plant funds or other funds in support of operations
- Other Additions/Deductions: Primarily the use of working capital to purchase capital assets or pay long-term debt.

Capital Project Stage Gate II: Dixon Recreation Center Improvements


EXECUTIVE SUMMARY

This project provides updates and system renewals to the Dixon Recreation Center in order to better serve student health and wellbeing with enhanced safety and accessibility. Board of Trustee approval is required for capital projects when the projected budget exceeds the \$10M threshold. The estimated budget for this capital renewal project is \$11.5M. The Finance and Administration Committee approved this project at Stage Gate I during its March 2025 meeting. The project has progressed and is now ready for Stage Gate II approval – budget approval and advancement to the construction phase.

BACKGROUND

The Dixon Recreation Center Improvements project is included in the Ten-Year Capital Forecast. The following information is provided for consideration by the Finance and Administration Committee to advance this project to the construction phase pursuant to the board’s [Approval of Capital Projects policy](#).

PROJECT SUMMARY

 <p style="text-align: center;">DIXON RECREATION CENTER IMPROVEMENTS</p>	Floor Area (SF)	~8,000
	Estimated project budget	\$11,500,000
	Rec Sports Building Reserves	\$11,500,000
	Deferred maintenance reduction	~\$7,700,000
	Estimated carbon reduction	No effect
	Estimated project completion	Fall 2026
	Location	425 SW 26th St., Corvallis

The Department of Recreational Sports (Rec Sports) enriches students' health and well-being through a variety of facilities, services and programs, including fitness classes, intramural sports, sport clubs and adventure-based learning. By fostering a sense of community and connection, Rec Sports has helped over 18,000 unique students (79% of the on-campus student body) thrive physically, socially and academically.

The project includes:

- Updated and improved life-safety features and accessibility with new emergency generator, egress pathways and lighting on the north side of the basketball gym.
- Replacement of the roof, skylights, and HVAC over Dixon Recreation Center Administration offices.
- Replacement of the climbing gym surfaces and reconfigured east entry.
- Retrofit and improvements to racquetball and squash courts, to optimize space utilization.
- Interior improvements to the east entry of the building and remodel of an existing racquetball court to provide new Athletic Training Center space.

The project seeks to optimize space utilization for the nearly 800,000 annual recorded distinct visits to Dixon Recreation Center, accommodating high usage and enhancing entry and exit flow beyond the original design.

ADVANCING OSU’S STRATEGIC GOALS

<p>Goal 1 A university focused on big discoveries that drive big solutions</p>	<p>Goal 2 A university where every student graduates</p>	<p>Goal 3 A university that fuels a thriving world</p>
<p>This project extends and optimizes the operational lifespan and enhances the life safety of Dixon Recreation Center, a facility crucial to improving the overall campus experience and supporting the wellbeing of the OSU Community.</p>	<p>The Dixon Recreation Center plays a vital role in supporting student health and wellness, which is closely tied to academic success. An Inside Higher Ed survey¹ revealed that many students believe their physical health and wellness significantly affects their academic performance. Engagement around the Recreational Sports program builds a strong sense of community and belonging. When students feel connected to their campus, they are more likely to stay engaged, overcome challenges, and achieve higher retention and graduation rates.</p>	<p>Participants and student employees in the Recreational Sports program at Dixon gain valuable technical skills, discover their passions, and form strong affinity groups. This project will create more opportunities, helping to prepare OSU students to contribute and excel in an ever-evolving world.</p>

IDENTIFICATION OF RISKS AND MITIGATION STRATEGIES

The following risks have been identified for the project. Given these risks, the owner, design, and construction contingencies have been set at 5%, 3% and 5%, respectively.

Risks	Likelihood	Severity	Consequences	Mitigation Strategy
<p><i>Discovery of unforeseen building issues</i></p>	<p>Medium</p>	<p>Medium</p>	<p>Use of contingency funds and the possible extension of the project scope to include additional systems.</p>	<p>The building has been renovated several times and record drawings are available. The project also provided a construction scan of the affected building areas during design development to ensure accurate design information.</p>
<p><i>Systems and materials manufacturing delays</i></p>	<p>Medium</p>	<p>Low</p>	<p>Delayed schedule due to long lead items.</p>	<p>The project plans to do early procurement on large equipment and long lead items.</p>
<p><i>Tariffs on imported construction materials could increase the cost of construction projects</i></p>	<p>High</p>	<p>Medium</p>	<p>The effects of tariffs and when they might occur is yet unknown. Tariffs may drive up the availability and cost of construction materials.</p>	<p>Consider source of materials specified. Early purchase of as many construction materials as possible. Extra contingency has been added to the project in anticipation. In worst case, project can reduce scope to stay in budget.</p>

¹ [Physical Health and Wellness Linked to Student Success](#), Inside Higher Ed, May 31, 2023

TOTAL COST OF OWNERSHIP

The estimated life cycle ownership costs for the Dixon Recreation Center Improvements project are summarized in the following table. A pro forma is not included, as the project is not utilizing revenue financing.

