

FY 2023 Budget



June 16, 2022

FY 2023 Budget Presentation

- ❖ FY 2023 Proposed Budget
- ❖ OSU System Enrollment
- ❖ Proposed Student Costs
- ❖ Financial Indicators
- ❖ Endowment Earnings
- ❖ Research
- ❖ HEERF Summary
- ❖ OSU Strategy



Items Presented For Approval

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



FY 2023 State Appropriations

Changes to Base Allocations

Agency	FY 2022 Allocation	FY 2023 Allocation	\$ Change	% Chg
General University	\$98,523,587	\$100,424,675	\$1,901,088	1.93%
Oklahoma Agricultural Experiment Station	20,070,654	20,467,698	397,044	1.98%
Oklahoma Cooperative Extension Service	21,799,160	22,169,637	370,477	1.70%
OSU Institute of Technology	11,289,000	11,581,248	292,248	2.59%
College of Veterinary Medicine	8,308,073	8,466,005	157,932	1.90%
Oklahoma City	10,429,180	11,059,103	629,923	6.04%
Center for Health Sciences	11,614,752	11,873,052	258,300	2.22%
Tulsa	8,551,272	8,551,272	-	0.00%
Totals	\$190,585,678	\$194,592,690	\$4,007,012	2.10%

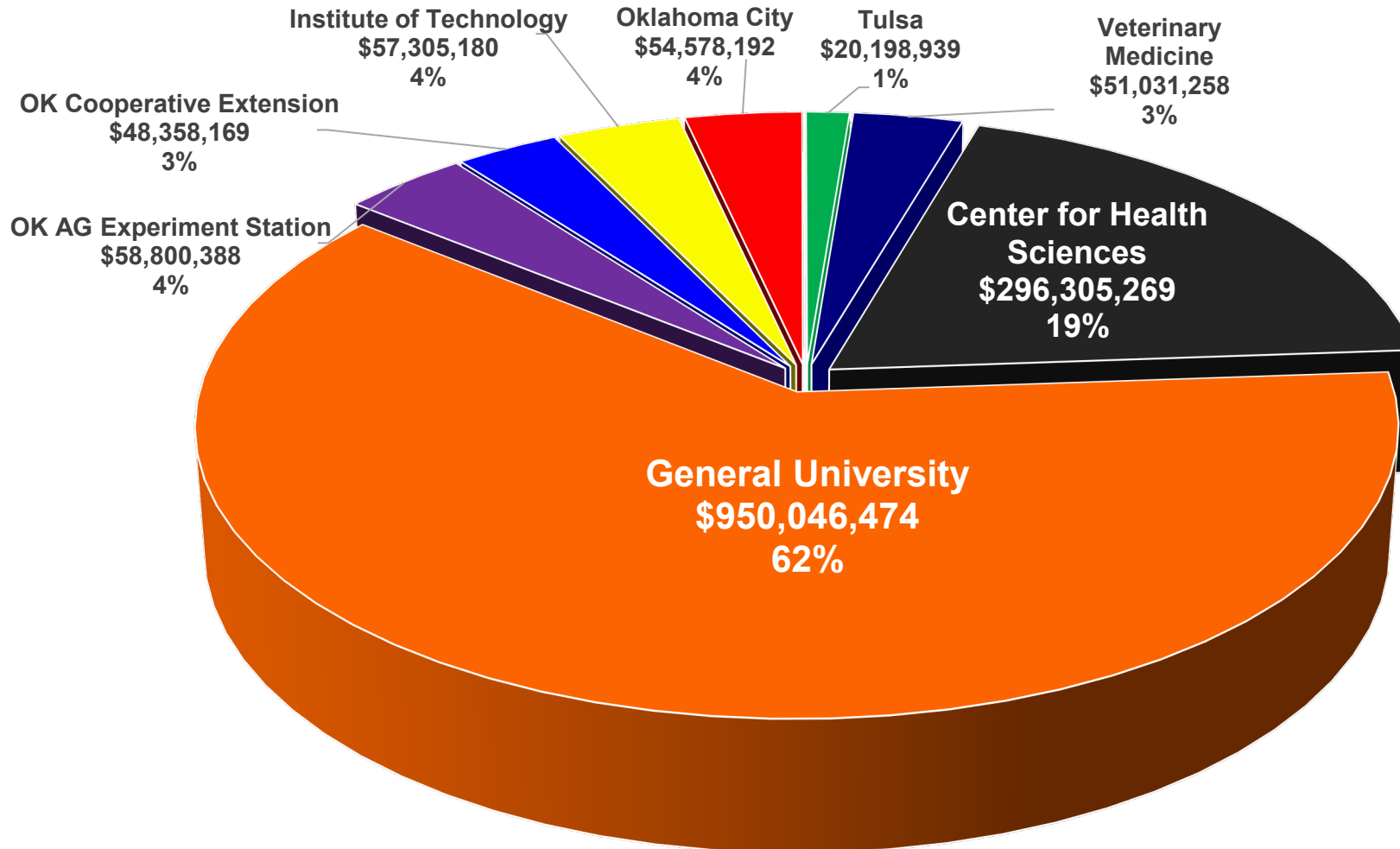
FY 2023 Additional State Funding

In additional to Section 13 Offset and waiver reimbursements, OSU System received additional funds to be used at the discretion of institutions for STEM programs leading to degrees on Oklahoma's Top 100 Critical Occupations.

