Budget Update

Board of Trustees
August 14, 2020

Slides updated on 08/12/20 to reflect Oregon legislative actions.
Goals for the Discussion

- What are the changes since May?
- What are the current “best guess” and “worst case”?
- What are the unknowns and strategies?
- Next key steps and dates?
What’s changed since May?

• Co-chairs budget restored E&G funding to current levels (+4%); cut Statewide Public Services by 6% 2.5%

• Tuition mix is different than May budget
  o Ecampus up significantly more than projected
  o Graduate and professional about flat
  o Corvallis undergraduate down more than projected
  o Cascades on track

• Delivery mode for fall has been shifting to a higher proportion of remote or asynchronous delivery

• Public health uncertainty and changing delivery mode is shifting enrollment patterns

• Athletics planning continues to evolve

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Where are the projections now?

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What are the uncertainties?

- The impact of changes in the mode of instructional delivery and local public health conditions on enrollment decisions remain poorly known.
- Whether or not additional scholarship support will have an impact on enrollment decisions is unknown.
- While we expect a number of students to return to the Corvallis community, we expect continued declines in on-campus housing contracts but continued need to manage student behavior.
- The structure and size of any Federal stimulus package remains uncertain.
- Fall (and winter) Athletics planning remains in flux.
What are the strategies?

Corvallis E&G Budget Management Strategies

- Board budget ($49M)
- Hybrid estimates ($38M)
- Low face-to-face case ($57M)
- Fully remote case ($78M)

- Reduced capital renewal
- Reduced services and supplies
- Reduced personnel costs
- Fund balance
What are the strategies?

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Strategic decisions in budget strategies:

- Progress on SP 4.0 (informed by the current situation) including:
  - Investment in Student Affairs to support programs and student progress
  - Comprehensive strategic planning in Information and Technology
  - Investment in Enrollment Management to improve recruitment and retention and improved pathways for transfer students
  - Revised capital renewal strategy to continue to make progress on facilities improvements

- Expense reduction approaches that preserve as much faculty and staff capacity as possible

- Consider long-term cash management and liquidity issues
Key dates and next steps:

• Legislative special session ended this week
• Decision on salary reduction Monday (for September 1 implementation)
• Monitoring credit hour enrollment and tuition projections for fall term (through September)
• Decisions on additional institutional tuition scholarships and criteria (August 30)
• Engagement with federal congressional delegation on higher education and state support (ongoing)
• Discussions with PAC-12 on Athletics planning and bridge support (ongoing)
• Planning for worst case cash management strategies (ongoing)
Questions and discussion?