

Ten-Year Business Forecast: FY2026 through FY2035

EXECUTIVE SUMMARY

OSU's Ten-Year Business Forecast is intended to identify long-term trends in the university's finances. The forecast builds from the fiscal year (FY) 2026 adopted budget and projects forward the impacts of budget decisions now as well as the trends the institution is experiencing and anticipating. This is an estimate of OSU's future financial circumstances, not a specific plan nor indication of intended outcomes.

BACKGROUND AND PURPOSE

OSU's Ten-Year Business Forecast is intended to identify long-term trends in the university's finances taking into account known or anticipated changes while balancing a sometimes significant reliance on assumptions about unknown factors, especially in out years. The forecast provides a look far enough ahead to take corrective action or to plan for additional investments, and to carefully consider the long-term impacts of current programmatic and financial decisions. The forecast considers enrollment projections; tuition rates and institutional financial aid; projections of state funding; expense projections for inflation, benefits, salaries and costs of enrollment growth; and new construction, renovation and repairs along with associated operating and debt costs.

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

The forecast helps management to identify areas of concern and opportunities associated with the university's decisions and external conditions early enough to take action to maintain and improve the university's financial strength.

The Ten-Year Business Forecast takes an institutional-level view of operating and capital needs and the expected trajectories of revenues and expenses. Last year's forecast had included substantial "out-of-model" adjustments to anticipate the marginal revenue and expense impacts from the financial *pro forma* developed after the launch of OSU's *Prosperity Widely Shared* strategic plan. This forecast has refined that outlook and maintains elements of the *PWS pro forma*, but with specific adjustments.

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

Note that projections for this forecast were built from a higher level of analysis than prior years. Aggregating revenue and expense categories during the development of the forecast were generally producing estimates that were in line with those built from lower-level detail. Combined with capacity challenges, staff have adopted a forecasting approach that relied on fewer distinct detailed assumptions, so there is less detail described in this docket.

July 8, 2025, Board of Trustees Meeting

MAJOR ASSUMPTIONS OF THE FY2026-2035 TEN-YEAR BUSINESS FORECAST

The university's forecasting software, Synario, integrates financial information across the three major operating funds and the major elements of the financial statements. This version is updated to include the fiscal year (FY) 2024 audited financial results, projected outcomes for FY25, and the board-adopted budget for FY26.

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

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

Operating Funds

The operating forecasts for Education and General funds, self-support funds and restricted funds are based on assumptions for the major revenue and expense drivers from fiscal years 2025 through 2035. The principal drivers are noted below.

- Tuition revenue estimates are significantly driven by the university's outlook for enrollment. Enrollment at OSU is projected to increase, thus resulting in a growing base of tuition revenue. The components of enrollment growth are principally from rising numbers of Ecampus students, consistent with the goals and efforts of the *Prosperity Widely Shared* plan. Beyond that, enrollment growth is more modest for Corvallis undergraduates (largely constrained by housing capacity), OSU-Cascades and graduate and professional students. The outlook for tuition revenue also includes an assumption of a continued commitment to increased financial aid for Pell-eligible Oregon students and Western Undergraduate Exchange enrollments.
- Beyond changes in headcount, the forecast assumes rising rates of tuition charges going forward, including weighted undergraduate rate increases of 4.9% in FY26–FY28, followed by 3.5% in successive years. Included are similar rates for most graduate programs but slower rate increases for resident graduate programs in Corvallis and Ecampus to stay competitive in national markets.
- State funding is projected to increase at 6.0% per biennium. State funding changes can experience fluctuations, but the consistent rate of biennial growth smooths the highs and lows of over the forecast period. The same increases are assumed for Corvallis, OSU-Cascades and Statewide Public Services (SWPS).
- Student fee rates are assumed to increase at 3.0% per year in Corvallis and 3.0% per year at OSU-Cascades. These fee rate increases have varied on an annual basis in the past, and this rate of increase is intended to project an upward trend, while smoothing out the variability over the forecast horizon.
- Other major revenues have been adjusted downward in anticipation of more constrained federal funding. Federal funding for research is not likely to generate the marginal growth in Facilities & Administration cost reimbursement that was anticipated in last year's projection.

- Estimated growth in compensation costs over a ten-year period is included in the model. Compensation is OSU's largest expense, and the growth assumed is a combination of increases in salary, benefits costs and modest growth in employee headcount over the 10-year period.
- General inflation on goods and services is also built into the expense outlook.

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

Ten-Year Capital Forecast

The Ten-Year Capital Forecast describes how OSU could provide—over the period of fiscal years 2026 through 2035—for the physical environment necessary to carry out its mission. The forecast presents projects that cost \$10M (million) or more that will be presented to the board through its [Stage Gate approval process](#). The forecast also presents minor capital projects (those with budgets less than \$10M) in aggregate. The forecast is sequenced by legislative biennium. Five biennia are covered in the 2025 Capital Forecast: 2025-27, 2027-29, 2029-31, 2031-33, and 2033-35.

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

The forecast is a projection based on current knowledge and assumptions about needs, gifts, debt capacity, and priorities in the future. As planning progresses, major projects are referred to the board through Stage Gate submittals for approval to proceed. The inclusion of a project in the Ten-Year Capital Forecast is not a commitment that the project is approved for funding or construction.

Debt Management Assumptions

The Ten-Year Capital Forecast is supported by previously issued debt and anticipated additional borrowings. The current balance of previously issued debt is \$898.6M and \$710.4M in interest payments for a total existing debt service obligation of \$1.6B extending through FY2060. Unspent bond proceeds of \$102.3M, as of March 31, 2025, are from issuances intended to support the Ten-Year Capital Forecast. Additionally, the university has a \$100.M commercial paper program available for short-term taxable or tax-exempt uses. The forecast assumes debt support for the first phase of the Housing Vision beginning in FY26 with incremental long-term debt totaling \$219.0M. Interest payments of \$174.6M are assumed for the new debt at a 4.9% borrowing rate for 33 years of debt service.

The expense for debt service is only included for those projects for which the board has approved issuing debt. Projects envisioned in the Ten-Year Capital Forecast that have not had board approved debt are not part of the expense outlook for the operating budget, but those costs would need to be evaluated at the time of potential future issuance.

Other Factors

Several other factors affect the university's financial statement projections:

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

Principal changes since April 2024

The forecast was updated to begin from FY24 actual results, including the audited financial statement as well as projections for FY25. The board-adopted budget figures were then the starting point for FY26 and future years. Beyond updating actual results, this forecast now includes a number of revised assumptions related to the implementation of *Prosperity Widely Shared* plans.

