

FY 2016 Budget



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FY 2016 Budget Presentation



- ❖ FY 2016 Proposed Budget
- ❖ Proposed Student Costs
- ❖ Institutional Health Indicators
- ❖ Peer Comparison
- ❖ Updates on FY 2015 Initiatives
- ❖ Auxiliary Enterprises
- ❖ Construction Projects Update



Items Presented for Approval

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

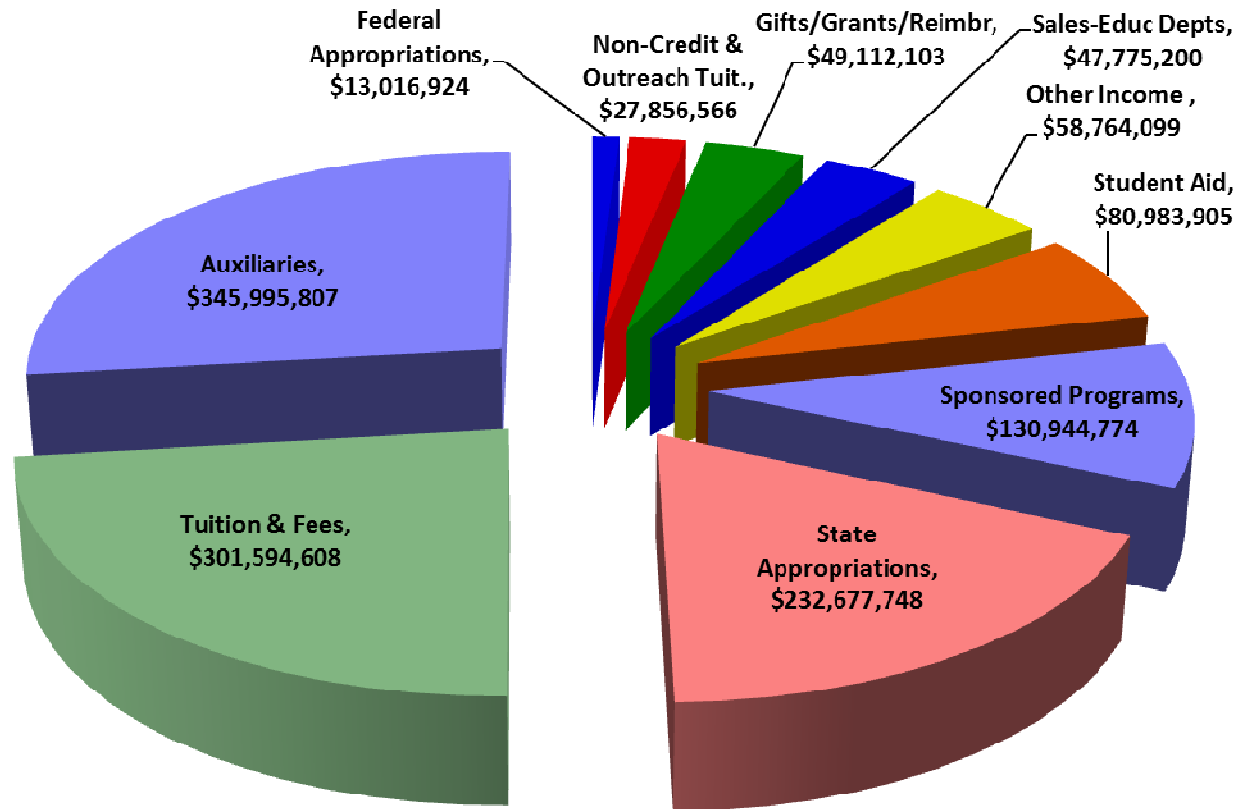


State Allocations - All Agencies

Agency	FY 2015	FY 2016	\$ Decrease	% Decrease
General University	\$122,658,690	\$118,365,636	(\$4,293,054)	-3.50%
Oklahoma Agricultural Experiment Station	26,706,009	25,771,299	(934,710)	-3.50%
Oklahoma Cooperative Extension Service	29,142,844	28,122,844	(1,020,000)	-3.50%
OSU Institute of Technology	14,553,129	14,043,769	(509,360)	-3.50%
Center for Veterinary Health Sciences	10,902,937	10,521,334	(381,603)	-3.50%
Oklahoma City	11,663,314	11,255,098	(408,216)	-3.50%
Center for Health Sciences	14,194,766	13,697,949	(496,817)	-3.50%
Tulsa	11,295,149	10,899,819	(395,330)	-3.50%
Totals	\$241,116,838	\$232,677,748	(\$8,439,090)	-3.50%



Sources of Revenue - All Agencies



FY 2016 Total Revenue = \$1.3 Billion
Estimated System Enrollment = 36,493



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Proposed Student Costs

Agency Tuition By Level & Residency	Proposed		% Peer Limit	Increase		
	Per-Credit Hour	Annual		Per-Credit Hour	Percent	Annual
General University & Tulsa:						
Undergraduate Resident	\$259.25	\$7,778	84.3%	\$11.20	4.5%	\$336
Undergraduate Nonresident	\$699.25	\$20,978	80.0%	\$31.70	4.7%	\$951
Graduate Resident	\$301.25	\$7,230	74.1%	\$13.70	4.8%	\$329
Graduate Nonresident	\$904.75	\$21,714	100.0%	\$39.20	4.5%	\$941
Center for Veterinary Health Sciences:						
Resident		\$19,026	78.6%		4.9%	\$888
Nonresident		\$41,341	88.2%		4.9%	\$1,930
OSU Institute of Technology:						
Undergraduate Resident	\$162.00	\$4,860	52.7%	\$4.25	2.7%	\$128
Undergraduate Nonresident	\$349.00	\$10,470	39.9%	\$4.25	1.2%	\$128
Proposed Increase to Room Rates						
Single Student Housing					3.0%	
Non-traditional & Family Housing					1.5%	
Oklahoma City:						
Lower Division Resident	\$121.13	\$3,634	39.4%	\$3.20	2.7%	\$96
Lower Division Nonresident	\$330.74	\$9,922	37.8%	\$10.31	3.2%	\$309
Upper Division Resident	\$147.73	\$4,432	48.1%	\$4.10	2.9%	\$123
Upper Division Nonresident	\$357.34	\$10,720	40.9%	\$11.21	3.2%	\$336
Center for Health Sciences:						
Graduate Resident	\$222.90	\$5,350	54.8%	\$9.00	4.2%	\$216
Graduate Nonresident	\$826.40	\$19,834	91.3%	\$34.50	4.4%	\$828
Professional Resident		\$23,534	72.4%		0.0%	\$0
Professional Nonresident		\$45,665	75.5%		0.0%	\$0

