

FY 2019 Budget



June 21, 2018



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FY 2019 Budget Presentation

- ❖ FY 2019 Proposed Budget
- ❖ Proposed Student Costs
- ❖ Student Cost Comparisons
- ❖ Trends in State Funding Reductions
- ❖ State versus National Comparisons in State Funding



Items Presented For Approval

- ❖ State Regents' Budget Forms
- ❖ Tuition & Fee Rates



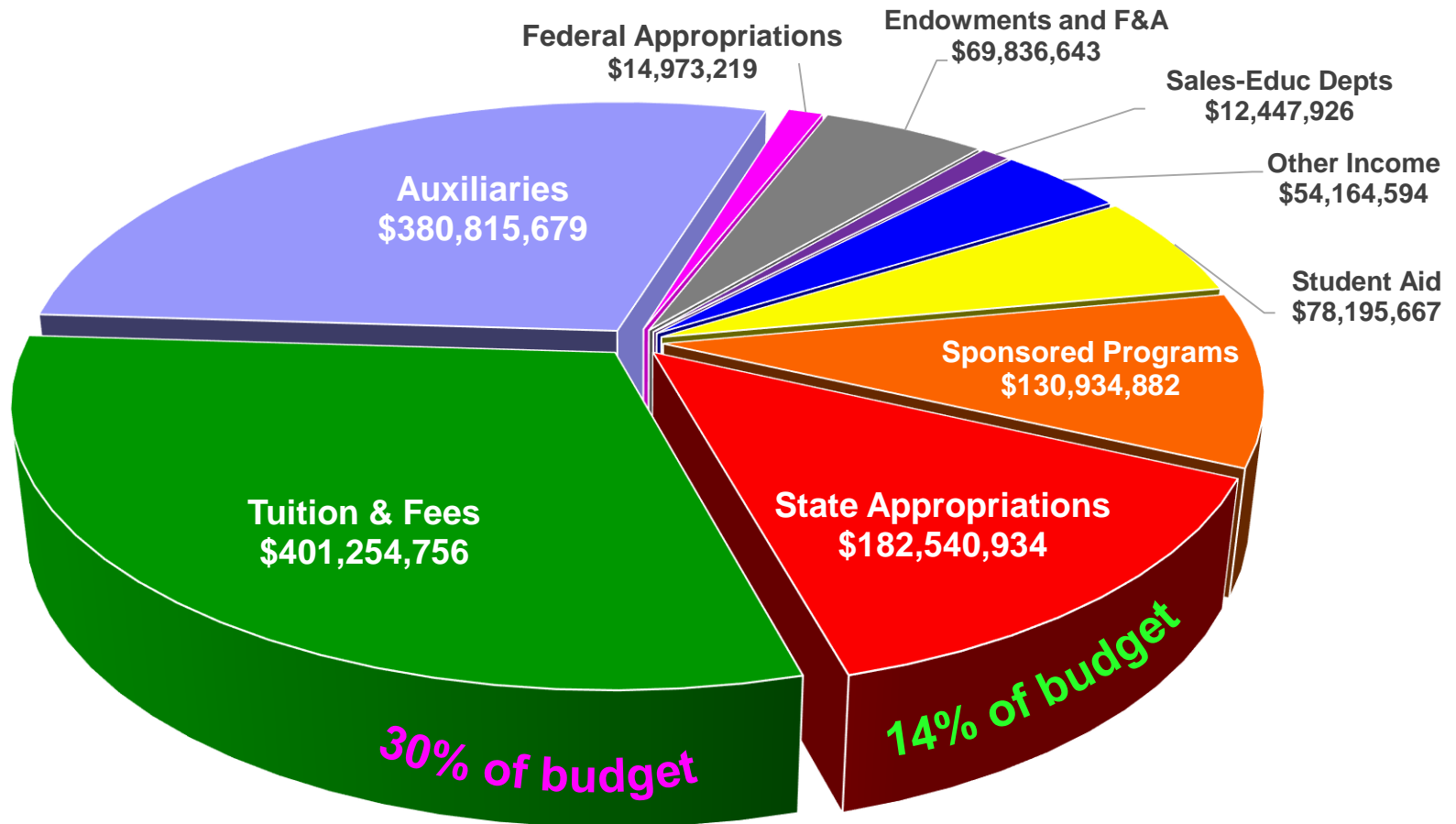
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FY 2019 vs. FY 2018 Total Budget All Agencies

Agency	FY 2018	FY 2019	\$ Change	% Change
General University	\$787,799,003	\$820,764,806	\$32,965,803	4.18%
Oklahoma Agricultural Experiment Station	64,020,088	63,389,601	(630,487)	-0.98%
Oklahoma Cooperative Extension Service	49,643,417	48,874,419	(768,998)	-1.55%
OSU Institute of Technology	55,582,402	53,786,755	(1,795,647)	-3.23%
Center for Veterinary Health Sciences	40,479,471	41,773,474	1,294,003	3.20%
Oklahoma City	71,827,688	73,262,657	1,434,969	2.00%
Center for Health Sciences	208,590,936	202,822,500	(5,768,436)	-2.77%
Tulsa	21,149,991	20,490,088	(659,903)	-3.12%
Totals	\$1,299,092,996	\$1,325,164,300	\$26,071,304	2.01%



