

TEN-YEAR BUSINESS FORECAST: FY2027-2036

Finance & Administration Committee
May 7, 2026



Oregon State
University

Background

The Ten-Year Business Forecast is a long-term view of the university's financial trajectory based on current assumptions

- Reflects aggregate revenues, expenses, and capital impacts
- ***It is not a budget or commitment of future actions***
- Uncertainty increases over time; scenarios test key risks
- The baseline assumes no major strategic interventions

This forecast starts from the proposed budget for fiscal year 2027.

Overall revenue totals \$1.81B across all funds

Education & General (E&G)

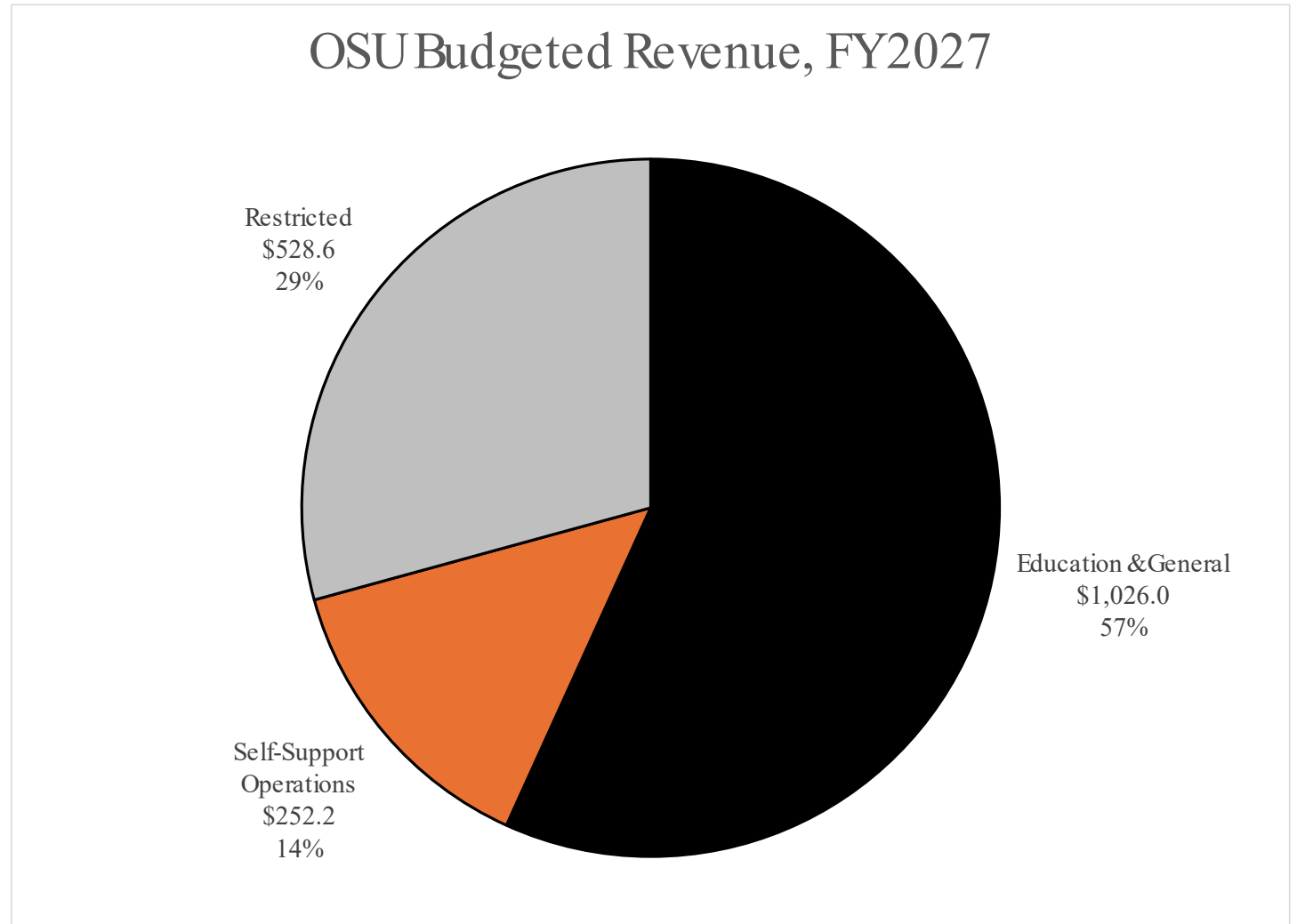
- Student tuition and fees
- State funding
- F&A recovery