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



Institutional Health Indicators

Finances/Facilities/Auxiliaries

1. FY 2016 Debt Service Ratio of 6.02%
2. AA- Stable Credit Rating
3. Fall 2014 Residential Life occupancy rate of 97%
4. OSU Foundation Endowment – over \$900 million as of FY 2014 ; nearly double the FY 2009 value of \$455 million
5. Football Ticket Sales – currently 92.3% of previous year total, with club seats at 93.4%
6. Construction – 80 construction/renovation projects completed at OSU-Stillwater totaling \$560 million; 22 projects at \$307 million currently underway
7. Research Expenditures have declined from \$163 million to \$138 million (▼ 15%) from FY 2009 to FY 2014
 - While overall research expenditures have decreased, the Division of Agricultural Sciences and Natural Resources faculty have increased the number of research awards (▲ 20%) and research funding per FTE (▲ 26%) in FY 2015.



Institutional Health Indicators

Recruitment/Enrollment/Student Performance/Rankings

1. Recruitment and Enrollment Growth

- OSU-Stillwater new freshmen applications have increased by 4,720 (▲ 62%) over the last five years.
- Since Fall 2010, OSU Stillwater/Tulsa enrollment has grown by over 2,300 (▲ 10%). This is the largest increase (# and %) of any public Oklahoma institution.

2. Student Retention and Graduation Rates

- First-year retention rate of 81.3% - highest first-year retention rate in over 10 years.
- Four-year graduation rate of 38.7% - consistent with Big 12 average.

3. National Exam Pass Rates and Job Placement Rates

- Center for Health Sciences' students have a 97% pass rate for licensing exam and a 98% residency match rate for the 2015 graduating class.
- Center for Veterinary Health Sciences has a 97% pass rate for national board exams and a 95% to 100% employment rate at graduation.

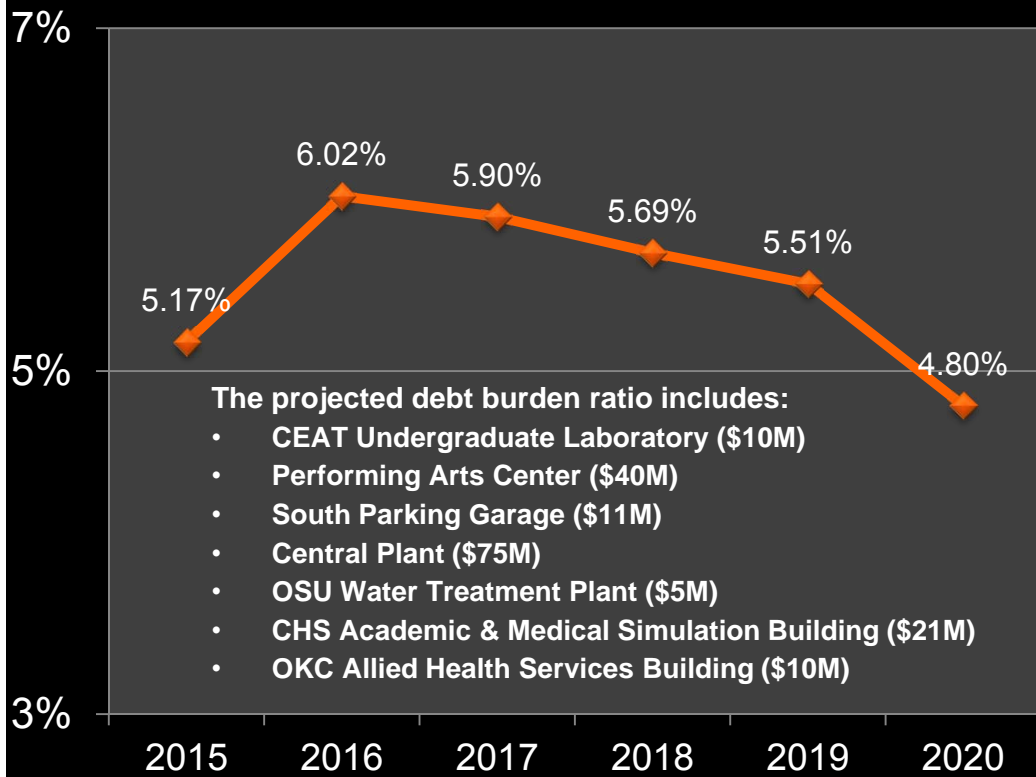
4. Rankings

- U.S. News & World Report Regional Colleges West ranks OSU Institute of Technology:
 - #1 for graduates with the least amount of debt
 - #4 overall top public colleges
 - #9 best college for veterans
- OSU-Oklahoma City is ranked #1 as the 2015 Best Online Colleges in Oklahoma by affordablecollegesonline.org.

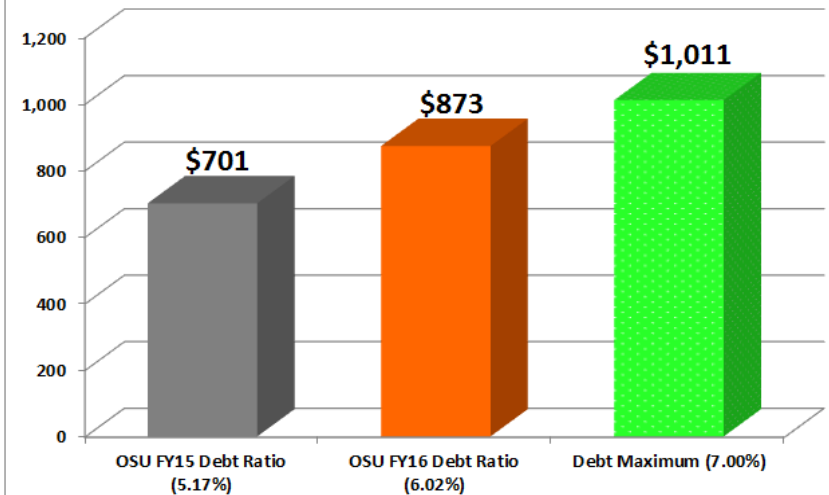


Debt Service

Projected Debt Burden Ratio



OSU System Debt (in millions)



With the FY 2016 debt of \$873 million, and total adjusted expenses of \$1.1 billion, OSU will still have a remaining debt capacity of \$138 million.

