

# FY2019 Operating Budget



**Oregon State**  
University

# FY2019 Operating Budget

The operating budget is an estimate of revenues and a plan for deploying those revenues during the next year informed by

- Needs to advance the Strategic Plan
- Priorities identified in the ten-year business forecast
- Contractual obligations for personnel, software, services, etc.
- Requirements to maintain a solid financial position for all of the university

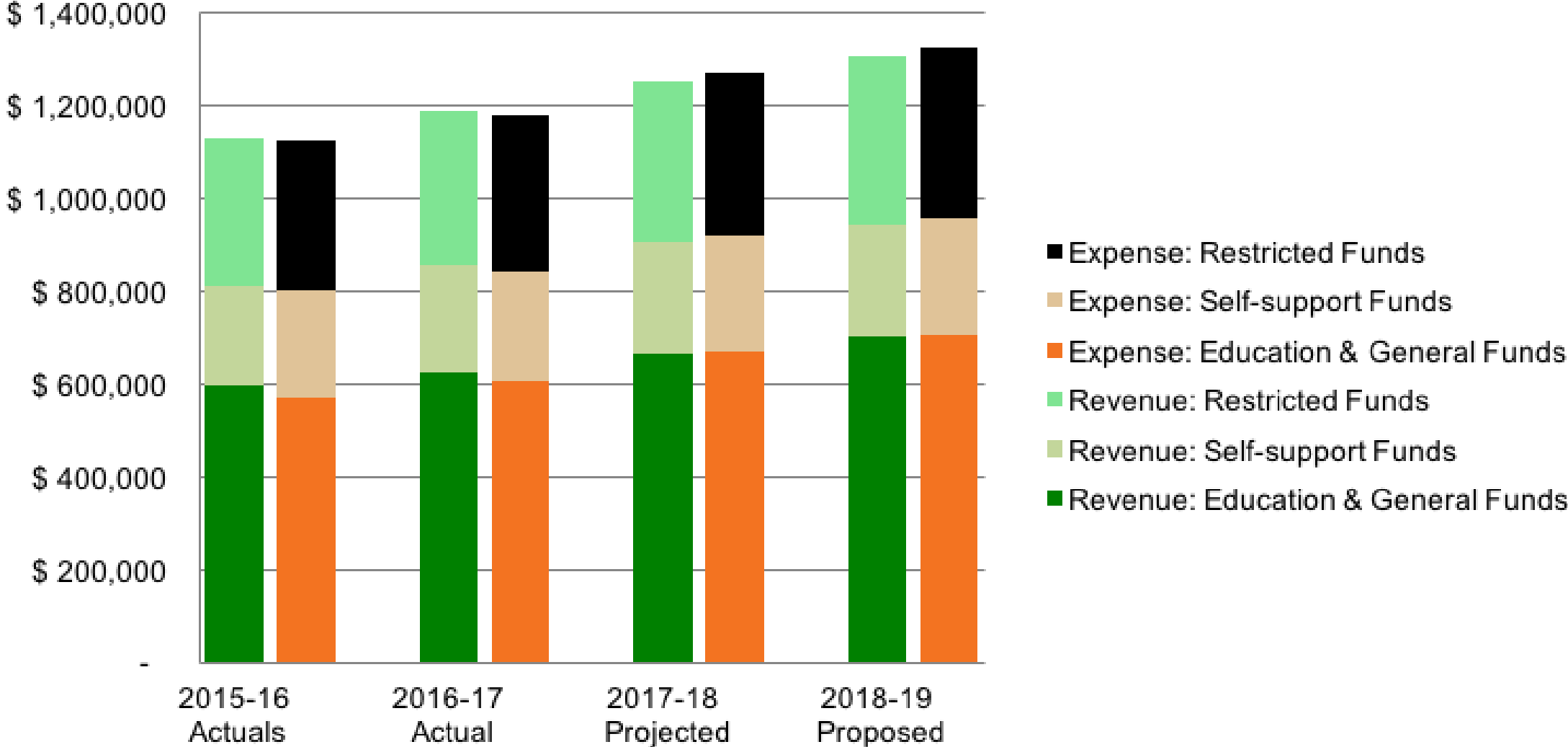
# Budget Context

- Enrollments are generally on track
  - Undergraduates up slightly
  - Transfers up
  - Graduate down a bit
  - Ecampus slowing
  - OSU-Cascades growth on target
- Tuition and fee increases under 4%
- State funding is known (about a 4% increase)
- Statewide Public Services (SWPS) dealing with funding that was less than actual inflation on costs
- Most importantly—commitments now to position the university for growth in enrollment and research activity 2 to 3 years ahead

