

FY 2024 Budget



June 15, 2023

OSU System

FY 2024 Budget Presentation

- ❖ FY 2024 Proposed Budget
- ❖ Proposed Student Costs
- ❖ Fiscal Stewardship
- ❖ Endowment Earnings
- ❖ Research
- ❖ OSU Strategy



OSU System

Items Presented for Approval

- ❖ State Regents' Budget Forms
- ❖ FY 2024 Merit Raise Program
- ❖ Tuition & Fee Rates



FY 2024 State Appropriations

Changes to Base Allocations

Agency	FY 2023 Allocation	FY 2024 Allocation	\$ Change
General University	\$100,424,675	\$119,332,465	\$18,907,790
Oklahoma Agricultural Experiment Station	20,467,698	21,820,158	1,352,460
Oklahoma Cooperative Extension Service	22,169,637	23,162,157	992,520
OSU Institute of Technology	11,581,248	12,787,188	1,205,940
College of Veterinary Medicine	8,466,005	9,146,255	680,250
Oklahoma City	11,059,103	12,834,329	1,775,226
Center for Health Sciences	11,873,052	13,219,782	1,346,730
Tulsa*	8,551,272	8,811,272	260,000
Totals	\$194,592,690	\$221,113,606	\$26,520,916

Allocation changes include increases for:

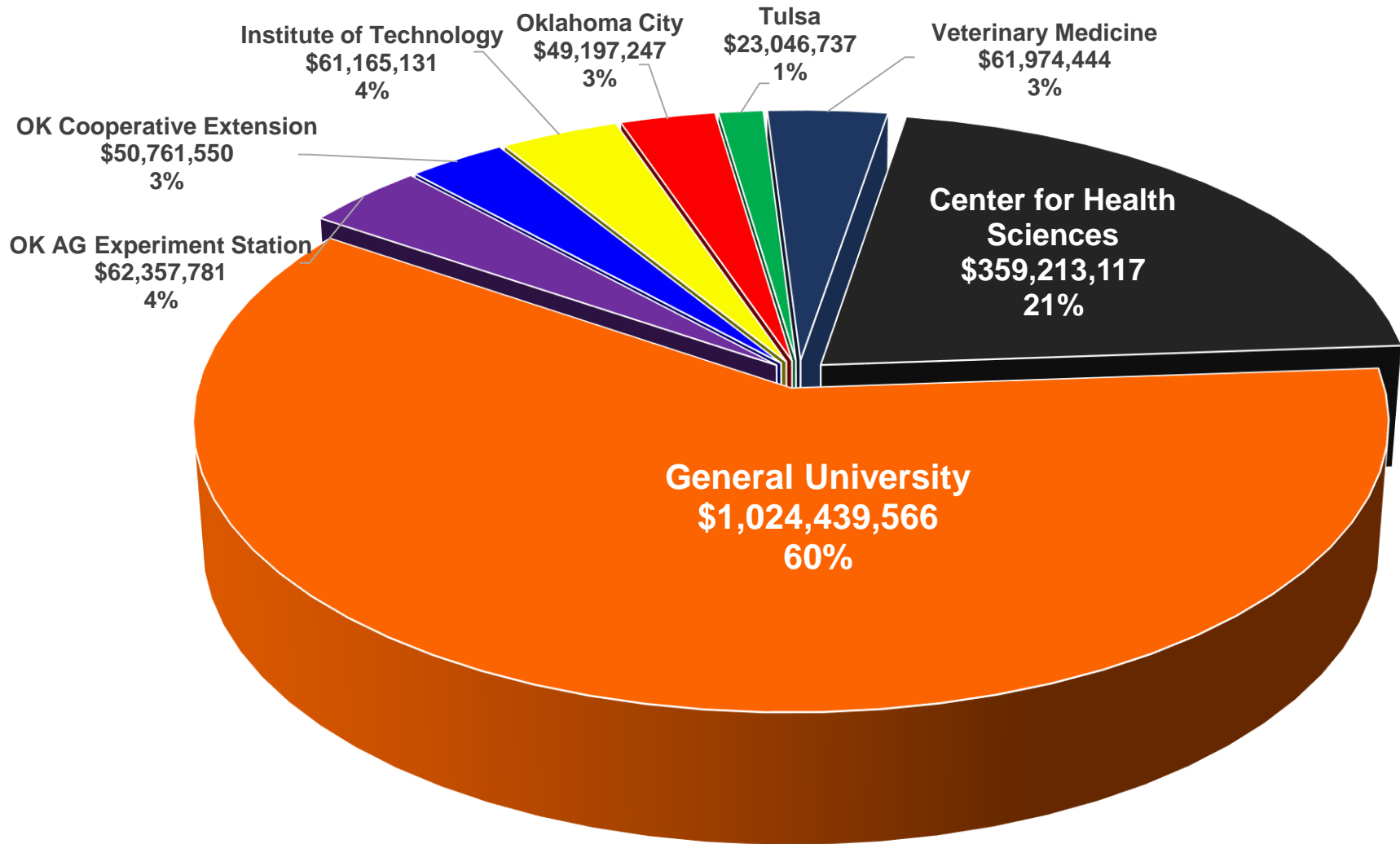
- Performance Funding
- Faculty Salary Adjustments
- State Priority Initiatives

FY 2024 Additional State Funding

In addition to Section 13 Offset and waiver reimbursements, OSU System continues to receive additional funds to be used at the discretion of institutions for STEM programs leading to degrees on Oklahoma's Top 100 Critical Occupations. This initiative is in the second year, with funding guaranteed for three academic years, at which point it will be re-evaluated for possible reallocation.