Additionally, after the forecast in the spring of 2024, the university engaged Huron Consulting to evaluate the assumptions that had informed the *PWS pro forma*. Directionally consistent with that evaluation, this forecast has reduced the rate at which Ecampus enrollments are envisioned to grow as well as the level of research expenditures the university is likely to generate through the forecast period. These two areas are critical to *PWS*, and they were also the two areas where the *pro forma* analysis and the Huron analysis differed the most. The stretch goals remain in place for *PWS*, but the forecast assumes a longer time horizon in which the university will reach those goals.

Specifically, the original *PWS pro forma* assumed aggressive enrollment growth, obtaining 30,000 distance learners by 2030, and from this enrollment growth, the *pro forma* assumed substantial growth in tuition revenue. Huron's analysis of the marginal tuition growth was only 43% of the *pro forma* level. This forecast assumes Ecampus tuition revenue that is about 52% of the original *pro forma* over the duration of the forecast horizon. The forecast is actually lower than Huron's in the first couple of years, and exceeds the Huron outlook as time progresses.

The reduction in restricted revenue growth in this forecast results in an outlook that is closely aligned with the Huron analysis. Both assume that restricted research revenue will grow, and will take longer than the original *pro forma* to reach the *PWS* goal level. This is an area of significant uncertainty that has emerged since the original *pro forma* and the Huron analysis.

PRINCIPAL CONCLUSIONS AND ANALYSIS

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

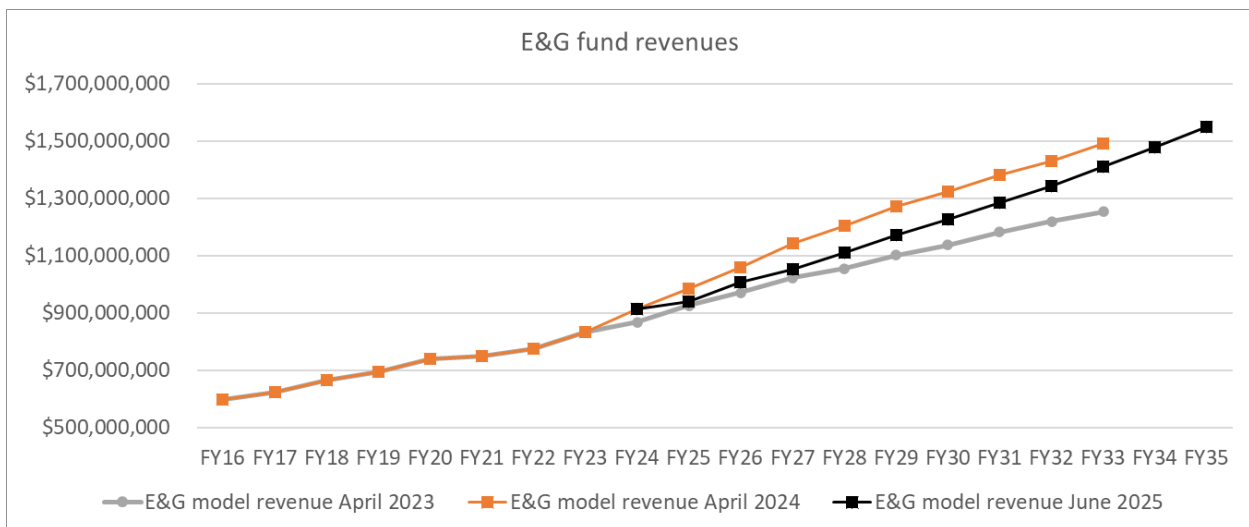
Education and General Funds: Operating and Capital

The Education and General fund forecast is impacted most significantly by the outlook for tuition revenue—OSU’s largest single source of revenue. Tuition revenue is a combined outcome of enrollment levels and the rates the University charges. Overall Corvallis enrollment is expected to grow modestly from transfer students and improvement in retention. Ecampus enrollment is the principal source of enrollment growth in the forecast. OSU-Cascades is also assumed to grow, though from a smaller base of students, so the impact on the institutional level forecast is modest.

Beyond tuition, E&G revenue growth comes principally from rising amounts of state support, albeit at a modest pace that is assumed to lag general cost pressures. The forecast projects falling E&G fund balances as a result of expense growth that exceeds the rate of revenue growth.

Unlike prior years where the Ten-Year Business Forecast has preceded the decisions of the annual operating budget, this forecast builds in the projected impacts of the budget realignment that begins with the FY26 budget year. The reduction in base expenditures carries forward into future years, and without that assumption, the outlook for E&G would be significantly worse. The budget realignment for the FY26 budget was an important step in adjusting for the structural aspect of the university’s budget environment.

Below is a graph of E&G revenue for the Ten-Year Business Forecast. While lower than projected a year ago, the expectation is still higher than it was two years ago, reflecting the outcome of PWS efforts to aggressively grow revenue, principally from Ecampus enrollment.



Self-support Funds: Operating and Capital

Among the changes in the current forecast from April 2024 is that revenues in self-support operations are forecast to drop in the near term before resuming growth on pace with prior

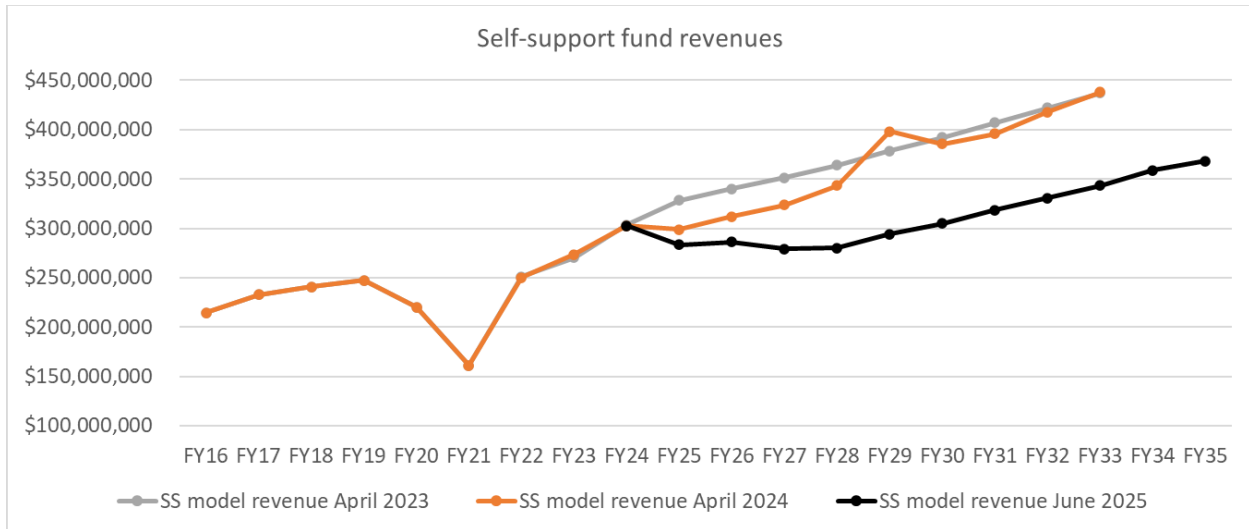
projections (albeit from a lower base). The primary reason for the decrease is the loss of revenue associated with the realignment of the Pac-12 conference that supports Intercollegiate Athletics, and that negatively impacts the overall self-support figures.

