



**CABINET AGENDA**  
Wednesday, April 28, 2021  
**10:00 am – 11:00 am**

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10:00 am

**Welcome**

Edward Feser, Acting President

10:00 am – 10:15 am

**2021 Enterprise Risk Topic: Information Technology Ecosystem/Security**

Andrea Ballinger, Vice Provost for Information and Technology  
David McMorries, Chief Information Security Officer

*Related material:*

View the *Information Technology Ecosystem/Security, including management report* [here](#).

10:15 am – 10:45 am

**FY2022 Budget**

Mike Green, Vice President for Finance and Administration  
Sherm Bloomer, Associate Vice President of Budget and Resource Planning

*Related material:*

*Attachment 1*

*Attachment 2*

10:45 am – 11:00 am

**Interpersonal Violence Prevention, Support and Response**

Kim Kirkland, Executive Director, Equal Opportunity and Access  
Dan Larson, Vice Provost for Student Affairs

*Related material:*

Review information about this initiative [here](#).

11:00 am

**Adjourn**



University Budget Conversations – April 22, 2021  
Budget Planning in Uncertain Times

This has been a difficult, remarkable, stressful, and disruptive year on every front. OSU is currently in better financial shape than we had ever expected 13 months ago, despite significant revenue losses and unexpected costs. The financial picture for next year still has many uncertainties but is on a positive trajectory.

**Timelines** - Some of the important benchmarks for budget planning:

- March 11, 2020 WHO declares the novel coronavirus outbreak a global pandemic ✓
- April 2<sup>nd</sup> Board of Trustees meeting, tuition rates ✓
- April 30<sup>th</sup> Preliminary initial budget (we hope)
- May 10<sup>th</sup> START signup opens
- May 16<sup>th</sup> Registration for fall opens
- May 19<sup>th</sup> State revenue forecast (basis for 2021-23 funding)
- May 21<sup>st</sup> Board of Trustees, FY22 budget approval

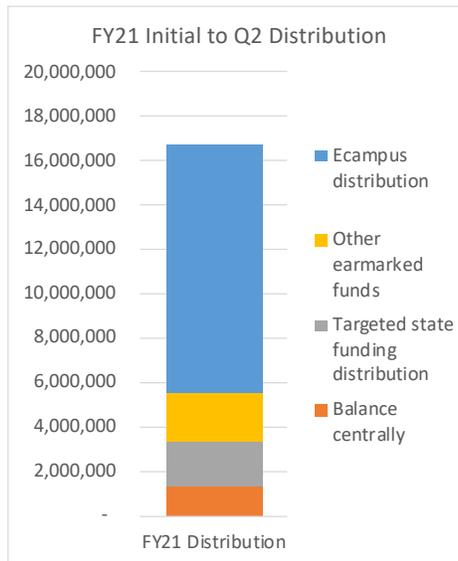
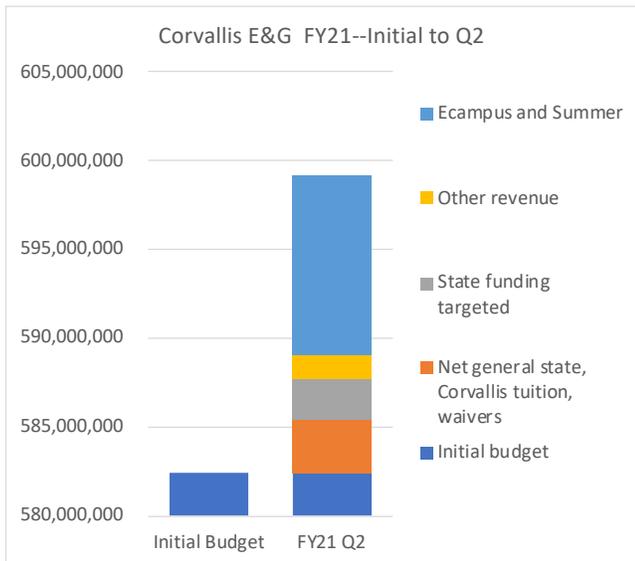
**Current Year E&G Update**

Overall, gross revenue losses plus new costs for OSU’s Covid response total about \$170M from March 2020 projected through the end of this year. The second federal relief funding of about \$26M (\$7.8M of that for financial aid) and the

third stimulus bill (\$47M with \$24M in student aid) will both help a great deal in managing the losses and costs.

Corvallis E&G started the year assuming a \$49M gap between revenues and typical expenses. We are about \$16.7M better in revenue than expected.