Self-support Operations

- Auxiliary operating revenue
- Sales and services

Restricted

- Federal and state grants
- Federal and state financial aid
- Gifts and donations

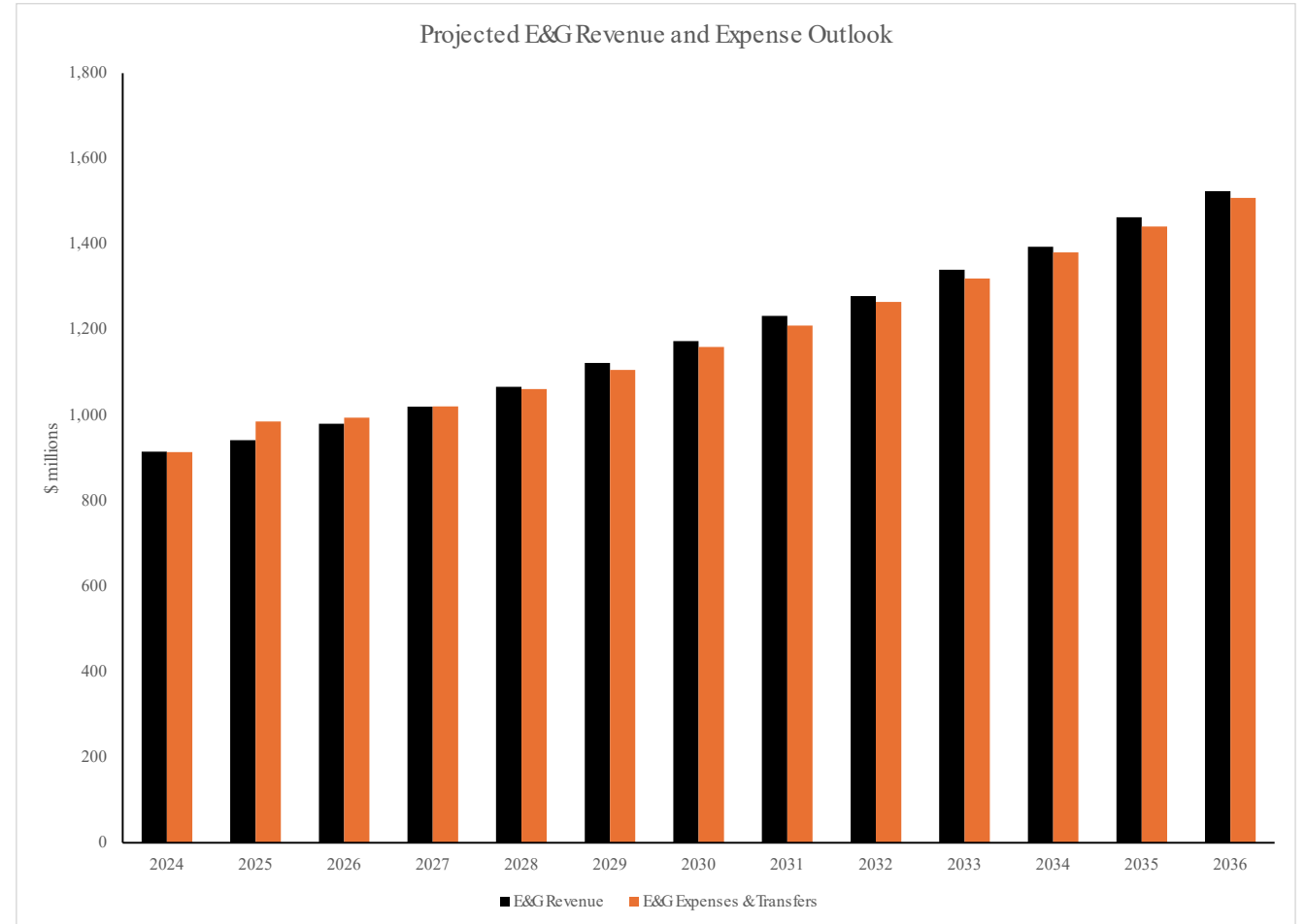


E&G Outlook

Stable with limited margin

Key assumptions

- *Tuition, fees, and compensation*: ~3.5% annual growth
- *Enrollment*: stable; modest gains from additional housing on Corvallis campus (FY28) and Student Health & Recreation Center at Cascades (FY29)
- *State funding*: at Consolidated Funding Request (CFR) level for next biennium, trend-based thereafter