Forecasted Total Cost of Ownership Dixon Recreation Center Improvements	
ITEM	COST
Total Project Cost	\$11,500,000
Rec Sports Building Reserves, including Student Building Loan/Debt Fee Cash Funding	\$11,500,000
Total Cost Avoidance	(\$7,700,000)
Removal of Deferred Maintenance	(\$7,700,000)


RECOMMENDATION

Staff recommend that the Finance & Administration Committee recommend to the board approval of a capital project budget of \$11.5M for the Dixon Recreation Center Improvements Project and advancement of the project to the construction phase.

Capital Project Stage Gate I: Corvallis Campus Housing & Dining Vision Phase I

EXECUTIVE SUMMARY

Board approval is required for capital projects when the projected budget exceeds the \$10 million (M) threshold. The Corvallis Campus Housing & Dining Vision, Phase I project begins with the construction of a new student living center, improvements to area infrastructure, and the development of a dining support facility located off campus. The total estimated budget for the project is \$190M, including about \$169M for the student living center and \$21M for the dining support facility. The new student living center has fully completed the schematic design phase and is about to enter the design development phase. The dining support facility is in concept development but given the timing and its connection with this new housing project, it is being included in this larger project.

 <p>DRAWING OF UHDS VISION PHASE I</p>	Student Living Center 186,000 sq. ft	\$168,900,000
	Dining Support Facility 20,000 sq. ft	\$21,000,000
	Total Estimated project budget	\$189,900,000
	Funding	OSU Revenue Bond Retired by UHDS revenue \$189,900,000
	Deferred maintenance reduction	~\$5,000,000
	Estimated project completion	Summer 2027
	Location	OSU main campus and off-site in Corvallis

BACKGROUND

The first phase of the Corvallis Campus Housing & Dining Vision is included in the Ten-Year Capital Forecast. The following information is provided for consideration by the Finance & Administration Committee to advance this project to the Stage Gate II design development phase pursuant to the [Approval of Capital Projects policy](#). The design development phase includes the completion of construction documents in preparation for bid and construction.

PROJECT SUMMARY

The Corvallis Campus Housing & Dining Vision Phase I project begins with the construction of a new student living center, improvements to area infrastructure, and the development of a dining support facility located off campus. The total estimated budget for the project is \$190M, including \$169M for the student living center and \$21M for the dining support facility. The new student living center will add 680 student beds to the campus inventory and will be approximately 186,000 square feet. The site work involved with this building includes the removal of three buildings adjacent to Cascade Hall – the Cascade Industrial Annex, the Group Custodial Services House and Adams Hall. This allows for the improvement and expansion of the parking lot in this area to make up for the parking spaces lost for the student living facilities footprint.

The site improvements will also involve improving access to the OSU Parking Garage from Western Boulevard and repairing part of a failing steam line. The dining support facility will centralize and streamline dining hall production, allowing the overall dining operation to run more efficiently and effectively with a higher resident count on campus. It also provides a new location for the OSU Catering operation, creating additional capacity for on campus food preparation and patron seating.

ADVANCING OSU’S STRATEGIC GOALS

<p>Goal 1 A university focused on big discoveries that drive big solutions</p>	<p>Goal 2 A university where every student graduates</p>	<p>Goal 3 A university that fuels a thriving world</p>
<p>The facility design uses mass timber and modern utilities for sustainability, reflecting OSU's focus on collaboration and public impact. The new offsite Dining Support Facility increases operational capacity for a growing residential system. By consolidating the commissary kitchen and bakery, it standardizes production, improves efficiency, and ensures consistent food quality, aligning with institutional goals to modernize systems for strategic growth.</p>	<p>Expanding on-campus housing enhances retention and graduation, resolving capacity issues and improving the first-year experience. Inclusive design features such as study spaces and ADA improvements support a more welcoming environment, reflecting a commitment to student success.</p> <p>The offsite kitchen boosts dining reliability and student wellbeing by better meeting dietary needs. It also supports events and future residence hall expansions, contributing to a more positive student experience.</p>	<p>Increasing on-campus housing relieves pressure on the local rental market and offers affordable, university-managed options. Facility updates reflect changing student needs, contributing to local economic and workforce development.</p> <p>The offsite Dining Facility utilizes a nearby industrial food site, maintaining local economic ties and efficiently scaling services as enrollment grows.</p>

IDENTIFICATION OF RISKS AND MITIGATION STRATEGIES

The following risks have been identified for the project. Given these risks, the owner, design, and construction contingencies have been set at 10%, 5% and 3%, respectively.

