

FY27 OSU OPERATING BUDGET

Finance and Administration Committee
May 7, 2026



Oregon State
University

Item 4b: Fiscal Year 2027 Operating Budget

- Board reviews and approves the university's annual operating budget as part of its fiduciary oversight responsibility
- Annual Board action in the spring sets next fiscal year's operating budget (OSU fiscal years run July 1 – June 30)
- Agenda for today
 - Overview of FY27 operating budget (\$1.81B)
 - Key drivers shaping the budget
 - Budget actions and tradeoffs
 - Risks and outlook

FY27 Budget Highlights

- OSU is in a position of **relative strength** but facing a **structural imbalance**
- **Revenue growth is moderating** (especially Ecampus + F&A)
- **Expenses are rising** due to compensation requirements, strategic investments, and budgeted contingency
- **Active reallocation and reductions are required**

Overview

FY27 budget totals \$1.81B in revenues and expenditures reflects:

- Tuition and fee increases approved by the Board
- Updated enrollment outlook
- Rising compensation and operating costs

FY27 Total Revenue, \$1.81 billion

Revenue mix reflects growth pressure in core sources

Education & General (E&G)

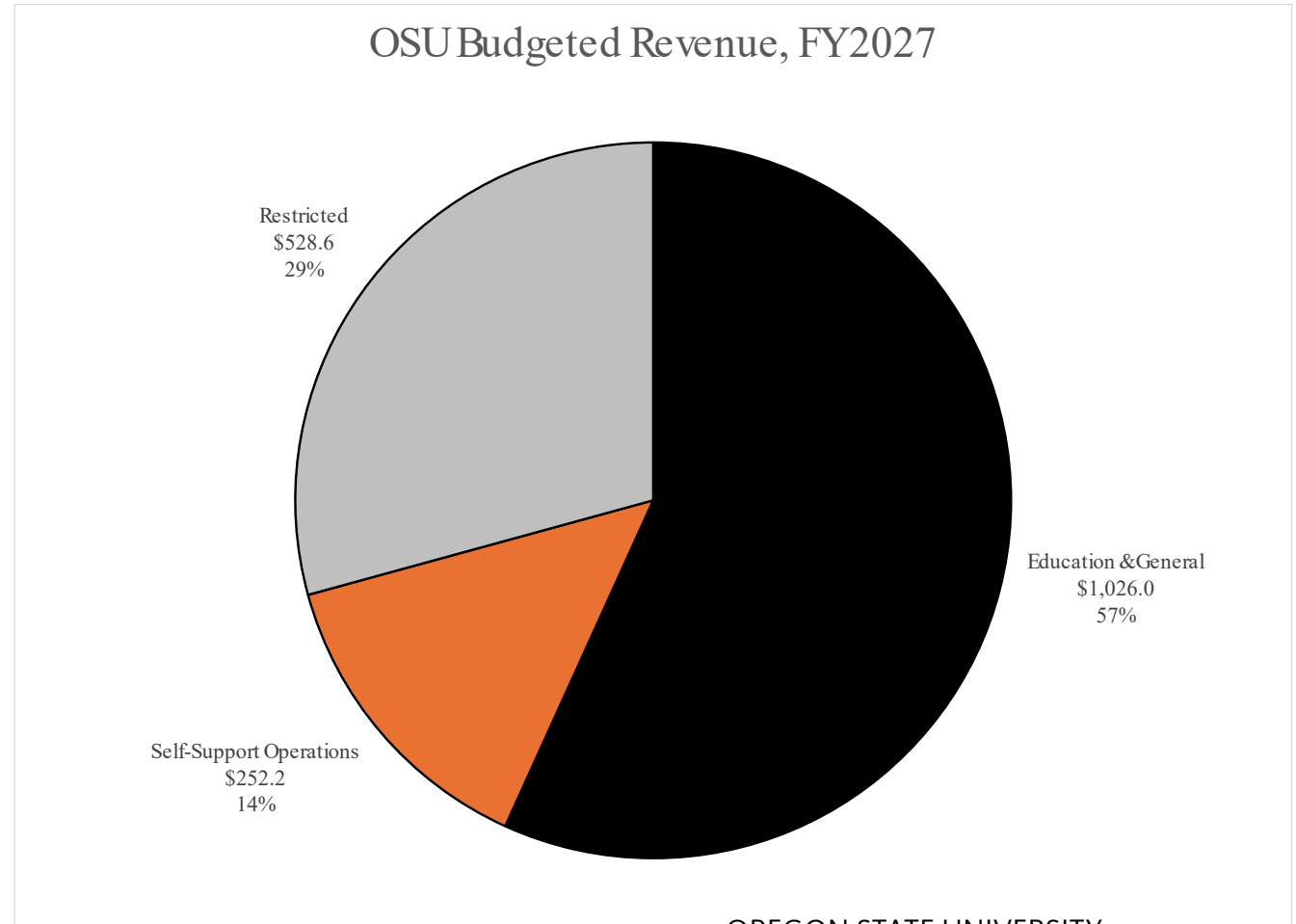
Modest growth from tuition revenue and state funding