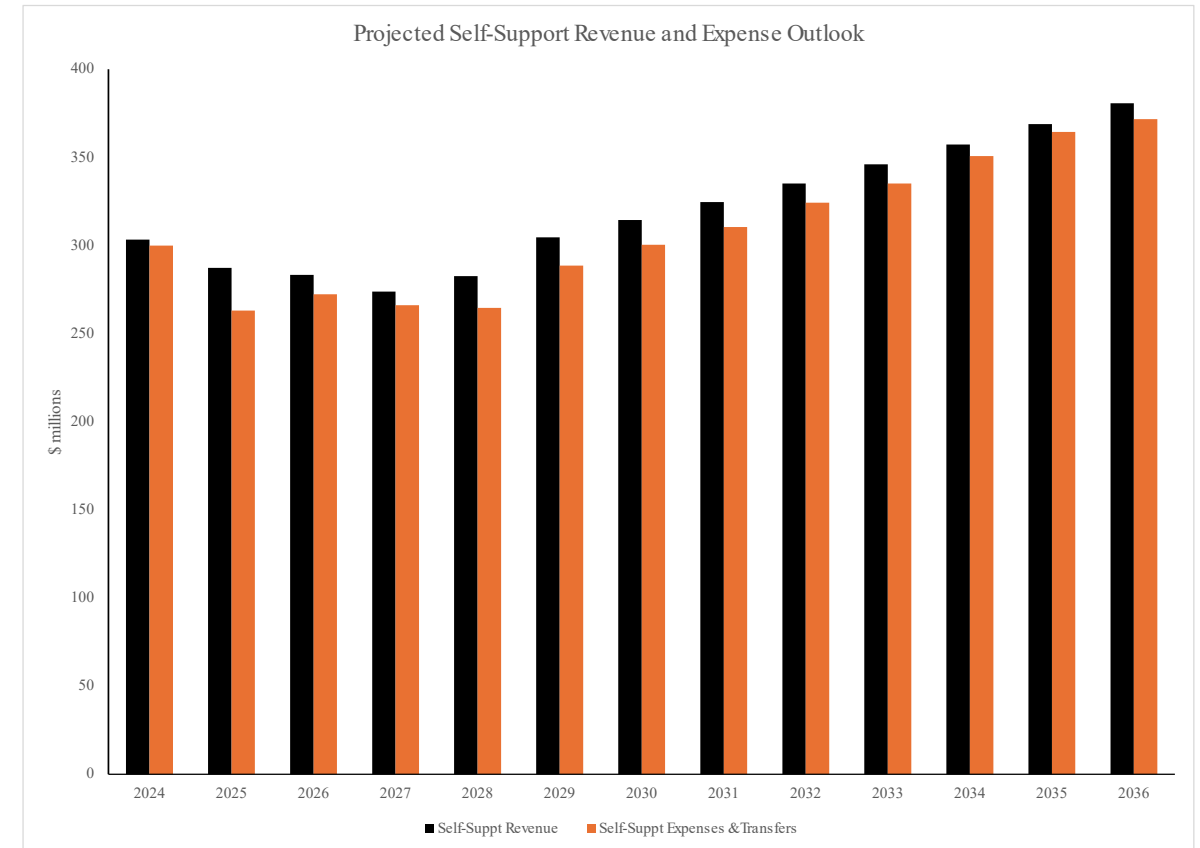


Self-Supports Outlook

Near-term pressure with an expected return to growth

Key assumptions

- Short-term revenue decline driven by Athletics
- Growth resumes with housing expansion (FY28+) and expected stabilization of Athletics
- Assumes units remain financially self-balancing
- Cost growth aligned with E&G (compensation, etc.)