By FY 2020:

- Overall debt will be reduced by \$135 million, including several items reaching final maturity.



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Fund Balance

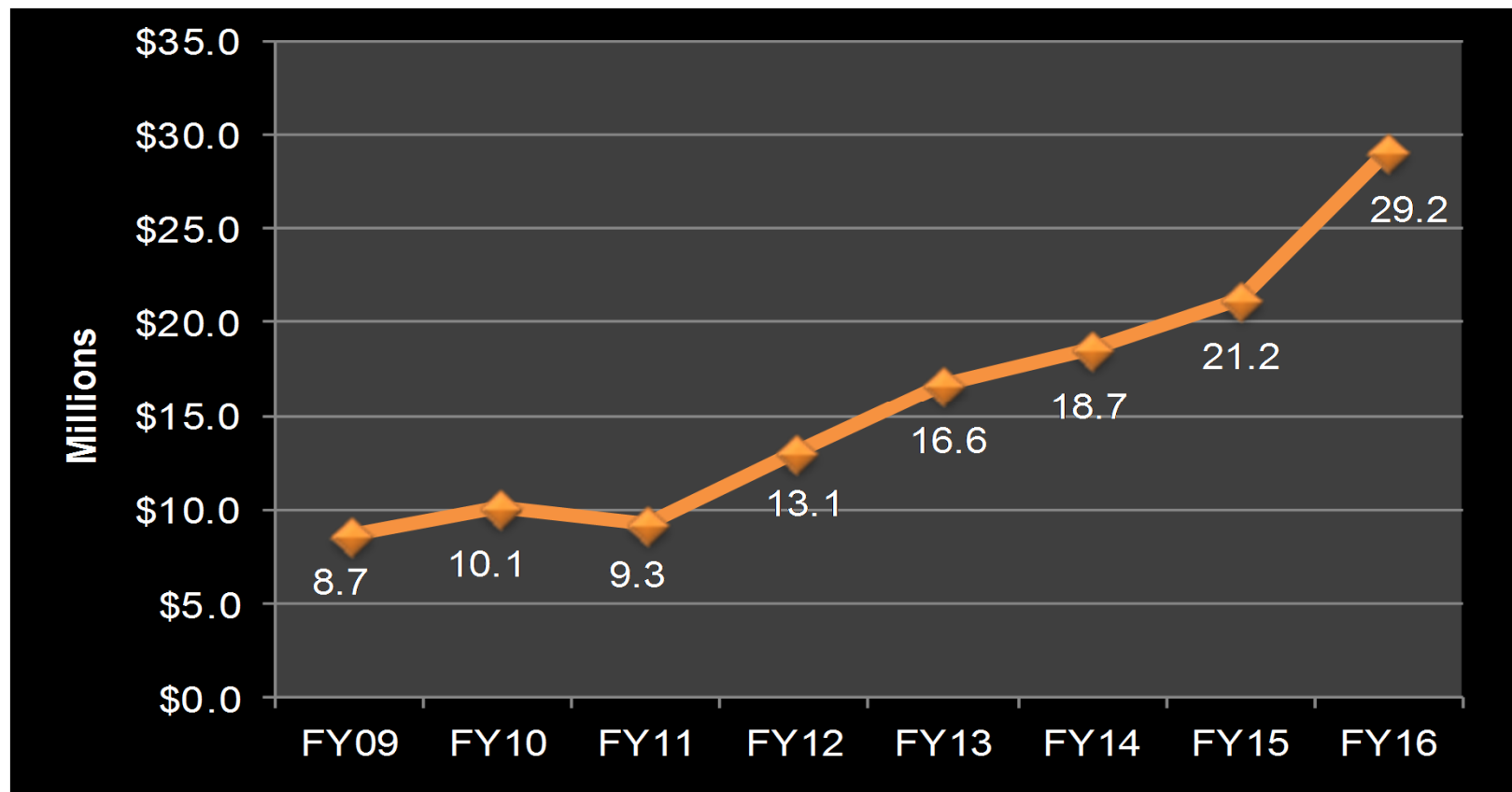
Oklahoma State University Revolving Cash Analysis Fiscal Year 2015 and 2016

	<u>Revolving Balance</u>	<u>% of Operating Expenses</u>
<i>Fiscal Year 2015</i>		
E&G Part I - As of 6/30/2014	\$88,792,241	22.06%
FY 2015 Net Revenue/Expense Activity	(42,831,563)	
E&G Part I - As of 3/31/2015	<u>\$45,960,678</u>	11.42%
OSRHE Recommendation	33,534,819	8.33%
Difference	<u>\$12,425,859</u>	3.09%
<i>Fiscal Year 2016</i>		
E&G Part I - As of 6/30/2015	\$45,960,678	10.65%
FY 2016 Estimated Net Revenue/Expense Activity	(6,656,701)	
E&G Part I - As of 6/30/2016 (<i>Projected</i>)	<u>\$39,303,977</u>	9.10%
OSRHE Recommendation	35,960,042	8.33%
Difference	<u>\$3,343,935</u>	0.77%



Budgeted Endowment Earnings

- ❖ In FY 2016, earnings utilized within the budget will increase by \$8 million (▲ 38%).
- ❖ Earnings utilization has increased by over \$20 million since FY 2009.