Agency	Critical Workforce/STEM Development Initiative	Section 13 Offset	Concurrent Wavier Reimbursement	National Guard Reimbursement	FY 2023 Total
General University	\$2,303,054	-	\$525,847	\$695,702	\$3,524,603
Oklahoma Agricultural Experiment Station	-	-	-	-	\$0
Oklahoma Cooperative Extension Service	-	-	-	-	\$0
OSU Institute of Technology	139,341	1,000,000	491,346	28,203	\$1,658,890
College of Veterinary Medicine	119,348	-	-	-	\$119,348
Oklahoma City	235,202	1,000,000	940,240	39,945	\$2,215,387
Center for Health Sciences	113,572	-	-	-	\$113,572
Tulsa	-	1,000,000	-	-	\$1,000,000
Totals	\$2,910,517	\$3,000,000	\$1,957,433	\$763,850	\$8,631,800

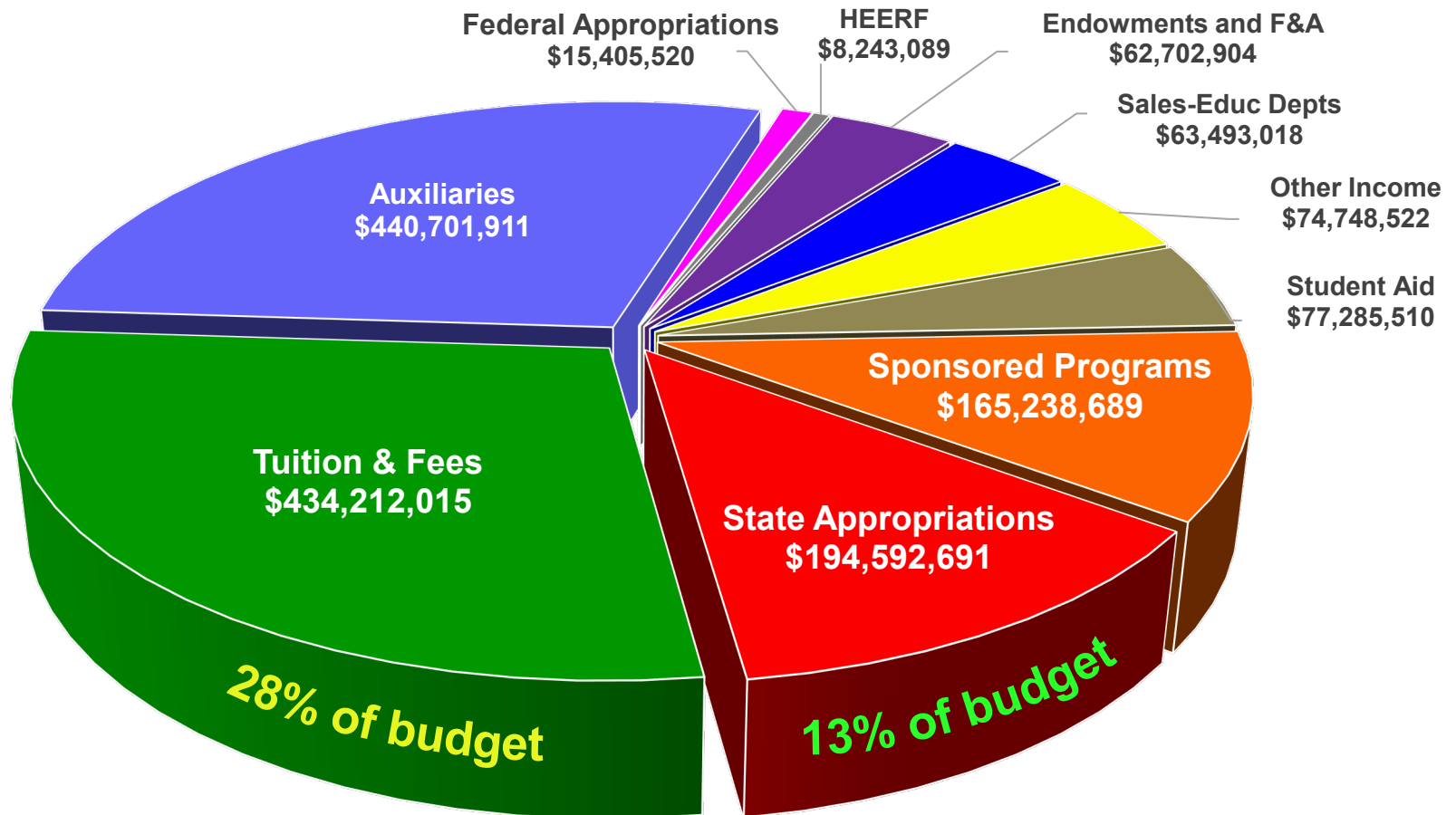
The Critical Workforce/STEM Development Initiative funding is guaranteed for three academic years and will be re-evaluated for possible reallocation.