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

Providing high-quality, student-centered and desirable housing for on-campus student residents is essential to maintain competitiveness in student recruitment and retention. OSU is developing multiple scenarios to address how to viably increase the capacity of student living centers to meet expected short- and long-term demand and opportunity, and address the condition of existing centers as they approach the end of their expected lives. Generally, the first part of the coming decade will feature projects that increase housing capacity, followed by replacements and renewals in the later part of the decade. Projects could include construction, expansion, acquisition or renewal and will be debt financed from the revenue they generate.

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

Below is the projected self-support revenue outlook. The decline in Athletics revenue is offset when new student housing comes online and results in growing revenue for the fund group beginning in FY 2029.

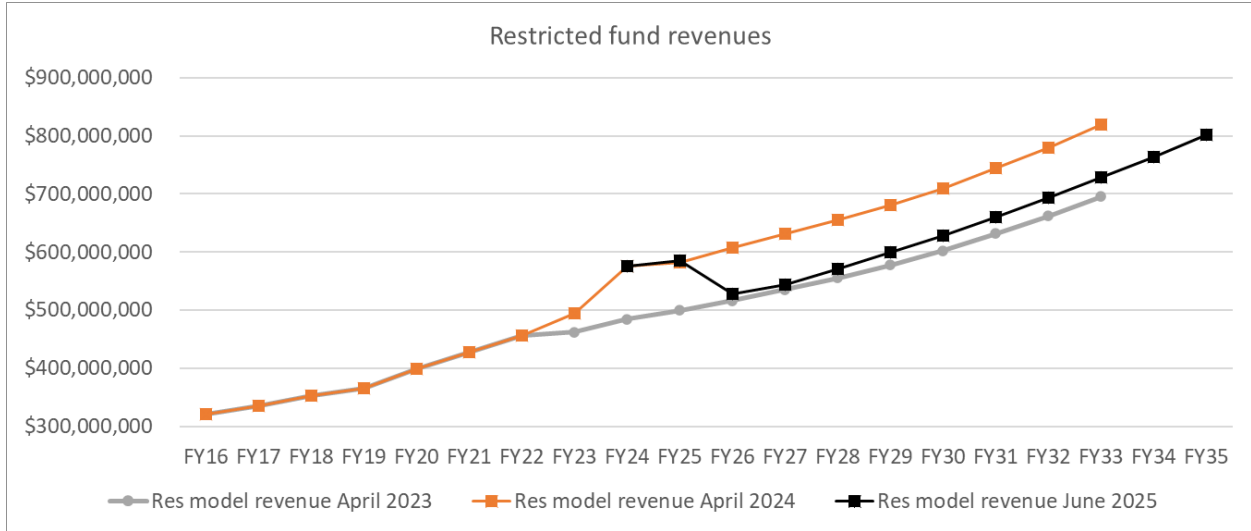


Restricted Funds: Operating and Capital

Restricted fund revenues are forecast to show steady growth after a near-term decline, though there is significant uncertainty about this outlook given changes in the landscape for federal research funding as well as federal financial aid resources. The graph below indicates that the overall level of restricted fund revenue will be more in line with the outlook from spring 2023, and the higher levels anticipated a year ago are unlikely to materialize. The April 2024 outlook

had assumed a higher level of restricted funds in line with the research growth envisioned as part of PWS.

Restricted funds are not expected to generate significant net working capital balances as they typically are spent shortly after they are committed to meet the commitments they are allocated to support.



FINANCIAL STATEMENT METRICS

The final component of the Ten-Year Business Forecast is a review of long-term trends in four of OSU’s financial metrics. The previous year’s (FY24) audited financial statements provide the baseline for the FY25-34 Ten-Year Business Forecast. The OSU Annual Financial Report, including the audited financial statements and management’s discussion and analysis, was presented at the January 2025 joint meeting of the Executive, Audit and Governance and Finance & Administration Committees. The FY20-FY24 financial metrics were presented to the Finance & Administrative Committee on that same day. The financial metrics and operating ranges, as shown in Table 2, which the Finance & Administration Committee adopted on October 7, 2021, are used to monitor the financial health of the university for historical and forecast analysis and when the use of debt capacity is assessed or considered.

The model uses institution-wide averages and trends based on completed audited financial statements. It brings together the assumptions in the operating and capital forecasts with other components of the institution’s financial statements, including non-cash components, and accounts for revenues and expenses consistent with Governmental Accounting Standards Board (GASB) requirements.

Table 1. Financial Metrics Approved in October 2021.

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

Table 2. Financial Metrics from fiscal year (FY) 2020 projected through FY 2035. Metrics are based on the Ten-Year Business Forecast structure updated to actual results for FY24 and trends for FY25 through FY35. Horizontal lines show board-approved preferred limits (green is stronger results, red weaker results).



* The lower debt service coverage ratio in 2024 reflects a large \$40 million bullet principal payment. In their rating analysis, Moody's adjusts for this higher one-time payment because it is not reflective of ongoing debt service levels.

Operating Performance

EBIDA (Earnings before Interest, Depreciation and Amortization) Margin (see Table 2 above) measures the available cash flows generated by the university after paying operating expenses. These cash flows are available to pay debt service, reinvest in capital assets (deferred maintenance), invest in new capital projects, academic programs and strategic initiatives and to reserve funds for uncertain events and future strategic opportunities. If cash flows and other available revenues like state appropriations and tuition revenues are insufficient to meet cash needs, the university must draw on reserves.