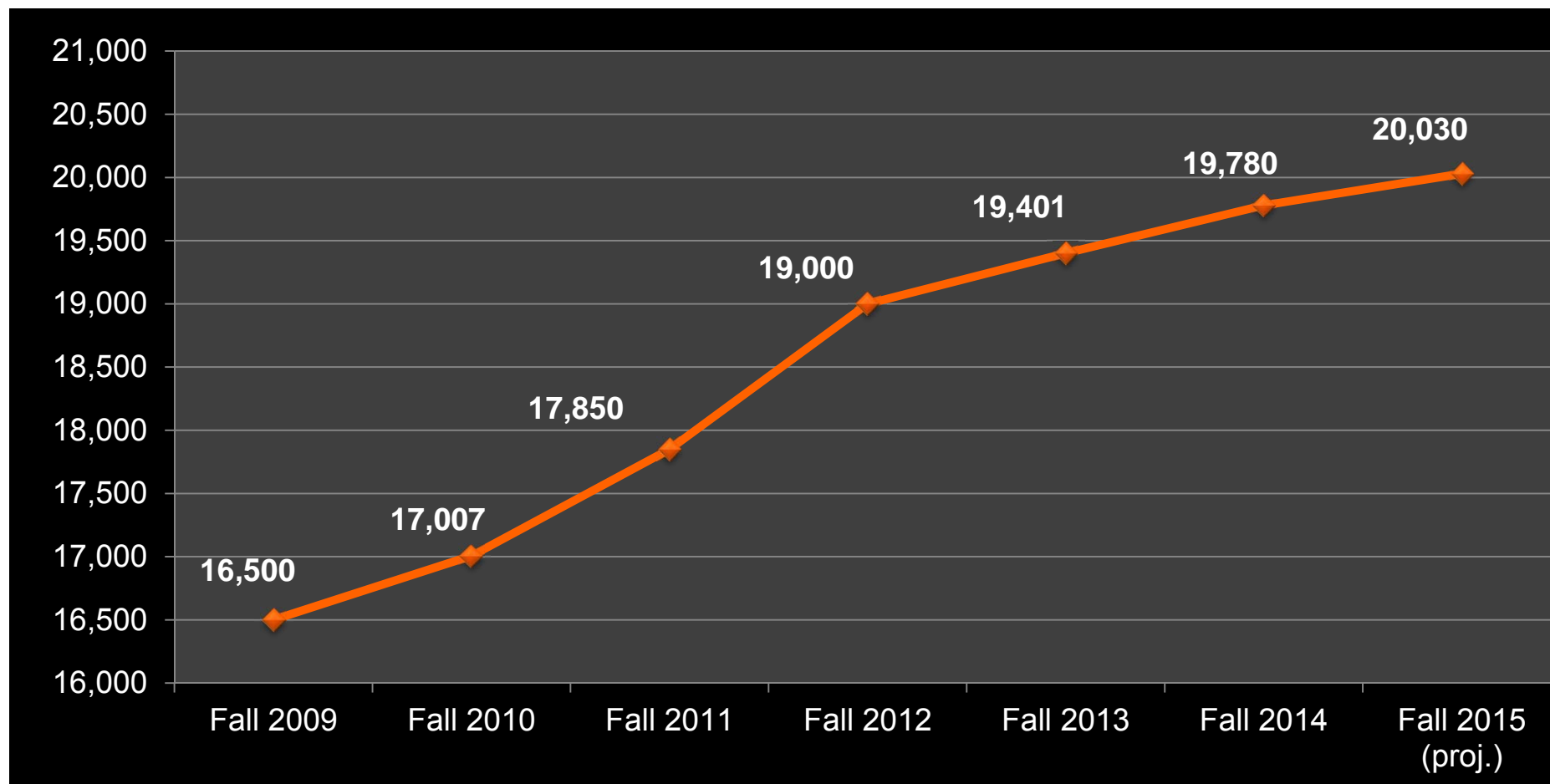


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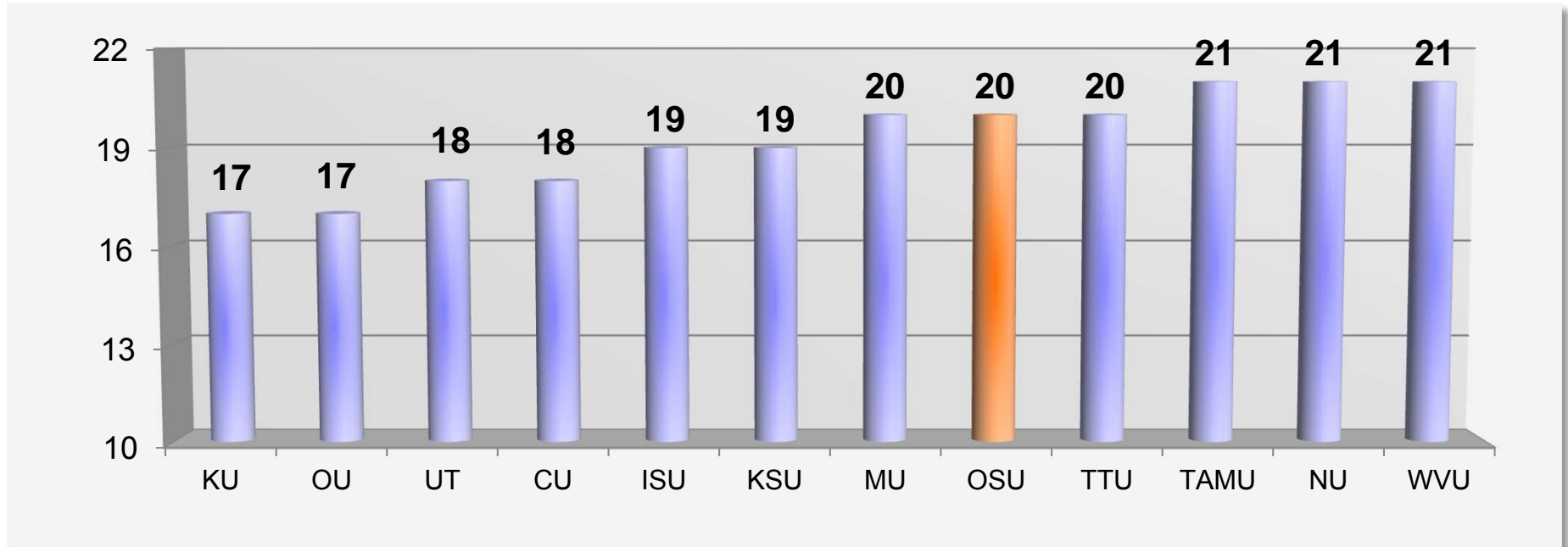


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OSU-Stillwater Undergraduate Enrollment