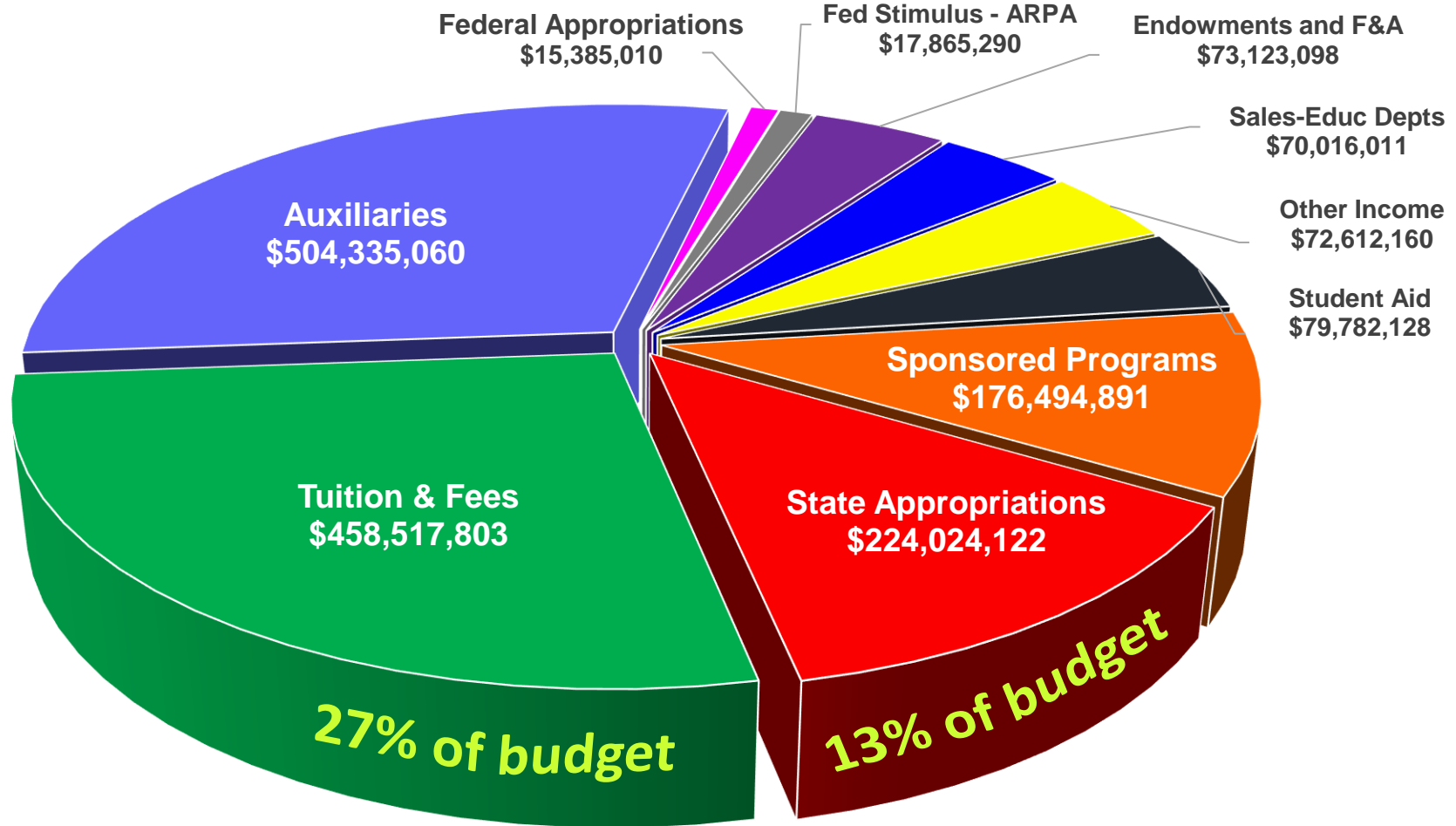
Agency	Critical Workforce/ STEM Development Initiative	Section 13 Offset	Concurrent Waiver Reimbursement	Total
General University	\$2,303,054	-	\$615,710	\$2,918,764
Oklahoma Agricultural Experiment Station	-	-	-	-
Oklahoma Cooperative Extension Service	-	-	-	-
OSU Institute of Technology	139,341	1,000,000	519,855	1,659,196
College of Veterinary Medicine	119,348	-	-	119,348
Oklahoma City	235,202	1,000,000	958,281	2,193,483
Center for Health Sciences	113,572	-	-	113,572
Tulsa	-	1,000,000	-	1,000,000
Totals	\$2,910,517	\$3,000,000	\$2,093,846	\$8,004,363