In the forecast, EBIDA remains within the board's target range through FY29. Beyond FY29, EBIDA decreases as adjusted operating expense increase at a higher rate than operating revenues. The forecast shows that although OSU has developed reserves sufficient to meet the EBIDA range (between the green and red dashed lines in Table 2) the divergence in growth rates of revenue and expenses will continue to place stress on OSU's ability to stay within those ranges on a ten-year horizon.

Reserve Levels and Debt Capacity

Total Cash and Investments to Operating Expenses (see Table 2 above) measures the level of available financial resources to meet the university's operating expenditures. The ratio reflects the anticipated growth in cash and investments above the forecasted needs for operating expenses and is forecasted to be in range until FY32.

Total Cash and Investments to Adjusted Debt (see Table 2 above) measures the ability to repay debt and pension obligations with available financial resources. A big driver for this metric is based on forecast assumptions for adjusted net pension liability. The metric is within range and shows a decrease due to additional debt service payments on the capital project Corvallis Campus Housing & Dining Vision Phase 1 (Student Living Center and Dining Support Facility), beginning in FY28.

Debt Affordability

Debt Service Coverage (see Table 2 above) measures the sufficiency of cash flow from operations to cover debt service. The ratio remains in the target range through FY32. The dip in FY29 is due to a \$20M principal payment due on Revenue Bonds, Series 2024B related to the Administrative Modernization Program.

RECOMMENDATION

Staff recommend that the board accept the Ten-Year Business Forecast for FY2026 through FY2035, including the Ten-Year Capital Forecast as detailed in Attachment 1.

Ten-year Capital Forecast: FY2026 through FY2035

UPDATED TEN-YEAR CAPITAL FORECAST BACKGROUND

The Ten-Year Capital Forecast describes how OSU expects to provide—over the period of fiscal year 2026 through fiscal year 2035—for the physical environment necessary to conduct its mission. The capital forecast presents projects that cost \$10M (million) or more, which go before the Board of Trustees for approval through a process of Stage Gate submittals. The capital forecast also presents minor projects (less than \$10M) in aggregate. The forecast is sequenced by legislative biennium. Five biennia are covered in the 2026-2035 Capital Forecast: 2026-27, 2028-29, 2030-31, 2032-33 and 2034-35.

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

The Infrastructure Working Group (IWG) is charged by the provost and vice president for Finance and Administration to develop the Ten-Year Capital Forecast using the *Prosperity Widely Shared* strategic plan as the lens for prioritization of projects expected to cost \$10M or higher. In support of the IWG process, University Facilities, Infrastructure and Operations (UFIO) conducts interviews with every dean, major department, and major office to understand specific infrastructure needs. The IWG vets, prioritizes and recommends investments based on their effectiveness advancing *Prosperity Widely Shared* and their relationship to campus initiatives. A preliminary updated Ten-Year Capital Forecast is prepared for consideration by the vice president for Finance and Administration and the provost and executive vice president, who make a recommendation to the president for approval. The Ten-Year Capital Forecast is presented to the OSU Board of Trustees for acceptance as part of the annual Ten-Year Business Forecast.

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

CAPITAL PROJECT PRIORITIZATION CRITERIA

The IWG evaluates each project based on four primary criteria:

- Advancing OSU's strategic plan
- Minimizing the impact on environmental and financial resources
- Cultivating a safer, more equitable, accessible, and welcoming environment
- Leveraging funding

Advancing OSU’s Strategic Plan

Proposed projects must make a critical contribution to the advancement of OSU’s Strategic Plan *Prosperity Widely Shared* and support the unit’s strategic direction. The proposal should address how the capital project will advance one or more of the three goals, five actions, and top five targets of the plan:

Three Goals

1. A university focused on big discoveries that drive big solutions
2. A university where every student graduates
3. A university that fuels a thriving world in every dimension

Five Actions

1. Launch a campaign for timely undergraduate degree completion
2. Build international research distinction in areas of competitive advantage
3. Build faculty excellence
4. Significantly increase enrollment online and at OSU-Cascades
5. Build an enterprise approach to knowledge translation, innovation, and partnerships

Top Five Targets

1. Increase annual research expenditures to \$600M
2. Increase six-year graduation rate to 80 percent
3. Equalize six-year graduation rates
4. Increase online-only enrollment to 30,000
5. Increase OSU-Cascades enrollment to 2,200

How Projects Meet the Criterion

The renovation of Gleeson Hall into a dense and effective fume hood research facility will add quality, capacity, and energy efficiency to OSU’s aged campus-wide fume hood infrastructure. This project will also allow right-sizing of fume-hood capacity in later renovations of Gilbert, Pharmacy and other fume-hood intense buildings in response to new chemistry research paradigms allowed by the supercomputer.

Transformations of Dearborn, Pharmacy and Gilbert Halls will not only improve efficiency and functionality but will purposefully reflect OSU’s mission and values and, again, respond to modern methods of research in coordination with the supercomputer. The replacement of Hatfield Marine Science Center’s (HMSC) main building (Building 900) will modernize and improve seawater, marine and climate research in ways that the aged and un-repairable building cannot. The addition of the Plant Science Research Center and high-bay research labs at the Radiation Center will vastly improve quality, efficiency and capacity of their research endeavors.

In Bend, OSU-Cascades’ Student Health and Recreation Center delivers a vital resource for student recreation and wellness as well as providing a key asset in attracting and retaining students. The Innovation District at OSU-Cascades will be a catalyst for innovation, fostering collaboration between industry, academia, and the regional community to drive sustainable economic development, and enhance educational and research opportunities.

The ability to attract, house and provide a transformative first-year experience to OSU's students. Directly enhancing the university's goals of student body growth and graduation rates is the focus of the Corvallis Campus Housing and Dining Vision. The multi-year program will increase the Corvallis campus housing capacity and modernize the current housing inventory. The first phase project of the Housing and Dining Vision is now within the board's stage gate approval process.

Minimizing the Impact on Environmental and Financial Resources

Proposed projects will be evaluated for their effect on the cost of operating campuses and facilities, and their impact on the environment. Projects should:

- Increase space efficiency and reduce the cost of maintenance and renewal
- Reduce energy usage, promote renewable energy, and improve carbon reduction
- Only involve new buildings when absolutely required.

How Projects Meet the Criterion

Stewardship of the university's capital, operating funds and the environment is essential to how our physical assets enable OSU's mission. Prioritization of projects and their scopes are influenced by and adhere to the comprehensive visions and long-term plans such as the [Path to Carbon Neutrality](#) and the [Sustainable Transportation Strategy](#).

