



**Oregon State**  
University

# **Preliminary FY2022 Tuition Scenarios and Education & General Budget Planning**

**Finance & Administration Committee  
January 28, 2021**



# Goals for the Discussion

- Quick update on current year E&G budget (FY2021)
- Context for next year on enrollment
- Cost and revenue drivers and projections
- Tuition scenario planning and discussion
- Next steps

# Current year budget update

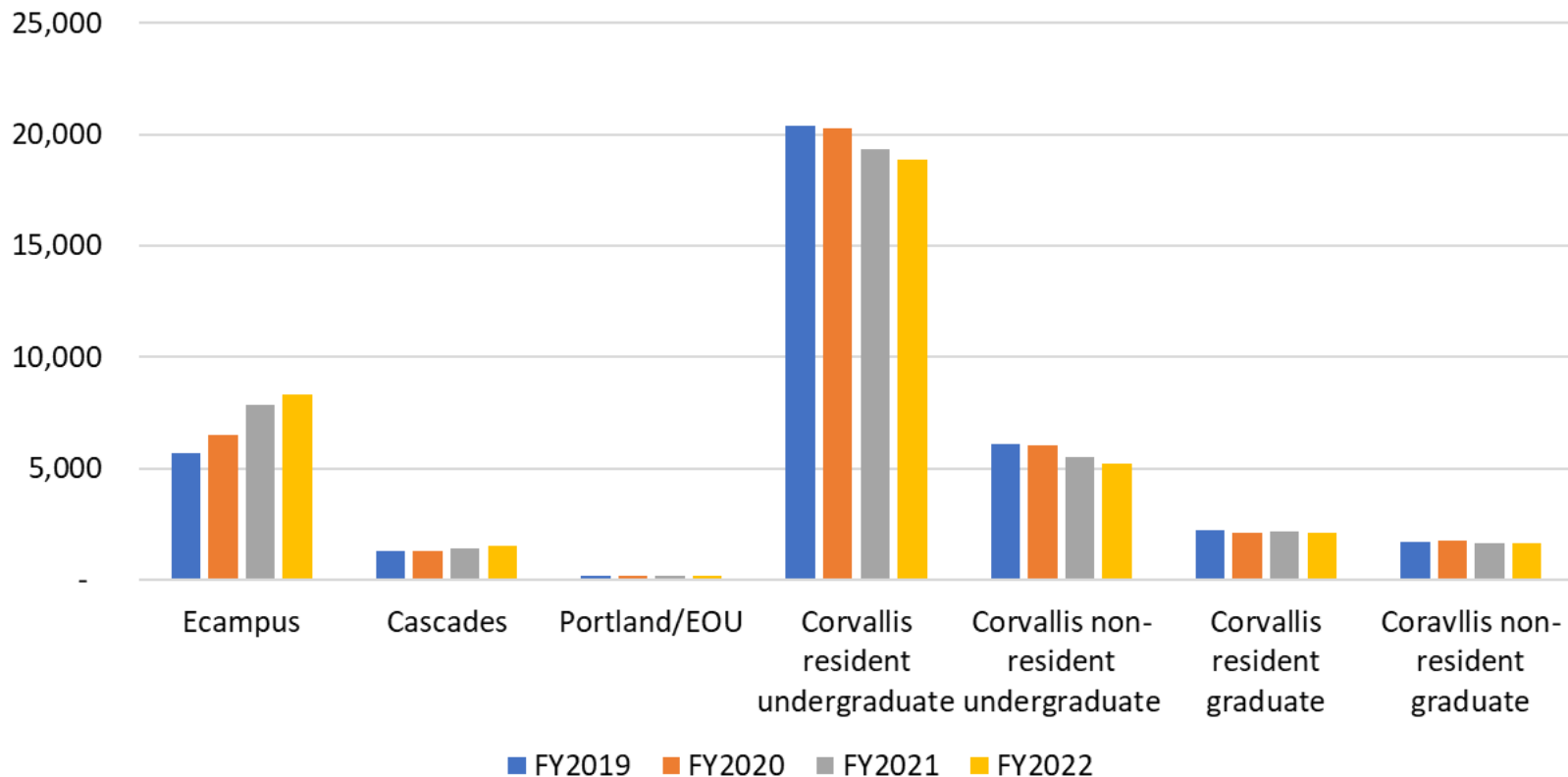
- Revenues up about \$10M from the May estimates, leaving a revenue gap of about \$39M (down from \$49M)
- Revenue mix is quite different than May budget
  - More state funding
  - Stronger Ecampus enrollment
  - Lower Corvallis enrollment, particularly international

# Current year budget update - continued

- A significant part of the increased revenue will go to units to settle earmarked state funding and Ecampus enrollment
- Based on Q1, E&G units are largely on track to close the projected budget gap and manage to budget
- Large operating deficits are still expected in Athletics, University Housing and Dining Services, and some other self-supports, but have not increased in magnitude

