

# FY 2025 Budget



June 13, 2024

# OSU System

## FY 2025 Budget Presentation

- ❖ OSU Strategy
- ❖ FY 2025 Proposed Budget
- ❖ Proposed Student Costs
- ❖ Fiscal Stewardship
- ❖ Endowment Earnings
- ❖ Research



# OSU Strategy

OSU was highly successful in securing funding outside of base appropriations from the state. These funds will advance the following “We are Land-Grant” priority areas:

Priority Area/Strategy Imperative	FY 2025 Funding	Funding Type
<b>Elevate and Amplify Extension</b>		
Competitive Compensation for Extension and Experiment Station Employees	\$2,500,000	Reoccurring
FAPC Operational Costs	\$1,000,000	Reoccurring
Modernize and re-invigorate FAPC	\$6,000,000	One-Time
<b>Enhancing Human and Animal Health (OneHealth)</b>		
CHS - Completion of the hospital master plan	\$30,000,000	One-Time
CVM – Year 2 clinical faculty investment	\$4,395,000	Reoccurring
CVM – Large Animal Practice Scholarship and Loan Reimbursement Legislation	\$600,000	Reoccurring
CVM – OADDL Re-Capitalization	\$20,000,000	One-Time
Psychiatric Residency Program Expansion	\$2,082,000	One-Time
<b>Advance OSU Research that Impacts Society</b>		
Enhancing Human and Animal Health through Human Performance and Nutrition Research	\$10,000,000	One-Time
OSU Life and Physical Sciences Building Project	\$80,000,000	One-Time
<b>TOTAL</b>	<b>\$156,577,000</b>	

# OSU Strategy

Student Success is a significant OSU Strategy priority where resources are being applied for first year advising.

- A new first-year advising model will provide:
  - Targeted resources for incoming freshmen and undergraduate transfers;
  - An increased number of advisors which will:
    - Lower the student to advisor ratio;
    - Allow students more one-on-one time with their advisor; and
  - Improved ability to advise students through major changes.
- The first-year advising center recently launched with Orientation/Enrollment sessions being held throughout the summer.
- Funding of \$1.5 million has been identified in the FY 2025 budget for increased enrollment from improved retention.

# OSU System

## Items Presented for Approval

- ❖ State Regents' Budget Forms
- ❖ Tuition and Fee Rates
- ❖ Room and Board Rates



# FY 2025 State Appropriations

## Changes to Base Allocations

Agency	FY 2024 Allocation	FY 2025 Allocation	\$ Change*
General University	\$118,878,465	\$120,749,943	\$1,871,478
Oklahoma Agricultural Experiment Station	21,820,158	22,162,361	342,203
Oklahoma Cooperative Extension Service	23,162,157	23,525,406	363,249
OSU Institute of Technology	12,787,188	12,987,728	200,540
College of Veterinary Medicine	9,146,255	9,289,695	143,440
Oklahoma City	12,834,329	13,035,609	201,280
Center for Health Sciences	13,219,782	13,427,106	207,324
Tulsa	9,265,272	9,403,458	138,186
<b>Totals</b>	<b>\$221,113,606</b>	<b>\$224,581,306</b>	<b>\$3,467,700</b>

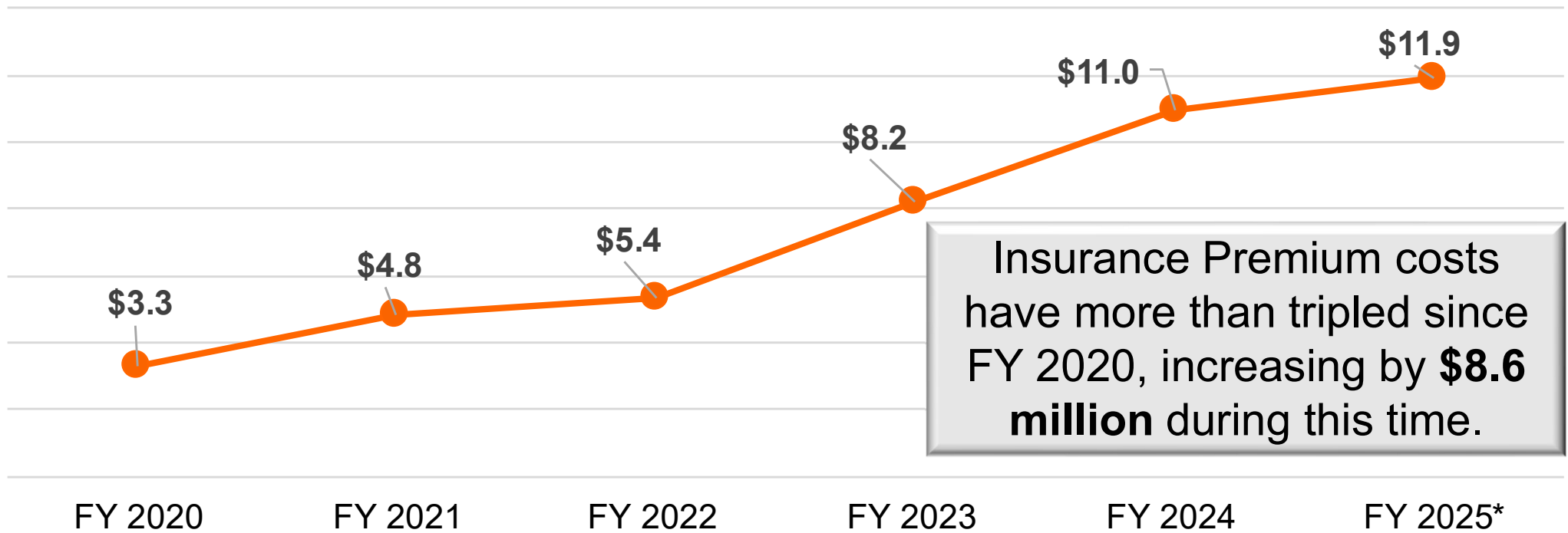
*\*The entire increase in FY 2025 state allocations is one-time funding to provide relief for rapidly increasing property and casualty (P&C) insurance.*