Self-support Operations

Projected to decline due primarily to reduction in Pac-12 distributions

Restricted

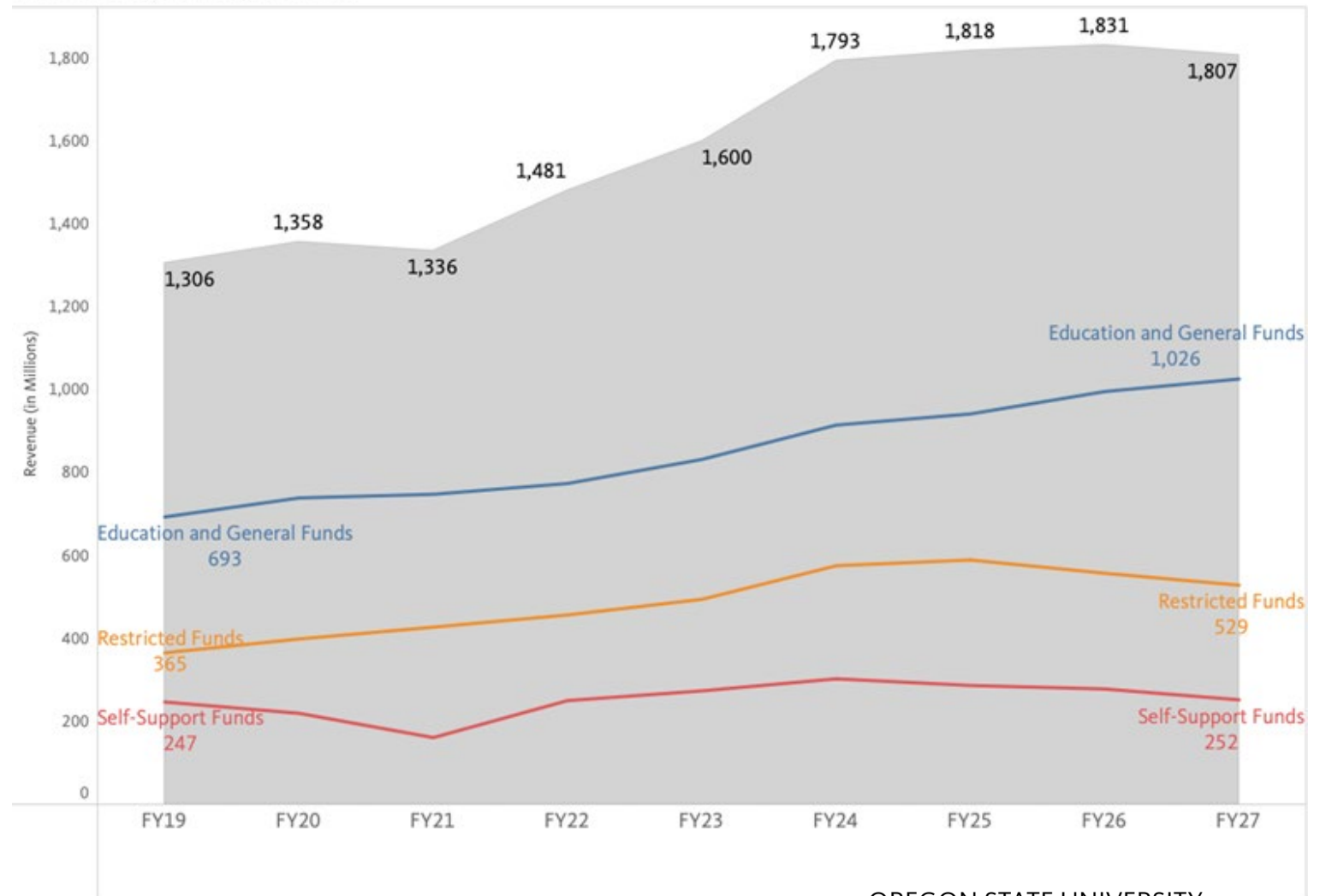
Declining due to federal research constraints