All Revenue – By Agency



FY 2024 Total Revenue = \$1.7 Billion

Sources Of Revenue – All Agencies



FY 2024 Total Revenue = \$1.7 Billion
Estimated System Enrollment = 34,515

FY 2024 State Appropriations

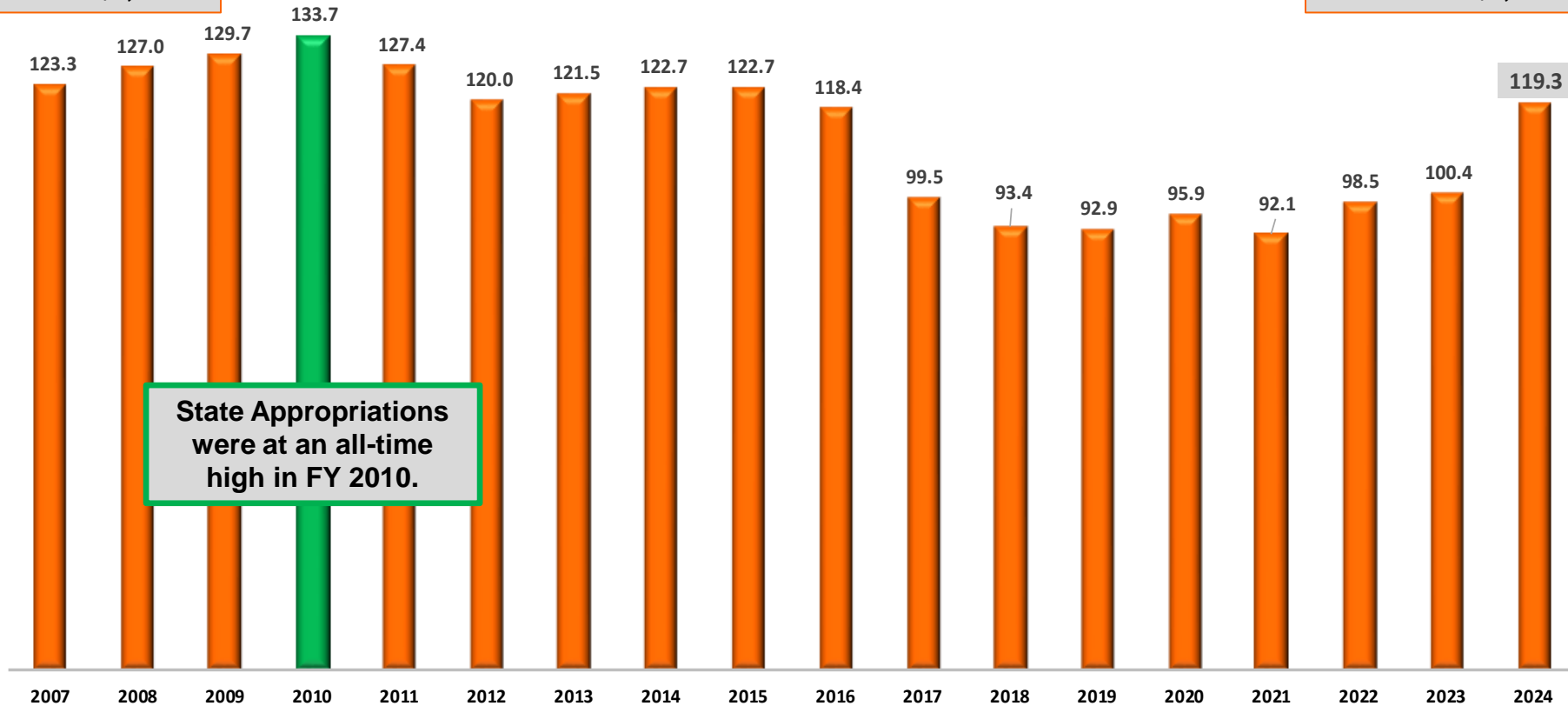
Restore OSU Above FY 2016 Levels

General University State Appropriations (In Millions)

Enrollment Increase of 3,290 (▲ 16%)
 Appropriations Per FTE Decrease of -\$974 (▼ 15%)