# System Cost Increases for Insurance\*\*

*(not including health insurance)*

## OSU System Insurance Premium Expense

\*State Risk Management projection for FY 2025  
(In Millions)



Insurance Premium costs have more than tripled since FY 2020, increasing by **\$8.6 million** during this time.

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

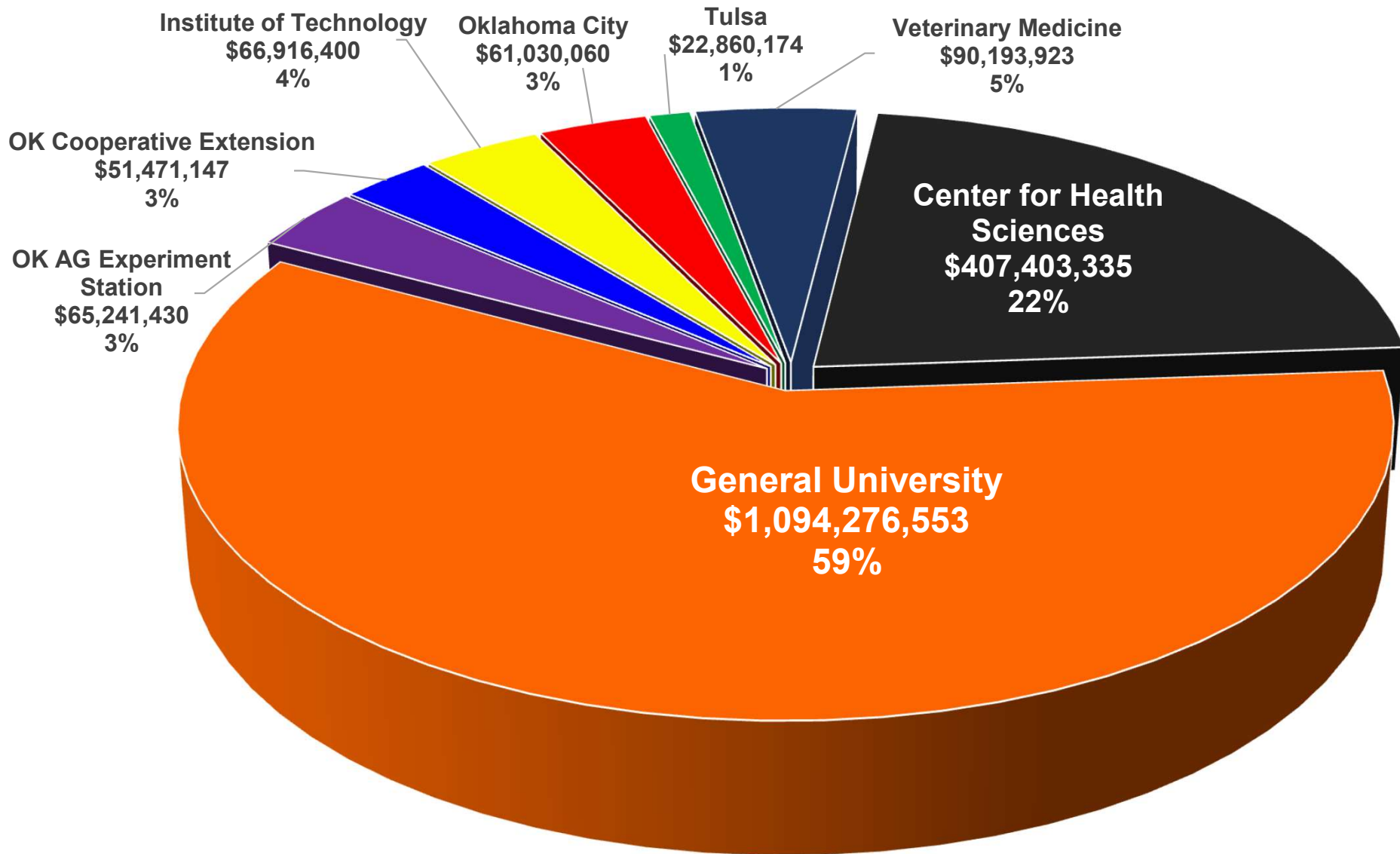
# FY 2025 Additional State Funding

- **Critical Workforce / STEM Development**
  - 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 third year, with funding guaranteed for three academic years, at which point it will be re-evaluated for possible reallocation.
- **Section 13 Offset**
- **Concurrent waiver reimbursements**
- **Governor's Emergency Education Relief (GEER) Funding**