Sources Of Revenue – All Agencies



FY 2019 Total Revenue = \$1.325 Billion
Estimated System Enrollment = 34,609



Proposed Student Costs

OSU System Proposed Tuition/Mandatory Fee Increases For FY 2019

Agency Tuition By Level & Residency	Proposed		% Peer Limit	Increase		
	Per-Credit Hour	Annual		Per-Credit Hour	Percent	Annual
General University & Tulsa:						
Undergraduate Resident	\$300.60	\$9,018	79.2%	\$9.35	3.2%	\$281
Undergraduate Nonresident	\$817.95	\$24,539	78.3%	\$25.45	3.2%	\$764
Graduate Resident	\$352.50	\$8,460	82.7%	\$10.95	3.2%	\$263
Graduate Nonresident	\$998.45	\$23,963	99.9%	\$31.00	3.2%	\$744
Graduate Nonresident - Online Degree Programs	\$482.05	\$11,569	48.2%	-\$485.40	-50.2%	-\$11,650
Center for Veterinary Health Sciences:						
Resident		\$23,557	88.1%		6.6%	\$1,464
Nonresident		\$49,922	92.7%		5.8%	\$2,723
OSU Institute of Technology:						
Undergraduate Resident	\$185.00	\$5,550	48.7%	\$10.00	5.7%	\$300
Undergraduate Nonresident	\$372.00	\$11,160	35.6%	\$10.00	2.8%	\$300
Oklahoma City:						
Undergraduate Resident	\$149.28	\$4,478	39.3%	\$7.10	5.0%	\$213
Undergraduate Nonresident	\$385.28	\$11,558	36.9%	\$18.50	5.0%	\$555
Center for Health Sciences:						
Graduate Resident	\$262.18	\$6,292	61.5%	\$11.98	4.8%	\$288
Graduate Nonresident	\$908.13	\$21,795	90.8%	\$32.03	3.7%	\$769
Graduate Nonresident - Online Degree Programs	\$391.73	\$9,402	39.2%	-\$484.37	-55.3%	-\$11,625
Professional Resident		\$27,895	76.2%		3.8%	\$1,030
Professional Nonresident		\$55,397	83.8%		4.9%	\$2,600

**OSU-Stillwater
UG Resident Tuition/Fee
Increases:**

FY10 = 0.0%
 FY11 = 4.4%
 FY 12 = 4.8%
 FY 13 = 2.8%
 FY 14 = 0.0%
 FY 15 = 0.0%
 FY 16 = 4.5%
 7-Yr. Avg. = 2.4%
 FY 17 = 7.0%
 8-Yr. Avg. = 2.9%
 FY 18 = 5.0%
 9-Yr. Avg. = 3.2%
 FY 19 = 3.2%
 10-Yr. Avg. = 3.2%

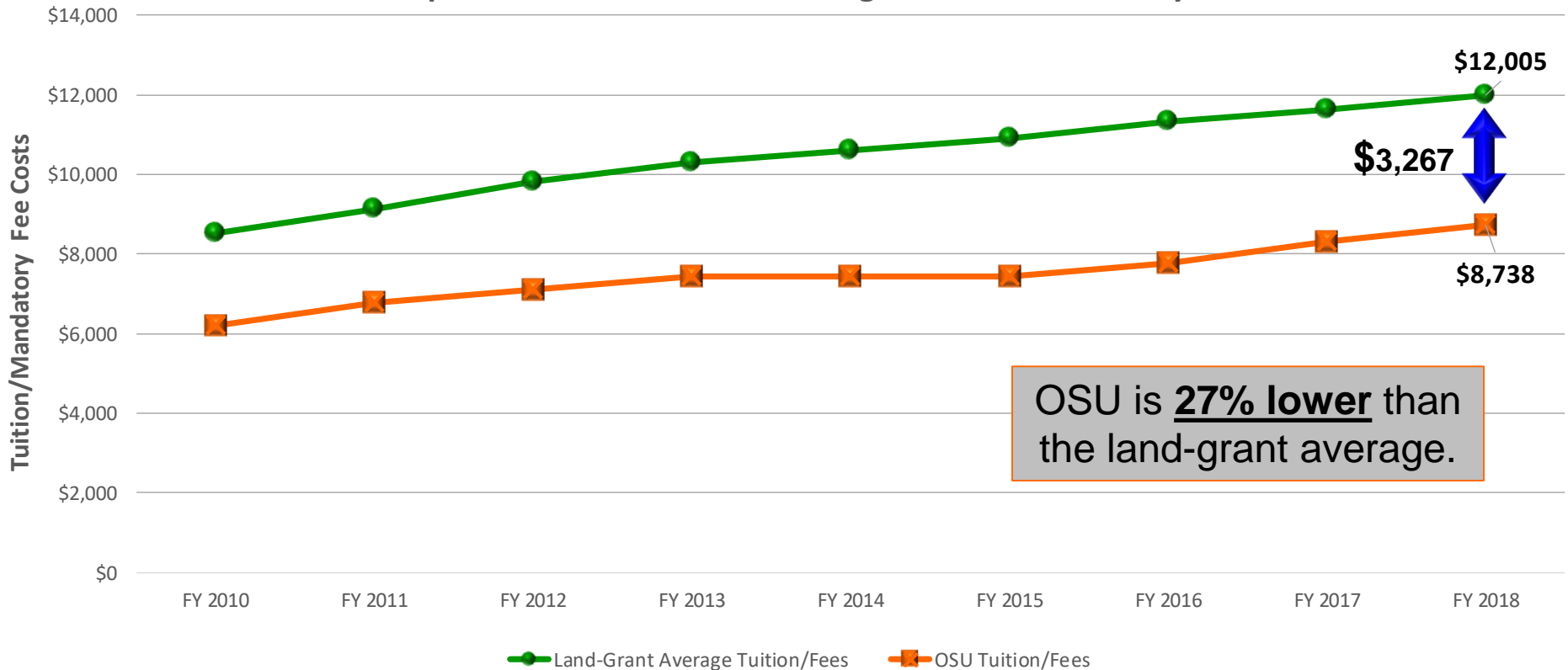
Note: Annual amounts are based on 30 credit hours for undergraduate rates and 24 credit hours for graduate rates.