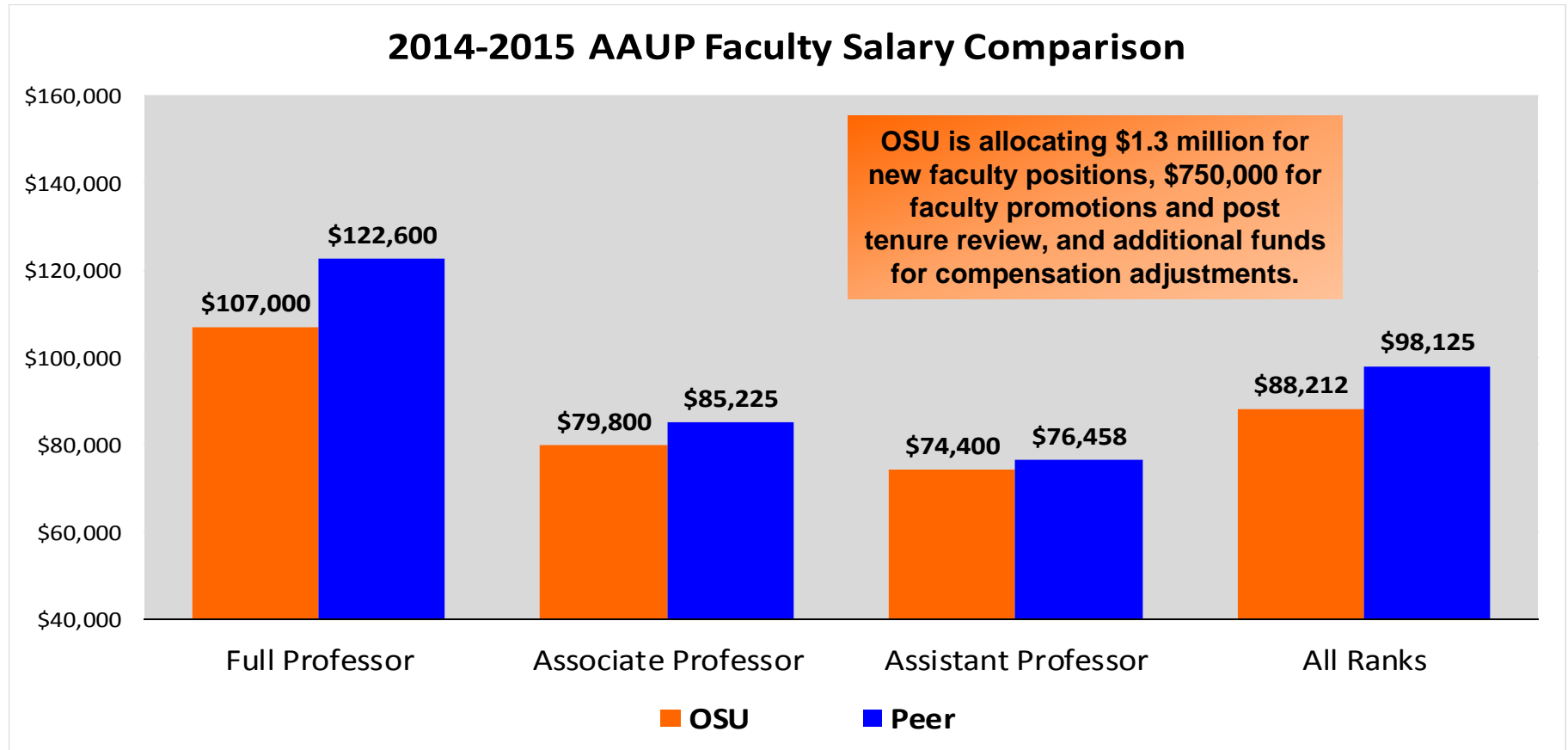
Student-to-Faculty Ratio Peer Comparison



- ❖ Fall 2015 projections indicate OSU will maintain a 20 to 1 student-to-faculty ratio.
- ❖ To reduce the student-to-faculty ratio to 19, OSU will need to increase faculty by an additional 30 positions.



OSU Stillwater/Tulsa Faculty Salaries Compared to Peer

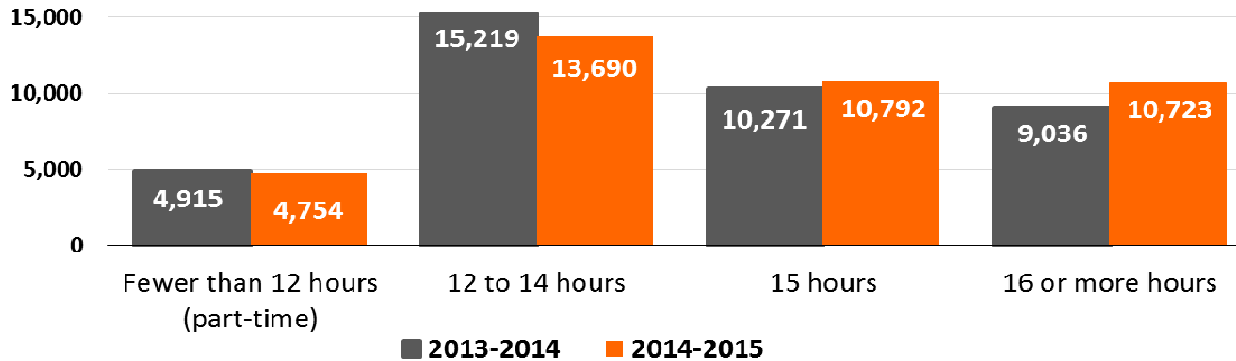


With 860 faculty, it would require approximately **\$11.5M** to get OSU to the peer average.

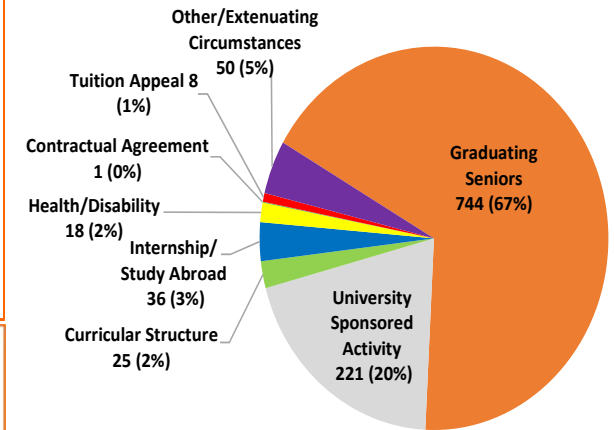


2014-2015 Block Rate Summary

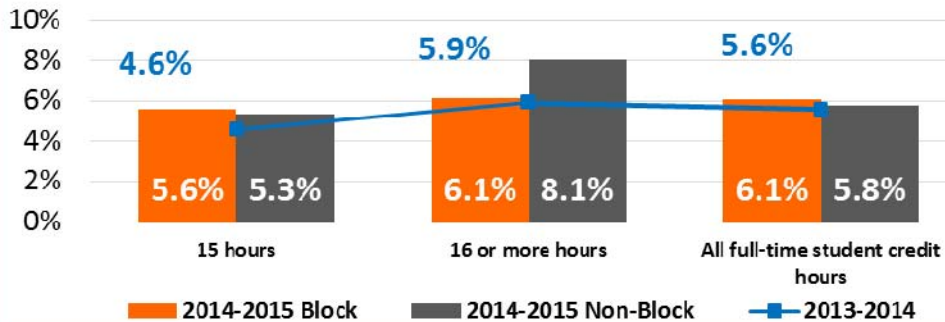
The Number of Students Taking 15+ Hours Increased by 2,208 Compared with Academic Year 2013-2014



1,103 Block Rate Exceptions Were Approved For 2014-2015



No Significant Changes in Withdrawn Credit Hours as a Percent of Total Enrolled Credit Hours for Students in the Block Rate



Note: Students in the block rate and taking 16+ hours had a significantly lower % of withdrawn hours compared with students not in the block rate.