All Revenue – By Agency



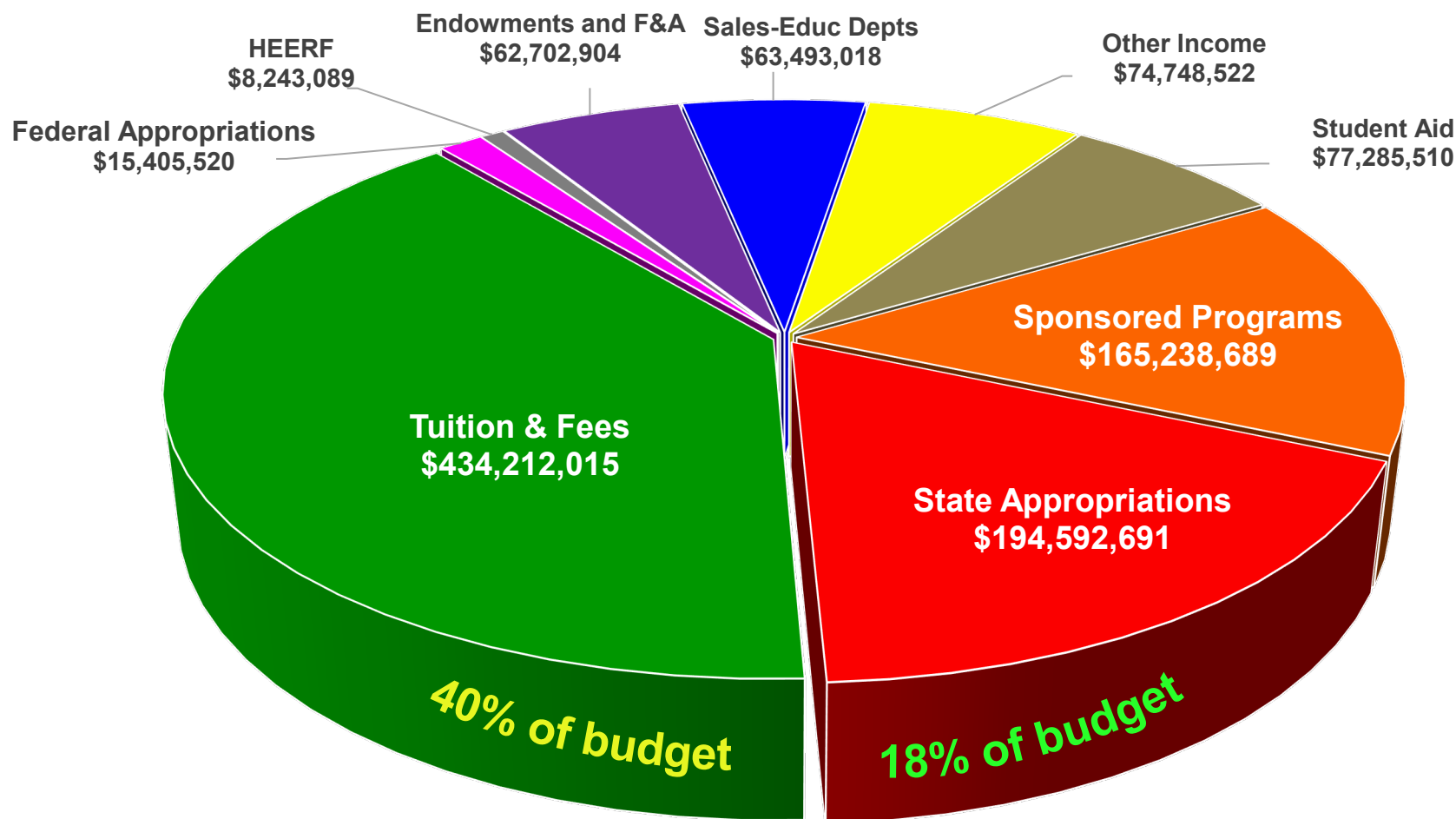
FY 2023 Total Revenue = \$1.5 Billion

Sources Of Revenue – All Agencies



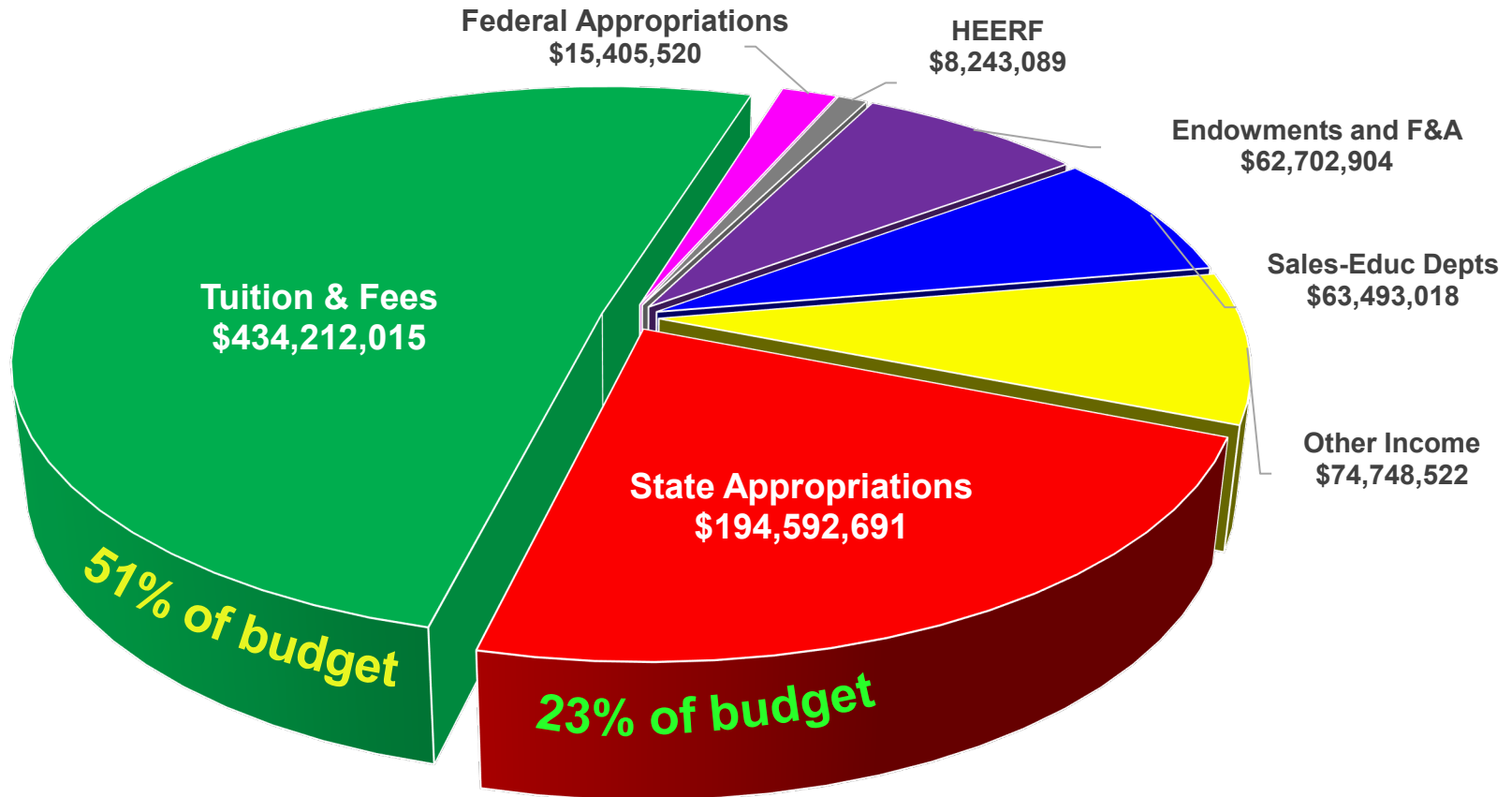
FY 2023 Total Revenue = \$1.5 Billion
Estimated System Enrollment = 32,706