Agency	Critical Workforce/ STEM Development Initiative	Section 13 Offset	Concurrent Waiver Reimbursement	GEER Funding	Total
General University	\$2,303,054	-	\$790,177	\$1,761,440	\$4,854,671
Oklahoma Agricultural Experiment Station	-	-	-	-	-
Oklahoma Cooperative Extension Service	-	-	-	-	-
OSU Institute of Technology	139,341	1,000,000	567,724	109,833	1,816,898
College of Veterinary Medicine	119,348	-	-	-	119,348
Oklahoma City	235,202	1,000,000	884,050	-	2,119,252
Center for Health Sciences	113,572	-	-	-	113,572
Tulsa	-	1,000,000	-	-	1,000,000
<b>Totals</b>	<b>\$2,910,517</b>	<b>\$3,000,000</b>	<b>\$2,241,951</b>	<b>\$1,871,273</b>	<b>\$10,023,741</b>

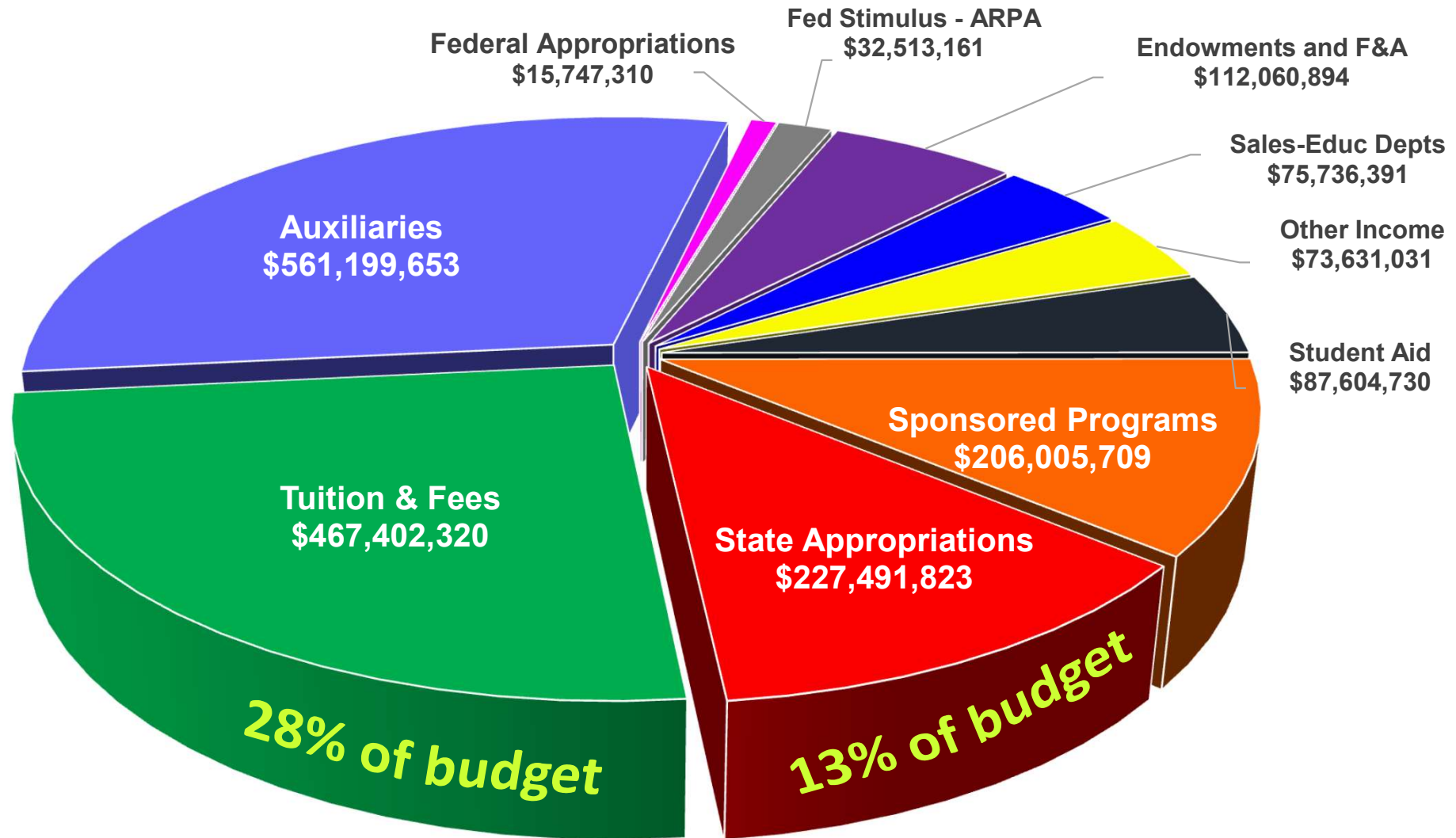