OSU Continues To Be Affordable

When Compared To Land-Grant Average Tuition & Fees
OSU Rates Have Moved Further From Average

OSU Tuition/Mandatory Fees
Compared with Land-Grant Average Tuition/Mandatory Fees

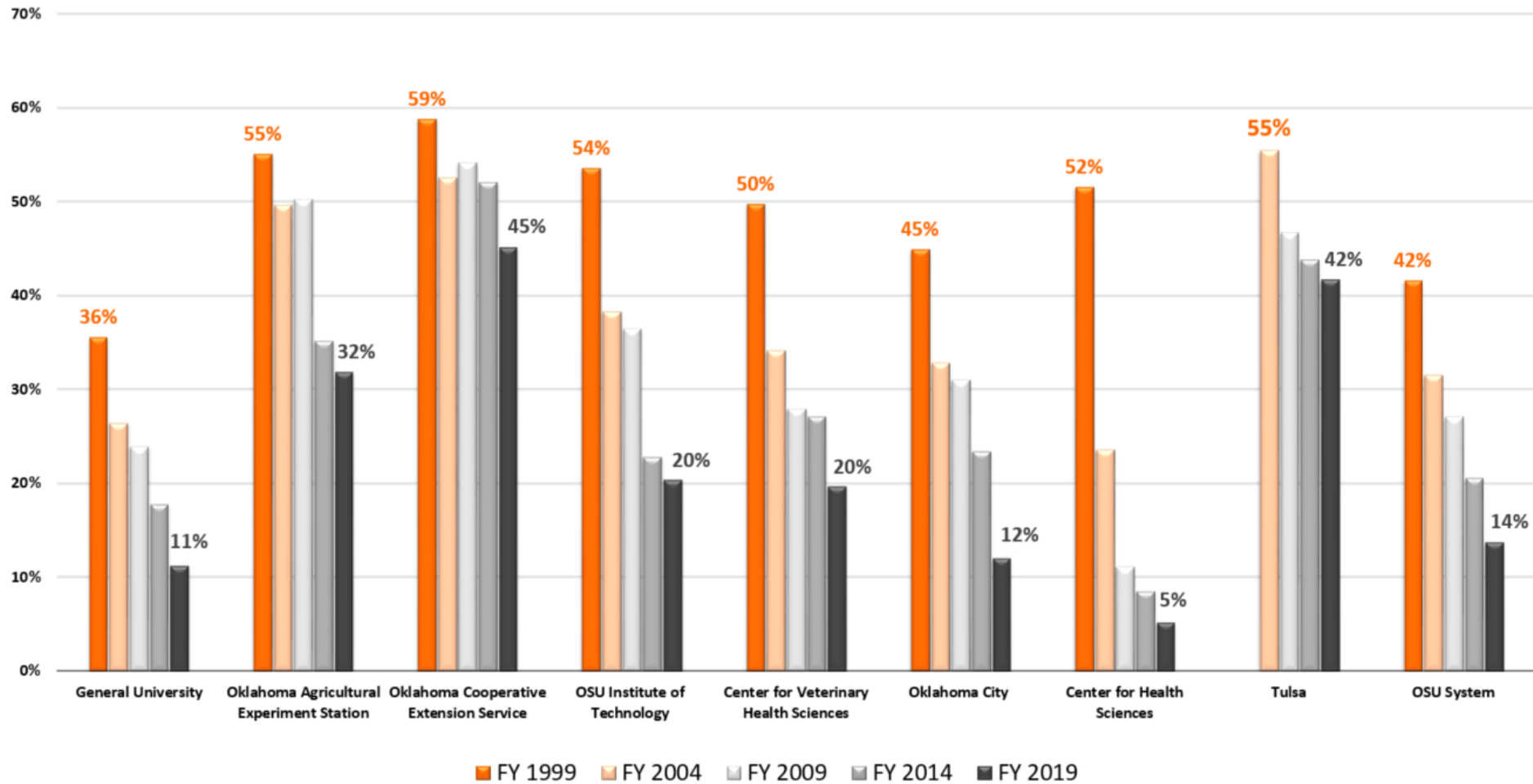


State Appropriation Changes FY 2015 To FY 2019

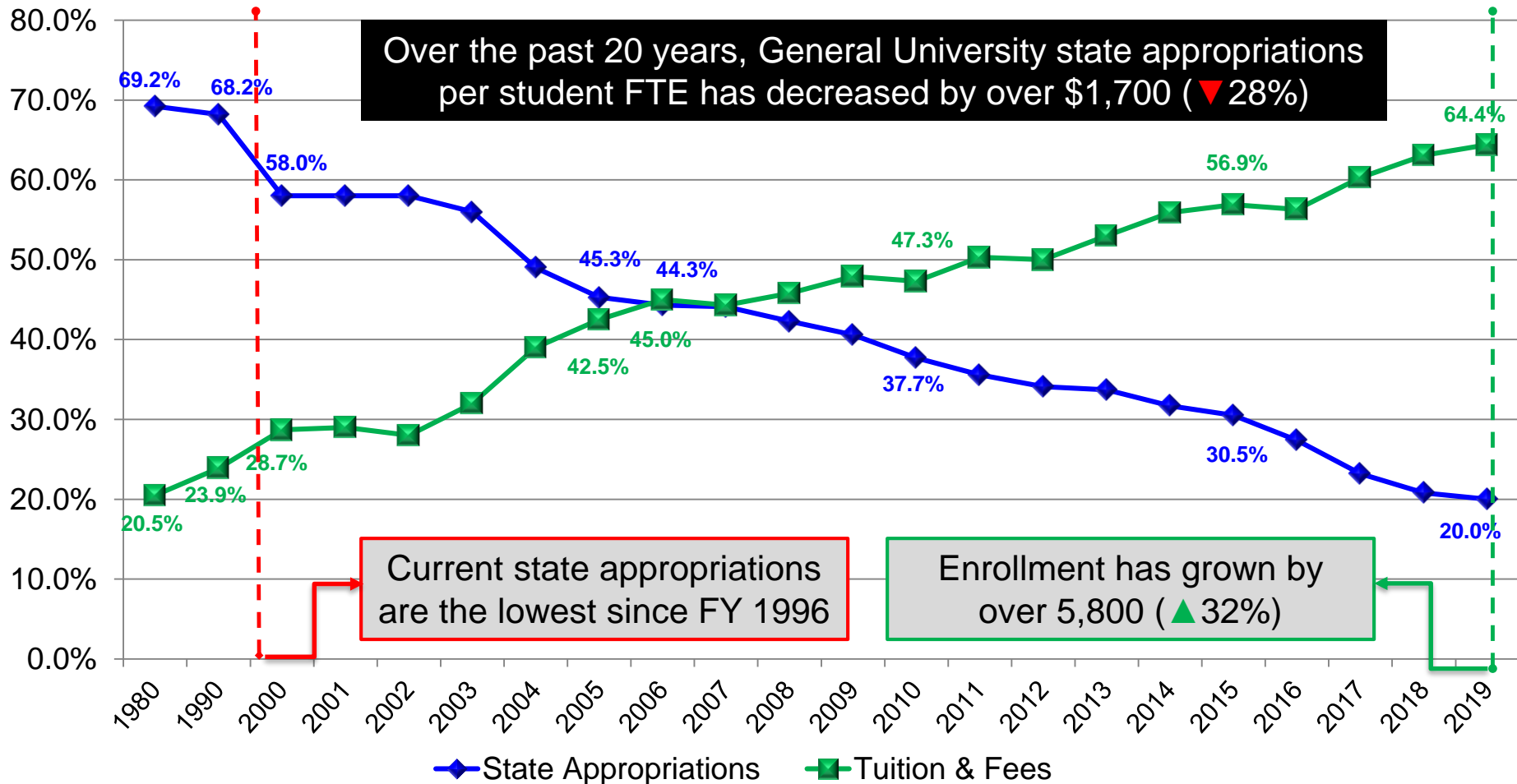
Agency	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2015 To FY 2019 Decrease	
						\$ Decrease	% Decrease
General University	\$122,658,690	\$118,365,636	\$99,480,630	\$92,860,507	\$92,860,507	(\$29,798,183)	-24.3%
Oklahoma Agricultural Experiment Station	26,706,009	25,771,299	21,659,538	20,218,164	20,218,164	(6,487,845)	-24.3%
Oklahoma Cooperative Extension Service	29,142,844	28,122,844	23,635,900	22,063,005	22,063,005	(7,079,839)	-24.3%
OSU Institute of Technology	14,553,129	14,043,769	11,803,113	11,017,653	11,017,653	(3,535,476)	-24.3%
Center for Veterinary Health Sciences	10,902,937	10,521,334	8,842,676	8,254,224	8,254,224	(2,648,713)	-24.3%
Oklahoma City	11,663,314	11,255,098	9,459,370	8,829,878	8,829,878	(2,833,436)	-24.3%
Center for Health Sciences	14,194,766	13,697,949	11,512,468	10,746,350	10,746,350	(3,448,416)	-24.3%
Tulsa	11,295,149	10,899,819	9,160,774	8,551,153	8,551,153	(2,743,996)	-24.3%
Totals	\$241,116,838	\$232,677,748	\$195,554,469	\$182,540,934	\$182,540,934	(\$58,575,904)	-24.3%
\$ Change From Previous Year		-\$8,439,090	-\$37,123,279	-\$13,013,535	\$0		
% Change From Previous Year		-3.50%	-15.95%	-6.65%	0.00%		