Fall 2006 Enrollment
 20,927
 FY07 Appropriations
 Per FTE = \$6,643

Fall 2022 Enrollment
 24,217
 FY24 Appropriations
 Per FTE = \$5,669



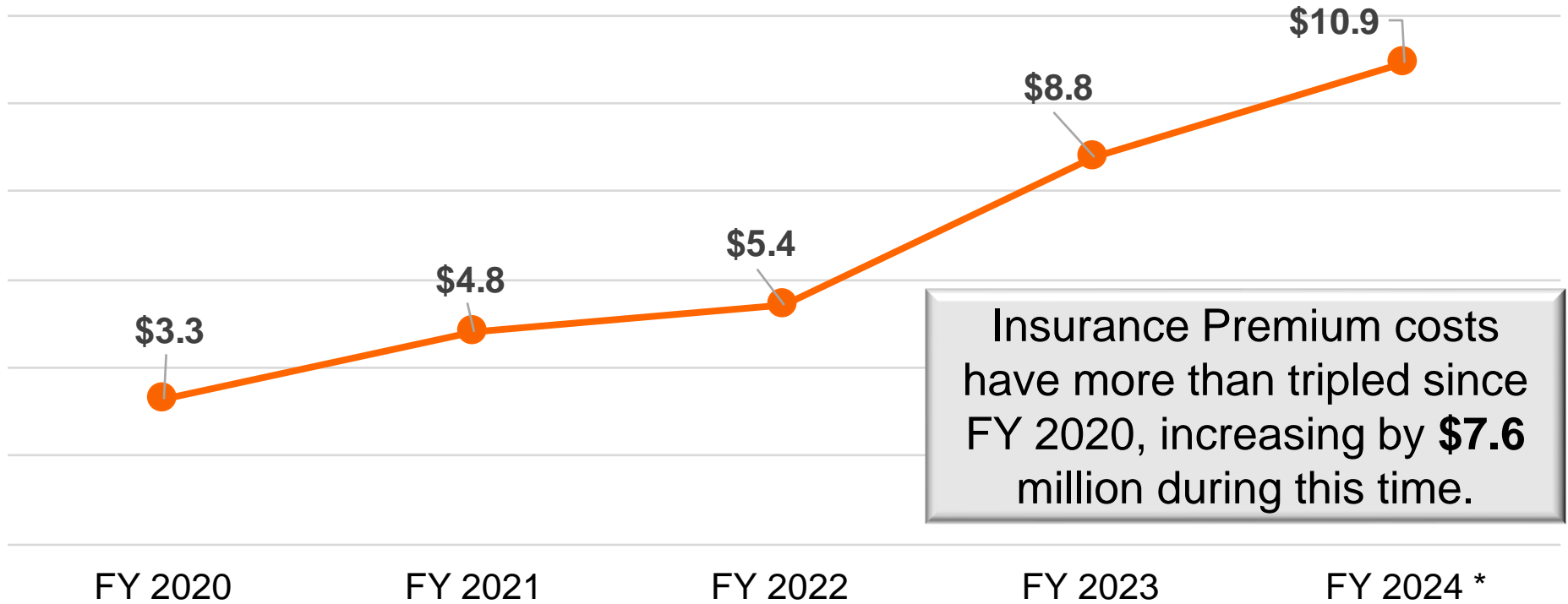
State Appropriations were at an all-time high in FY 2010.

System Cost Increases for Insurance**

(not including health insurance)

OSU System Insurance Premium Expense

* State Risk Management projection for FY 2024



**Includes insurance for property, liability and physical damage, aviation, cyber, business interruption, and director/officer liability insurance.

Cost Increases for Insurance/Utilities OSU System

	<u>FY 2024</u> <u>Increase</u>
Health Insurance	\$4,143,000
Property and Other Insurance	2,143,000
Utilities	2,200,000
Total	\$8,486,000

OSU Strategy: maintain an effective and efficient OSU System.

Approval is Requested to Implement a 3% Merit Raise Program for OSU Agencies

- Salary program will be effective as of July 1st.
- The last July 1st salary program was ten years ago.
- All full-time, continuing faculty, staff and administrators are eligible.
- Program is based on merit.
- Increases should range around the average of 3%.
- **Total system cost = \$12.3 million**

OSU Strategy: attract and retain high-talent faculty and staff.

OSU System Enrollment

Agency	Fall 2023 (projected)
Stillwater	22,708
Stillwater/Tulsa Shared	2,009
Tulsa	557
Stillwater/Tulsa Total	25,274
College of Veterinary Medicine	420
Oklahoma City	4,440
Institute of Technology	2,498
Center for Health Sciences	1,883
OSU SYSTEM TOTAL	34,515

Projected system-wide increase of over 1,000 compared with Fall 2022

OSU Strategy: recruit an increasing number of college-ready students.

