

Board of Trustees Report To the Faculty Senate

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Reminder

I'm the Faculty Member on the Board of Trustees

I try to study this stuff so you don't have to ...



Tuition Issues

Tuition provides 70% of OSU's revenue

With inflation, flat state funding is essentially a 2-3% 'cut'

PERS and PEBB increases are essentially unfunded mandates

Percent of in-state students vs. out-of-state; currently 73%-27%; it is allowed by the Board to go to 67%-33% or maybe even 60%-40%; but, (1) what is our responsibility, as the Land Grant, to the citizens of Oregon?, and (2) you can't just throw a switch to make the change

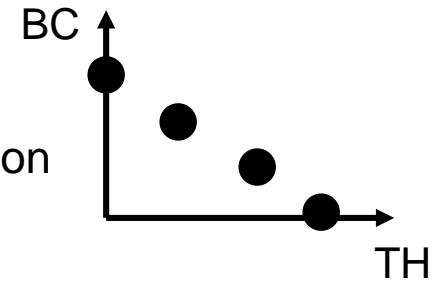
Can we/should we cut into OSU's Fund Balance? (OSU tries to hold a 10% fund balance.)

OSU's Moody's credit rating affects our borrowing interest rate, and is affected by many things, including our fund balance. (Everything seems to be connected here.)

Can we be/should we be cutting significant expenses. (Where?)



Tuition Results



There were several OSU option-points, each with a different combination of tuition hikes (0% - 12%) and university budget cuts (\$0 - \$Lots)

There was a concern that too low a tuition hike was essentially deferring bigger hikes from current students to future students

There was a concern about how budget cuts would impact new student success initiatives, risk management, compliance, etc.

There was a concern that too high a tuition hike would result in losing an unacceptable number of students

The Board accepted the option to raise tuition 4% for in-state students, 2% for out-of-state

This will require OSU to produce \$20M in budget cuts

Kudos to Sherm Bloomer for his budget focus groups (which included ~350 students) and his detailed analysis



Other Issues

Risk Management:

IT:

OSU gets 16.5M break-in attempts per day
2 risks: someone getting in, data getting out

Labs:

We have over 1,700 labs at OSU (!)
This doesn't even include computer labs
Database of what labs require what training knowledge

Critical training for OSU employees is an ongoing issue
OSU acquiring a Training Management System

Improvements coming to the electrical grid, both in infrastructure and in mitigation
Currently we have 44 generators on campus
Plans are to buy 12 more/year for next 5 years



Other Issues

Finance

OSU monitors several financial ratios and has established min and max acceptable ranges

Liquidity Management

Short-term financing

Line of Credit

Board approved next year's Operating Budget of \$1.2B

Board approved next year's Capital Budget of \$106M

- Gilkey Hall renovation

- Steam tunnel repair and replacement

- Magruder Hall expansion

- New on-campus upper-division / grad housing

- Newport housing



Shout-out to Mike Green for actually making all of this financial stuff interesting (no, really) (to me, anyway)

Thank you, Brett Morgan and Pat Reser

Transitions

Pat Reser and Brett Morgan moving off the Board

Current Trustee Rani Borkar (IBM) elected to be the new Board Chair starting July 1