The state did not cut funding significantly



this year, Ecampus enrollments remained strong, and sales and service revenues have been stronger than expected. Corvallis enrollments were lower than expected though, despite significant increases in financial aid. Of the FY21 increase about \$11.2M is being distributed back to academic units as Ecampus settle-up to actuals. This reflects both the large growth in Ecampus and an initial underbudgeting of that central settle-up reserve. \$2.05M has been distributed to units from targeted state funding (support for things like the Institute for Natural Resources) and about \$2.2M will be distributed as sales and services revenues to the units running those services. The balance of about \$1.3M (the net of increased state funding, decreased Corvallis tuition, and increased institutional financial aid) defrays part of the initial central \$9M deficit.

**Revenue projection for FY22 Corvallis E&G from FY21 Initial Budget**

	FY21 Initial Budget	FY21 Q2 Estimate	FY22 Projection	FY22 delta from FY21 Initial
State funding general	101,462,689	125,914,978	124,184,060	22,721,371
State funding targeted	16,953,205	19,180,641	19,723,231	2,770,026
Other revenue	70,650,971	72,045,374	74,905,331	4,254,360
Ecampus and Summer	146,103,374	156,200,530	173,432,316	27,328,942
Other tuition & fees	292,253,939	283,622,127	287,288,412	(4,965,527)
Tuition waivers	(44,989,312)	(57,778,893)	(59,546,000)	(14,556,688)
<b>Total</b>	<b>582,434,866</b>	<b>599,184,757</b>	<b>619,987,350</b>	<b>37,552,484</b>

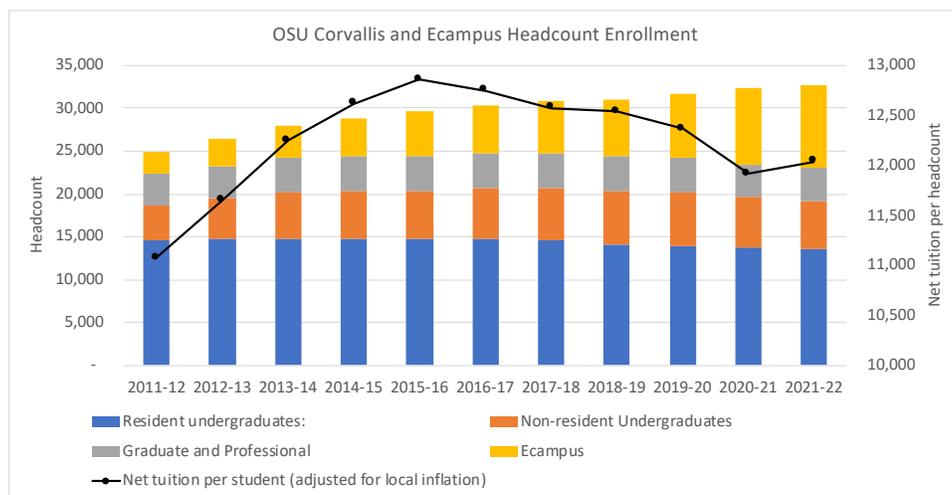
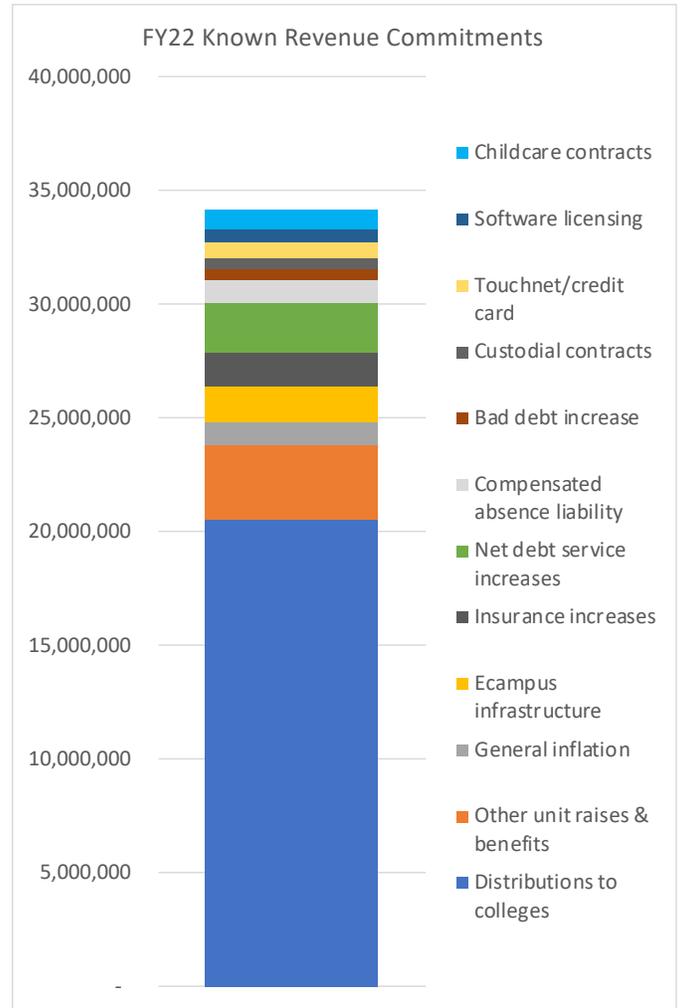
Assumes funding at the co-chairs budget level, up from Governor's budget  
Assumes 10% increase in Ecampus, flat graduate, down 1.3% resident UG, down 4% non-resident UG  
About half of \$37.6M growth is FY21 actuals over initial, balance is growth FY22 over FY21 actuals