No Proposed Changes in Tuition and Mandatory Fees

Agency Tuition 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	70.4%	\$0.00	0.0%	\$0
Undergraduate Nonresident	\$825.45	\$24,764	\$825.45	\$24,764	70.0%	\$0.00	0.0%	\$0
Graduate Resident	\$361.35	\$8,672	\$361.35	\$8,672	73.8%	\$0.00	0.0%	\$0
Graduate Nonresident	\$1,007.30	\$24,175	\$1,007.30	\$24,175	88.8%	\$0.00	0.0%	\$0
100% Online Degree Programs (one-rate)* <i>(single rate for online is new for FY 2024)</i>								
Undergraduate Resident	NA	NA	\$437.00	\$13,110	NA	NA	NA	NA
Undergraduate Nonresident	NA	NA	\$635.00	\$19,050	NA	NA	NA	NA
Graduate Resident	NA	NA	\$489.00	\$11,736	NA	NA	NA	NA
Graduate Nonresident	NA	NA	\$530.00	\$12,720	NA	NA	NA	NA
College of Veterinary Medicine:								
Resident		\$23,679		\$23,679	79.5%		0.0%	\$0
Nonresident		\$50,044		\$50,044	85.1%		0.0%	\$0
OSU Institute of Technology:								
Undergraduate Resident	\$192.45	\$5,774	\$192.45	\$5,774	44.0%	\$0.00	0.0%	\$0
Undergraduate Nonresident	\$379.45	\$11,384	\$379.45	\$11,384	32.2%	\$0.00	0.0%	\$0
Oklahoma City:								
Undergraduate Resident	\$159.98	\$4,799	\$159.98	\$4,799	36.6%	\$0.00	0.0%	\$0
Undergraduate Nonresident	\$401.03	\$12,031	\$401.03	\$12,031	34.0%	\$0.00	0.0%	\$0
Center for Health Sciences:								
Graduate Resident	\$272.11	\$6,531	\$272.11	\$6,531	55.6%	\$0.00	0.0%	\$0
Graduate Nonresident	\$918.06	\$22,033	\$918.06	\$22,034	80.9%	\$0.00	0.0%	\$0
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	78.1%	\$0.00	0.0%	\$0
Master of Physician Assistant Studies Nonresident		\$32,244		\$32,244	88.5%	\$0.00	0.0%	\$0
Professional Resident		\$28,379		\$28,379	70.3%		0.0%	\$0
Professional Nonresident		\$55,881		\$55,881	79.5%		0.0%	\$0

*The new "one-rate" combines tuition, mandatory fees and academic service fees into a single tuition amount.

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 20 = 0.0% ★

FY 21 = 0.0% ★

FY 22 = 2.5%

FY 23 = 0.0% ★

FY 24 = 0.0% ★

5-Yr. Avg. Annual Increase= 0.5%

Tuition and mandatory fees have been held level **4** of the last 5 years.

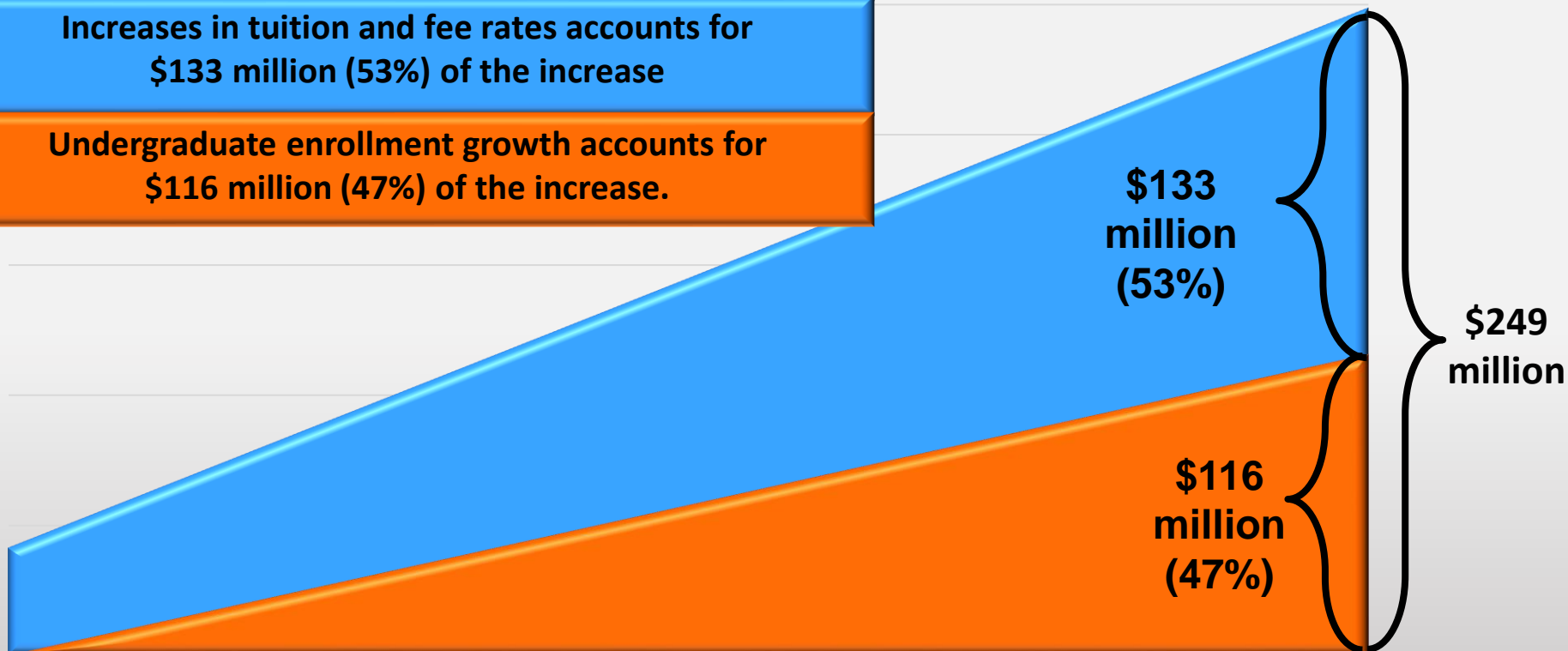
OSU Strategy: commitment to access and affordability.