State Appropriation As % Of Total Revenue -- FY 1999 To FY 2019

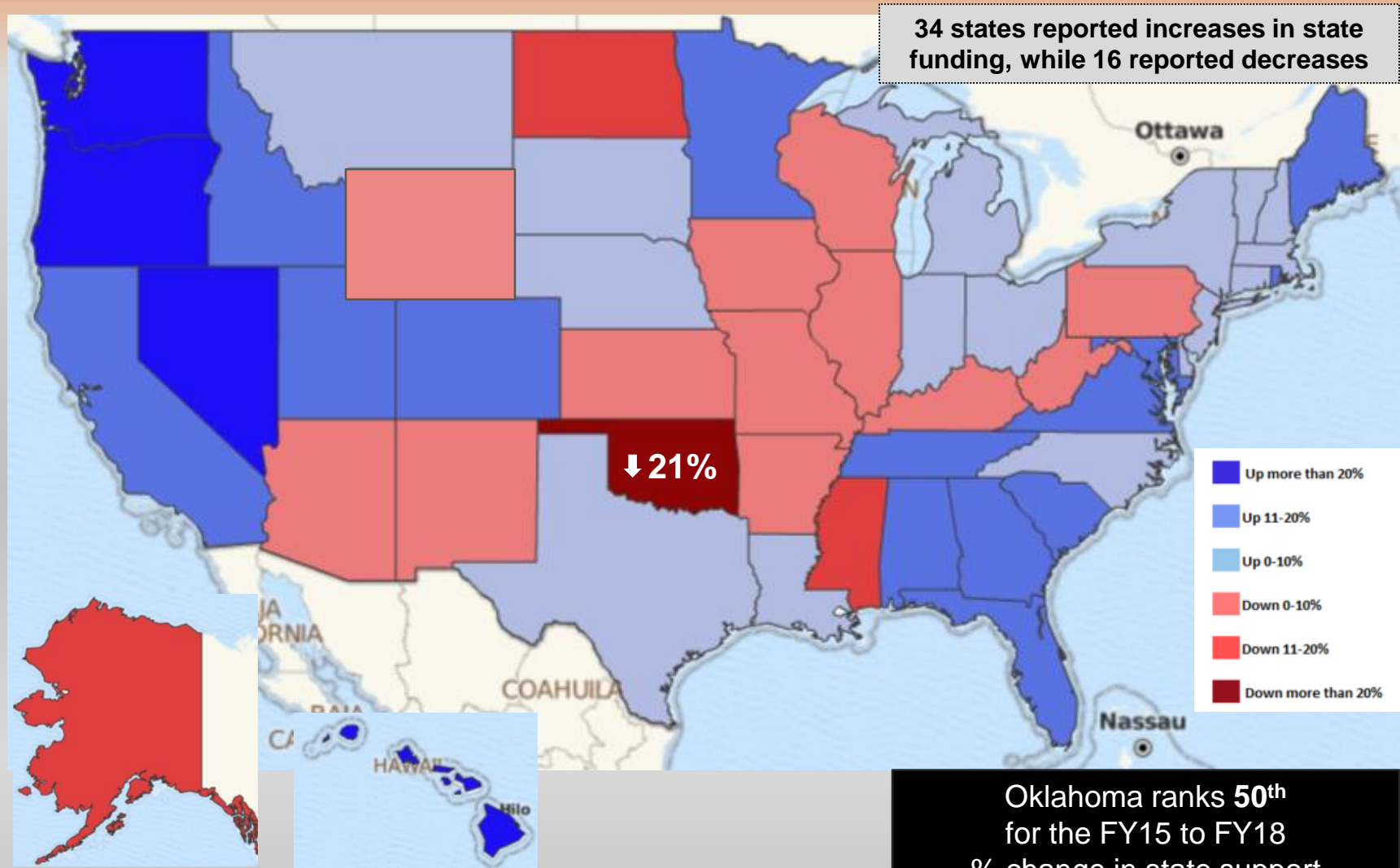


State Appropriations & Tuition/Fee Revenue As A % Of General University E&G Revenue



