

# FY2026 OPERATING BUDGET MID-YEAR UPDATE

Finance and Administration Committee  
January 16, 2026



**Oregon State**  
University

# Item 4b: FY2026 Operating Budget Mid-year Update

- Agenda:
  - Changes since BOT spring action adopting FY26 budget
  - Outcomes of OSU's budget process
  - Key concerns

# What Has Changed Since May 2025?

- Enrollment
  - Actual data vs. full-year estimates
- State budget forecasts
  - Deficit due to federal reconciliation legislation
- University adopted new budgeting software (Adaptive Planning)

# What Has Changed - Enrollment

- Enrollment
  - Actual data for Fall informs estimates
- Fall 2025 first-year class smaller than Fall 2024 (~230 students)
- Ecampus enrollment virtually flat (budget had anticipated growth)
- Some Ecampus enrollment shifted to on-campus
- 3% downward adjustment to tuition and fees outlook

# What Has Changed – State Budget

- State budget forecasts
  - Deficit due to federal reconciliation legislation
- Most recent state forecast reduced current biennium shortfall estimate (\$63.1M), but multi-billion dollar imbalances foreseen in future biennia
- HECC request of public universities to respond on impacts of reduction scenario
- Appropriation for Outdoor School reduced late in legislative session, \$5.9M lower than adopted budget

# Outcomes of University Budget Process

- Budget realignment process for FY26 resulted in average reduction targets of 5.2% across the university, but not across the board
- Budget actions were a broad mix of personnel and non-personnel savings, totaling \$36.2M (E&G)
- Most personnel actions were vacant positions (\$22.6M)

# Outcomes of University Budget Process (continued)

- Deliberate choices to hold money centrally for contingencies and for strategic investment
- To date, modest use of these funds due to emerging risks (rough and preliminary scope)
  - Tuition estimate downward revision (\$18M)
  - Potential state budget reduction (up to \$21M E&G; \$18M SWPS)
  - Internal imbalances (\$20-\$30M)
  - F&A revenue

# Key Concerns

- Despite reductions, some colleges and administrative divisions have continuing structural imbalances
- Any state budget cut would hit late in fiscal year
- Unit imbalances, coupled with lower tuition and state cut, will likely result in draw down of university fund balance
  - Potential to drop below board's target range