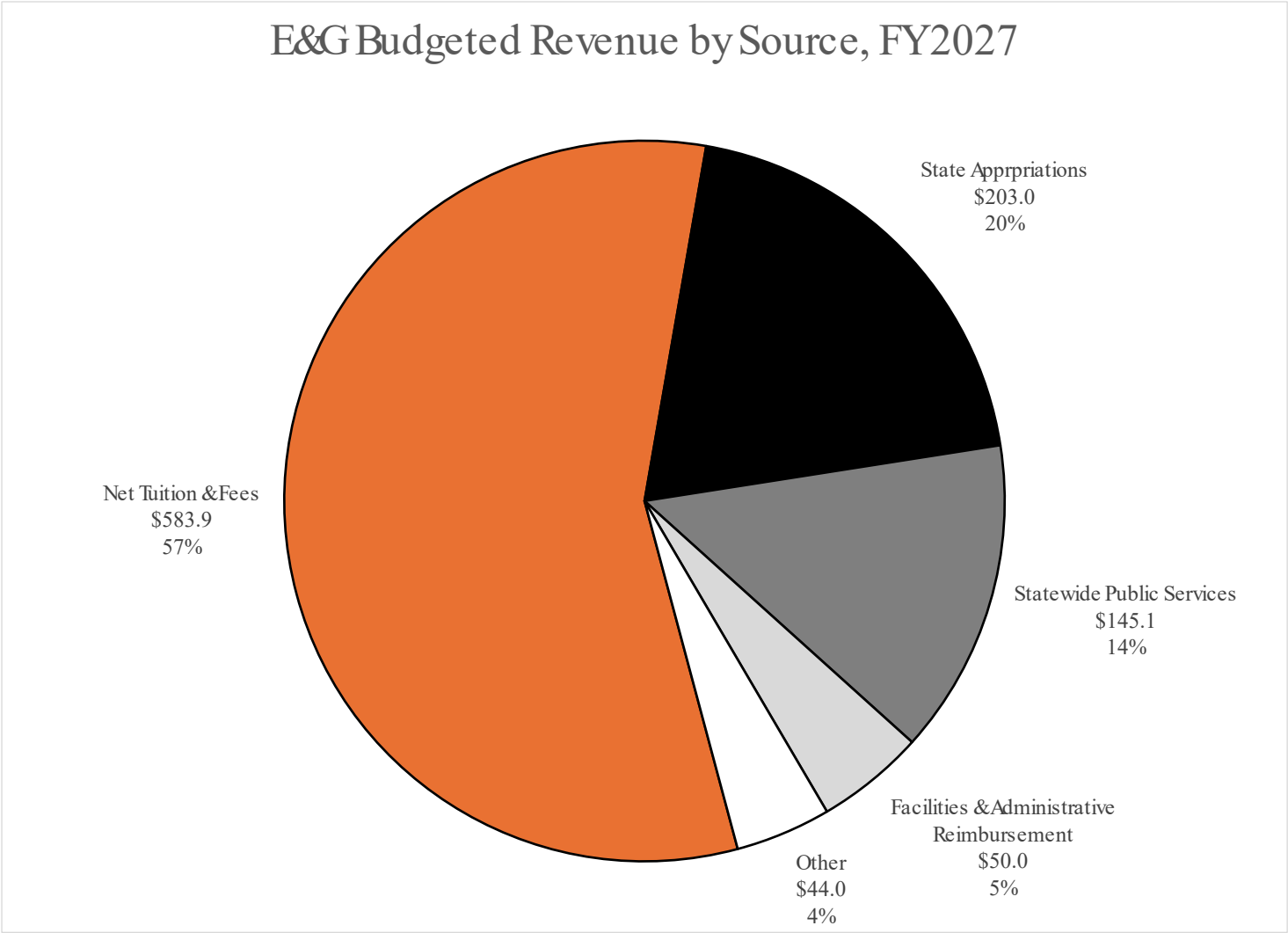
Revenue Trends

OSU has experienced sustained revenue growth, but FY27 reflects a more mixed outlook across funds

Revenue Budget History & Trends



Education & General Revenue, \$1.03 billion



E&G Summary

Revenue is projected to grow 4.3% (\$42.6M), but growth is uneven across revenue categories and below prior trends

Expense growth includes new strategic investments, and increase to budgeted contingency pool

Oregon State University Education & General Fund					
Summary of Actual and Estimated Revenues and Expenses					
(\$000s)	Actual FY 2023	Actual FY 2024	Actual FY 2025	Proj. Q3 FY 2026	Budget FY 2027
Beginning fund balance	187,311	186,367	187,136	143,537	119,141
Revenue					
Net tuition and fees	432,881	469,746	514,430	548,563	583,901
State appropriations	270,348	302,677	287,921	312,182	340,322
Indirect cost recovery	53,577	58,294	61,975	52,000	50,000
Other	75,221	84,075	77,418	70,651	51,794
Total revenue	832,027	914,792	941,744	983,396	1,026,017
Expenditures					
Personnel services	613,600	671,512	714,076	766,730	765,732
Supplies & Services & Capital Outlay	201,873	220,948	222,136	230,513	228,819
Budgeted Contingency					23,245
Total expenditures	815,473	892,460	936,212	997,243	1,017,796
Net from operations	16,553	22,332	5,531	(13,847)	8,221
Net transfers	17,497	21,563	49,131	10,549	8,837
Ending fund balance	186,367	187,136	143,537	119,141	118,525