# Enrollment planning for 2021-22

Headcount enrollment by location or modality



Current enrollment planning suggests:

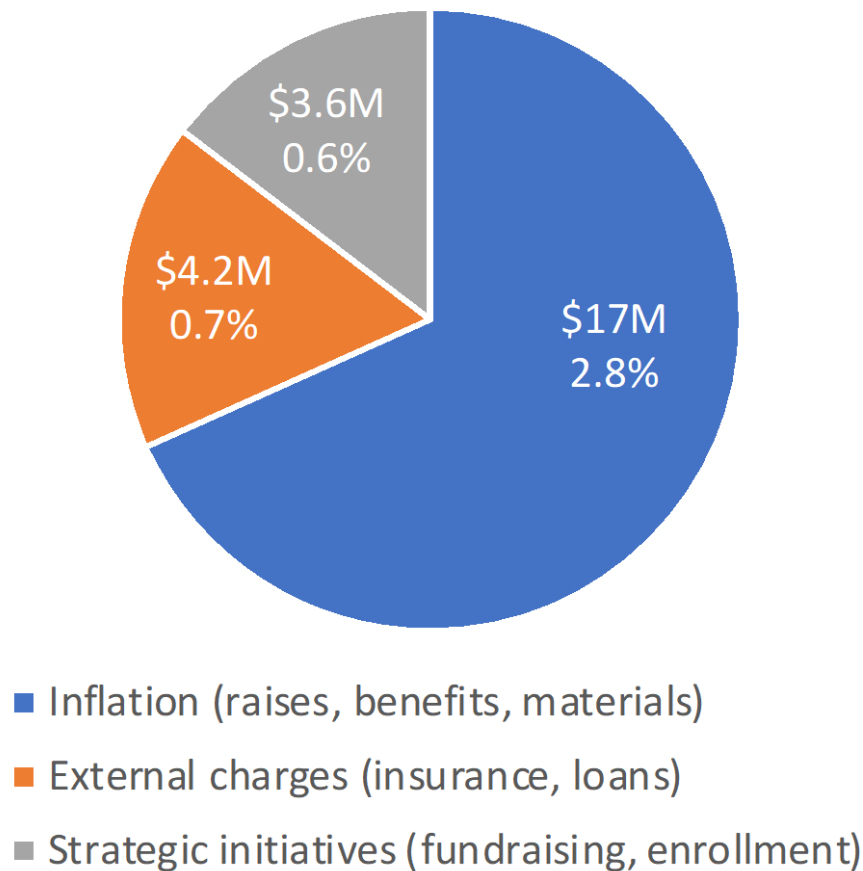
- Continued decline in Corvallis (down 2%, 14% international)
- Graduate enrollment flat
- Ecampus up 9%
- OSU-Cascades up

Increase of institutional aid of \$10M from FY2020 to FY2021 will be continued with some additions.

State funding down about 4% in governor's budget, another 1.5%-2% loss from HECC formula changes