# FY2019 Budget Planning & Strategic Plan 3.0

	Education and General Funds	Self-Support Funds	Restricted Funds
<b>Transformative Education</b>	Transition to productivity budget model for Corvallis colleges; opening and operation of Portland space; continued buildout of programs and faculty at Cascades	Housing and dining improvements; planning for graduate housing	Forest Science complex
<b>Enhance Scholarship in 3 Areas of Distinction</b>	Operation of new core repository, Research Way research building; \$10M in capital renewal funding	Change in royalty management practices	Capital renewal funding, SWPS staffing planning
<b>Strengthen Impact in Oregon and Beyond</b>	OSU Foundation and Alumni association funding	Athletics funding increase	Outdoor School administration
Sustain and Support Current People and Programs in all parts of the strategic plan	<p style="text-align: center;">Unclassified and classified salary increases; increased benefit costs for graduate assistants (new contract terms); inflation on services and supplies; utility, liability, license, insurance increases</p>		

# Revenue and Expenses (in \$1,000s)



# Education and General Funds (Table 1)

## Challenges & uncertainties

- Transition to productivity-informed budget model and college engagement in longer term enrollment and revenue generation
- Enrollment projections and yield in the fall
- Return on investments in Portland and enrollment management development
- Building program capacity and breadth at OSU-Cascades to maintain enrollment trajectory
- Maintaining progress in services in the SWPS despite state funding lagging inflation

# Education and General Funds (Table 1)

## Major strategic issues and new commitments

- Implementation of the productivity-informed E&G budget model
- OSU Portland opening, operations, and programs
- Second increment of E&G capital renewal funding
- Increases to Foundation and Alumni Association for campaign planning
- Funding a mid-year salary increase
- Public Safety, technology-based systems improvements, enrollment management investments, labor relations and risk management positions
- Continued growth of academic programs and staffing at OSU-Cascades
- Critical staffing in SWPS while managing overall fund balance

# Self-Support Funds (Table 2)

## Major issues

- Enrollment always a key driver of operations for Housing and Dining, impacts Corvallis and OSU-Cascades
- Second increment of additional E&G funding to Athletics as part of plan for balanced operating budgets.
  - Operating balance improved, though growth in Athletics revenue is lagging the sustainability plan a bit but still on track for balanced operating budget in FY2020
- Long-term improvement and expansion of housing space
- Change in management of royalty funds and building reserve fund for current Foundation facility



# Restricted Funds (Table 3)

## Major issues

- Federal budget outcomes and policies
  - Outcomes for the current year were much better than feared but great uncertainty in direction remains
  - Higher Education Act reauthorization could touch many financial aid programs and practices
- Increased investment in the Foundation and Alumni Association to position OSU for the next campaign with a significant focus on scholarships
- Operation of a national seafloor and ice core repository (combining OSU's operation and cores from Florida State University)
- Acquisition, improvement and operation of laboratory facilities on Research Way

# Recommendation

Staff recommend that the Finance & Administration Committee recommends to the Board that it approve the proposed operating budget for FY2019 as presented in Tables 1 through 4.

## Oregon State University 2018-19 Operating Budget Summary

### Revenues (in 1000s)

	2015-16	2016-17	2017-18	2018-19
	Actuals	Actual	Projected	Proposed
Education and General	\$597,043	\$623,178	\$664,874	\$701,900
Self-Support Operations	\$214,594	\$232,643	\$243,901	\$243,023
Restricted Funds	\$320,438	\$335,580	\$343,872	\$361,341

### Expenditures, Transfer, Additions and Deductions (in 1000s)

	2015-16	2016-17	2017-18	2018-19
	Actuals	Actual	Projected	Proposed
Education and General	\$570,988	\$608,657	\$668,045	\$707,024
Self-Support Operations	\$231,358	\$234,478	\$254,631	\$252,694
Restricted Funds	\$322,188	\$336,775	\$349,098	\$365,086