Building renewals, renovations and systems upgrades replace outdated infrastructure with modern, energy-efficient solutions. This reduces the accumulated deferred maintenance, and provides resilience, operational efficiency, and increased energy savings by linking and sharing cooling and heating systems to District Utility Plants.

Much of OSU's carbon reduction and energy efficiency efforts have been and will be accomplished within the minor capital plan. The Solar Power Program has evaluated campus buildings and other opportunities for the placement of solar arrays. These will be included on major projects, if feasible, and are strongly considered as roofs are replaced on existing buildings, such as Milam Hall and the Valley Library. Deep energy efficiency projects, primarily updating the building controls program of energy-dense buildings, create energy savings paybacks in under five years.

Cultivating a Safer, More Equitable, Accessible and Welcoming Environment

Proposed projects should advance OSU's commitment to creating a safer, more accessible, and welcoming place for all. Projects should:

- Address how facilities and infrastructure will contribute to and support equitable outcomes for underrepresented students and employees, students and employees with disabilities, first generation students, and students with high financial need – in living, learning, teaching, research, and other uses.
- Reduce physical and perceived barriers, and advance safety and well-being.
- Improve access and internal circulation to our campuses and facilities for all modes of transportation with an emphasis towards sustainability, accessibility, and equity.
- Address building and infrastructure renewal, reliability, and preservation as well as seismic and fire-life safety.

How Projects Meet the Criterion

Prioritization of continuous improvements to safety, equity and accessibility is paramount to OSU's mission. Projects are evaluated for how they advance the welcoming and equity goals established in [the Corvallis Campus Vision](#), the [Comprehensive Accessibility Plan](#) and the [OSU Transportation Plan](#).

The replacement of Campus Way for accessibility, bike and pedestrian safety and replacement of the street's substantial underground infrastructure will be a major component of the renovation of Gleeson Hall.

Seismic safety improvements focused on life safety are part of the scope of all major renovations. Seismic safety is an important consideration in OSU's minor capital roof replacement projects, taking advantage of the opportunity to strengthen the buildings under a new roof. Besides the research enhancing aspects of the project, the HMSC Building 900 replacement project will significantly increase safety over the original building which was designed before the seismic and tsunami threats were well known.

The Oregon Veterinary Diagnostics Laboratory will increase safety for all Oregonians as it significantly increases the state's ability to address public health threats such as avian influenza.

Major projects and renewals create buildings to our high standards of safety and accessibility, but many of the continued improvements to these systems occur within the minor Capital Plan. These improvements include renewals of fire and life safety systems, continual improvements to the accessible travel grid, and lighting safety as well as accessibility and gender-neutral upgrades to restrooms.

Leveraging Funding

Proposed projects which meet the criteria above will be additionally evaluated based on their ability to attract private gifts, grants, state bonding and other outside funding as well as those that can be advanced by internal OSU funding.

How Projects Meet the Criterion

The ability to fund projects within the Ten-Year Capital Forecast must be strongly considered. Projects, such as OSU-Cascade's Innovation District, which have the ability to attract significant gifts or partnerships as well as fulfill the other three criteria, are more highly prioritized. The competitiveness of projects is based on both historic trends and the Higher Education Coordinating Commission's (HECC) rubric, which emphasizes the reduction of deferred maintenance, the impact on undergraduate and underserved students and the economy of the state as well as matching funds from gifts or the institution.

The potential use of OSU E&G Capital Improvement and Renewal (CIR) funds are also considered in prioritization. These funds come from OSU's operating budget and prioritize the renewal of university research and education infrastructure. Many of these funds will be used as institutional matches to attract state funding for renovation and renewal projects that have less philanthropic interest, such as Gleeson, Pharmacy and Gilbert.

CAPITAL FORECAST PROJECT DETAILS FOR CORVALLIS AND NEWPORT

The 2026-2035 Ten-Year Capital Forecast represents a slower pace of building and infrastructure renewals compared with past forecasts. State funding for a major capital project at the Corvallis campus for the upcoming biennium appears unlikely. As such, the STEM Learning Center has been removed from the forecast and alternative plans to address Corvallis campus renewal are being developed. Also, the planned growth of Education and General (E&G) operating funds that OSU has dedicated to capital and infrastructure renewal has been further reduced to allow additional budget flexibility to address uncertainties in federal funding, the current budget realignment efforts, and a focus on *Prosperity Widely Shared non-capital* strategic actions. As a result, some projects that had appeared on earlier forecasts are now being pushed beyond the ten-year horizon.

Figure 1 below provides details about Corvallis and Newport major capital projects.

New Construction

While most of the Capital Forecast focuses on renewals and renovations, new construction is limited to facilities that cannot be created in a renovation. These include:

- Oregon Veterinary Diagnostics Laboratory (OVDL) (\$75M-\$85M) – Replaces the aged and out-of-date laboratory with a modern, much more capable facility. The OVDL will serve the State of Oregon’s agriculture industry with modern diagnostics capability to address threats such as avian influenza. The OVDL will also improve the education and training of OSU students to increase and improve capacity to provide veterinarians for the state and world.
- Radiation Center High-Bay Addition (\$8M-\$13M) - OSU’s ability to grow grant-funded research is limited by the lack of available high-bay space near the reactor. This addition will increase OSU’s ability for research, research funding and education for undergraduate and graduate students.
- Hatfield Marine Science Center Building 900 Replacement (\$70M-\$82M) – Replaces the OSU/Hatfield 900/904 Marine Research complex which houses seawater research labs, faculty and staff offices, classrooms, graduate student spaces and the HMSC Visitor Center. This building contains half of OSU’s marine research and teaching labs at Hatfield and the entirety of OSU’s seawater research and education capacity. The building has reached the end of its useful life and is beyond economical repair.
- Plant Science Innovation Center (\$65M-\$75M) – Replaces (either on site or at a different location) the aged 1929 East Greenhouse range with a modern versatile greenhouse facility that will meet the changing needs of our current and future research and teaching programs.
- Clark Meat Center Replacement (\$20M-\$30M) – Replaces the aged and outdated 1960s facility to become a next-generation food technology center. The building will serve educational, research and experiential roles.
- Hinsdale Addition (\$15M-19M) – Provides space for civil engineering research and testing laboratories.