Sources Of Revenue – All Agencies



FY 2023 Total Revenue (*minus Auxiliaries*) = \$1.1 Billion

Sources Of Educational & General (E&G) Revenue - All Agencies



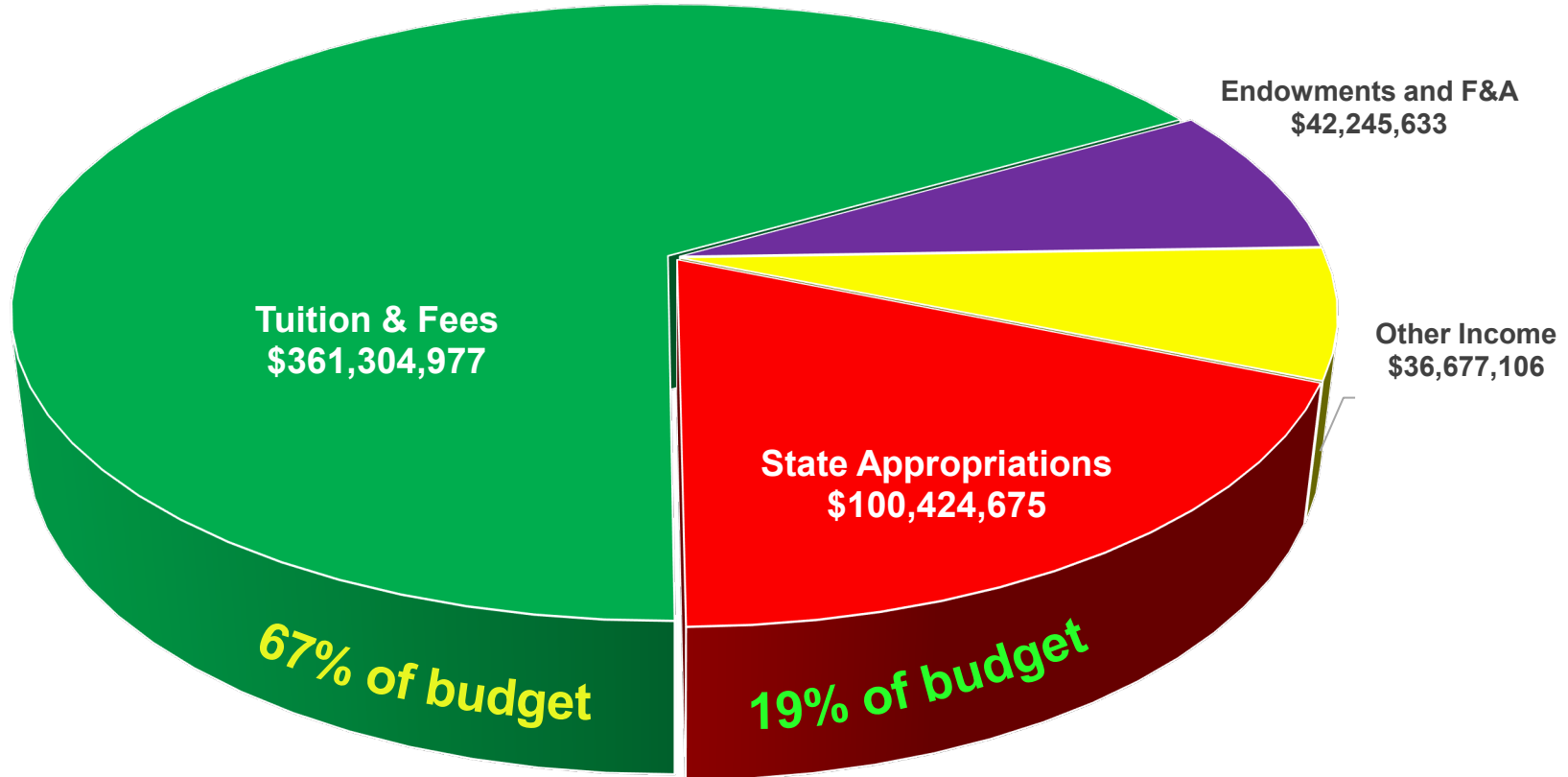
FY 2023 E&G Revenue = \$853 Million

(Total Revenue minus Auxiliaries, Sponsored Programs, Student Aid)

E&G Expenses – All Agencies

Description	Amounts
Salaries & Benefits	\$517,123,625
Travel	8,122,167
Utilities	29,134,645
Supplies & Other Operating Expenses	155,027,827
Property, Furniture & Equipment	29,436,827
Library Books & Periodicals	10,780,871
Scholarships	95,528,708
Transfer and Other Disbursements	8,243,089
Total Estimated Use of Funds	\$853,397,759

Sources Of Educational & General (E&G) Revenue – General University Only



FY 2023 General University E&G Revenue = \$541 Million

(Total Revenue minus Auxiliaries, Sponsored Programs, Student Aid)