E&G Revenue Detail: Tuition

Tuition growth is moderating, driven by flat Ecampus enrollment

Tuition remissions remain strong; focus on balancing student affordability and net tuition revenue

(\$000s)	Actual FY 2023	Actual FY 2024	Actual FY 2025	Proj. Q3 FY 2026	Budget FY 2027
<i>Revenue</i>					
Corvallis					
<u>Gross tuition</u>					
Undergraduate - resident	113,631	125,802	133,971	142,518	150,496
Undergraduate - non-resident	136,539	158,196	184,845	222,167	239,268
Graduate	43,987	43,524	45,139	43,276	45,218
VetMed, Pharmacy	20,380	20,895	23,121	25,852	27,331
Misc.	1,848	2,175	2,242	1,818	2,102
Corvallis gross tuition	316,385	350,592	389,318	435,631	464,415
Student Fees	10,256	12,026	12,615	12,366	17,055
Tuition remissions	(83,066)	(100,642)	(117,240)	(132,864)	(146,107)
Corvallis net tuition and fees	243,575	261,976	284,693	315,133	335,363
Ecampus					
Undergraduate/Graduate gross tuition	177,442	196,062	217,143	223,109	229,105
Student Fees					8,212
Tuition remissions	(1,891)	(3,892)	(3,307)	(5,813)	(5,697)
Ecampus net tuition and fees	175,551	192,170	213,836	217,296	231,620
Cascades					
Undergraduate/Graduate gross tuition	15,999	18,511	19,088	19,446	20,549
Student Fees	264	266	266	262	299
Tuition remissions	(2,508)	(3,177)	(3,453)	(3,574)	(3,930)
Cascades net tuition and fees	13,755	15,600	15,901	16,134	16,918
Total Net Tuition and Fees	432,881	469,746	514,430	548,563	583,901