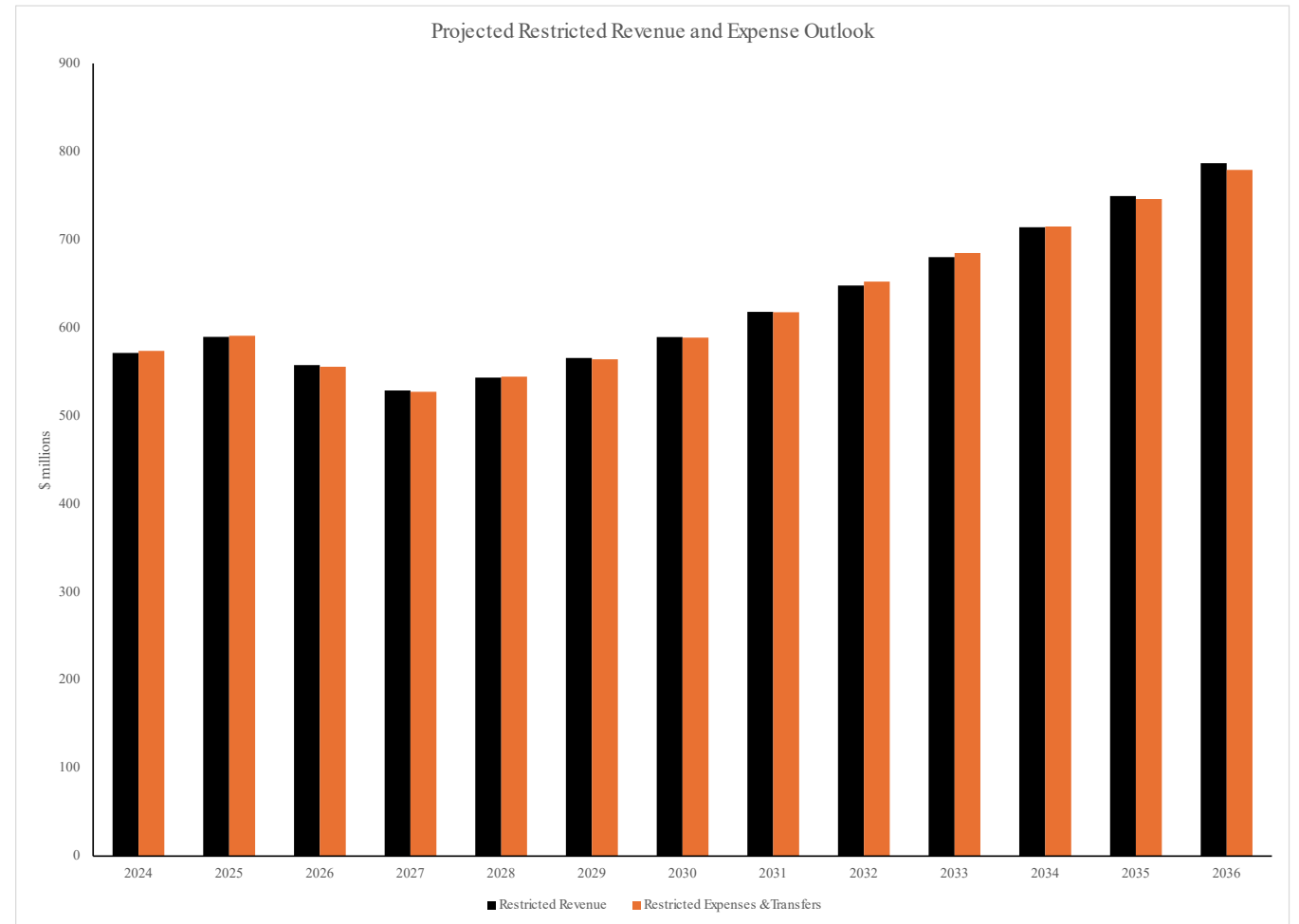


Restricted Funds Outlook

Near-term is flat with an expected return to growth

Key assumptions

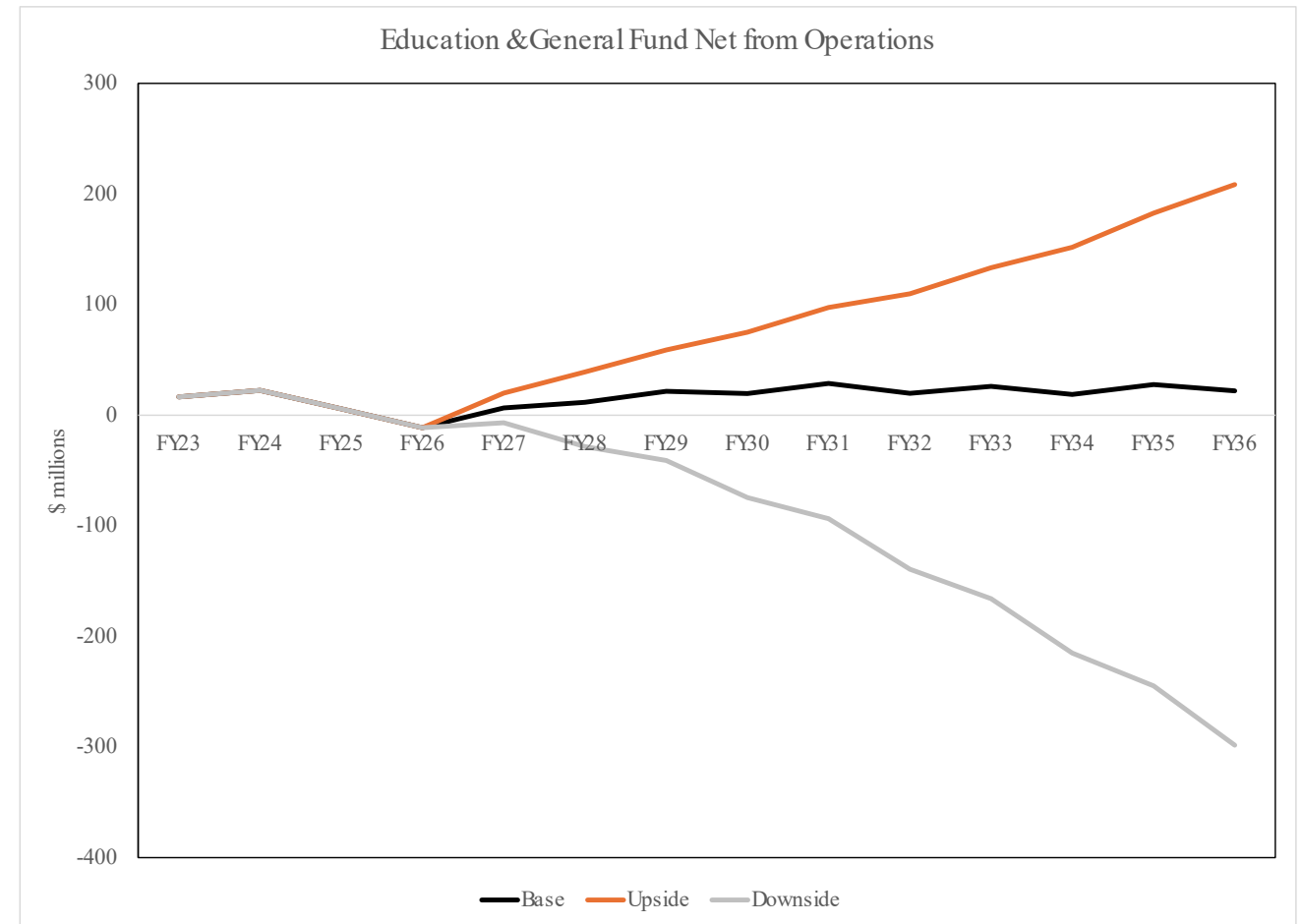
- Federal research funding constrained in the near term,
- Growth resumes around FY30
- Expenses track closely with revenue
- Cost growth aligned with E&G