Renovations

- Gilkey Hall Full Renovation \$30M – The renovation of Gilkey Hall was previously presented to the OSU Board of Trustees in the 2024-2025 biennium and approved at Stage Gate II with a \$14M project budget. However, discovery of severe structural flaws that were not known until the building interior was removed compel a full structural renovation as well as systems replacement and programmatic improvements for the Counselling and Psychological Services program (important for student wellbeing), as well as the additional of general-purpose classrooms.
- Sinnhuber Aquatic Research Laboratory (SARL) Modernization \$13.5M— Funded partially through an NIH Grant, the project will modernize the Integrated Specific Pathogen Free Zebrafish Core Facility.
- Plageman Hall Repurpose (\$21M) –Repurposes the old infirmary building for computational research space in complement to the HCIC.
- Gleeson Hall Renovation (\$55M-\$59M)– Returns functionality to a research building with aged systems and a large amount of unusable space. Envisioned as a fume hood-intensive hub for all colleges preceding and enabling the renovation of fume hood-dense Gilbert Hall. This project will be coupled with the Campus Way Infrastructure project.
- Rogers Hall Renewal (\$24M-\$28M) – Renews systems and research infrastructure in the Engineering Triangle.
- Dearborn Hall Renovation (\$55M-\$65M) – Starts the renewal of the historic Engineering Triangle and updates this aged research building to modern purposes such as clean room research and education.
- Pharmacy Building Renewal (\$45M-\$53M) – Renews and strengthens the building as well as re-organizes academic, research and administrative space and provides accessibility.
- Batcheller and Covell Halls Renewal (\$45M-\$55M) – Envisions renewals and improvements to create modern and efficient academic and research space.
- Gilbert Hall Renovation (\$87M-\$97M) – Addresses OSU’s energy-intensive and distressed fume hood research infrastructure creating a safe, energy-efficient, modern facility in complement and supplement to modern facilities like Linus Pauling Science Center and Johnson Hall.

Infrastructure

- Campus Way Infrastructure Renewal (\$13M) – Renews underground and surface infrastructure through the heart of campus and implements modern transportation, streetscape and accessibility improvements. Planned to be coupled with the renovation of Gilkey and/or Dearborn Halls.

University Housing and Dining Services & Student Affairs

Figure 2 below provides details about UHDS and Student Affairs projects.

Corvallis Campus Housing and Dining Vision (CCHDV) dominates the University Housing and Dining & Student Affairs section of the Ten-Year Capital Forecast. The goal of the vision is to increase campus housing capacity to house 30% of OSU’s students over ten years (currently 22%), including a larger first-year class currently limited by housing capacity. Both OSU and national data suggest that students who live on campus in their first year are more likely to graduate than those who do not.

- CCHDV Phase I (\$190M) – The first building of Phase I of the Corvallis Campus Housing and Dining Vision will add a new ~680 bed student living center to the south campus sector. This phase will also add an off-campus dining support facility to increase the capacity of on-campus dining centers to meet the increased demands.
- Recreational Sports and Memorial Union Deferred Maintenance Projects (~ \$200M over the forecast period) – Recreational Sports and Memorial Union (MU) bundled capital projects that address critical infrastructure and safety standards across iconic buildings in both departments including the roofs, mechanical systems, MU water infiltration mitigation/prevention, synthetic turf replacement, sports surfaces, swimming pool envelope, sky lights and flooring.
- Family Resource Center Child Care /ECE Center & HDFS Lab Program (~\$30M over the forecast period) - The Family Resource Center Child Care/ Early Care and Education (ECE) centers will provide onsite childcare for university employees, students, and possibly community members while supporting Human Development and Family Sciences (HDFS) and ECE practicum experiences for students.

Minor Capital Projects

Figure 3 below aggregates budgets for planned minor capital projects (those with budgets less than \$10M).

CAPITAL FORECAST DETAILS FOR OSU-CASCADES

To meet the State of Oregon’s goals for higher education in central Oregon, OSU will expand the Bend campus through land improvements, infrastructure, and buildings over the next decade to meet the Strategic Plan goal of 2,200 students at OSU-Cascades by 2030.

Figure 4 below details the OSU-Cascades projects.

E&G buildings

- Student Health and Recreation Center (\$84M) - An E&G and student fees-supported project that remediates land to prepare for future campus growth while also building a health and recreation center vital to student recreation and wellness and key to attracting and retaining students. In all our requests and recent capital requests we show this as \$84M (\$42M State / \$31M OSU / \$7M Donors / \$4M Grant).
- Student Residential Building (\$42.5M) – Adds on-campus residential space for approximately 175 students. This project is necessary to reach the Strategic Plan goal of 2,200 students by 2030. Estimated construction in FY26-28.
- Maintenance and Engineering Facility (\$8.3M) – Adds a necessary resource for the growing campus and includes configurable space for industrial/engineering research. Replaces inadequate temporary facilities currently in use (shipping containers and tension-fabric structure).
- Academic Building 3 (\$102M) – Provides for growth in teaching and student laboratory programs.

Other Buildings

- Innovation District Building 1 – Mixed Use Commercial Building (\$55.6M) - Will be developed in a real estate deal or public private partnership to meet OSU, partner, and industry needs. May utilize private equity/debt or OSU equity/debt. Estimated construction in FY26-27.
Innovation District Building 2 – Market Rate Housing (\$69M cost to third party) – Planned to be the first building constructed in the Innovation District through either a real estate deal or a public private partnership. Estimated construction in FY26-27.
- Innovation District Building 3 – Mixed Use Commercial Building (\$50.7M) - Will be developed in a real estate deal or public private partnership to meet OSU, partner, and industry needs. Estimated construction in FY30-31.
- Innovation District Building 4 – Mixed Use Commercial Building (\$56.0M) - Will be developed in a real estate deal or public private partnership to meet OSU, partner, and industry needs. Estimated construction in FY32-33.
- Innovation District Building 5 – Mixed Use Commercial Building (\$61.7M) - Will be developed in a real estate deal or public private partnership to meet OSU, partner, and industry needs. Estimated construction in FY36-37.
- Mt. Washington Row Housing (\$35.6M cost to third-party) – Housing development on the western edge of the OSU-Cascades campus. Will be developed by a third-party developer in a real estate or public private partnership deal. Includes street and utilities improvements on and off campus.