Risks	Likelihood	Severity	Consequences	Mitigation Strategy
<i>Discovery of unforeseen site and design issues</i>	High	Medium	Use of contingency funds.	An assessment of the site was completed at the start of the project. This is a concern in any new construction project.
<i>Code Amendment required from city for SF allocation and height is delayed or denied</i>	Medium	High	Delay to scheduled construction start and opening.	Alternate construction schedule prepared to allow partial building opening on time.
<i>Systems and materials manufacturing delays</i>	Medium	Low	Delayed schedule due to long lead items.	We are planning to procure all long lead items early to reduce the risk of delay.
<i>Cost escalation due to market conditions</i>	Medium	High	Use of contingency funds.	Monitoring of market conditions and timing of procurement.
<i>Timing of electrical service upgrades</i>	Medium	Medium	Delayed schedule due to long lead and utility scheduling.	Continued engagement with Pacific Power.
<i>Tariffs on imported construction materials could increase the cost of construction projects.</i>	High	Medium	The effects of tariffs and when they might occur is yet unknown. Tariffs may drive up the availability and cost of construction materials.	Consider source of materials specified. Early purchase of as many construction materials as possible. Extra contingency has been added to the project in anticipation.

TOTAL COST OF OWNERSHIP

The estimated life cycle ownership costs for the Corvallis Campus Housing & Dining Vision Phase I project are summarized in the following table. The debt service related to the OSU-paid bonds, along with projected material impacts to utilities and maintenance costs, are detailed in the project *pro forma* in Attachment 1.

Forecasted Total Cost of Ownership Corvallis Campus Housing & Dining Vision Phase I	
ITEM	COST
Total Project Cost	\$189,900,000
OSU Revenue Bond Retired by UHDS revenue	\$189,900,000
Total Cost Avoidance	(\$5,000,000)
Removal of Deferred Maintenance (Demolition of 3 structures)	(\$5,000,000)

RECOMMENDATION

Staff recommend that the Finance & Administration Committee approve advancing the Corvallis Campus Housing & Dining Vision Phase I Project to the design development phase.

The debt service related to the OSU-paid bonds, along with projected material impacts to utilities and maintenance costs, are detailed in the project *pro forma* below.

Corvallis Campus Housing and Dining Vision - Phase 1 - Site 1							
Total Cost: \$168,913,453							
30 Year Cashflow NPV* through Final Debt Service Payment: \$68,835,199							
	Years 1-5	Years 6-10	Years 11-15	Years 16-20	Years 21-25	Years 26-30	30 Year Total
Cash Inflows (Revenue)	\$ 65,012,904	\$ 79,098,139	\$ 96,234,980	\$117,084,568	\$142,451,279	\$173,313,763	\$673,195,633
Cash Outflows (Operating and Debt Services Expenses)	65,139,068	68,023,000	70,196,403	72,840,679	76,057,845	6,957,470	421,831,695
Net Cashflows Before Reinvestment	(126,164)	11,075,139	26,038,578	44,243,889	66,393,434	103,739,062	251,363,939
Cash Outflows (Capital Expenditures/Reinvestment)	-	-	1,383,609	17,457,084	19,587,087	-	38,427,781
Net Cashflows After Reinvestment	(126,164.00)	11,075,139.00	24,654,968	26,786,805	46,806,347	103,739,062	212,936,158
Project Cumulative Cashflows	\$ (126,164)	\$ 10,948,975	\$ 35,603,943	\$ 62,390,749	\$109,197,096	\$212,936,158	