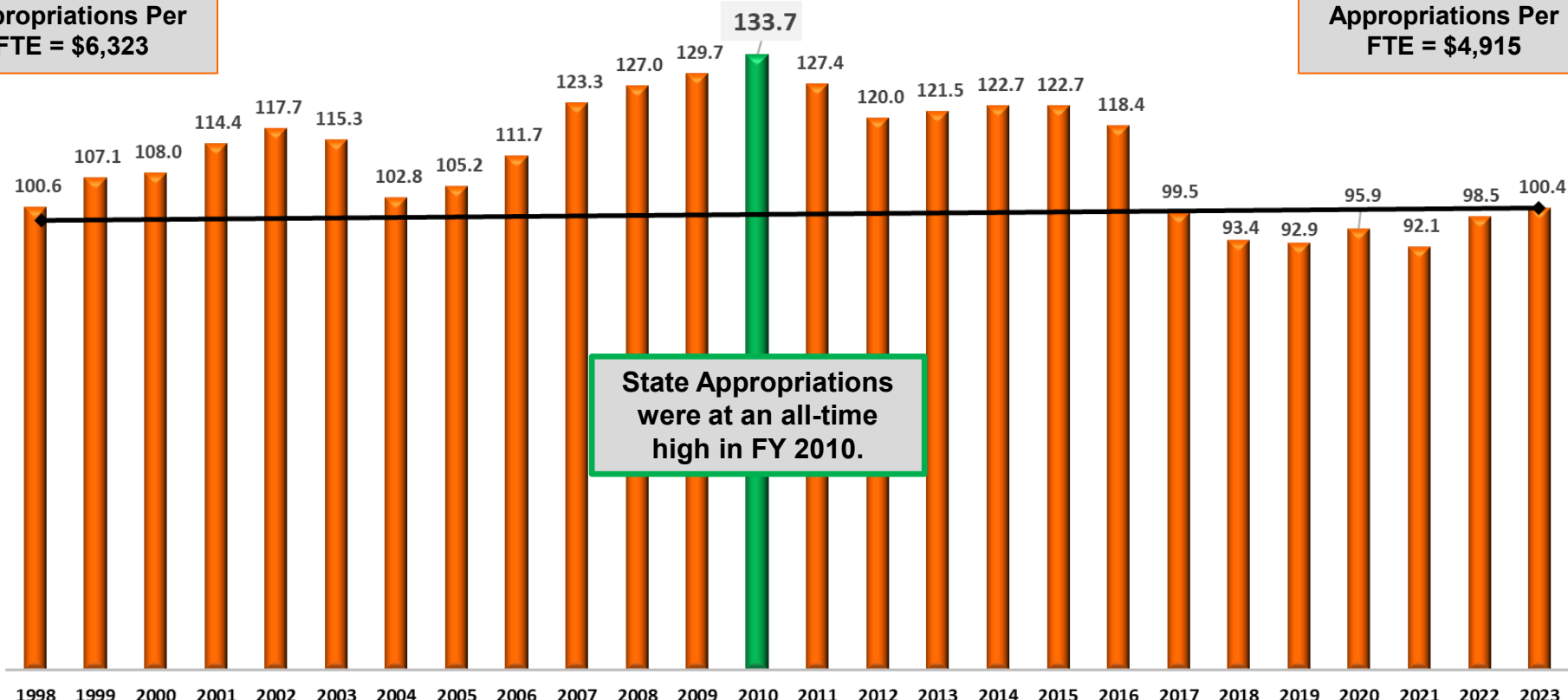
FY 2023 State Appropriations Remain Lower Than FY 1998

GENERAL UNIVERSITY STATE APPROPRIATIONS (IN MILLIONS)

Enrollment Increase of 5,265 (▲ 29%)
 Appropriations Per FTE Decrease of -\$1,408 (▼ 22%)

Fall 1997 Enrollment
 18,230
 Appropriations Per
 FTE = \$6,323

Fall 2021 Enrollment
 23,495
 Appropriations Per
 FTE = \$4,915



State Appropriations were at an all-time high in FY 2010.

OSU System Enrollment Remains Stable

Agency	Fall 2022 (projected)
Stillwater	21,755
Stillwater/Tulsa Shared	1,940
Tulsa	647
Stillwater/Tulsa Total	24,342
College of Veterinary Medicine	414
Oklahoma City	4,010
Institute of Technology	2,297
Center for Health Sciences	1,643
OSU SYSTEM TOTAL	32,706

Requested Changes In Tuition and Mandatory Fees

Agency By Level & Residency	Current		Proposed		% Peer Limit	Increase		
	Per-Credit Hour	Annual	Per-Credit Hour	Annual		Per-Credit Hour	Percent	Annual
General University & Tulsa:								
Undergraduate Resident	\$308.10	\$9,243	\$308.10	\$9,243	72.1%	\$0.00	0.0%	\$0
Undergraduate Nonresident	\$825.45	\$24,764	\$825.45	\$24,764	71.5%	\$0.00	0.0%	\$0
Graduate Resident	\$361.35	\$8,672	\$361.35	\$8,672	76.1%	\$0.00	0.0%	\$0
Graduate Nonresident	\$1,007.30	\$24,175	\$1,007.30	\$24,175	91.2%	\$0.00	0.0%	\$0
Graduate Nonresident - Online Degree Programs	\$491.55	\$11,797	\$491.55	\$11,797	NA	\$0.00	0.0%	\$0
College of Veterinary Medicine:								
Resident		\$23,679		\$23,679	81.4%		0.0%	\$0
Nonresident		\$50,044		\$50,044	87.1%		0.0%	\$0
OSU Institute of Technology:								
Undergraduate Resident	\$192.45	\$5,774	\$192.45	\$5,774	45.0%	\$0.00	0.0%	\$0
Undergraduate Nonresident	\$379.45	\$11,384	\$379.45	\$11,384	32.9%	\$0.00	0.0%	\$0
Oklahoma City:								
Undergraduate Resident	\$153.78	\$4,613	\$165.43	\$4,963	38.7%	\$11.65	7.6%	\$350
Undergraduate Nonresident	\$397.03	\$11,911	\$401.03	\$12,031	34.7%	\$4.00	1.0%	\$120
Center for Health Sciences:								
Graduate Resident	\$287.31	\$6,896	\$272.11	\$6,531	57.3%	-\$15.20	-5.3%	-\$365
Graduate Nonresident	\$933.26	\$22,398	\$918.06	\$22,034	83.1%	-\$15.20	-1.6%	-\$365
Graduate Nonresident - Online Degree Programs	\$402.31	\$9,656	\$402.31	\$9,656	NA	\$0.00	0.0%	\$0
Master of Physician Assistant Studies Resident		\$16,244		\$16,244	80.9%	\$0.00	0.0%	\$0
Master of Physician Assistant Studies Nonresident		\$32,244		\$32,244	91.2%	\$0.00	0.0%	\$0
Professional Resident		\$28,379		\$28,379	70.7%		0.0%	\$0
Professional Nonresident		\$55,881		\$55,881	79.9%		0.0%	\$0

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

OSU Continues to Maintain Affordability

OSU-Stillwater UG Resident Tuition/Mandatory Fee Increases:

FY 10 = 0.0%	★
FY 11 = 4.4%	
FY 12 = 4.8%	
FY 13 = 2.8%	
FY 14 = 0.0%	★
FY 15 = 0.0%	★
FY 16 = 4.5%	
FY 17 = 7.0%	
FY 18 = 5.0%	
FY 19 = 3.2%	
FY 20 = 0.0%	★
FY 21 = 0.0%	★
FY 22 = 2.5%	
FY 23 = 0.0%	★
14-Yr. Avg. = 2.4%	

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Number of times since FY 2010 OSU has held tuition and mandatory fees level.