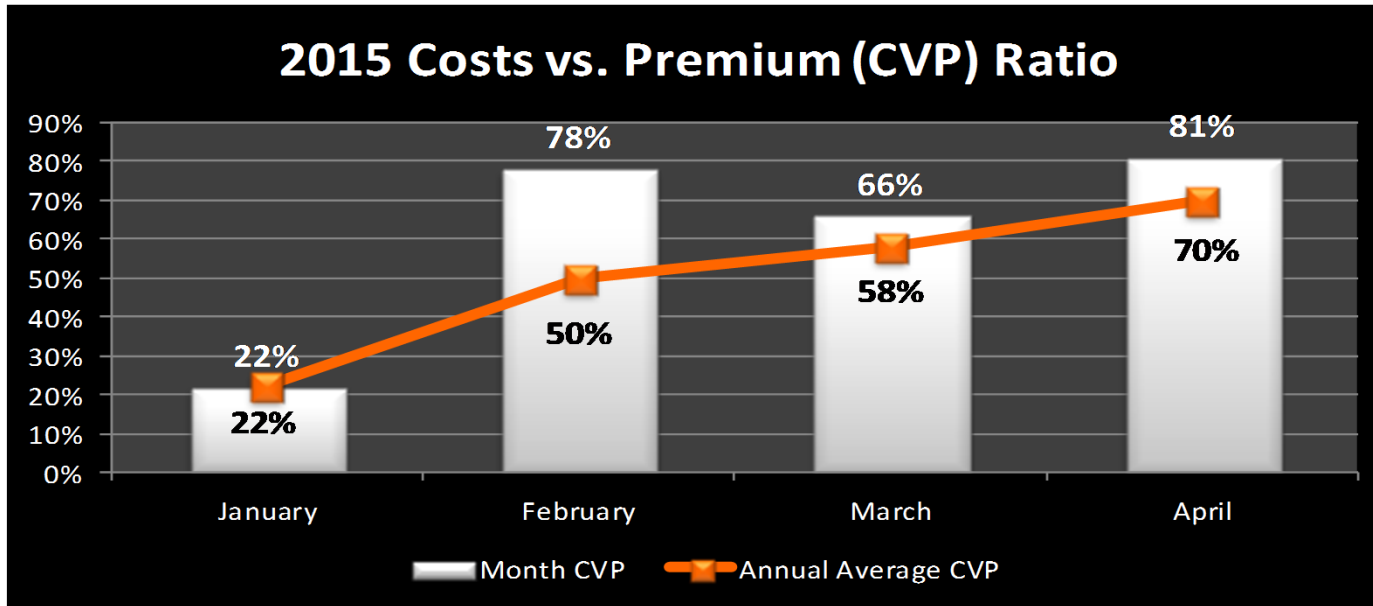
Block Tuition Waivers 2014-2015

Residency	Headcount	\$ Awarded
Resident	449	\$534,650
Non-Resident	116	\$363,300
Total	565	\$897,950

Summer Banking: Students have accumulated 17,374 banked hours that can be applied to summer school courses. As of June, students have used 4,424 banked hours. Current projections estimate fewer than 5,000 banked hours will be used by the end of Summer 2015.



Self Insured Health Plan



Self-Insured Health Plan – Year One (Through April)

OSU's Cost vs. Premium (CVP) Ratio = 70%

(claims paid as a % of total premiums collected)