State Support For Higher Education

How Oklahoma Compares -- FY 2015 Through FY 2018

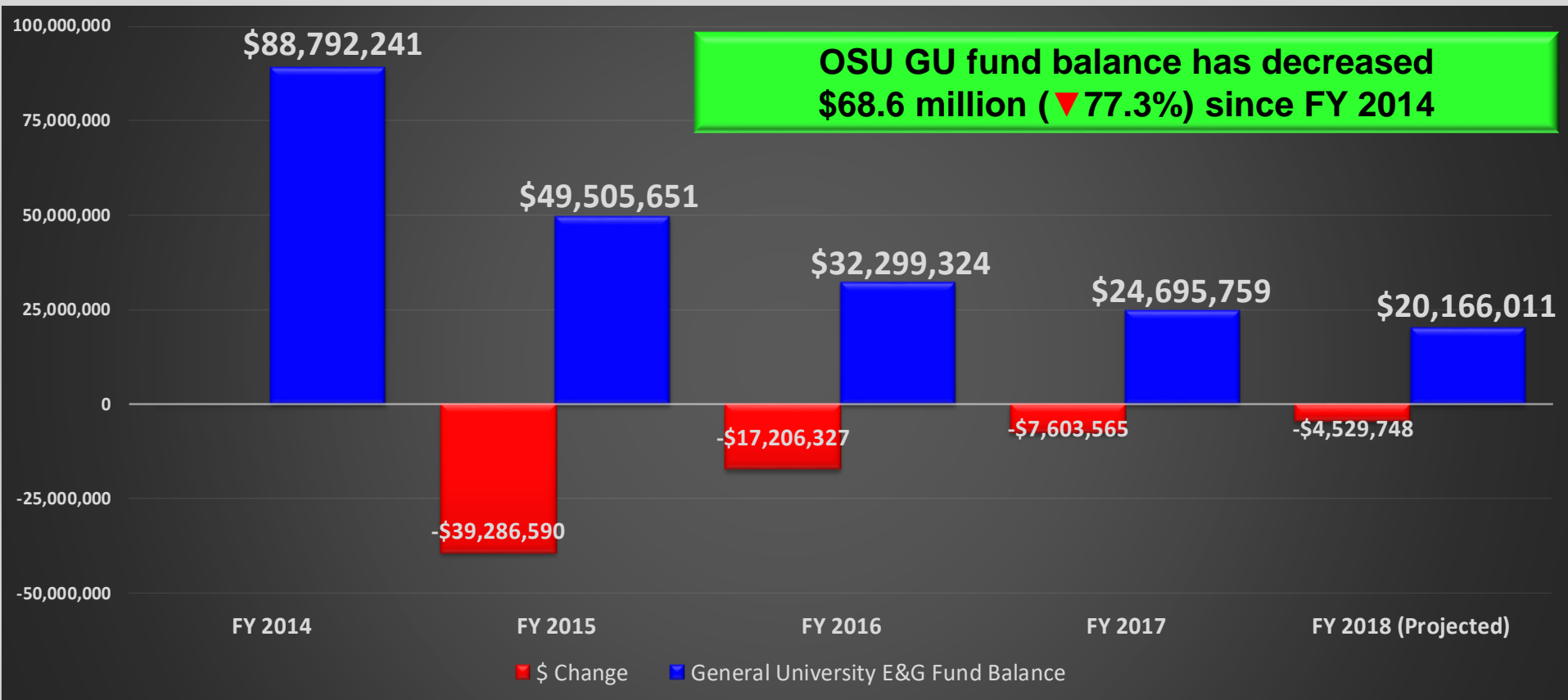


Oklahoma ranks 50th
for the FY15 to FY18
% change in state support



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General University Education & General Fund Balances



Stewardship Of Resources

OSU consistently implements practices to increase efficiency across all areas, including:

❖ Facilities and Energy Management:

- Energy Management Program has served as a state-wide model for almost a decade
- Wind Farm Project has helped stabilize utility rates
- Water Treatment
- Outsourcing of custodial services
- Zone maintenance system

❖ Employee Benefits:

- Transitioned to a self-insured model for employee health insurance
- Adjusted retirement plans for incoming employees to move more in line with peer models
- Implemented enhancements to the workers' compensation plan resulting in a reduction in claims and cost

❖ Personnel Management:

- Over the past 5 years, OSU has reduced non-instructional, full-time employees by 245



Stewardship Of Resources (cont.)

- ❖ Process Improvements provides consistency across the A&M System
 - eProcurement (OK Corral and Pcard)
 - Increased annual Pcard rebate
 - Reduced paper processes
 - Touchnet
 - Online payments
 - Student Payment Plans
 - eCommerce
 - Assists with PCI compliance
 - Strategic Sourcing
 - Electronic refunds
 - Electronic 1098-T Process
- ❖ Shared Services for A&M Institutions and OSU Agencies, including:
 - Information Technology
 - Human Resources
 - Long Range Facilities Planning
 - Budget & Asset Management
 - Payroll
 - Purchasing
 - Accounting
- ❖ Debt Management
 - Holds the highest bond rating of any university in the state
 - Refinances bonds to lower debt burden whenever possible
 - Consistently maintains a debt burden ratio lower than the NACUBO standards



Institutional Strategic Initiatives

General University will focus on the following initiatives:

- ❖ Revenue Enhancement
- ❖ Student Success
- ❖ Competitive Faculty and Staff Salaries
- ❖ Research Excellence
- ❖ Campus Renewal



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Student Success

OSU continues to prioritize first year retention and student success

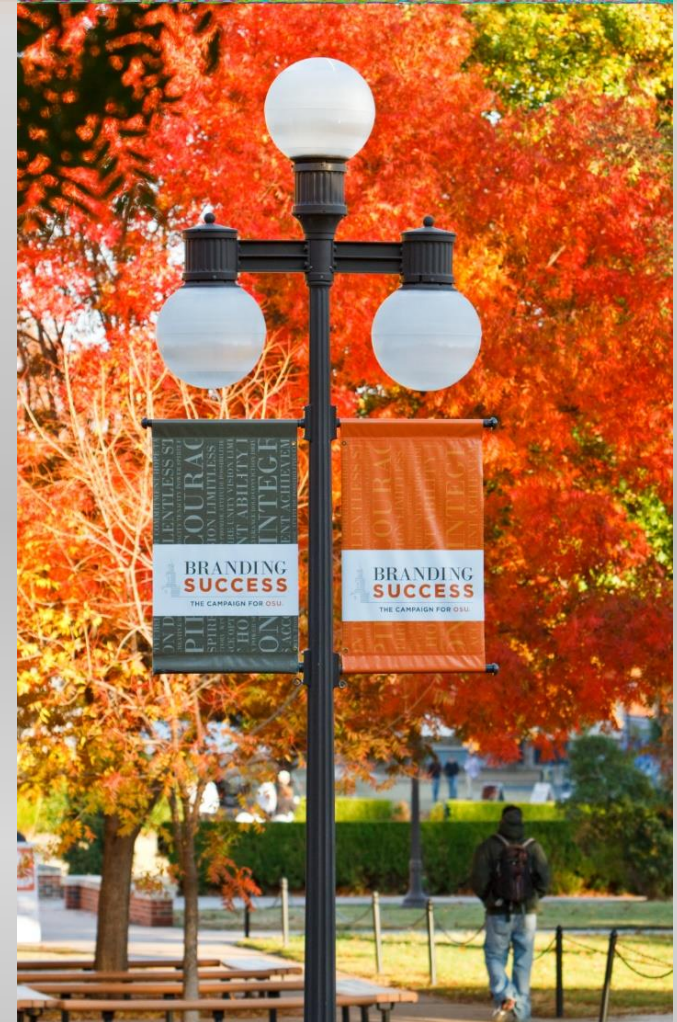
- ❖ Established a Student Retention Working Group
- ❖ Created a First Year Success Office to connect new students with campus resources and activities
- ❖ LASSO Center provides:
 - Academic success coaching
 - Tutoring
 - Supplemental instruction for historically challenging courses
 - Student success workshops
- ❖ Assists students with curricular deficiencies by offering co-requisite instruction in gateway math courses.