Corvallis Campus Housing and Dining Vision - Phase 1 - Site 1 and Offsite Kitchen							
Total Cost: \$189,888,453							
30 Year Cashflow NPV* through Final Debt Service Payment: \$51,086,908							
	Years 1-5	Years 6-10	Years 11-15	Years 16-20	Years 21-25	Years 26-30	30 Year Total
Cash Inflows (Revenue)	\$ 70,429,227	\$ 85,687,923	\$104,252,461	\$126,839,059	\$154,319,109	\$187,752,792	\$673,195,633
Cash Outflows (Operating and Debt Services Expenses)	77,078,594	81,154,932	84,613,261	88,820,846	93,940,018	88,479,855	541,087,505
Net Cashflows Before Reinvestment	(6,649,367)	4,532,991	19,639,200	38,018,213	60,379,092	9,927,293	215,193,066
Cash Outflows (Capital Expenditures/Reinvestment)	-	-	1,383,609	19,271,608	21,401,611	-	42,056,828
Net Cashflows After Reinvestment	(6,649,367)	4,532,991	18,255,591	18,746,605	38,977,481	99,272,937	173,136,238
Project Cumulative Cashflows	\$ (6,649,367)	\$ (2,116,376)	\$ 16,139,215	\$ 34,885,820	\$ 73,863,300	\$173,136,238	

*NPV = Net Present Value, an analysis to help determine the value of future cash flows over the life of the investment, discounted to the present time

Administrative Modernization Program Update

EXECUTIVE SUMMARY

The Administration Modernization Program (AMP) is an \$81.3M investment that consists of multiple projects staged over three years to modernize administrative processes and replace the university's core information technology systems supporting administrative work. The university is adopting Workday, a cloud-based platform for financial management, budget planning, post-award grant administration and human resources management. As planned, OSU went live with the Workday Adaptive Planning module in February 2025, providing critical early functionality to support OSU's management of the budgeting and planning cycle. Procurement scope was added in February 2025 at the direction of the AMP Steering Committee. AMP completed design for approximately 80% of the business processes by December 2024 and finalized the remaining processes by March 2025. The configuration of those designs is being tested in the next phase of the program (March 2025-March 2026).

Approaching its second year, the program continues to be on time and within budget.

BACKGROUND

The Administrative Modernization Program will replace the university's 35-year-old core information technology systems and redesign administrative processes for financial management, budget planning, post-award grant administration, human resources management and procurement. Implementing Workday, coupled with the redesign of administrative processes for greater effectiveness and efficiency, will form the foundation for future upgrades, significantly improving administration and enabling the university to deliver on its mission with greater impact and at lower cost. The project is estimated to save \$10.8M in annual administrative costs by fiscal year 2028. A dedicated OSU team, assisted by experienced external consultants, leads the program using a highly structured organizational change management approach.

The initial milestones for AMP have played an integral role in the program's progress to date and include prioritizing organizational change management with extensive community wide engagement, the establishment of AMP governance, contracts with external partners and the recruitment of a fully dedicated OSU AMP team. In February, the AMP team implemented phase one of Workday's Adaptive Planning module. Adaptive will support budget planners in the colleges and units along with central administrators and transition budget development and financial planning from Excel spreadsheets to Workday. This phase marks the first tangible AMP impact, offering an opportunity to learn and incorporate feedback for future changes.

AMP OVERVIEW

The following represents key elements in the university's approach to AMP - transforming the way OSU works, informed by best practice, and incorporating lessons learned from and to be shared with peer institutions and organizations across Oregon and beyond:

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Organizational Change Management (OCM): Organizational transformation is achieved through shared vision and individual change journeys. AMP actively supports employee change experiences and enables adoption of new ways of working through carefully planned OCM activities.

The AMP Change Champions network is comprised of 63 representatives from academic colleges and administrative units from all levels of the organization and across all campuses. These community members tailor OCM activities for their peers and are conduits of robust, two-way communication.

Through Community Check-Ins, held in winter 2024 and spring 2025, over 425 OSU community members heard how Workday technology, combined with streamlined processes, will bring efficiency to administrative work. Feedback gathered during these sessions is being used to iterate system configuration.

AMP hosted its first series of Workday Demo Days in February 2025, during which over 450 OSU community members had their first glimpse of Workday functionality. Community Check-Ins and Demo Days will continue through go-live in July 2026.

Change Readiness Assessments: Change Readiness Assessments (CRAs) are being conducted to assess organizational readiness and generate essential planning data for the OCM work. These surveys are conducted every six months throughout AMP. The second CRA, administrated in November 2024, included 800 responses, a 23% increase over the first CRA survey, conducted in April 2024. Response rates varied across units. Overall, respondents indicated a low understanding of how AMP will directly impact their day-to-day work. These findings are not surprising at this stage of the program and are now guiding efforts to ensure full engagement among units and encourage leaders to share information and expectations about AMP more intentionally and effectively to employees. Future CRAs will be used to identify subsequent course corrections and adjustments throughout the duration of AMP with the goal of best preparing the community for change.