E&G Revenue Detail: State, F&A, and Other

(\$000s)	Actual FY 2023	Actual FY 2024	Actual FY 2025	Proj. Q3 FY 2026	Budget FY 2027
<i>Revenue</i>					
State Appropriations					
Public University Support Fund	149,811	159,156	168,670	176,266	183,461
Targeted State Programs and SELP	16,505	25,923	20,778	18,790	19,530
Statewide Public Services	137,226	149,478	130,891	145,954	145,145
Other / SWPS (Benefits Navigator)	119	500			
Total State appropriations	303,661	335,057	320,339	341,010	348,135
Indirect Cost Recovery (F&A)	53,577	58,294	61,975	52,000	50,000
Other revenues					
Sales & Services	25,344	29,067	30,266	27,502	29,480
Interest income	13,205	16,673	11,195	11,000	11,000
Misc. income	3,358	5,955	3,539	3,321	3,501
Total Other revenues	41,908	51,695	45,000	41,823	43,981
Total Revenue Budgeted Operations	832,027	914,792	941,744	983,396	1,026,017

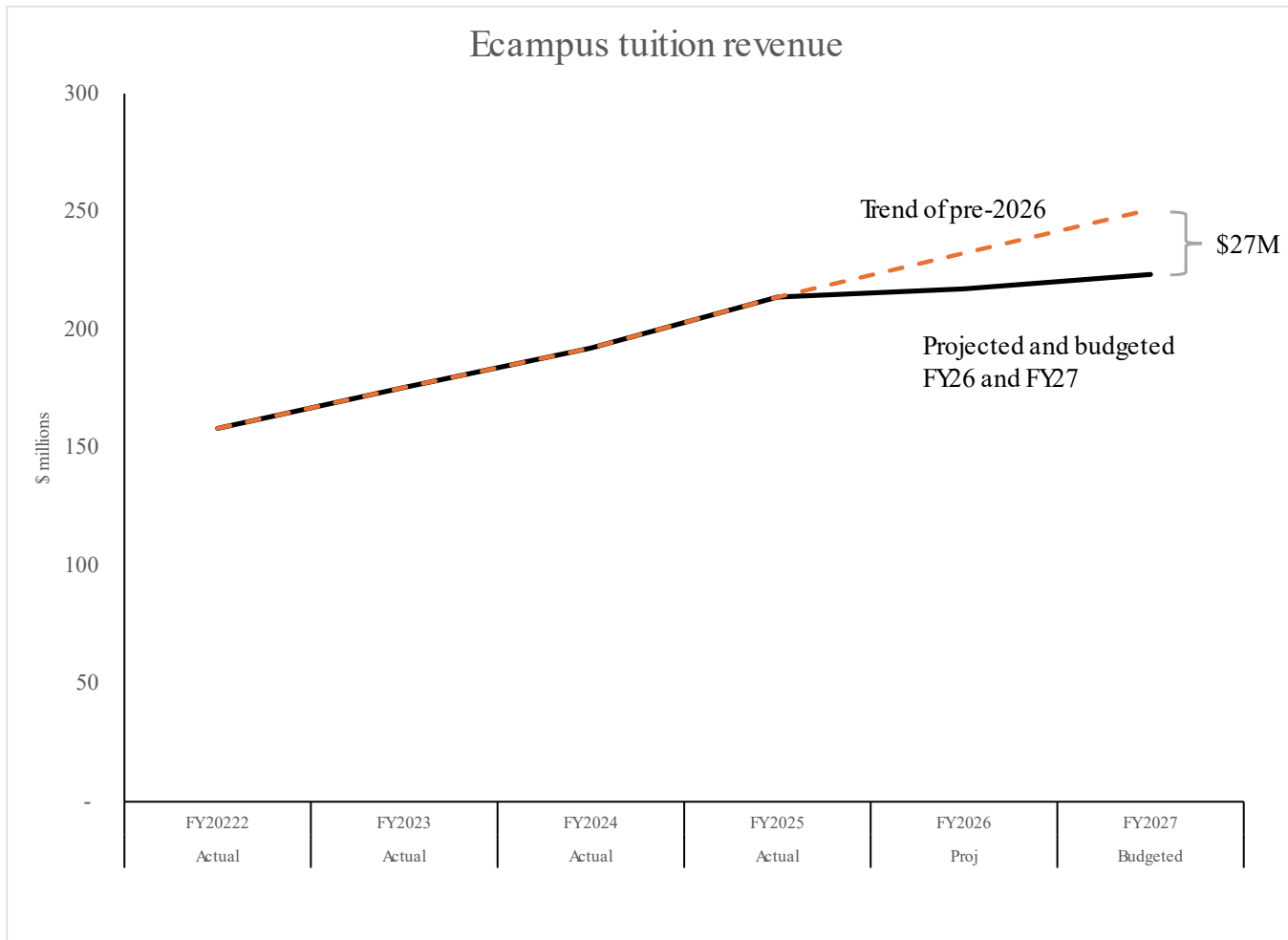
E&G Expenditure Detail

(\$000s)	Actual FY 2023	Actual FY 2024	Actual FY 2025	Proj. FY 2026	Budget FY 2027
<i>Expenditures</i>					
Personnel services					
Salary	398,190	434,816	467,488	497,024	495,935
OPE	215,411	236,696	246,589	269,706	269,797
Total personnel services	613,600	671,512	714,076	766,730	765,732
Mandatory Expenses					
Debt Service	16,059	22,511	26,790	31,873	40,363
Utilities	8,674	9,993	11,122	14,600	15,100
Insurance	7,008	8,148	8,406	11,124	10,799
Contracted obligations	15,355	17,289	20,741	21,647	22,922
Other S&S	154,776	163,006	155,077	151,269	139,635
Total Services & Supplies & Capital Outlay	201,873	220,948	222,136	230,513	228,819
Athletics Support (non-add in totals)	7,920	8,250	17,915	17,776	17,776
Strategic Investments					
Huang Collaborative Innovation Complex					2,644
Robotics faculty hiring initiative					1,000
Total Expenditures	815,473	892,460	936,212	997,243	998,195
Net Transfers	17,497	21,563	49,131	10,549	8,837
Total Expenditures & Transfers	832,970	914,023	985,343	1,007,792	1,007,032
<i>Budgeted Contingency</i>	6,196	7,314	5,338	14,481	23,245

Despite reductions, expense growth continues to be driven by compensation and baseline cost increases