Decrease in state appropriations to GU since FY 2010

\$33.3
million

Average annual tuition/fee increase since FY 2010

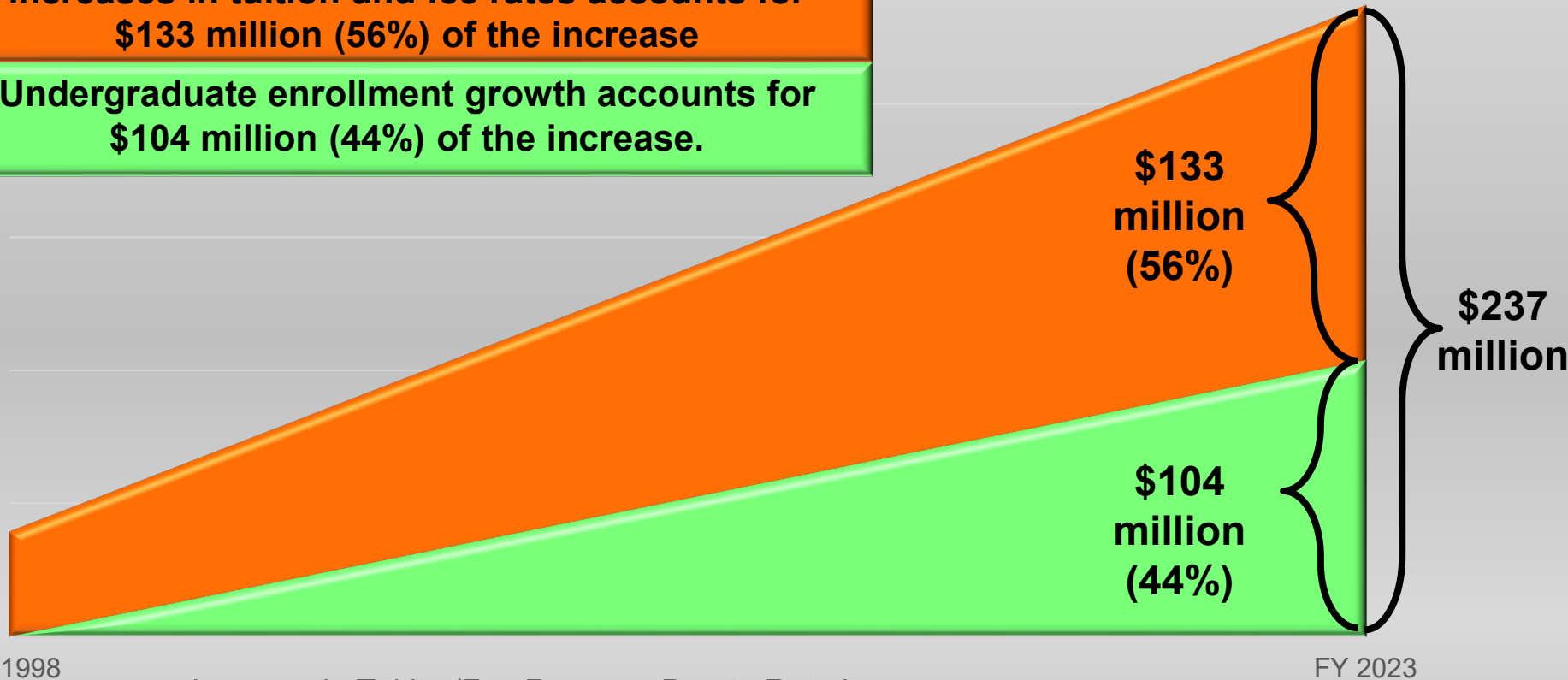
2.4%

Enrollment Growth And Rate Increases Account For Increased Tuition/Fee Revenue

From FY 1998 through FY 2023, net revenue from tuition and fees has increased \$237 million.

Increases in tuition and fee rates accounts for \$133 million (56%) of the increase

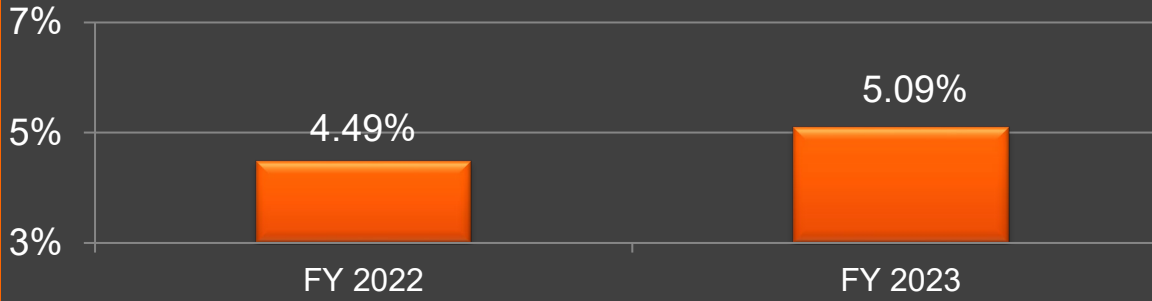
Undergraduate enrollment growth accounts for \$104 million (44%) of the increase.