# Costs and revenue context for 2021-22

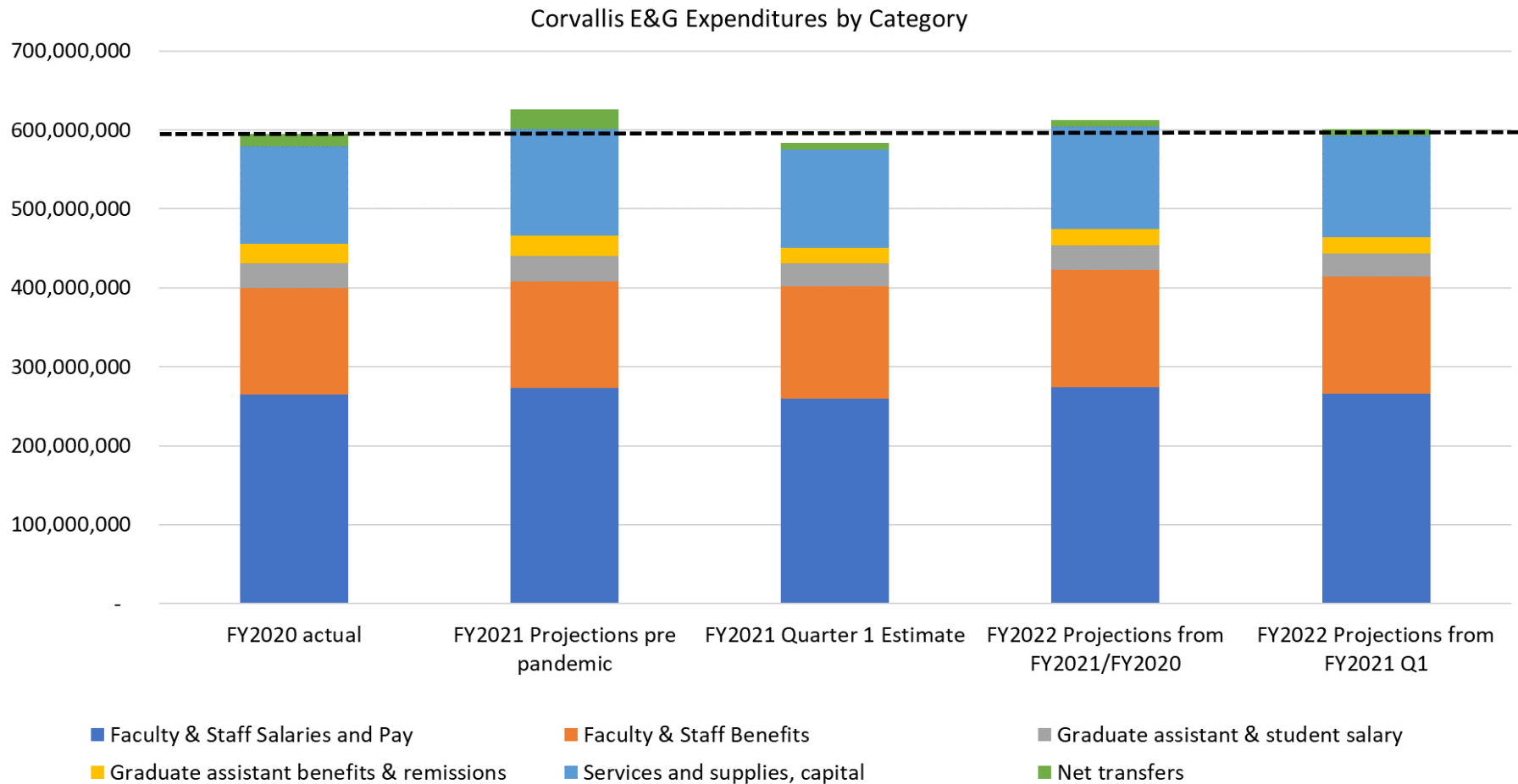
FY22 Estimated Cost Increases to Corvallis E&G Budget



- Inflation for continuing service level modest because of relatively low PERS increases (2.8% of current expense)
- Expect some added increases for debt services, building operations, and property insurance beyond inflation (0.7%)
- Ideally would make some strategic investments in fundraising, enrollment management, research and other services (0.6%)



# Expense context for 2021-22



- FY2021 is a very unusual year for expenses
- Left two bars show normal growth of expenses year over year
- Right two bars show estimates of FY2022 expenses from two different starting points.
- Dotted line is preliminary estimate of FY2022 revenues

# Tuition scenario development

All scenarios add \$10.8M in institutional financial aid over FY2020 allocations and an additional \$2M to \$3M depending on the scenario.

	Scenario A: Resident 2.8%, Non-resident 2.8%	Scenario B: Resident 3.5%, Non-resident 3.5%	Scenario C: Resident 4.1%, Non-resident 4.1%
State funding change year over year: 0%	Surplus or (deficit): \$2.4M to <b>\$(6.3M)</b> \$280 annual increase residents \$830 annual increase non-res	Surplus or (deficit): \$4.5M to <b>\$(4.2M)</b> \$360 annual increase residents \$1035 annual increase non-res	Surplus or (deficit): \$6.3M to <b>\$(2.3M)</b> \$405 annual increase residents \$1215 annual increase non-res
State funding change year over year: -4%	Surplus or (deficit): <b>\$(3.1M)</b> to <b>\$(11.7M)</b> \$280 annual increase residents \$830 annual increase non-res	Surplus or (deficit): <b>\$(1.0M)</b> to <b>\$(9.7M)</b> \$360 annual increase residents \$1035 annual increase non-res	Surplus or (deficit): \$0.9M to <b>\$(7.8M)</b> \$405 annual increase residents \$1215 annual increase non-res
State funding change year over year: -8%	Surplus or (deficit): <b>\$(8.8M)</b> to <b>\$(17.1M)</b> \$280 annual increase residents \$830 annual increase non-res	Surplus or (deficit): <b>\$(6.7M)</b> to <b>\$(15.1M)</b> \$360 annual increase residents \$1035 annual increase non-res	Surplus or (deficit): <b>\$(4.9M)</b> to <b>\$(13.1M)</b> \$405 annual increase residents \$1215 annual increase non-res



# Next Steps

- Continue work with Student Budget Advisory Council and University Budget Committee
- Updates of expense projections based on Q2 report, updates of revenues based on evolving enrollment forecast
- Tuition forums scheduled January 21 through March 11
- Rate recommendations to President Alexander in early February
- Campus conversations in February and March
- Tuition rate recommendations to Board for April 2021 meeting
- FY2021-22 budget to Board for May 2021 meeting