Ecampus

Ecampus shift materially reduces expected revenue growth

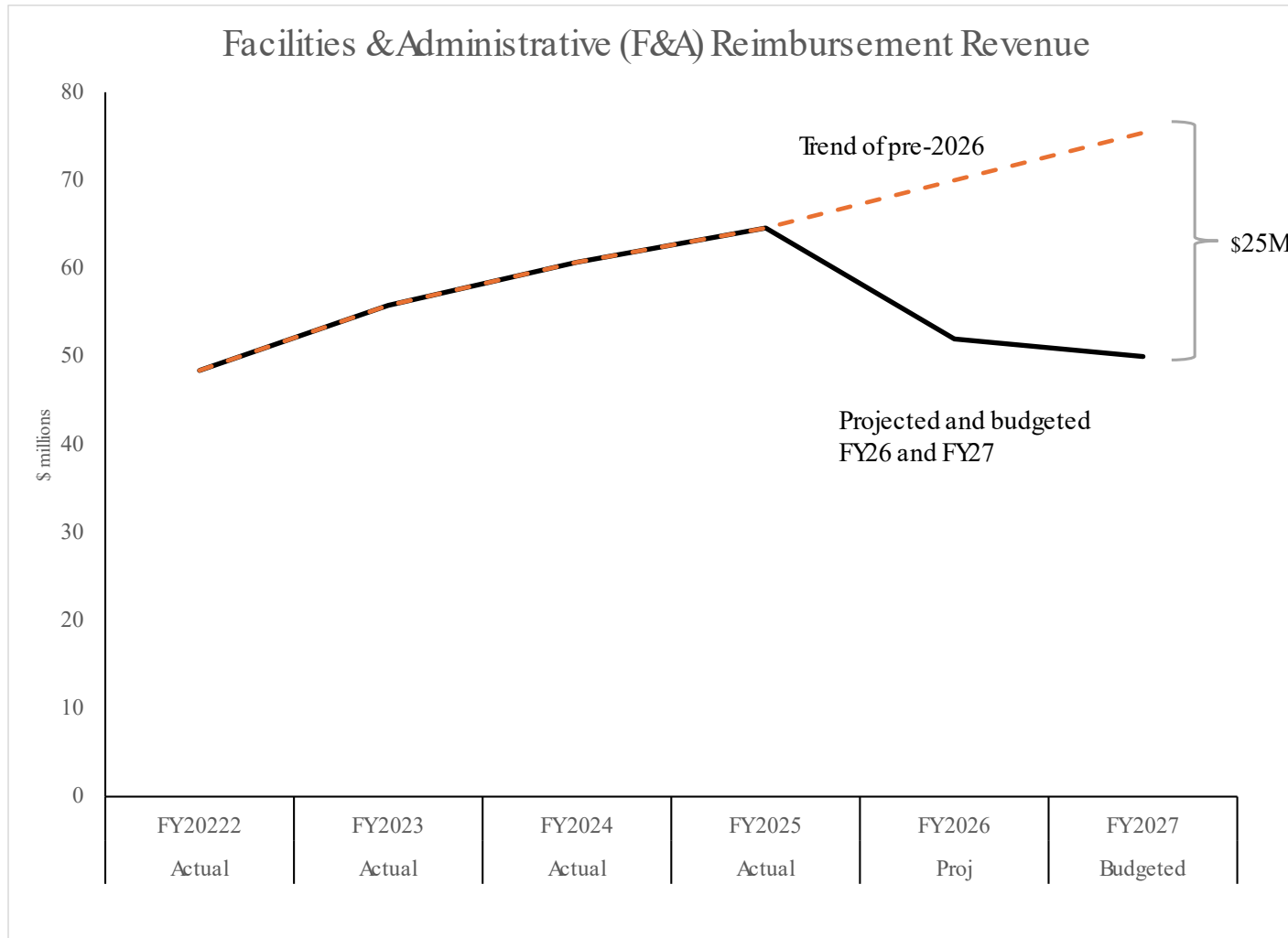


- Flat enrollment vs. prior growth assumptions
- Decline in Computer Science enrollments only partially offset by growth in other programs
- Registration changes shifted revenue to on-campus

Impact: ~\$27M less revenue than prior growth trend

Finance & Administration (F&A)

Declining federal research activity reduces F&A revenue



- F&A indirect cost reimbursement tied to direct research expenditures
- Anticipated decline due to lower grant activity and constrained pipeline
- Policy uncertainty at federal level

Impact: ~\$25M below prior growth trend

FY27 Budget Development

FY27 Budget Requires Active Rebalancing

- FY26 revenue underperformance lowered the budget base
- Slower tuition growth (Ecampus)
- Declining F&A revenue
- Expenditure growth continues to outpace revenue

Actions To Be Taken:

- Reduce E&G expenditures by 4.1%
- Improve resiliency by growing budgeted contingency
- Strategic reductions / reallocations (not across-the-board)
- Continue building financial and operational resilience through AMP and Strategic Resource Renewal

Uncertainties

Key uncertainties impacting FY27 and beyond

- Enrollment
 - Ecampus: growing programs offset by decline in Computer Science
 - Cascades: enrollment outlook flat in the near term
- State funding
 - FY27 stable as the second year of biennium; appropriations are known
 - Outlook beyond FY27 is uncertain
- Federal research funding
 - Availability of federal grant funding
 - F&A: policy risk; direct research funding

Self-Support Funds

- FY2027 budgeted revenue expected to decline from FY26 level
- Higher UHDS revenue from rate increase, stable enrollment
- Lower Athletics revenue, mainly related to conference distributions
- Internal sales also projected to decline due to constrained E&G budgets within the university

Restricted Funds

- FY2027 budgeted revenue expected to drop compared to FY26 levels
- Uncertain and constrained federal funding landscape
- Expenses closely track revenues from restricted sources

Recommendation

The Finance and Administration Committee recommends to the board that it approve the Fiscal Year 2027 operating budget, as presented in Tables 1 through 5.