

O



PRESIDENT'S
**TUITION
FORUM**

February 15, 2024

6:00 p.m.

EMU Crater Lake Rooms

Taco bar provided

tuition.uoregon.edu



UNIVERSITY OF OREGON

President's Tuition Forum Financial Briefing & TFAB Recommendations

February 15, 2024

Agenda

- UO Budget Structure
- Cost Drivers
- Guaranteed Tuition Program
- TFAB Recommendations
- Small Group Discussions

UO Budget Structure

E&G Funds

- *Tuition revenue*
- *State Appropriation*
- *F&A Return*
- *Overhead revenue*
- *Fee revenue, interest earnings*

School & College
Budgets

Central Admin
Budgets

Institutional Expenses
(Debt, assessments,
utilities, leases)

Other Funds

- *Grants and Contracts revenue*
- *Auxiliary Revenue*
- *Service Center Revenue*
- *Designated Operations Revenue*
- *Restricted gifts*

Grants & Contracts

Plant Funds

Auxiliary, Service Centers,
and Designated Ops
Funds

Restricted Gifts

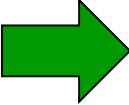
Summary – Major FY2025 E&G Fund Cost Drivers

Cost Driver	Projected FY25 Cost Increase	Notes
Faculty, Staff and GE Salary and OPE	\$13.0 million	E&G employee increases based on historical salary increases (absent contracts in place for bargaining units in future years) for approximately 1,151 graduate employees, 1,472 faculty, and 789 classified staff. Also includes salary increases for approximately 1,154 unrepresented staff. Figures are for employees paid with E&G funds only. Does not include any projected expenses related to adding staff or refilling vacancies.
Medical Costs	\$2.5 million	Includes increases of 4.1% on December 1, 2023 and assumes 4.1% on December 1, 2024.
Oregon Paid Leave	\$300K	Cost of annualized Oregon Paid Leave not incorporated in FY24 (program began in September 2023)
Institutional Expenses	\$2.0 million	Increases related to utilities, insurance, debt for academic buildings, assessments, and leases.
Faculty Hiring	\$3.0 million	15 Net Tenure Track Hires
Strategic Investments	\$2.0 million	Allocated via strategic investment process.
Total Projected Cost Increases	\$22.8 million	
1% Salary Increase	\$4.3 million	Every 1% average increase in salaries across all employee classes.

Summary – Major FY2025 E&G Fund Cost Drivers

Cost Driver	FY24 Base	Projected FY25 Cost Increase	FY25% Increase
Faculty, Staff and GE Compensation (Note: FY24 base includes \$93.9 million of fixed compensation costs such as health insurance and GE tuition waiver benefits)	\$511.0 million	\$13.0 million	2.5%
Medical Costs	\$60.4 million	\$2.5 million	4.1%
Retirement Costs	\$ 74.4 million	\$0 million	0.0%
Oregon Paid Leave	\$511.0 million	\$300K	0.1%
Institutional Expenses	\$47 million	\$2.0 million	4.3%
TTF Faculty Hiring	\$132.3 million	\$3.0 million	2.3%
Strategic Investments	\$645.2 million	\$2.0 million	0.3%
Total (E&G Expenditure Budget)	\$645.2 million	\$22.8 million	3.5%

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Framework – Guaranteed Tuition Program for Undergraduate Students

- For each entering class year, there is a set resident and non-resident tuition rate per student credit hour (SCH)
- That rate is guaranteed or locked for five years - no matter what
- Other tuition and fees that are locked include administratively controlled mandatory fees, summer tuition, honors college differential tuition, business school differential tuition, and the international student fee
- Students know the expected cost of their education before they decide to come to the University of Oregon