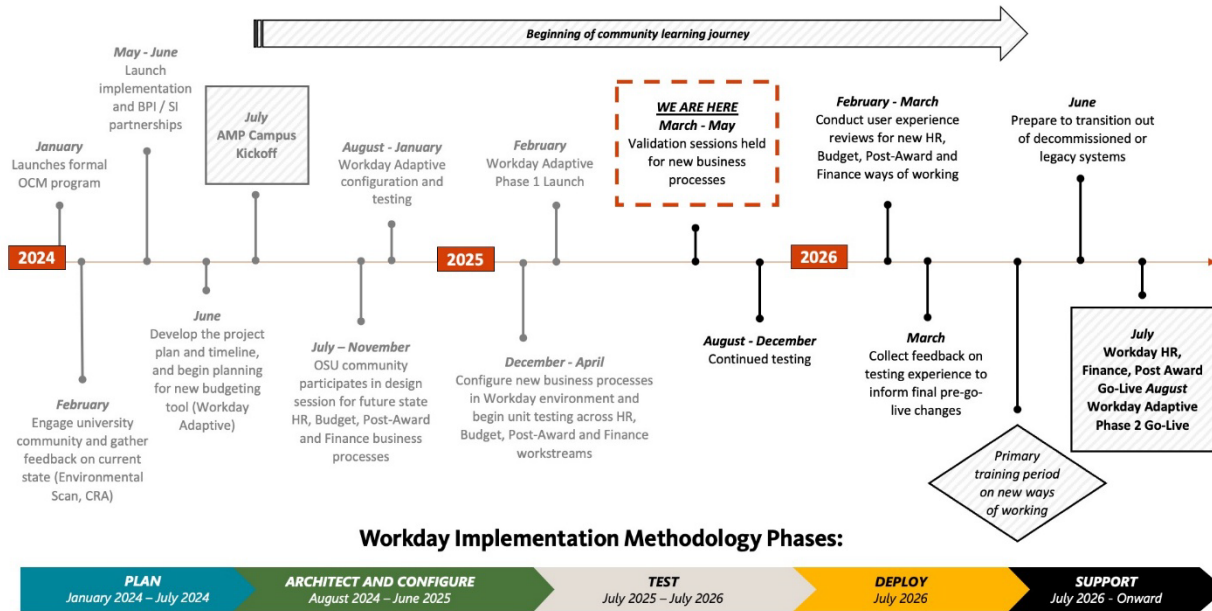
Governance: AMP Guiding and Design Principles inform program and design activities. Project teams are supported by AMP's governance structure and are empowered to escalate issues as appropriate. The AMP Steering Committee made several strategic decisions that will shape how OSU designs administrative processes. For example, effort certification required for federal compliance will be limited to federal and federal pass-through sponsored projects on a semi-annual cadence. Aligning to leading practice in this way will reduce faculty and staff administrative burden and enable research faculty and staff to increase focus on mission critical activities.

Sharing Resources with Peers: Aligned with OSU's outreach mission and leadership role as Oregon's land grant university, documentation of OSU's digital transformation will be shared to provide a guide for institutions and organizations in Oregon and beyond to support similar transformative efforts. AMP team members are collaborating with Southern Oregon University (SOU) on their Workday implementation, to learn from their journey and share OSU's challenges and successes as they continue to refine their program plans. The AMP team is developing a site to share the AMP process documentation with peers to support others and create an opportunity for conversation and learning.

STATUS

Project teams conducted over 423 process design sessions from July through November 2024. Design sessions were informed by best practices in higher education and Workday functionality. OSU’s system implementation vendor used the process design outcomes to configure the university’s initial Workday environment. Project teams worked on the technical intersection with functional areas, including preparation for testing, mapping data, integrating systems, defining process roles, and exploring reporting requirements.

AMP TIMELINE AT A GLANCE



Workday Adaptive Planning Phase One went live in February and supports the FY26 budget planning process. The Adaptive Planning Phase One launch included recording valuable lessons learned that will be used to inform larger go-live efforts in July 2026.

In February, the technical workstream went into an at-risk status due to insufficient internal resources to complete integration work with existing university technology systems. The AMP team secured additional resources with the help of external partners, prioritizing the integrations necessary to get the workstream back on track and ensuring the use of best practices that contribute to greater efficiencies in the work. Further assessment led to the restructuring of the technical workstream to address stability and manage competing demands on resource time within OSU. In March, the workstream returned to on-track status.