# All Revenue – By Agency



**FY 2025 Total Revenue = \$1.86 Billion**

# Sources Of Revenue – All Agencies



**FY 2025 Total Revenue = \$1.86 Billion**  
**Estimated System Enrollment = 35,311**

# OSU System Enrollment

Agency	Fall 2024 (projected)
Stillwater	23,386
Stillwater/Tulsa Shared	2,114
Tulsa	373
<b>Stillwater/Tulsa Total</b>	<b>25,873</b>
College of Veterinary Medicine	420
Oklahoma City	4,217
Institute of Technology	2,643
Center for Health Sciences	2,158
<b>OSU SYSTEM TOTAL</b>	<b>35,311</b>

Projected system-wide increase of almost 850 compared with Fall 2023

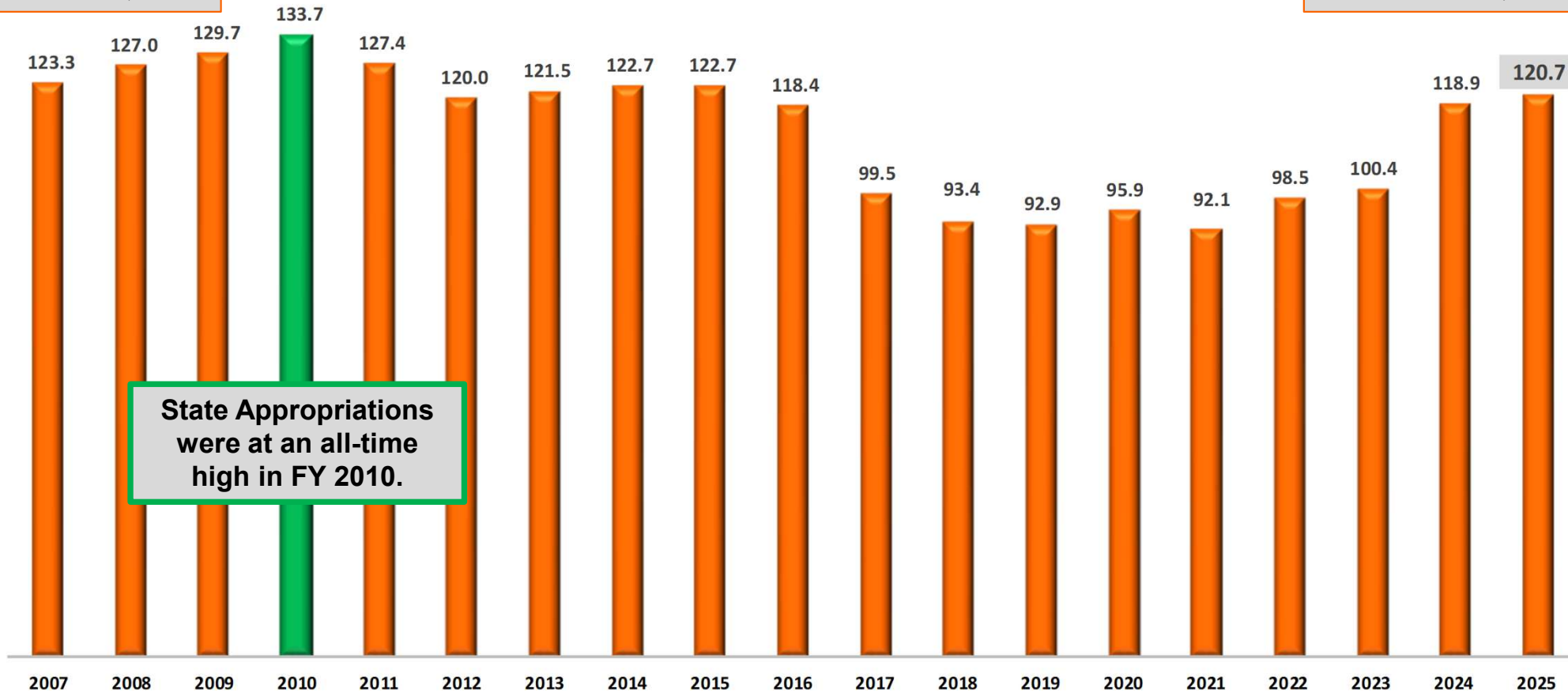
# State Appropriation Trends FY 2007 through FY 2025

## General University State Appropriations (*In Millions*)

Enrollment Increase of 4,020 (▲ 19%)  
Appropriations Per FTE Decrease of -\$1,088 (▼ 16%)