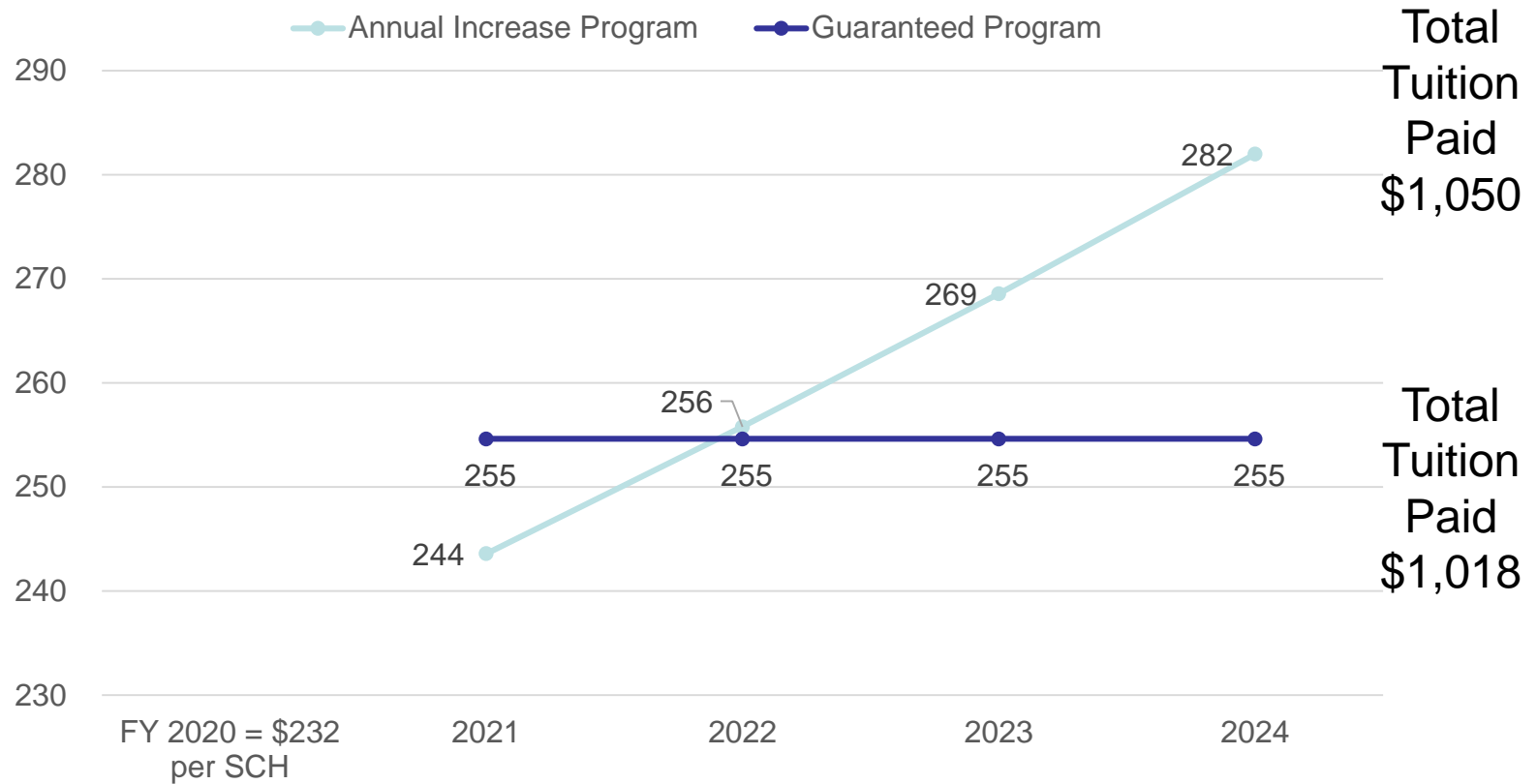
Average Historical Annual Undergraduate Tuition Rate Increases – Analysis conducted in FY2020

	<u>10 Year Average</u>	<u>5 Year Average</u>
Resident	5.4%	5.0%
Non-resident	4.4%	3.3%

New Resident Undergraduate Students Graduation Time 4 yrs

Analysis Conducted in FY2020

Assumed Annual Increases 5% - Average 5 Year Historical Rate
5 year Guaranteed rate \$254.62 per SCH (9.75% increase)



**New Resident Undergraduate Students
 Graduation Time 5 yrs
 Analysis Conducted in FY2020
 Assumed Annual Increases 5% - Average 5 Year Historical Rate
 5 year Guaranteed rate \$254.62 per SCH (9.75% increase)**



New Resident Undergraduate Students
Graduation Time 8 yrs
Analysis Conducted in FY2020
Assumed Annual Increases 5% - Average 5 Year Historical Rate
5 year Guaranteed rate \$254.62 per SCH (9.75% increase)



Advantages of Guaranteed Tuition Program for Students

- ***Financial Predictability:*** Tuition rates are locked in for five years – students and their families know ahead of time exactly what they are going to pay for their education.
- ***Peace of Mind:*** The guaranteed tuition program functions as a insurance policy for students. Regardless of what happens to state funding or other costs, their tuition rates are guaranteed for five years.
- ***Protection of Scholarship Value:*** Many scholarships are currently fixed dollar amounts. Under a guaranteed tuition program, the value of these scholarships remains the same over their college career.