National averages of 85% to 90% for similarly sized employers

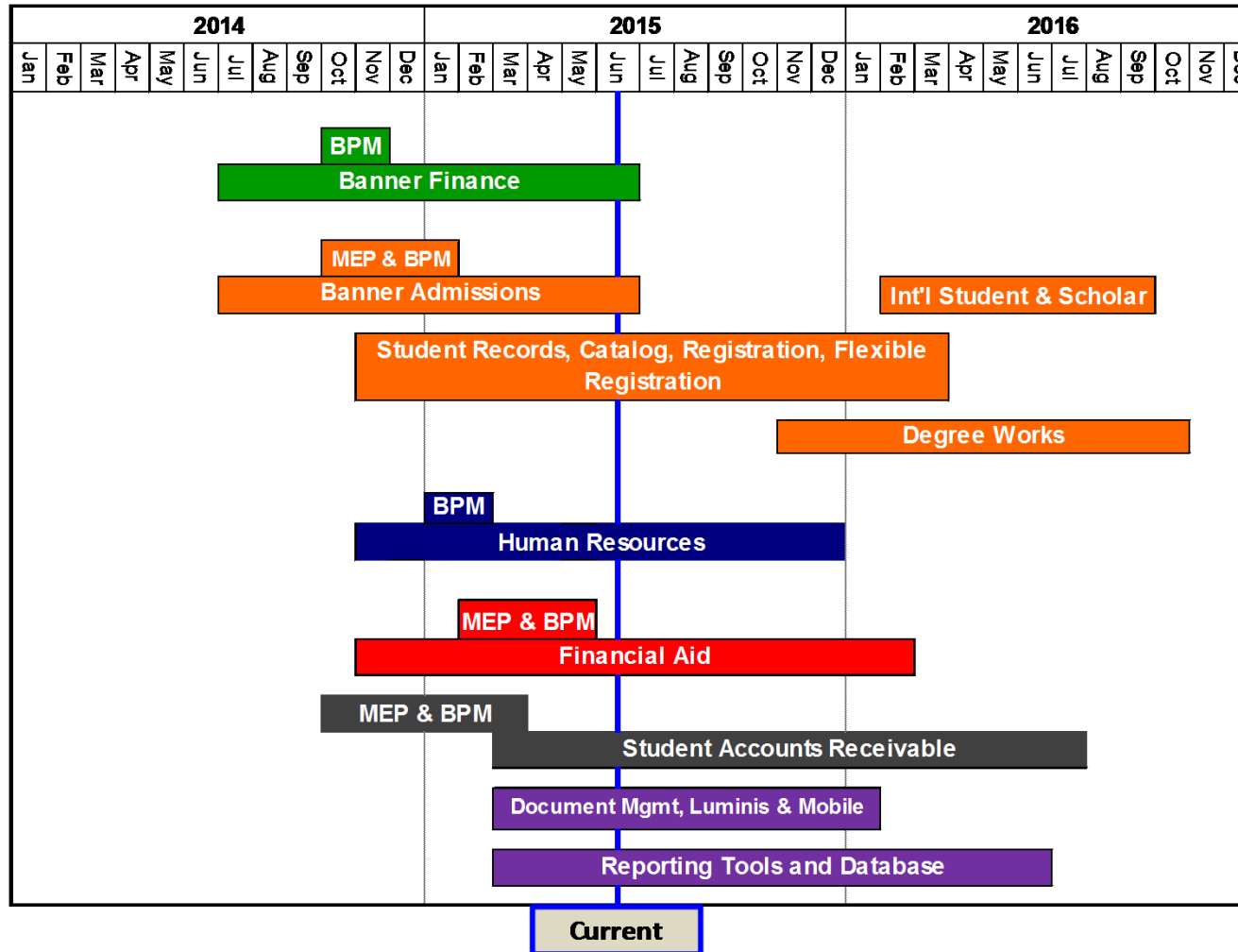
PROJECTED SAVINGS = \$6.8 MILLION



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Banner Conversion Update

Conversion Timeline



Acronyms

BPM - Business Process Modeling. Analysis of current processes to determine necessary changes going forward

MEP - Multi-Entity Processing. Multiple institutions co-exist in one database.

Luminis - User friendly website "portal" to access targeted user information.

Legend

- Finance
- Student Records
- Human Resources
- Financial Aid
- Student Accounts Receivable
- Technology



OSU-Tulsa Helmerich Research Center

❖ Serving Engineering Students:

- Mechanical Engineering undergraduate labs in Tulsa are moving to the HATRC.
- Material Science and Engineering, which started in FY 2013, conferred the first M.S. degree this year and could increase to 4 to 5 next year.

❖ Leveraging HATRC:

- Facilities use agreements incorporating an entrepreneurial approach to utilizing the Helmerich ATRC. Current agreements include:
 - NORDAM – worldwide industry leader in the manufacture and repair of aircraft components
 - Three start-up companies
- Discussions for future agreement with Small Business Development Centers of Oklahoma which includes:
 - OSU New Product Development Center and Small Business Technology Council
 - Project 360 in the Brady District with the George Kaiser Foundation and SSB Riata Center.
 - Partnering in CEAT's proposal with the Oklahoma Center for Advancement of Science & Technology and the National Institute of Standards and Technology for a manufacturing development center



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Athletics

- ❖ Football season ticket sales are currently 92.3% of last year's total; club level are 93.4%; student tickets just went on sale.
- ❖ Newly Approved NCAA Legislation and the continued need for improvement to facilities creates challenges for intercollegiate athletics.

NCAA Legislation Pertaining to Student Athletes	Annual Cost
Increased costs of scholarships to address actual cost of attendance	\$1.1 Million
Name, image and likeness fee for television rights	\$2.5 Million
Increased provision of meals	\$1.5 Million
Upcoming Facility Construction/Upgrades	Total Cost
Orange Power Studio	\$2.0 Million
Baseball Stadium	\$42.0 Million
Soccer Stadium	\$16.0 Million

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Stillwater Residential Life

- ❖ University Commons is on schedule for August 1st occupancy and will provide 966 beds within three buildings.
- ❖ Due to increased enrollment, Kerr-Drummond will be needed to accommodate 450 additional students in need of campus housing.
- ❖ With the use of Kerr-Drummond, occupancy rates are projected to be near 100% for Fall 2015.
- ❖ Construction on the new dining facility located by University Commons has begun and scheduled to open in Summer 2016.



Stillwater Student Union

❖ Recognition

- Named the Top Student Union in the nation two of the last three years.
- University Store named as the best-managed, self-operated book store in the nation by peer store affiliates.

❖ Expansion

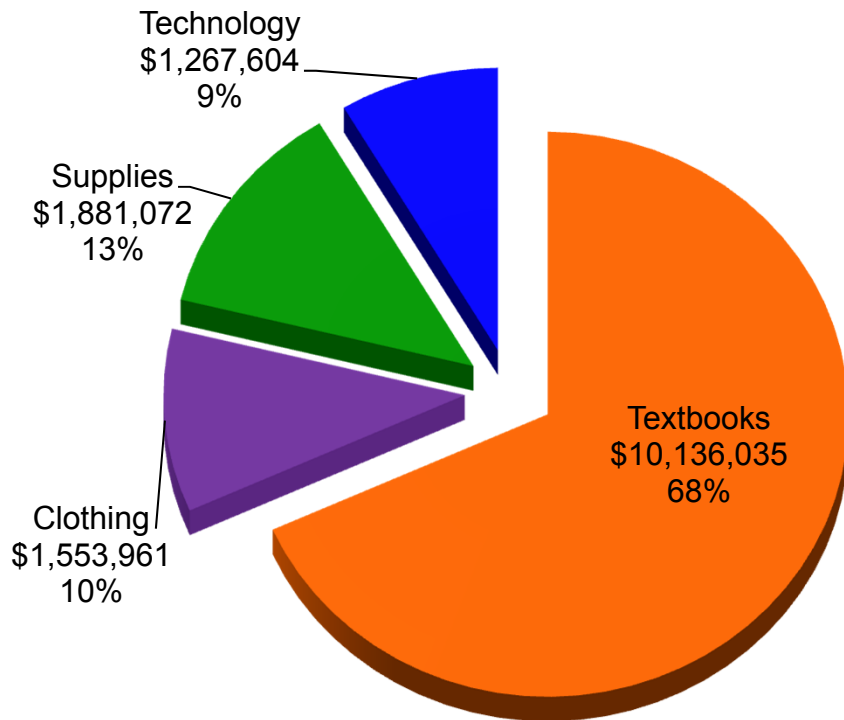
- Fall 2014 – clothing and brand presence expanded by opening OSU apparel store in Tulsa mall over the holiday season.
- Fall 2014 – expanded Boone Pickens Stadium presence by opening a new store in the west end zone, tripling previous retail foot print and significantly expanding store offerings.