Enrollment Growth and Rate Increases Account for Increased Tuition/Fee Revenue

From FY 1998 through FY 2024, net revenue from tuition and fees has increased \$249 million.

Increases in tuition and fee rates accounts for \$133 million (53%) of the increase

Undergraduate enrollment growth accounts for \$116 million (47%) of the increase.



FY 1998

■ Increase in Tuition/Fee Revenue Due to Rate Increases

FY 2024

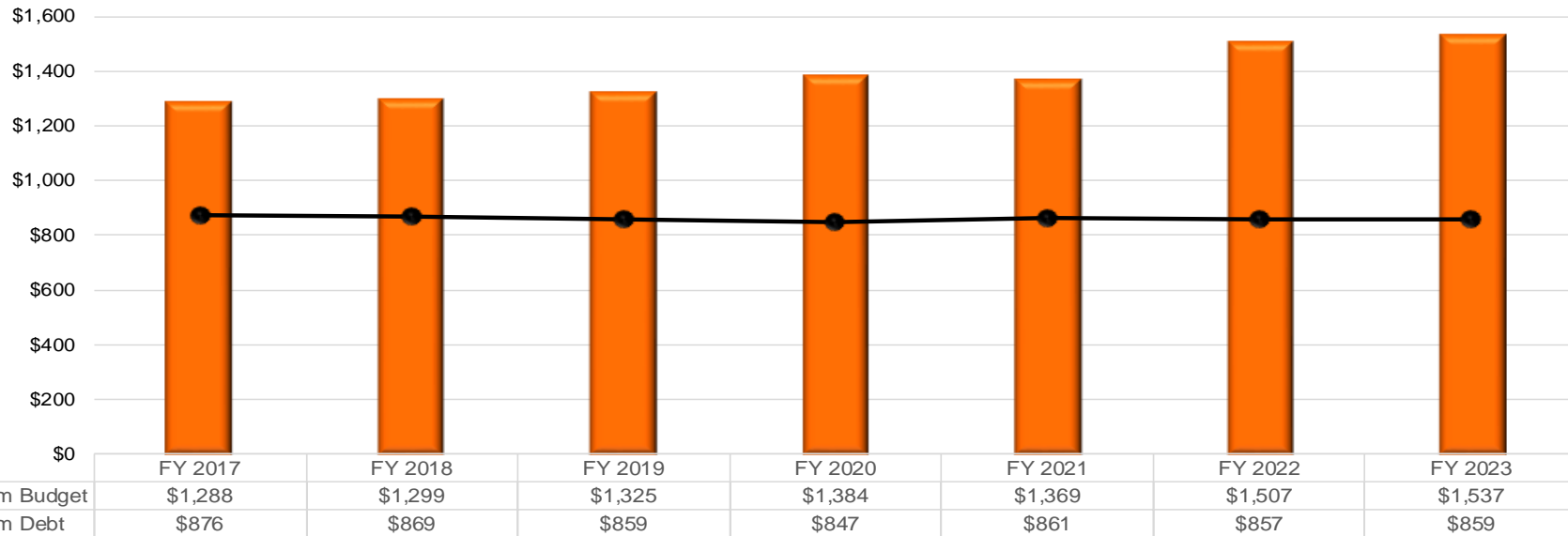
■ Increase in Tuition/Fee Revenue Due to Undergraduate Enrollment Growth

OSU Continues to Practice Fiscal Responsibility

Credit Ratings:

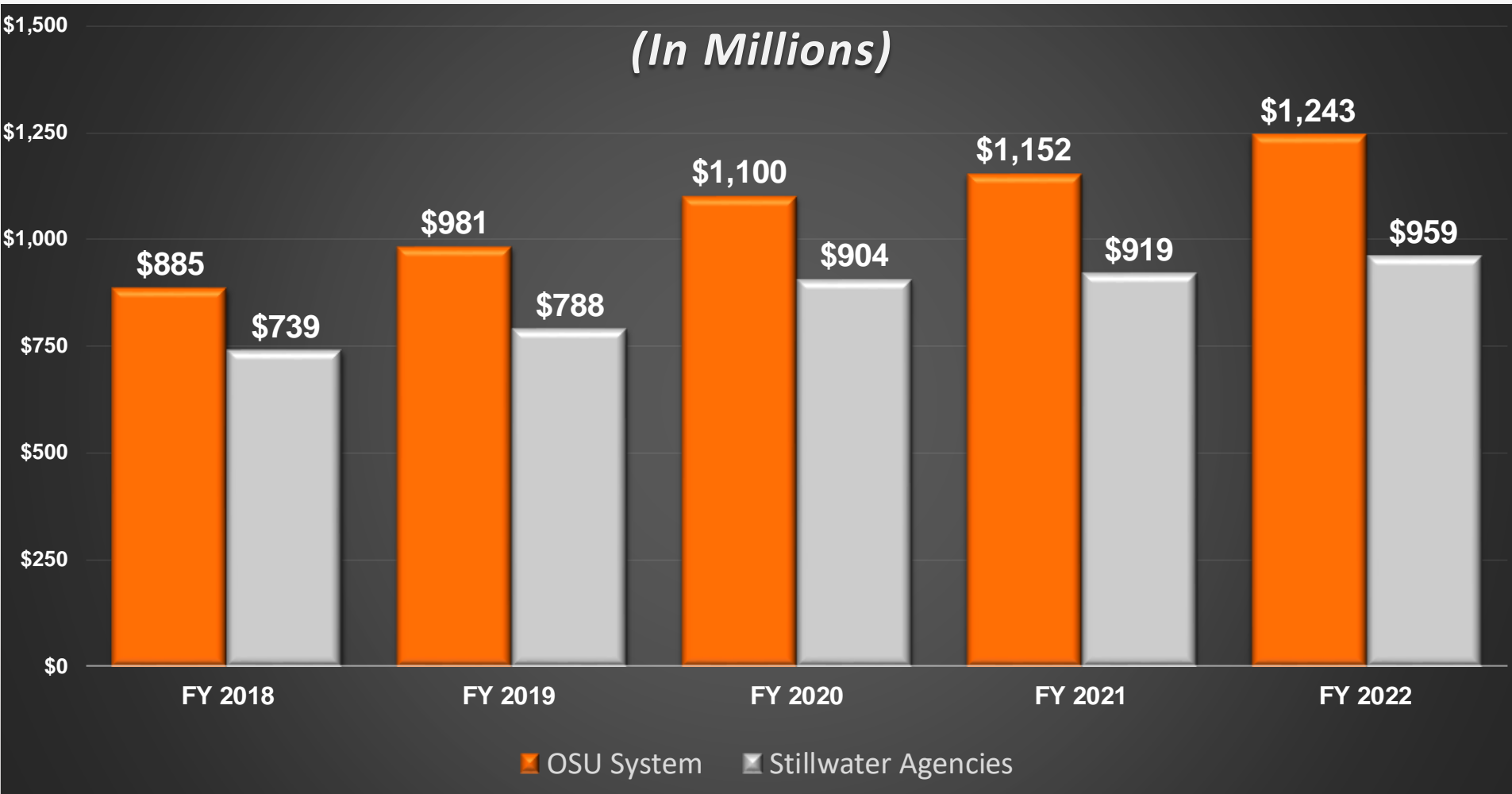
- With Ratings of **AA-** from both Standard & Poor's Endowment and Fitch Group, **OSU maintains the highest credit rating of any higher education system in Oklahoma.**
- S&P Global assessed OSU's profile as "extremely strong," while Fitch Group noted the University's stability and sound financial stewardship.

OSU System - Overall Budget Compared With Outstanding Debt
(In Millions)