- Increase in Tuition/Fee Revenue Due to Rate Increases
- Increase in Tuition/Fee Revenue Due to Undergraduate Enrollment Growth

Key Financial Indicators

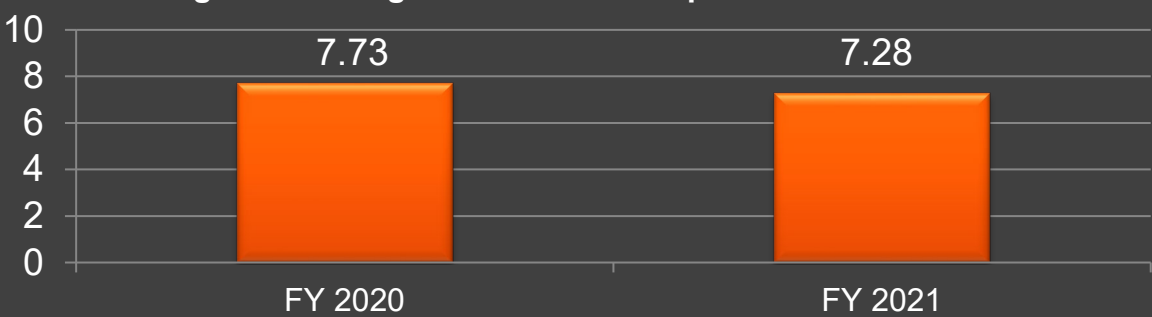
Projected Debt Burden Ratio



Debt Coverage Ratio



Higher Learning Commission Composite Financial Index



OSU maintained stable credit ratings. Fitch analysts noted their rating committee commented: “The OSU Administration does a really good job of managing their financial ups and downs.”

Standard & Poor’s Endowment

AA-

Fitch

AA-

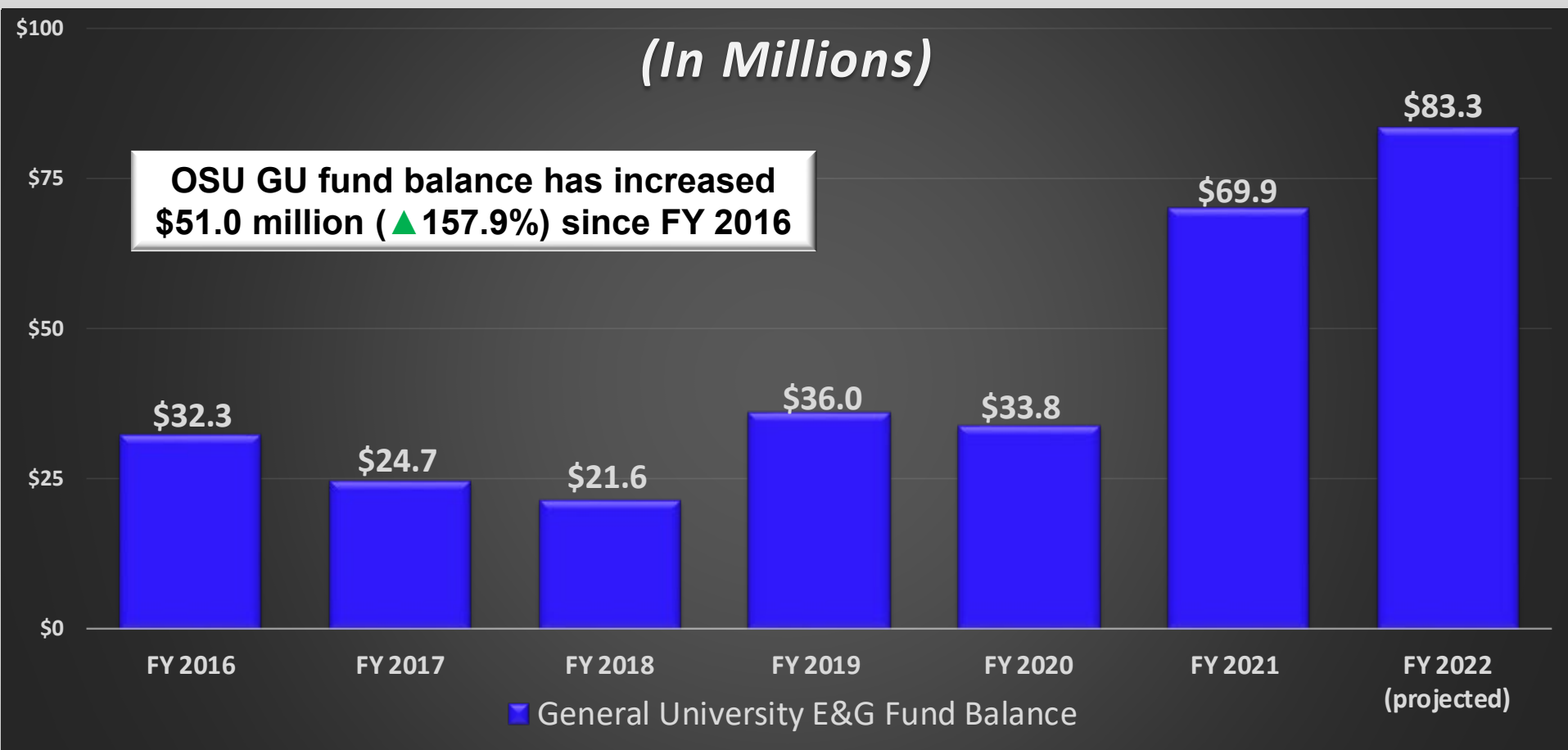
Current OSU Debt
\$857 Million

Additional Information On Debt

- ❖ Over the past five years, OSU has refinanced almost 65% of total debt for savings. Accordingly, debt refinancing going forward will be limited but still targeted for additional potential savings.
- ❖ Ten years ago, OSU was paying approximately 5.0% for 30-year tax-exempt debt. Currently, we are paying approximately 3.7%.
- ❖ Borrowing for FY 2023 is expected to include the New Frontiers building, Central Market Place and Boone Pickens Stadium renovations.