Scenario analysis highlights revenue risk exposure

Upside/Downside Possibilities

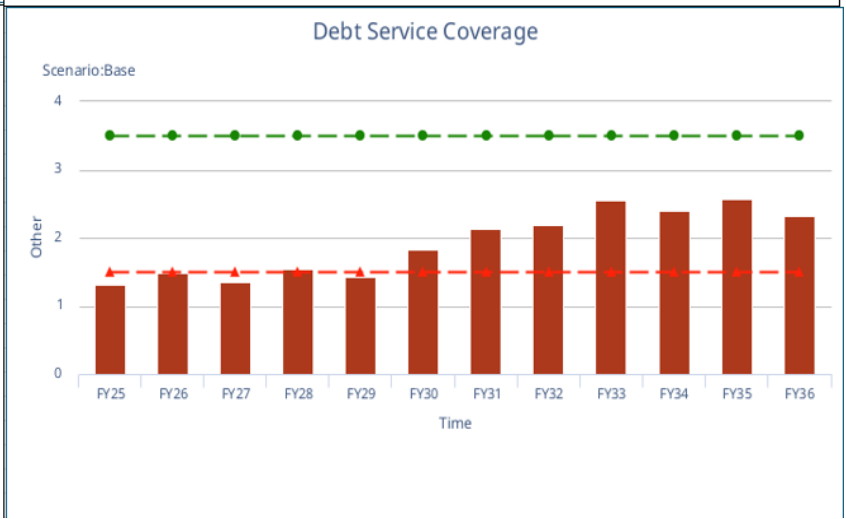
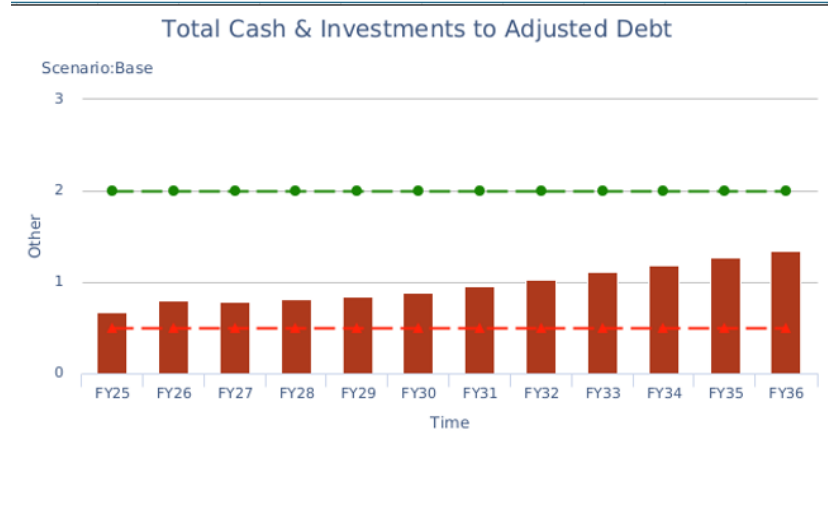
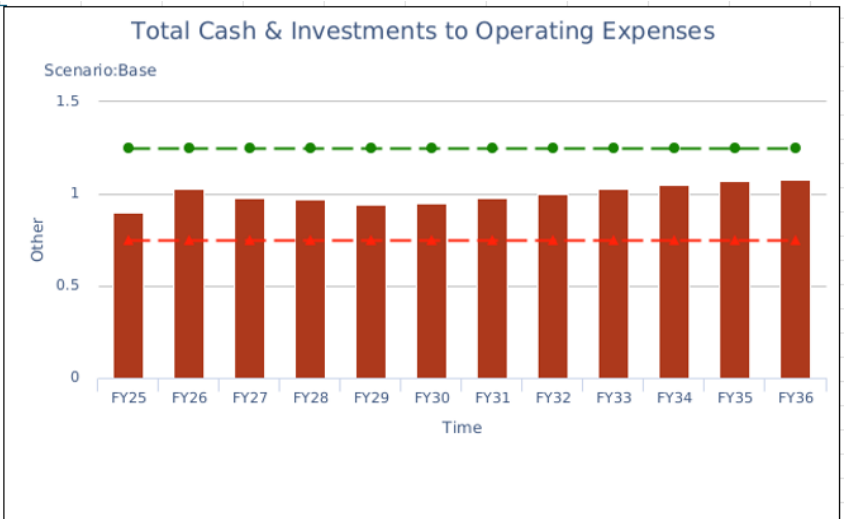
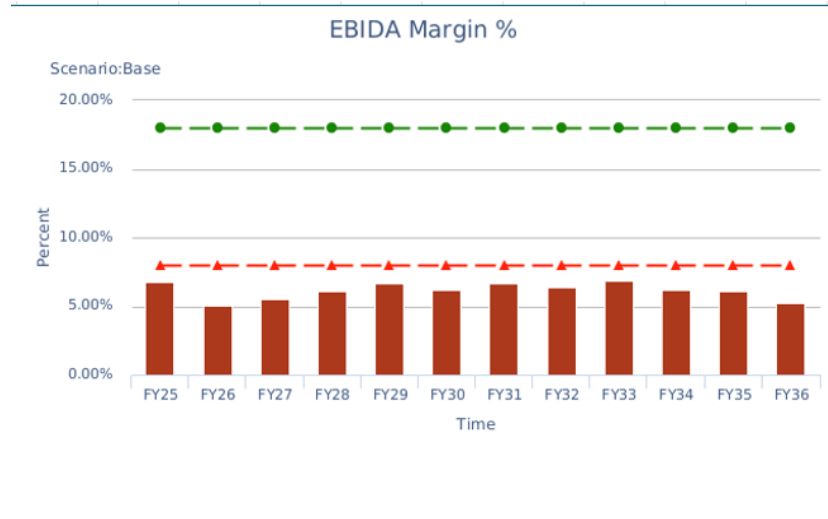
- Modeled revenue \pm 2%; expenses held constant
- Revenue is more volatile due to external factors
- Key drivers:
 - Enrollment
 - Tuition – market sensitivity
 - State funding
 - Federal research funding



Financial Metrics

Largely stable, with emerging margin pressure

- Most metrics remain within target ranges
- EBIDA margin shows downward pressure, reflecting structural challenges without interventions



Key Takeaways and Priorities

- **Structural balance** remains a core challenge
- Continued **expense discipline and cost reductions** required
- **Enrollment growth** – especially Ecampus – is critical
- **State funding** outcomes will materially impact trajectory
- **Capital investments and debt** must be carefully paced

Recommendation

Staff recommend that the Finance and Administration Committee and the board accept the Ten-Year Business Forecast for fiscal year 2027 through fiscal year 2036.