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

Fall 2023 Enrollment  
24,947  
FY25 Appropriations  
Per FTE = \$5,555



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

# 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
<b>General University &amp; Tulsa:</b>								
Undergraduate Resident	\$308.10	\$9,243	\$308.10	\$9,243	69.5%	\$0.00	0.0%	\$0
Undergraduate Nonresident	\$825.45	\$24,764	\$825.45	\$24,764	68.4%	\$0.00	0.0%	\$0
Graduate Resident	\$361.35	\$8,672	\$361.35	\$8,672	69.6%	\$0.00	0.0%	\$0
Graduate Nonresident	\$1,007.30	\$24,175	\$1,007.30	\$24,175	85.1%	\$0.00	0.0%	\$0
<b>100% Online Degree Programs*</b>								
Graduate Resident	\$489.00	\$11,736	\$489.00	\$11,736	NA	\$0.00	0.0%	\$0
Graduate Nonresident	\$530.00	\$12,720	\$530.00	\$12,720	NA	\$0.00	0.0%	\$0
<b>College of Veterinary Medicine:</b>								
Resident		\$23,679		\$23,679	77.6%		0.0%	\$0
Nonresident		\$50,044		\$50,044	82.8%		0.0%	\$0
<b>OSU Institute of Technology:</b>								
Undergraduate Resident	\$192.45	\$5,774	\$192.45	\$5,774	43.4%	\$0.00	0.0%	\$0
Undergraduate Nonresident	\$379.45	\$11,384	\$379.45	\$11,384	31.4%	\$0.00	0.0%	\$0
<b>Oklahoma City:</b>								
Undergraduate Resident	\$159.98	\$4,799	\$159.98	\$4,799	36.1%	\$0.00	0.0%	\$0
Undergraduate Nonresident	\$401.03	\$12,031	\$401.03	\$12,031	33.2%	\$0.00	0.0%	\$0
<b>Center for Health Sciences:</b>								
Graduate Resident	\$272.11	\$6,531	\$272.11	\$6,531	52.4%	\$0.00	0.0%	\$0
Graduate Nonresident	\$918.06	\$22,033	\$918.06	\$22,034	77.6%	\$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	76.0%	\$0.00	0.0%	\$0
Master of Physician Assistant Studies Nonresident		\$32,244		\$32,244	86.4%	\$0.00	0.0%	\$0
Professional Resident		\$28,379		\$28,379	69.0%		0.0%	\$0
Professional Nonresident		\$55,881		\$55,881	78.4%		0.0%	\$0

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

\*100% Online Degree Program rate combines tuition, mandatory fees and academic service fees into a single tuition amount to make communications more transparent and pricing more competitive for students in 100% online degree programs.

# 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%

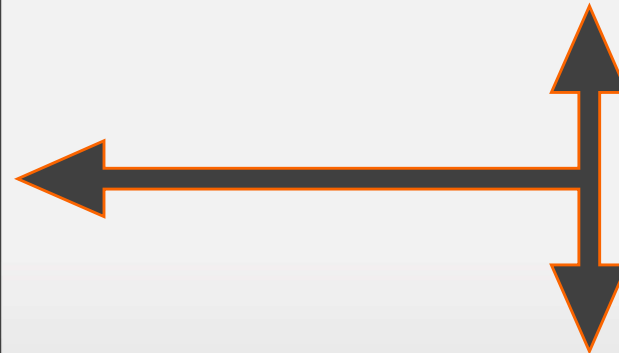
FY 23 = 0.0% ★

FY 24 = 0.0% ★

FY 25 = 0.0% ★

6-Yr. Avg. Annual Increase= 0.4%

Tuition and mandatory fees have been held level **5** of the last 6 years.