Figure 1: FY2026-2035 Capital Forecast for Corvallis and Newport (Education & General)

2026-2035 OSU Capital Forecast					Projects funded in previous biennia and approved by the Board through the Stage Gate process do not appear on this forecast.						
OSU Corvallis/Newport Major Capital Projects					Sources of Funds (\$M)						
Project Name	GKSF	FCA	DM Removed (\$M)	Total Forecasted Budget (\$M)	State-Paid Bonds	State-Paid CIR	OSU-Paid Bonds	Pledged Gift Funds	E&G CIR	Unpledged Gifts	Partnerships, Other
2026-2027											
Gilkey Hall Full Renovation	22	2.60	11.00	30.10	3.00	20.00	3.00	-	4.10	-	-
Sinnhuber Aquatic Research Lab Modernization	4	2.50	2.00	13.50	-	1.00	3.00	-	-	-	9.50
Total	26	N/A	13.00	43.60	3.00	21.00	6.00	-	4.10	-	9.50
2028-2029											
Plageman Repurpose	27	2.90	8.00	21.00	-	19.50	-	-	1.50	-	-
Gleeson Hall Renovation	39	2.20	20.10	57.00	45.50	-	-	-	11.50	-	-
Campus Way Infrastructure Renewal	N/A	N/A	9.00	13.00	5.50	-	-	-	7.50	-	-
Oregon Veterinary Diagnostic Laboratory	50	N/A	10.00	80.00	-	-	-	-	-	-	80.00
Total	116	N/A	47.10	171.00	51.00	19.50	-	-	20.50	-	80.00
2030-2031											
Rogers Hall Renewal	55	3.12	7.00	26.00	13.00	-	-	-	-	13.00	-
Dearborn Renovation	65	2.65	22.80	60.00	30.00	-	-	-	-	30.00	-
Plant Science Innovation Center (East GH Repl)	40	N/A	-	70.00	-	-	-	-	-	70.00	-
Radiation Center High-Bay Addition	8	N/A	-	11.00	-	-	-	-	-	11.00	-
Clark Meat Center Replacement	28	2.50	13.00	25.00	-	-	-	-	-	25.00	-
HMSC Building 900 Replacement	64	2.40	40.00	90.00	45.00	-	-	-	-	45.00	-
Total	260	N/A	82.80	282.00	88.00	-	-	-	-	194.00	-
2032-2033											
Pharmacy Building Renovation	41	2.47	13.00	49.00	32.00	-	-	-	17.00	-	-
Hinsdale Addition	19	N/A	-	17.00	-	-	-	-	-	17.00	-
Batcheller & Covell Renewal	58	2.61	19.00	50.00	25.00	-	-	-	-	25.00	-
Total	118	N/A	32.00	116.00	57.00	-	-	-	17.00	42.00	-
2034-2035											
Gilbert Hall Renovation	83	2.15	32.00	97.00	70.00	-	17.00	-	10.00	-	-
Total	83	N/A	32.00	97.00	70.00	-	17.00	-	10.00	-	-

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

Figure 2: FY2026-2035 Capital Forecast for Corvallis and Newport (Student Affairs)

2026-2035 OSU Capital Forecast Student Affairs					Projects funded in previous biennia and approved by the Board through the Stage Gate process do not appear on this forecast.						
Project Name	GMSF	FCA	DM Removed (\$M)	Total Forecasted Budget (\$M)	Sources of Funds (\$M)						
					State-Paid Bonds	State-Paid CIR	OSU-Paid Bonds	Pledged Gift Funds	E&G CIR	Unpledged Gifts	Partnerships, Other
2026-2027											
Corvallis Campus Housing and Dining Vision	TBD	N/A	N/A	190.00	-	-	190.00	-	-	-	-
Memorial Union Project 1: West Wing & Mezzanine	20	N/A	N/A	15.00	-	-	-	-	-	-	15.00
Rec Sports Dixon Gender Changing Space/Pool Renovation	20	N/A	N/A	20.00	-	-	-	-	-	-	20.00
Total	40	N/A	-	225.00	-	-	190.00	-	-	-	35.00
2028-2029											
Residence Hall and Dining Center Added Capacity and Renewal	TBD	N/A	N/A	39.90	-	-	39.90	-	-	-	-
Memorial Union Project 2: Historic Core HVAC, MEP	20	N/A	N/A	54.00	-	-	-	-	-	-	54.00
Rec Sports Dixon Retrofit/Expansion Weight/Cardio/Community	20	N/A	N/A	35.00	-	-	-	-	-	-	35.00
FRC Newport Child Care/ECE Center & HDFS Lab Program	TBD	N/A	N/A	8.00	-	-	-	-	-	-	8.00
Total	40	N/A	-	136.90	-	-	39.90	-	-	-	97.00
2030-2031											
Residence Hall and Dining Center Added Capacity and Renewal	TBD	N/A	N/A	187.70	-	-	187.70	-	-	-	-
Memorial Union Project 2: Historic Core HVAC, MEP	20	N/A	N/A	6.00	-	-	-	-	-	-	6.00
Rec Sports Peavy Field/Park Development	20	N/A	N/A	16.00	-	-	-	-	-	-	16.00
FRC Corvallis Child Care/ECE Center & HDFS Lab Program	TBD	N/A	N/A	9.20	-	-	-	-	-	-	9.20
Total	40	N/A	-	218.90	-	-	187.70	-	-	-	31.20
2032-2033											
Residence Hall and Dining Center Added Capacity and Renewal	TBD	N/A	N/A	186.20	-	-	186.20	-	-	-	-
Memorial Union Project 4: Internal Mezzanine Accessibility	20	N/A	N/A	18.00	-	-	-	-	-	-	18.00
Rec Sports Student Legacy Park Tennis Center/Sports Development	20	N/A	N/A	9.00	-	-	-	-	-	-	9.00
Total	40	N/A	-	213.20	-	-	186.20	-	-	-	27.00
2034-2035											
Residence Hall and Dining Center Added Capacity and Renewal	TBD	N/A	N/A	100.80	-	-	100.80	-	-	-	-
Memorial Union Project 5: North Entrance Accessibility	TBD	N/A	N/A	20.00	-	-	-	-	-	-	20.00
Rec Sports Student Legacy Park Resurface and Redevelopment	TBD	N/A	N/A	8.00	-	-	-	-	-	-	8.00
FRC Corvallis Child Care/ECE Center & HDFS Lab Program	TBD	N/A	N/A	12.20	-	-	-	-	-	-	12.20
Total	-	N/A	-	141.00	-	-	100.80	-	-	-	40.20

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

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Figure 3: FY2026-2035 Capital Forecast for Corvallis and Newport (Minor Projects)