**FY22 Budget Planning**

We are well into planning for the FY22 budget but there is a lot of uncertainty. One key assumption in the budget is that the FY21 initial budgets are the base from which FY22 budgets will be built (i.e. there won't be any automatic reset to FY20 budgets). The co-chairs budget adds about \$7M more than the Governor's budget, Ecampus growth is expected to continue, but we forecast declines in Corvallis undergraduates (though application numbers provide some cause for optimism). The budget overall is up about \$37M over the FY21 initial budget (table above). That increase is extremely positive. However, much of the revenue growth is committed either to revenue distribution agreements or contractual obligations. In general, there are three categories of expense increases each year:

- Rollup costs for raise and benefit commitments to employees. The raise rollups are modest this year, as only SEIU-represented employees saw increases (steps and COLA). Benefit increases are set by the state and while much smaller than in some biennia are still significant.
- Increases for contractual obligations and general inflation. This includes debt service, utilities, software contracts, childcare agreements, insurance, etc. as well as an increased cost for bad debt allowances and compensated absence liability (the university is required to maintain a reserve for unused vacation hours).
- Commitments to new positions, programs, software, projects, support services, etc. These are all choices in any given year but many have a long-term impact on operating costs or quality of services and programs.

Also, there are commitments for distributions to colleges for growth in Ecampus, targeted state funding, sales and services, and other dedicated funds. Those distributions and existing obligations total \$34.6M, leaving an estimate of \$2.4M centrally for new investments or commitments. There are about \$25.9M in requests for new commitments.



**A Longer-term Context Point**

Tuition from Ecampus has been growing as a part of the E&G budget (projected to be 28% next year). That has helped support expense growth and critical investments, but the net revenue per student has been declining, as Ecampus students are more often part-time and there is not traditional non-resident tuition for Ecampus. So even as we grow in headcount the revenue per student (adjusted for inflation) may be less. This isn't a bad thing, just a reality of our changing budget landscape.

**FY22 major requests for new budget**

These requests are over and above the known commitments and distributions discussed in the Budget Conversations summary. The requests address both immediate, short-term needs or issues and initiatives that are necessary for long-term expense reduction, for process improvement, or for enabling larger changes. Making progress on some of these (not all in this year) will require trade-offs, including using what new revenues are available, redistributing some existing budget, and using fund balance to start some projects (recognizing that can create recurring obligations in the future). Some of the key requests (which totaled about \$26M), in context of the strategic plan, include:

	<b>Goal 1: Preeminence in Research, Scholarship and Innovation</b>	<b>Goal 2: Transformative Education Accessible to All Learners</b>	<b>Goal 3: Significant and Visible Impact in Oregon and Beyond</b>	<b>Goal 4: Culture of Belonging, Collaboration, and Innovation</b>
<b>Personnel</b>	Compliance position research 2 staff in post-awards COI coordinator in research	Bacc Core Director 3 staff financial aid Transfer articulation staff Part of term coordinator Ecampus staff and advising staff Staff for enrollment analytics	CO/TX/CA regional admissions reps	Latinx engagement coordinator Added Juntos coordinators Indigenous student support position Talent development director
<b>Programs</b>	HMSC IT support Research support fund	Grad 4+2 program development staff Peer support coordinator CTL	Additional funding for MSI	Faculty-staff mentoring program
<b>Services</b>	~8 positions in library (restoring FY21 cuts) Library collections budget increase Support for large grant development in Research	2 library staff to continue purchase on demand service Continue Proctorio and Gradescope software		Community wellness, education and safety network Support for recruiting pool development
<b>Process Improvement</b>	IT improvements: integrated identity services, global ticketing system, data abstraction for analytics, incremental cybersecurity, initial planning for ERP improvement or upgrade Human Resources and business improvements: travel reimbursement system, financial management reporting tools, talent management platform; additional risk consultant and risk management software, space management software, added position in Environmental Health and Safety and Safety and Health Information Management system Project management capacity for university: 3 additional personnel, capacity for additional staff tied to specific major projects			
<b>Institutional capacity</b>	Additional associate general counsel position; labor relations position; IT audit position			

Note that colleges make investments in new positions and programs as well from the increased allocations for Ecampus tuition, campus tuition, and state funding that flow through the Corvallis budget model.