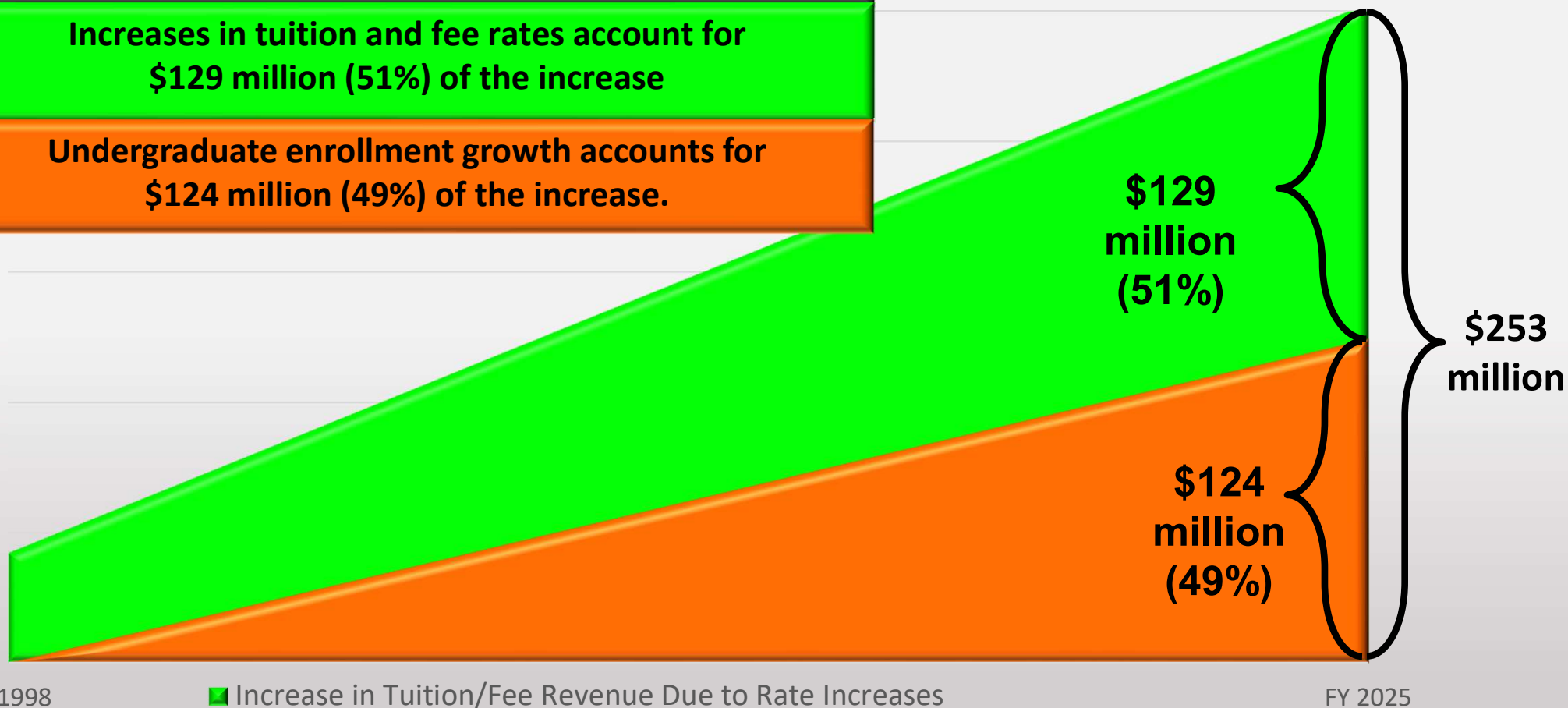
**3<sup>rd</sup> Consecutive Year** with no increase in tuition and mandatory fees.

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

From FY 1998 through FY 2025, net revenue from tuition and fees has increased \$253 million.

Increases in tuition and fee rates account for \$129 million (51%) of the increase

Undergraduate enrollment growth accounts for \$124 million (49%) of the increase.



FY 1998

■ Increase in Tuition/Fee Revenue Due to Rate Increases

FY 2025

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

# Requested Changes in Room and Board Rates

Campus	Requested % Increase	Increased Cost to Students (Per Semester)
<b>OSU Stillwater</b>		
Single Student Housing	5%	\$116 to \$207 (average = \$165)
Family/Graduate Student Housing	5%	\$185 to \$216 (average = \$196)
<b>OSU Institute of Technology</b>		
Single Student Housing	5%	\$97 to \$116 (average = \$107)
Married/Family Housing	5%	\$140 to \$155 (average = \$148)
Meal Plans (10/15/20 Weekly)	5%	\$61 to \$79 (average = \$72)