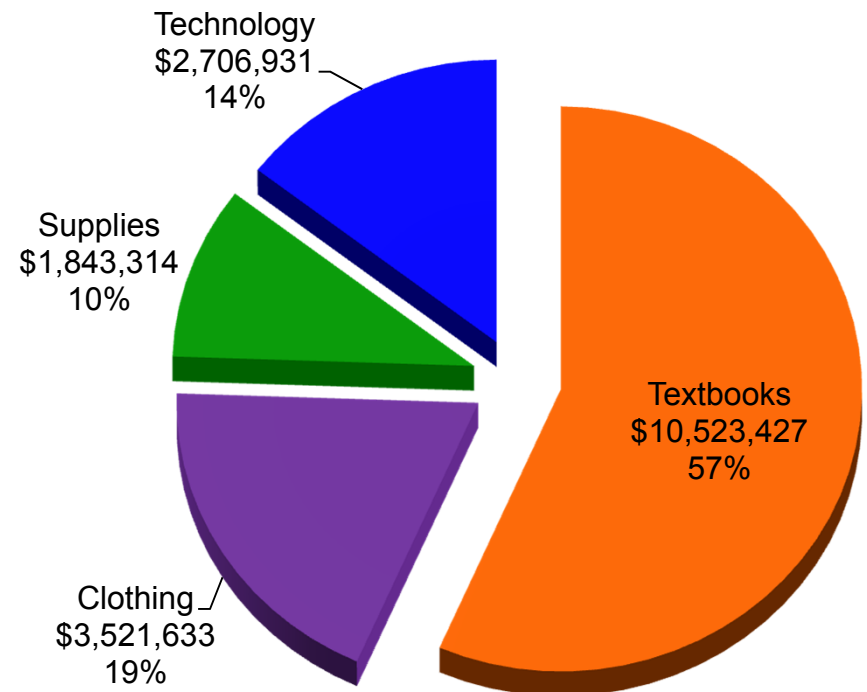
Stillwater Student Union

University Store Revenue Generation

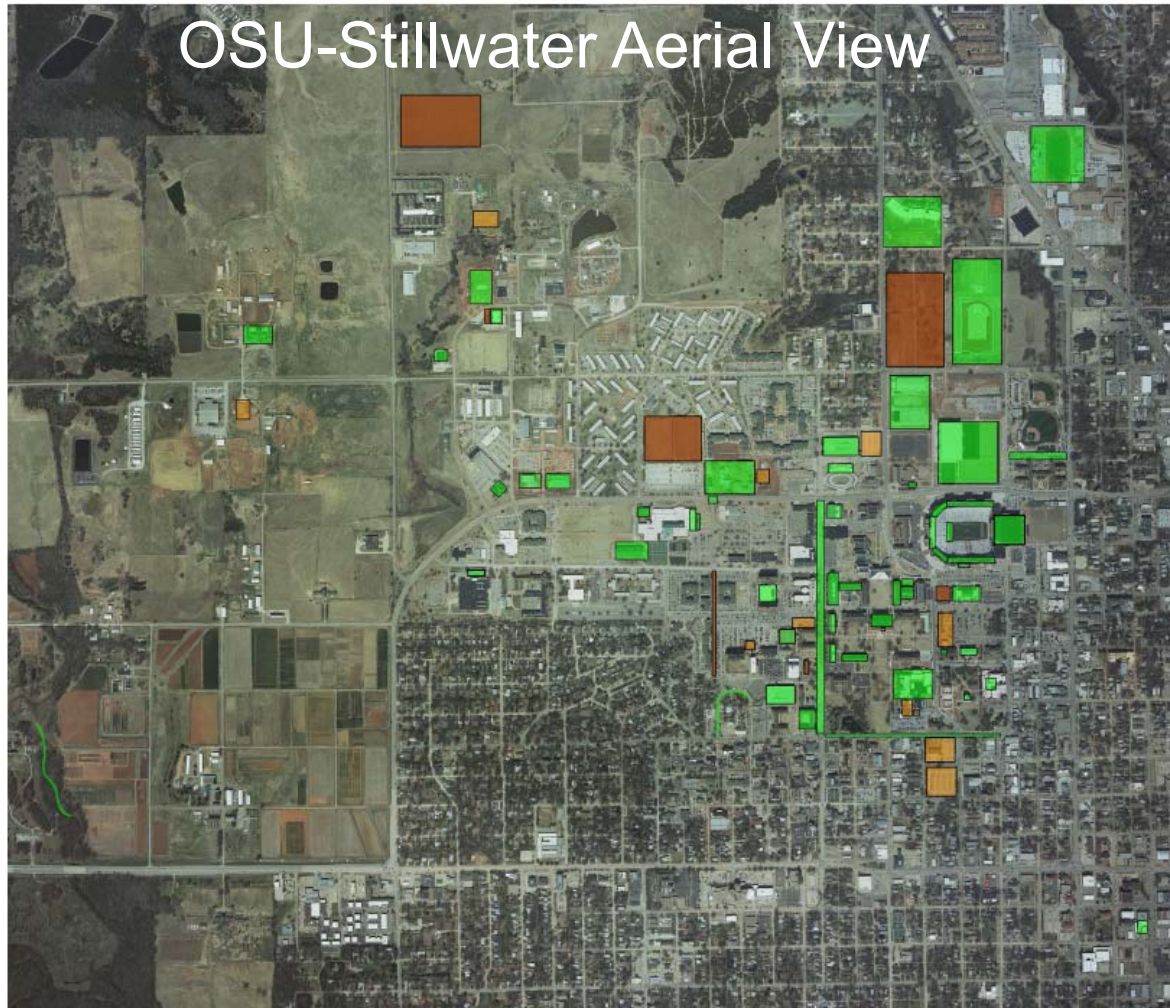
FY 2009



FY 2014



OSU-System Construction



- COMPLETED
- CURRENT
- FUTURE

OSU System
Completed, Current and Future Projects

Campus	Total Projects	
	#	Cost
OSU-Stillwater	116	\$ 1,001,541,565
OSU-CHS	13	51,508,782
OSU-IT	5	16,550,000
OSU-OKC	9	25,102,000
OSU-Tulsa	4	48,864,109
OSU-System Total	147	\$ 1,143,566,456