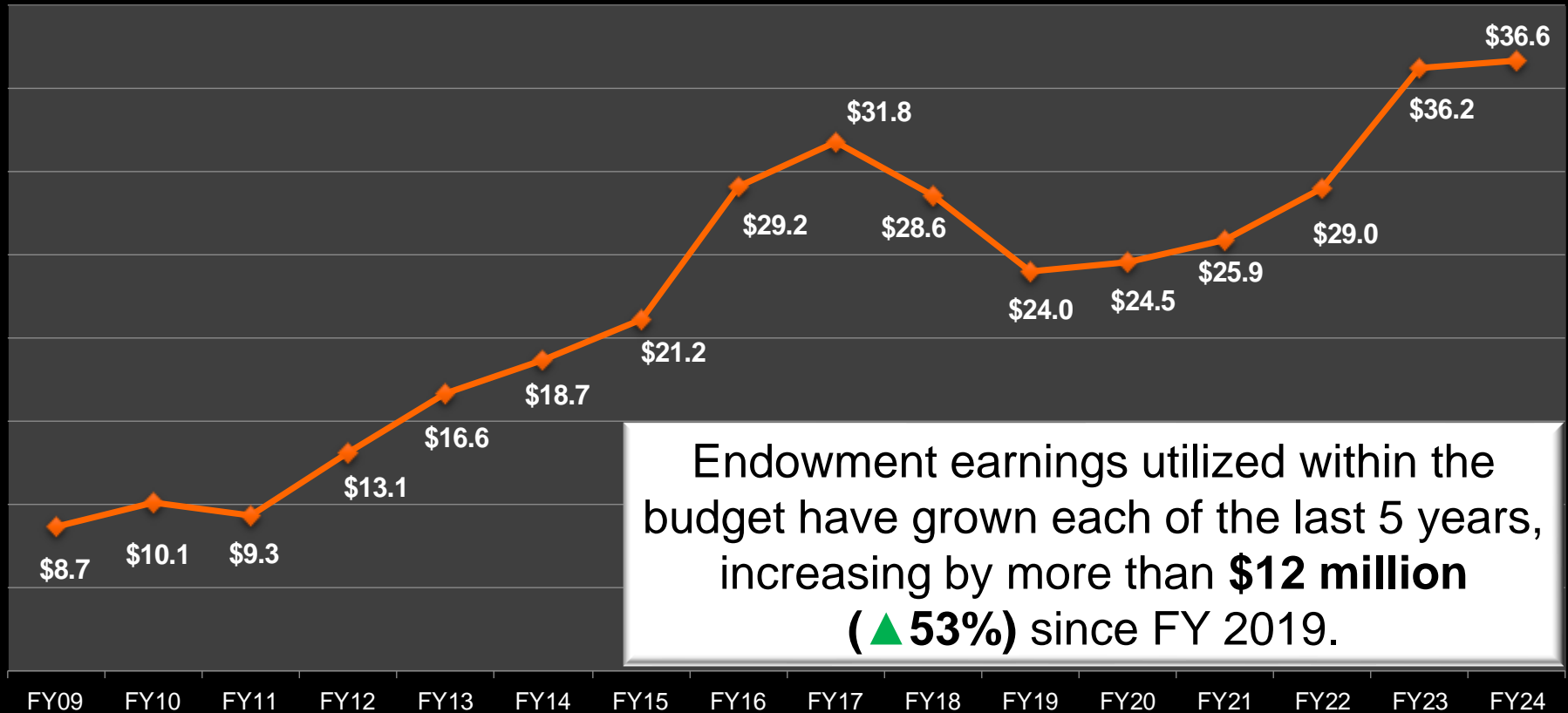


OSU Strategy Imperative: steward limited resources to world-class effect.

OSU Audited Net Position OSU System and Stillwater Agencies



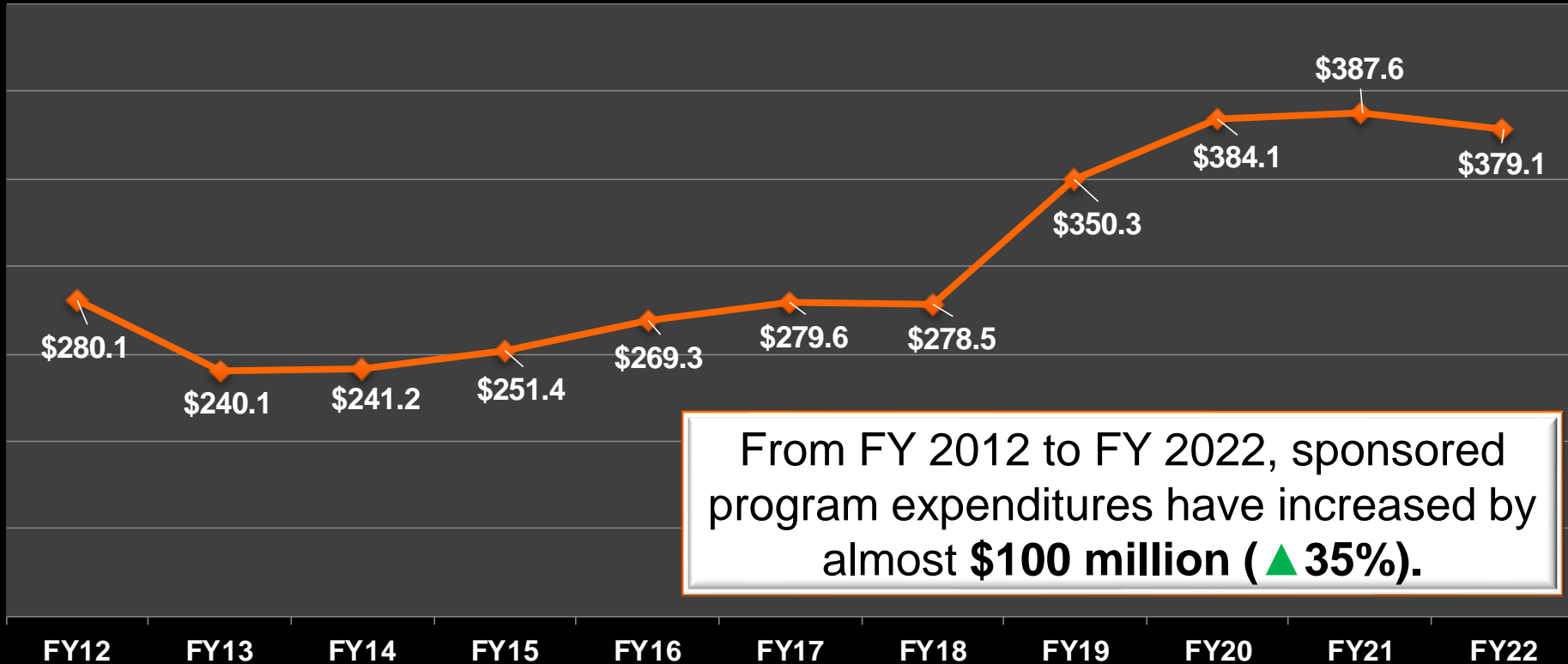
Endowment Earnings Incorporated Into the Institutional Budget



Incorporating endowment earnings into the institutional budget helps OSU minimize increases in student costs. For example, FY 2024 endowment earnings of \$36.6 million incorporated into the General University budget is equivalent to a 17.9% increase in tuition and fee rates.

Research Update

OSU System Sponsored Program Expenditures (In Millions)



OSU Strategy: leverage R1 ranking to advance research that impacts society.