Advantages of Guaranteed Tuition Program for Institution

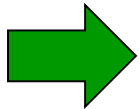
- ***Recruiting:*** The stronger value proposition of a locked-in rate should be very attractive to new students. This should help support the institution's enrollment growth initiative.
- ***Retention:*** One of the main reasons students cite for dropping out of school is financial pressure. This can often be linked to students not anticipating tuition increases throughout their college career. Having a locked rate for tuition should help with this issue.
- ***Campus Climate:*** Concern about continually rising tuition rates affects students, faculty and staff, and directs time, energy and focus away from other important educational issues.

Students who started prior to the Guaranteed Tuition Program

- Annual tuition increases for undergraduate students who started prior to the Guaranteed Tuition Program were locked at 3.0% per year through FY2024
- Fall 2024: Guaranteed Tuition is fully implemented
 - Five tuition cohorts: 2020, 2021, 2022, 2023, 2024
 - Remaining “continuing students” who have not yet graduated will be included in the 2020 tuition cohort during FY25
 - If those students continue undergraduate studies at UO during FY26, they move to the 2021 tuition cohort

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TFAB Recommendations: Incoming cohort of new undergraduate students (2024 Tuition Cohort)

- TFAB recommends the guaranteed tuition rate for new, incoming undergraduate students be set at a rate that is:
 - **3.0%** higher than this year's **resident** first-year students (\$297.85 per Student Credit Hour / \$13,403.25 per year)
 - **3.0%** higher than this year's **non-resident** first-year students (\$930.34 per Student Credit Hour / \$41,865.30 per year)
- For **resident** and **non-resident** undergraduate students in the 2024 Tuition Cohort, administratively controlled mandatory fees would be **2.99%** higher than the 2023 Tuition Cohort
- For the incoming UG cohort, tuition rates and admin-controlled mandatory fees will be **locked for 5 years**

Administratively Controlled Mandatory Fees (per term) and the Incidental Fee

Administratively Controlled Mandatory Fees	All Graduate Students			New, Incoming Undergraduate Students (2024 Cohort) Locked Fees		
				2023 Tuition Cohort	2024 Tuition Cohort	
	FY2024 Fee	FY2025 Fee	% Increase	FY2024 Fee	FY2025 Fee	% Increase
Building Fee	\$ 45.00	\$ 45.00	0.00%	\$ 45.00	\$ 45.00	0.00%
Health Service Fee	\$ 252.00	\$ 259.25	2.88%	\$ 255.75	\$ 262.75	2.74%
Rec Center Fee	\$ 128.50	\$ 132.00	2.72%	\$ 144.00	\$ 148.00	2.78%
Student Union Fee	\$ 232.75	\$ 239.00	2.69%	\$ 239.25	\$ 246.00	2.82%
Tech Fee	\$ 59.25	\$ 63.75	7.59%	\$ 59.25	\$ 63.75	7.59%
Total ACMF	\$ 717.50	\$ 739.00	3.00%	\$ 743.25	\$ 765.50	2.99%
<i>Incidental Fee</i>	\$ 141.50	\$ 145.25	2.65%	\$ 141.50	\$ 145.25	2.65%
All Mandatory Fees	\$ 859.00	\$ 884.25	2.94%	\$ 884.75	\$ 910.75	2.94%

Note: The Incidental Fee (I-Fee) proposal is developed by the ASUO and does not run through the TFAB review process.

Graduate Tuition Proposals

- Most proposed graduate tuition increases for FY25 vary between 0% and 3.5%
- School of Law: Proposed increases of
 - 5.0% for JD and CRES programs
 - 8.4% for LLM program

These increases are proposed by Law to

- Cover increasing operational costs
- Invest in students by
 - Hiring an ADA access coordinator
 - Improving student support services
 - Hiring Indigenous law and climate justice instructors

Graduate Tuition Proposals (*continued*)

- College of Arts and Sciences: Proposed adjustment in tuition rate for the Physics Master's program, to
 - Emphasize internship training with industry partners, professional development, and career preparation
 - Be in line with similar UO professional training programs

Next Steps

- President Scholz is collecting feedback from students, faculty, and staff on the TFAB recommendations (via forum and online survey)
- President will forward his tuition and fee proposals to the Board of Trustees in early March
- The Board of Trustees will make decisions about the FY25 tuition and fee proposals at the BOT meeting on March 11th & 12th

Small group discussions

Online feedback form:



See also: tuition.uoregon.edu