

June 22, 2007

Dear OSU Faculty and Staff,

The Oklahoma State University Board of Regents today approved a fiscal year 2008 budget for the OSU System that will allow us to excel across many fronts as we carry out our land-grant mission of teaching/learning, research/scholarship and outreach/service.

Our system-wide total operating budget for FY08, which begins July 1, is \$900 million, up 9.2 percent from last year. This year's budget will allow us to increase pay for faculty and staff, and continue to fund research and academic initiatives that directly affect the student experience. As you may know, the State Regents of Higher Education are meeting June 28 to determine final funding for a variety of special programs and projects that are not part of our operating budget.

The budget reflects an average 3 percent merit pay increase for both faculty and staff on the Stillwater and Tulsa campuses. Your department or unit will provide compensation details soon. Pay increases will go into effect July 1. As part of the Restore, Reward and Grow program we are able to add positions to support research faculty clusters. For staff, I am pleased we are able to fund a special program to improve salaries of our lowest paid positions.

A significant portion of the new dollars in the budget must cover increases in mandatory costs for items such as energy, health insurance, retirement benefits, and library materials. We will continue to evaluate ways to decrease the amount spent to cover these mandatory costs. I have high hopes our new system-wide energy management program will have an impact on future utility expenses and our health care task force continues to explore solutions to address rising medical and health insurance costs.

We are appreciative of the work of state leaders, the Governor, and the State Regents in providing the appropriations we received. This year's increase in allocations is 2.9 percent. Faced with rising costs and competitive pressures, an increase in tuition and mandatory fees is unavoidable. Tuition and mandatory fees will increase 9.9 percent on the Stillwater and Tulsa campuses.

The total increase in both tuition and mandatory fees is \$16 per credit hour for in-state undergraduate students on the Stillwater and Tulsa campuses. Despite the increase, OSU remains one of the best college values in America as determined by Princeton Review and the most affordable university in the Big 12 Conference. OSU tuition and mandatory fees are less than 90 percent of the Big 12 average.

While the cost of higher education is a concern across our nation, the state of Oklahoma continues to get great value from the OSU System. Our \$900 million budget allows us to educate more than 32,000 students, serve Oklahomans in every county, provide world-class teaching and research, and have a nearly \$2 billion economic impact on the state. State appropriations (27.6 percent) and tuition and fees (19.5 percent) provide a little less than half of our annual revenue. The remaining half comes from services and sales, federal grants and contracts, financial aid, donors and other sources.

Finally, I want to sincerely thank each of you for your dedication to Oklahoma State University. Our future is much brighter because of the contributions you make to our university community.

Sincerely,

Marlene Strathe

June 22, 2007

Dear OSU Students and Parents:

The Oklahoma State University Board of Regents today approved a fiscal year 2008 budget for the OSU System that will allow us to continue to offer a high-quality learning experience and a university degree that will open countless doors of opportunity.

We are appreciative of the work of state leaders, the Governor, and the State Regents in providing the appropriations we received. This year's increase in allocations is 2.9 percent. This increase will not cover the university's rising operating costs – such as energy, health insurance, retirement benefits, and library materials – and other priorities, including a modest increase in faculty and staff salaries.

One of the most important components to providing a quality education is the caliber of a university's faculty. In order for OSU to attract and retain top-notch faculty members it must strive to bring its faculty salaries to the regional level in addition to decreasing the student-faculty ratio and class size. Our faculty pay is currently in the lower third of the Big 12 Conference and is 90 percent of the Big 12 average.

After careful review and consideration, tuition and mandatory fees will increase by 9.9 percent at OSU-Stillwater and OSU-Tulsa. Based on 30 credit hours, undergraduate tuition and mandatory fees for in-state students will increase a little more than \$16 per credit hour, or slightly less than \$500 a year. In addition to the increase in tuition and mandatory fees, new undergraduate students will pay an academic excellence fee, which supports teaching and research, and a life safety and security fee, which will help fund student-related emergency response efforts.

Even with this year's tuition and fees increase, OSU remains one of the best college values in America as determined by Princeton Review and the most affordable university in the Big 12 Conference. OSU tuition and mandatory fees are less than 90 percent of the Big 12 average.

We continue to work very hard to raise private scholarship dollars to help our students. For instance, beginning this fall, through our Cowboy Covenant initiative we will pay mandatory fees and book costs for students in the Oklahoma Promise program. This effort helps students with the greatest financial need. In addition to our efforts, in the fall of 2008 an optional tuition lock program approved by state lawmakers during this year's legislative session will go into effect. This will allow in-state undergraduate students the choice to lock in their tuition rate for four years. We will provide more information prior to the program becoming available next year.

While the cost of higher education is a concern across our nation, the state of Oklahoma continues to receive great value from the OSU System. Our \$900 million budget allows us to educate more than 32,000 students, serve Oklahomans in every county, provide world-class teaching and research, and have a nearly \$2 billion economic impact on the state. State appropriations (27.6 percent) and tuition and fees (19.5 percent) provide a little less than half of our annual revenue. The remaining half comes from services and sales, federal grants and contracts, financial aid, donors and other sources.

We greatly appreciate your commitment to Oklahoma State University. In exchange for your important investment into the future, OSU promises a high-quality learning and growing experience.

Sincerely,

Marlene Strathe