Importance Of Increasing Revenue For General University

OSU's lack of revenue is reflected across national and global rankings.

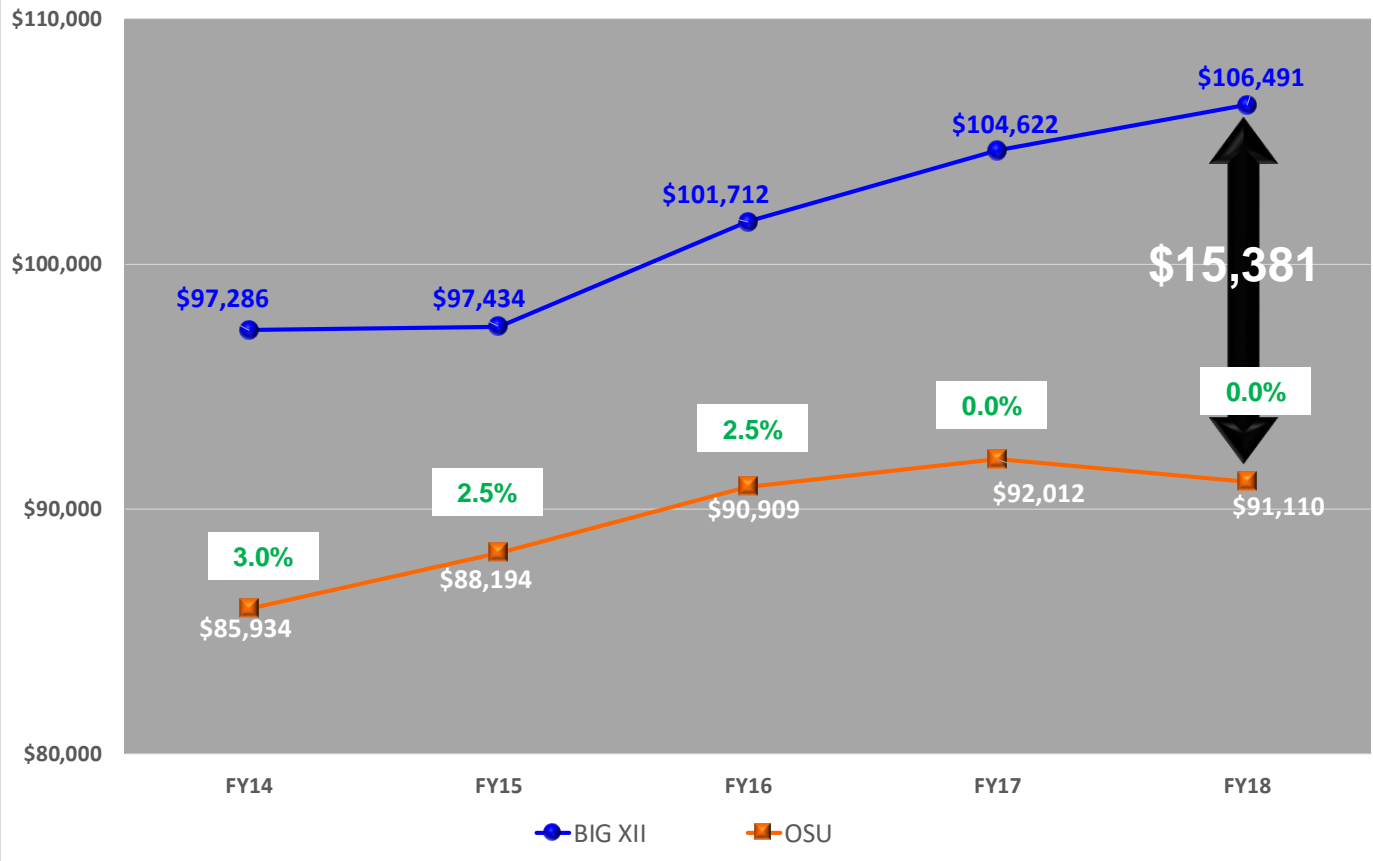
- ❖ Based on the Wall Street Journal / Times Higher Education College Ranking, OSU's per student expenditures are more than \$3,800 lower than average for Big XII public institutions.
- ❖ U.S. News Best College Rankings financial resource category is consistently OSU's lowest ranking.
- ❖ In addition to improving resource metrics, increasing revenue also results in:
 - Smaller class sizes
 - Lower student to faculty ratio
 - Ability to recruit and retain outstanding faculty



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Competitive Salaries For Faculty And Staff

OSU Faculty Salaries compared with Big XII Average
5 Year Trend -- (Publics Only)



- ❖ With no salary program since October of 2015, OSU continues to lose talented faculty and staff to other universities.
- ❖ The cost to get OSU faculty to the Big XII average in a single year is approximately **\$13.3 million**.
- ❖ With a proposed 2.5% salary program for FY 2019, this will be the beginning of a multi-year plan to bring faculty and staff compensation to a more competitive level.
- ❖ In addition, to get graduate stipends to the 50th percentile of peers would cost **\$1.7 million**.