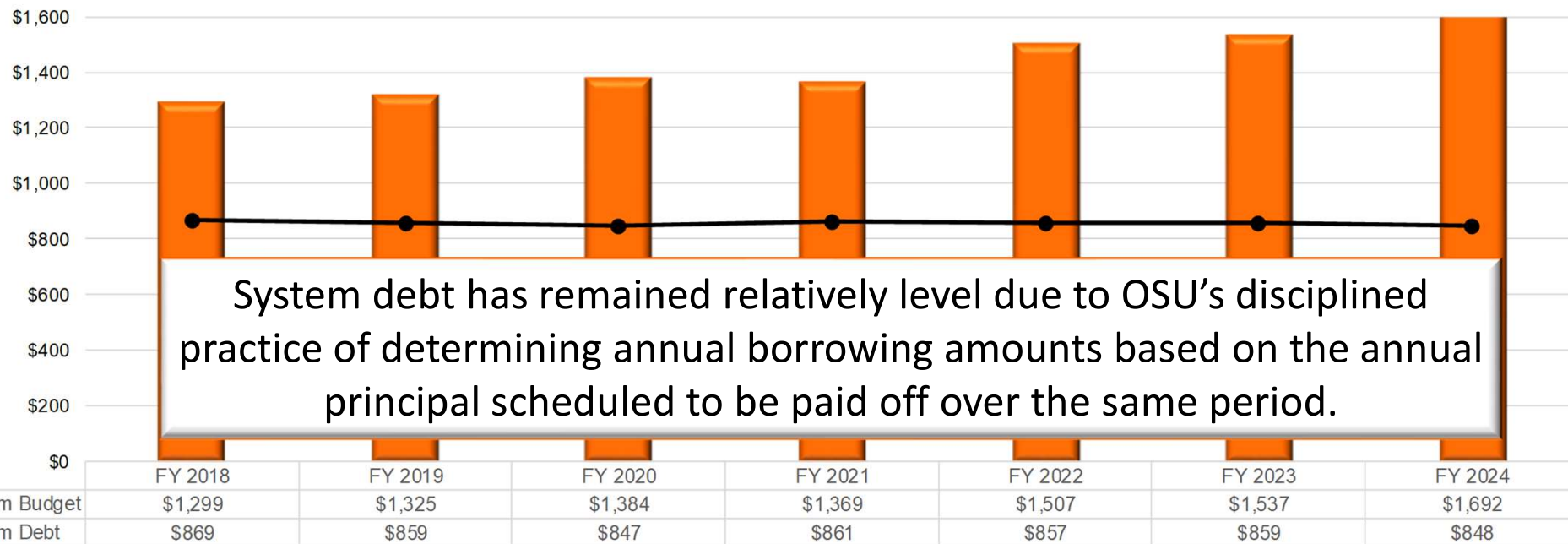


# OSU Continues to Practice Fiscal Responsibility

## 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.**
- Key rating drivers from the latest ratings review included:
  - Solid demand and revenue diversity
  - Adequate cash flow
  - Modest debt plans

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



# Credit Ratings and Debt

## Additional Considerations

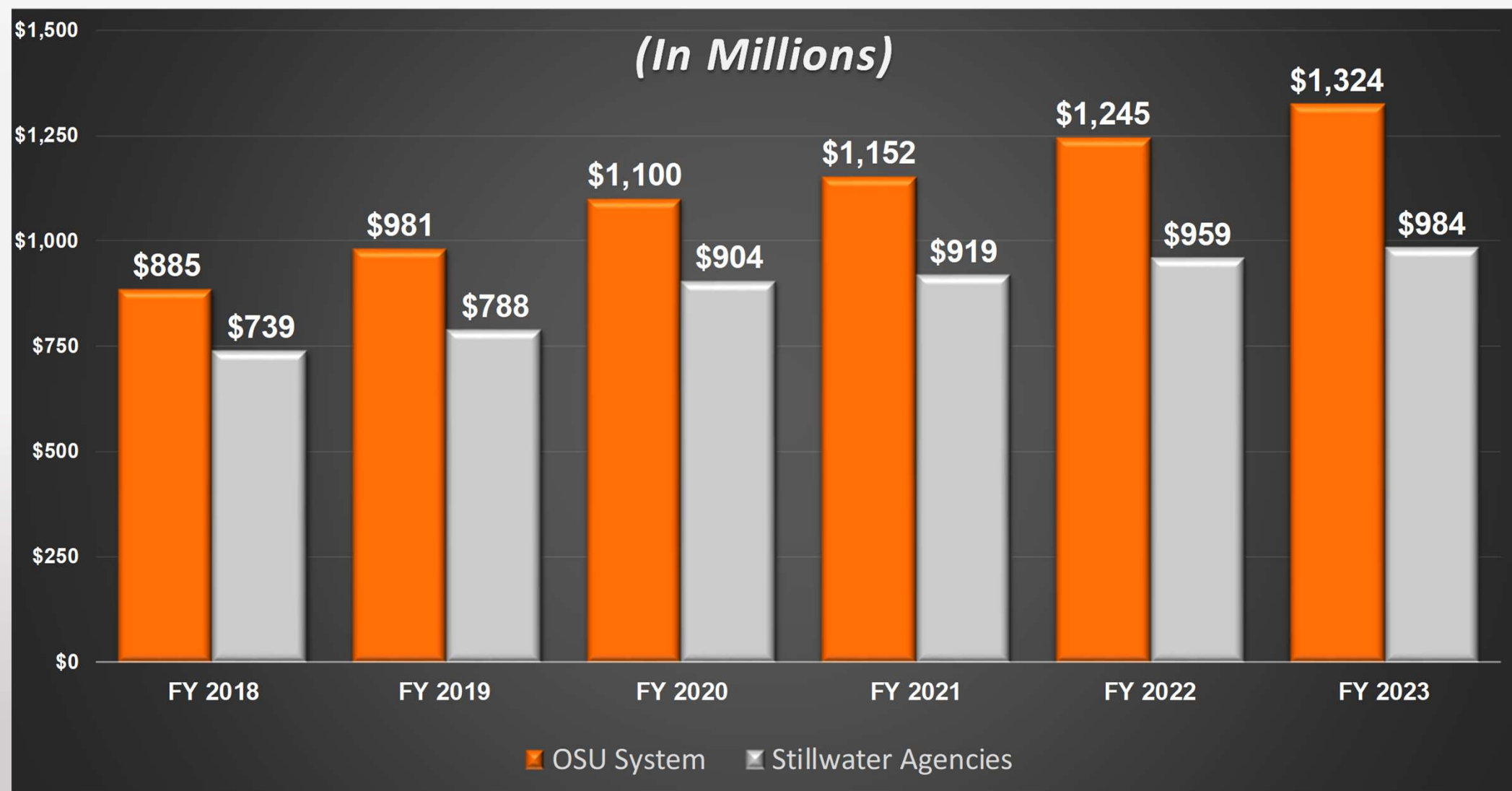
### *Retired Debt - 4-Year Projection*

Fiscal Year	Retired Debt
2025	\$42,600,000
2026	\$42,600,000
2027	\$42,300,000
2028	\$41,800,000