General University Education & General Fund Balances



Budgeted Endowment Earnings

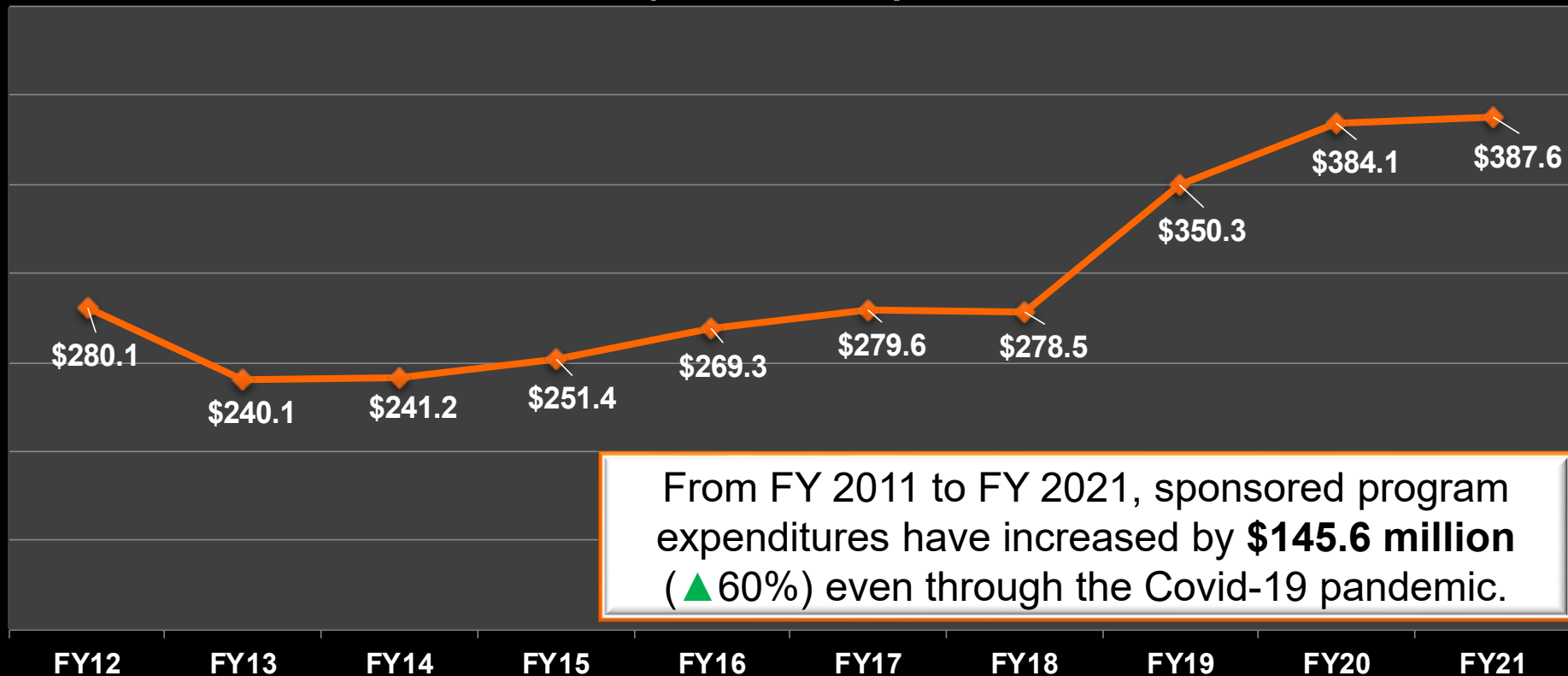
❖ In FY 2023, earnings utilized within the budget will increase by \$7.2 million (▲ 24%).



Endowment earnings incorporated into the institutional budget helps OSU minimize increases in student costs. For example, endowment earnings of \$30.1 million for General University is equivalent to a 14.9% increase in tuition and fee rates.

Research Update

OSU System Sponsored Program Expenditures (In Millions)



OSU Stillwater – HEERF Funding Summary

<u>Awarded:</u>	<u>Student Award</u>	<u>Institutional Award</u>	<u>Total</u>
HEERF I (CARES)	\$8,382,863	\$8,382,862	\$16,765,725
HEERF II (CRRSA)	\$8,382,863	\$17,783,838	\$26,166,701
HEERF III (ARP)	<u>\$23,231,731</u>	<u>\$22,974,417</u>	<u>\$46,206,148</u>
	\$39,997,457	\$49,141,117	\$89,138,574

Expended for all HEERF Institutional Awards:

- * Reimburse OSU for refunds provided to students when campus closed (Includes Housing, Fees, Meal Plan, and Parking Permits)
- * COVID safety supplies (masks, cleaning, etc)
- * Reimburse OSU for lost revenue (state appropriations decrease, online fees and summer fees, auxiliary revenue)
- * Facilities management expenses (additional utility charges for running HVAC systems longer, classroom space rentals)
- * Expenses related to providing additional sick leave for COVID
- * Write off of student receivables that had enrollment holds
- * AV & Network Equipment for classrooms
- * Renting hotel space for COVID quarantines
- * Additional expenses for COVID vaccines/testing
- * F&A on expenses listed above

OSU Strategy

- ❖ Since fall 2021, a structured, system-wide process for creating a strategy for OSU has been on-going.
- ❖ Working groups led by steering committee members met throughout the spring semester to develop imperatives to guide OSU to the next level.
- ❖ Throughout the summer, the steering committee will review the imperatives and use these to draft a comprehensive strategy.
- ❖ A strategy will go before the A&M Board of Regents for approval and launch in September.

Major Takeaways

- ❖ There are no tuition and mandatory fee increases for five of the six institutions in the OSU System.
- ❖ Enrollments continue to be strong and stable.
- ❖ Institutions are planning to deliver merit-based salary programs in FY 2023.
- ❖ OSU-OKC is the only institution with HEERF funding budgeted for use in FY 2023. Funds will be used for modification and expansion of entrances and exits as well as other additional spaces needed to promote continued social distancing.
- ❖ As the new strategy for OSU is finalized, funding will be identified and purposefully re-directed to ensure success.



OSU America's Brightest **ORANGE**