2026-2035 OSU Capital Forecast Minor Capital						Projects funded in previous biennia and approved by the Board through the Stage Gate process do not appear on this forecast.							
Project Name	Project Type	GKSF	FCA	DM Removed (\$M)	Total Forecasted Budget (\$M)	Sources of Funds (\$M)							
						State-Paid Bonds	State-Paid CIR	OSU-Paid Bonds	Pledged Gift Funds	E&G CIR	Unpledged Gifts	Partnerships, Other	
2026-2027													
CIR Systems Renewal	Renovation	N/A	N/A	14.10	14.10	-	12.50	-	-	1.60	-	-	
E&G AES (State Wide)	Renovation	N/A	N/A	2.60	2.60	-	2.60	-	-	-	-	-	
UHDS	Renovation	N/A	N/A	N/A	14.50	-	-	-	-	-	-	14.50	
Student Affairs	Renovation	N/A	N/A	N/A	7.10	-	-	-	-	-	-	7.10	
Athletics	Renovation	N/A	N/A	N/A	-	-	-	-	-	-	-	-	
Total		-	N/A	16.70	38.30	-	15.10	-	-	1.60	-	21.60	
2028-2029													
CIR Systems Renewal	Renovation	N/A	N/A	21.80	21.80	-	20.30	-	-	1.50	-	-	
E&G AES (State Wide)	Renovation	N/A	N/A	2.60	2.60	-	2.60	-	-	-	-	-	
UHDS	Renovation	N/A	N/A	N/A	13.00	-	-	-	-	-	-	13.00	
Student Affairs	Renovation	N/A	N/A	N/A	6.80	-	-	-	-	-	-	6.80	
Total		-	N/A	24.40	44.20	-	22.90	-	-	1.50	-	19.80	
2030-2031													
CIR Systems Renewal	Renovation	N/A	N/A	25.70	25.70	-	24.30	-	-	1.40	-	-	
E&G AES (State Wide)	Renovation	N/A	N/A	2.60	2.60	-	2.60	-	-	-	-	-	
Corvallis Campus Carbon Neutrality Projects	Renovation	N/A	N/A	-	5.00	-	-	5.00	-	-	-	-	
Corvallis Campus Electrical Infrastructure Improvements	Renovation	N/A	N/A	-	5.00	-	-	5.00	-	-	-	-	
UHDS	Renovation	N/A	N/A	N/A	14.00	-	-	-	-	-	-	14.00	
Student Affairs	Renovation	N/A	N/A	N/A	7.60	-	-	-	-	-	-	7.60	
Total		-	N/A	28.30	59.90	-	26.90	10.00	-	1.40	-	21.60	
2032-2033													
CIR Systems Renewal	Renovation	N/A	N/A	27.60	27.60	-	25.80	-	-	1.80	-	-	
E&G AES (State Wide)	Renovation	N/A	N/A	2.60	2.60	-	2.60	-	-	-	-	-	
Corvallis Campus Carbon Neutrality Projects	Renovation	N/A	N/A	-	5.00	-	-	5.00	-	-	-	-	
Corvallis Campus Electrical Infrastructure Improvements	Renovation	N/A	N/A	-	5.00	-	-	5.00	-	-	-	-	
UHDS	Renovation	N/A	N/A	N/A	16.00	-	-	-	-	-	-	16.00	
Student Affairs	Renovation	N/A	N/A	N/A	8.40	-	-	-	-	-	-	8.40	
Total		-	N/A	30.20	64.60	-	28.40	10.00	-	1.80	-	24.40	
2034-2035													
CIR Systems Renewal	Renovation	N/A	N/A	53.00	36.80	-	34.80	-	-	2.00	-	-	
E&G AES (State Wide)	Renovation	N/A	N/A	2.60	2.60	-	2.60	-	-	-	-	-	
Corvallis Campus Carbon Neutrality Projects	Renovation	N/A	N/A	-	5.00	-	-	5.00	-	-	-	-	
Corvallis Campus Electrical Infrastructure Improvements	Renovation	N/A	N/A	-	5.00	-	-	5.00	-	-	-	-	
UHDS	Renovation	N/A	N/A	N/A	20.00	-	-	-	-	-	-	20.00	
Student Affairs	Renovation	N/A	N/A	N/A	10.00	-	-	-	-	-	-	10.00	
Total		-	N/A	55.60	79.40	-	37.40	10.00	-	2.00	-	30.00	

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

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Figure 4: FY2026-2035 Capital Forecast for OSU-Cascades, Bend

2026-2035 OSU Capital Forecast OSU-Cascades					Projects funded in previous biennia and approved by the Board through the Stage Gate process do not appear on this forecast.							
Project Name	GKSF	FCA	DM Removed (\$M)	Total Forecasted Budget (\$M)	Sources of Funds (\$M)							
					State-Paid Bonds	State-Paid CIR	OSU-Paid Bonds	Pledged Gift Funds	E&G CIR	Unpledged Gifts	Partnerships, Other	
2026-2027												
Student Health and Rec Center w/Land Dev	40	N/A	N/A	84.00	42.00	-	9.00	7.00	-	-	26.00	
Innovation District - Market Rate Housing	100	N/A	N/A	69.00	-	-	-	-	-	-	69.00	
Innovation District - ID2 - MUC	60	N/A	N/A	55.60	-	-	-	-	-	-	55.60	
Residence Hall 2	64	N/A	N/A	42.50	-	-	42.50	-	-	-	-	
Total	264	N/A	-	251.10	42.00	-	51.50	7.00	-	-	150.60	
2028-2029												
Campus Maintenance Building	20	N/A	N/A	8.30	-	-	8.30	-	-	-	-	
Innovation District - ID3 - MUC	45	N/A	N/A	50.70	-	-	-	-	-	-	50.70	
Total	65	N/A	-	59.00	-	-	8.30	-	-	-	50.70	
2030-2031												
Innovation District - ID4 - MUC	45	N/A	N/A	56.00	-	-	-	-	-	-	56.00	
Total	45	N/A	-	56.00	-	-	-	-	-	-	56.00	
2032-2033												
Row Housing - Mt. Wash	72	N/A	N/A	35.60	-	-	-	-	-	-	35.60	
Academic Building 3	55	N/A	N/A	102.00	51.00	-	31.00	20.00	-	-	-	
Total	127	N/A	-	137.60	51.00	-	31.00	20.00	-	-	35.60	
2034-2035												
Innovation District - ID5 - MUC	45	N/A	N/A	61.70	-	-	-	-	-	-	61.70	
Total	45	N/A	-	61.70	-	-	-	-	-	-	61.70	
* Cost are escalated at 5% per year based on 2023 estimates												

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