In October 2024, AMP was tracking 19 percent below budget. Through March 2025, actual expenses are 16 percent below planned expenditures. Spending for the data ecosystem foundational project remains lower than anticipated at this stage but will continue to incur expenses throughout the program’s duration. Staff augmentation expenses also continue to be under budget as a result of engaging in professional development opportunities and utilizing lower-cost augmentation options. Furthermore, consulting hours needed for design activities were fewer than planned. Additionally, the timing of receiving vendor invoices fluctuates across

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the program depending on when contractual incentives are satisfied and vendor billing timing and processes, causing adjustments in the anticipated and realized expenses to date.

RISKS AND MITIGATION STRATEGIES

The following are identified risks to the success of the program and associated mitigation strategies:

Project Risk	Mitigation Strategy
<p>If the changing federal landscape results in continued uncertainty and/or funding reductions, employee workload and morale may be impacted, further exacerbating the change fatigue felt across OSU and higher education more broadly.</p>	<p>OSU continues to work closely with functional and technical leaders to address concerns in a proactive and timely manner, assessing if adjustments to workloads are needed in cases where employees are serving in multiple AMP roles simultaneously. The AMP team will continue to create and share talking points for leaders to use in meetings with employees experiencing fatigue.</p>
<p>If leadership does not align on the vision, objectives and principles of AMP, there may be unanticipated delays to the program and challenges to achieving the stated benefits and metrics for AMP.</p>	<p>OSU has enacted strong governance and alignment amongst university senior leaders to collectively determine the cohesive case for change, the importance of AMP, and the changes to our business processes and supporting technology. The AMP Steering Committee is broadly representative, providing leadership, making program-level decisions and ensuring teams operate in alignment with AMP Guiding and Design Principles.</p>
<p>If the current campus financial planning exercise to identify possible reductions/reallocation results in a constraint mindset, OSU leaders may limit strategic and generative thinking and may shift to resource hoarding and territorial behavior.</p>	<p>OSU's leaders continue to align the university's financial and human resources to the strategies outlined in <i>Prosperity Widely Shared</i>, and promote a culture aligned to working collaboratively in service to the goals of this strategic plan. Leadership recognizes and communicates the impact that AMP will have in reducing faculty administrative burden, and free-up time for mission-critical work.</p>
<p>If employee skills are misaligned to the future ways of working, OSU will not sustain and continuously improve efficient and effective new ways of working.</p>	<p>OSU is hiring an upskilling lead to assess existing and future skills necessary for OSU employees to lead and maintain the new way of working, (process and technology) as well as create learning and skill building pathways and opportunities. OSU will work with external partners to provide support and education to leaders, while building the necessary alignment and accountability for the future sustainment of the new strategies and environment.</p>

Project Risk	Mitigation Strategy
<p>If OSU does not transform processes and policies to support new ways of working, the investment in modern technology will not yield the expected return.</p>	<p>OSU has established a shared vision and set strong principles and expectations with university leaders and managers regarding the need for concurrent practice and process upgrades. OSU continues to seek guidance from peers and consultants to inform the redesign efforts and leverage business process best practices to avoid a lift and shift of our current environment. OSU will use metrics to track progress and support continuous improvement.</p>
<p>If the university does not engage a broad range of stakeholders, bringing the community along for the journey, and training in the new ways of working, user adoption will not meet expectations, limiting the impact of AMP.</p>	<p>OSU has an AMP organizational change management (OCM) team consisting of internal resources with deep knowledge of the university, and external change management experts and consultants to guide readiness, training, and adoption. OSU has developed a common framework and language for change management and has established a program that includes change champions across the university to identify methods, communication strategies, and activities that engage the entire community. OSU has created an OCM certification program to sustain and internalize change management knowledge and skills at OSU.</p>
<p>If OSU does not identify the current distributed costs of administrative work across the university, it will not be possible to accurately reflect the return on investment of AMP.</p>	<p>OSU is leveraging the expertise of external partners with the AMP team to quantify and document savings realized through automation, employee time savings, and reduction of duplicate tools. The AMP team will ensure that the information is made visible through AMP governance, allowing for transparent tracking of return on investments.</p>

NEXT STEPS

Trustees have an opportunity to discuss the Administrative Modernization Program at the May 2025 Finance and Administration Committee meeting. The next update is planned for October 2025.