Strategic Research Priorities

HIGHLY INTEGRATIVE BASIC AND RESPONSIVE OSU HIBAR RESEARCH

- ❖ HIBAR Research will build upon OSU's existing research across a wide spectrum of disciplines to achieve the following goals:
 - Raise the research profile and reputation of OSU
 - Encourage collaboration across a wide array of interdisciplinary expertise and success
 - Embrace the attainment of new knowledge to find solutions to important societal problems
 - Provide the potential for economic development
 - Leverage institutional funding to acquire additional external funding
- ❖ **Anticipated cost = \$2 million per year over 10 years**



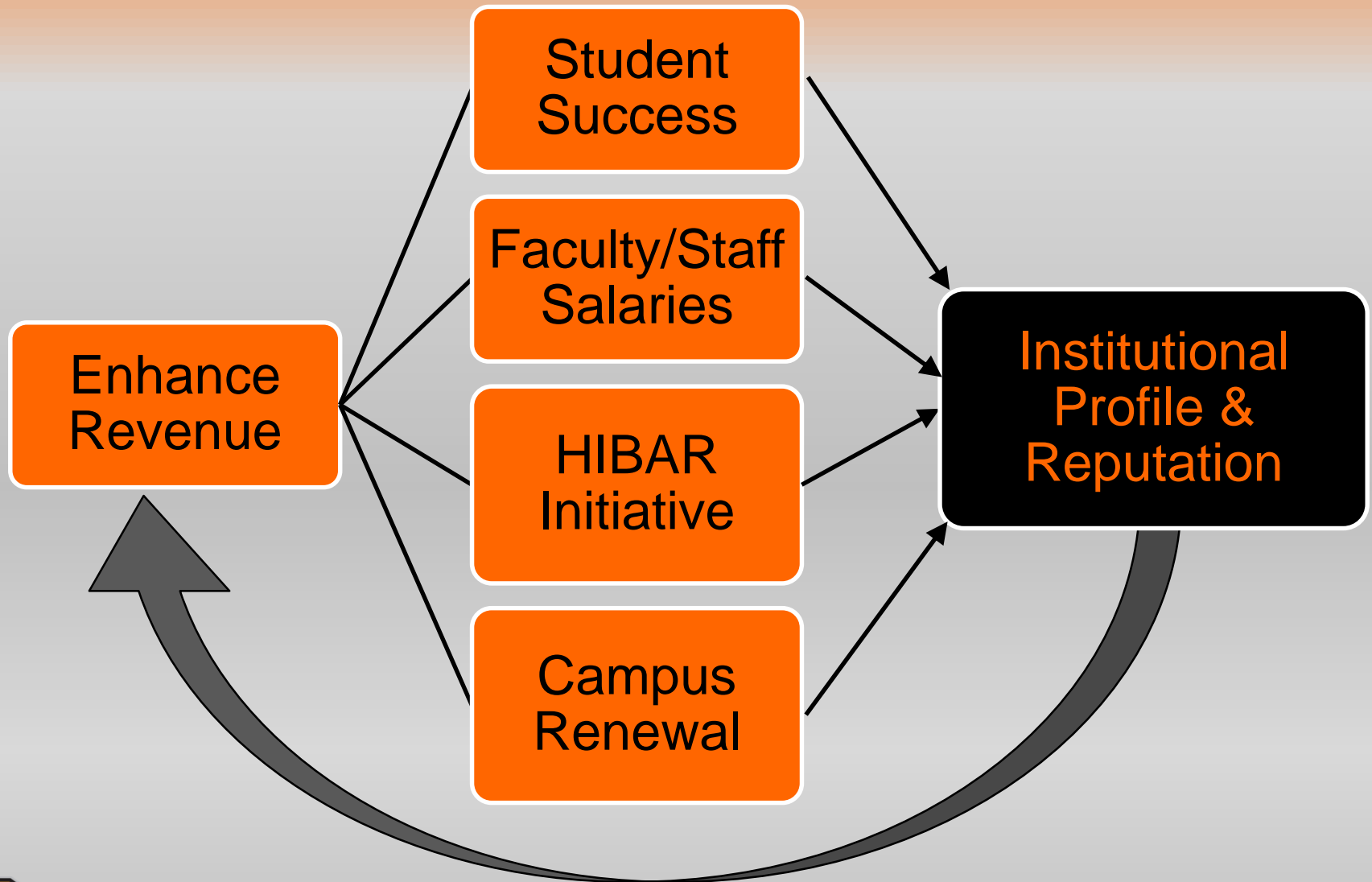
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Long Term Campus Renewal

- ❖ OSU has had an unprecedented period of renovation and new construction over the past decade.
- ❖ Maintaining the buildings and grounds requires campus renewal and beautification be emphasized on a continuing basis. This includes:
 - Analysis of current conditions of all buildings, including classrooms and laboratories
 - A long-term vision for the planning and design of the campus to support OSU's mission and strategic plan.
 - A ten year capital renewal maintenance master plan.
- ❖ **Anticipated cost = \$16 million per year over 10 years**



Priorities For FY 2019





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