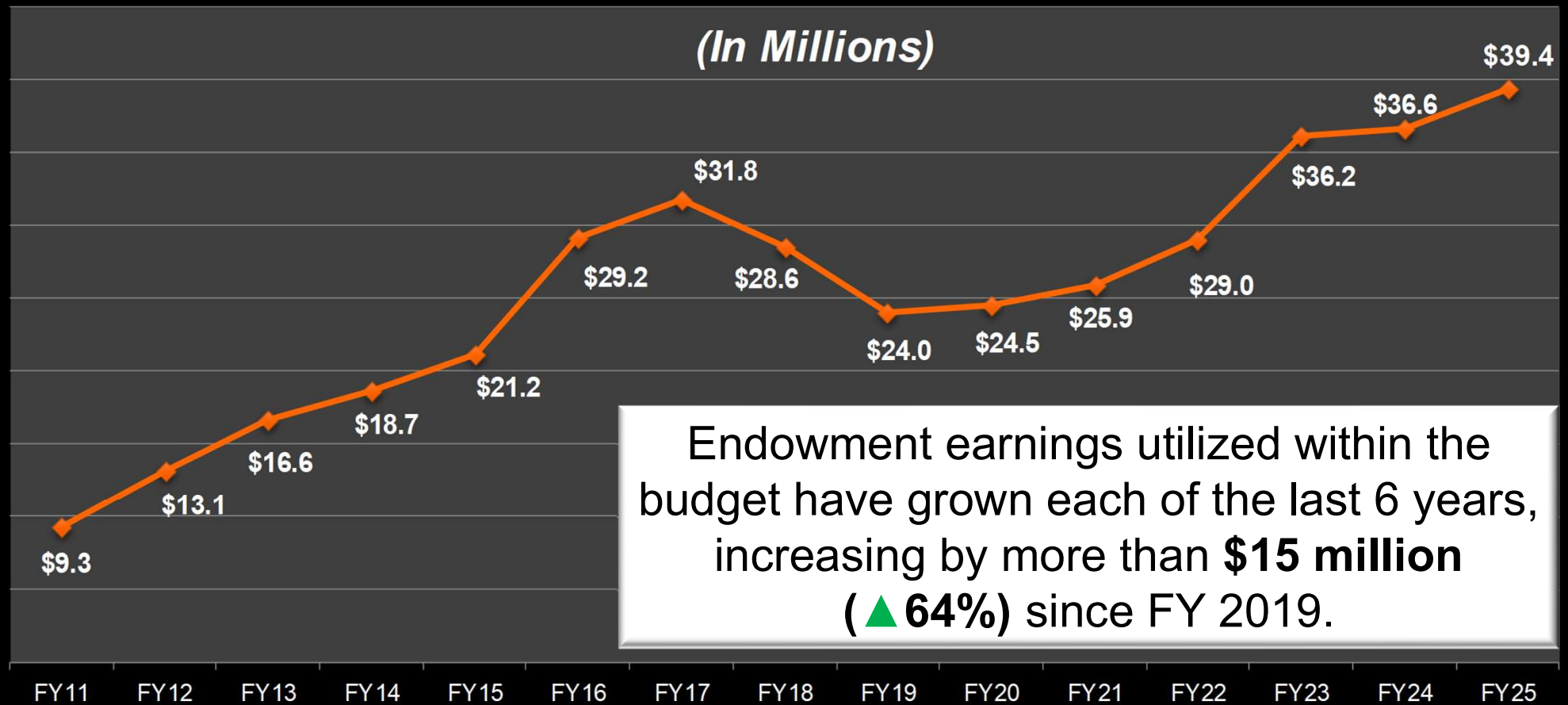
- As long as annual borrowing does not exceed the retired debt, OSU's total system debt will remain consistent.
- Any additional borrowing will result in annual increases in debt service payments.
  - As an example -- an increase of \$10 million in borrowing increases annual debt service payments by an estimated \$600K.
- OSU's credit rating affects the ability to borrow, and the interest rate associated with borrowing.
  - Inability to maintain our AA- rating would result in higher interest rates which would increase total project costs and annual debt service payments.

# 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 2025 endowment earnings of \$39.4 million incorporated into the General University budget is equivalent to a 18.7% increase in tuition and fee rates.

# Research Update

## OSU System Sponsored Program Expenditures (In Millions)

