Student Tuition Forum
Financial Briefing

January 23, 2024
Agenda

- Cost Drivers
- State Appropriation
- Guaranteed Tuition Program
- Info and Input on Tuition
- Small Group Discussion
UO Budget Structure

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

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

---

School & College Budgets

Central Admin Budgets

Institutional Expenses (Debt, assessments, utilities, leases)

Grants & Contracts

Plant Funds

Auxiliary, Service Centers, and Designated Ops Funds

Restricted Gifts
<table>
<thead>
<tr>
<th>Cost Driver</th>
<th>Projected FY25 Cost Increase</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Faculty, Staff and GE</td>
<td>$13.0 million</td>
<td>E&amp;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&amp;G funds only. Does not include any projected expenses related to adding staff or refilling vacancies.</td>
</tr>
<tr>
<td>Medical Costs</td>
<td>$2.5 million</td>
<td>Includes increases of 4.1% on December 1, 2023 and assumes 4.1% on December 1, 2024.</td>
</tr>
<tr>
<td>Oregon Paid Leave</td>
<td>$300K</td>
<td>Cost of annualized Oregon Paid Leave not incorporated in FY24 (program began in September 2023)</td>
</tr>
<tr>
<td>Institutional Expenses</td>
<td>$2.0 million</td>
<td>Increases related to utilities, insurance, debt for academic buildings, assessments, and leases.</td>
</tr>
<tr>
<td>Faculty Hiring</td>
<td>$3.0 million</td>
<td>15 Net Tenure Track Hires</td>
</tr>
<tr>
<td>Strategic Investments</td>
<td>$2.0 million</td>
<td>Allocated via strategic investment process.</td>
</tr>
<tr>
<td><strong>Total Projected Cost Increases</strong></td>
<td><strong>$22.8 million</strong></td>
<td></td>
</tr>
<tr>
<td>1% Salary Increase</td>
<td>$4.3 million</td>
<td>Every 1% average increase in salaries across all employee classes.</td>
</tr>
</tbody>
</table>
# Summary – Major FY2025 E&G Fund Cost Drivers

<table>
<thead>
<tr>
<th>Cost Driver</th>
<th>FY24 Base</th>
<th>Projected FY25 Cost Increase</th>
<th>FY25% Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>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)</td>
<td>$511.0 million</td>
<td>$13.0 million</td>
<td>2.5%</td>
</tr>
<tr>
<td>Medical Costs</td>
<td>$60.4 million</td>
<td>$2.5 million</td>
<td>4.1%</td>
</tr>
<tr>
<td>Retirement Costs</td>
<td>$74.4 million</td>
<td>$0 million</td>
<td>0.0%</td>
</tr>
<tr>
<td>Oregon Paid Leave</td>
<td>$511.0 million</td>
<td>$300K</td>
<td>0.1%</td>
</tr>
<tr>
<td>Institutional Expenses</td>
<td>$47 million</td>
<td>$2.0 million</td>
<td>4.3%</td>
</tr>
<tr>
<td>TTF Faculty Hiring</td>
<td>$132.3 million</td>
<td>$3.0 million</td>
<td>2.3%</td>
</tr>
<tr>
<td>Strategic Investments</td>
<td>$645.2 million</td>
<td>$2.0 million</td>
<td>0.3%</td>
</tr>
<tr>
<td><strong>Total (E&amp;G Expenditure Budget)</strong></td>
<td><strong>$645.2 million</strong></td>
<td><strong>$22.8 million</strong></td>
<td><strong>3.5%</strong></td>
</tr>
</tbody>
</table>
### Summary – Major FY2025 E&G Fund Cost Drivers

<table>
<thead>
<tr>
<th>Cost Driver</th>
<th>Projected FY20 Cost Increase</th>
<th>Projected FY21 Cost Increase</th>
<th>Projected FY22 Cost Increase</th>
<th>Projected FY23 Cost Increase</th>
<th>Projected FY24 Cost Increase</th>
<th>Projected FY25 Cost Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Faculty, Staff &amp; GE Salary &amp; Wages</td>
<td>$10.6 million</td>
<td>$11.6 million</td>
<td>$7.3 million</td>
<td>$15.0 million</td>
<td>$11.9 million</td>
<td>$13.0 million</td>
</tr>
<tr>
<td>Medical Costs</td>
<td>$1.9 million</td>
<td>$2.5 million</td>
<td>$1.2 million</td>
<td>$1.6 million</td>
<td>$2.2 million</td>
<td>$2.5 million</td>
</tr>
<tr>
<td>Retirement Costs</td>
<td>$7.1 million</td>
<td>($500K)</td>
<td>-</td>
<td>-</td>
<td>$1.9 million</td>
<td>-</td>
</tr>
<tr>
<td>Oregon Paid Leave</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$900K</td>
<td>$300K</td>
</tr>
<tr>
<td>Blended OPE</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$4.0 million</td>
<td>-</td>
</tr>
<tr>
<td>Institutional Expenses</td>
<td>$1.0 million</td>
<td>$1.5 million</td>
<td>$1.2 million</td>
<td>$1.2 million</td>
<td>$1.5 million</td>
<td>$2.0 million</td>
</tr>
<tr>
<td>Faculty Hiring</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$3.0 million</td>
</tr>
<tr>
<td>Strategic Investments</td>
<td>$2.0 million</td>
<td>$2.0 million</td>
<td>$600K</td>
<td>$2.0 million</td>
<td>$2.0 million</td>
<td>$2.0 million</td>
</tr>
<tr>
<td>Minimum Wage Increase</td>
<td>$1.0 million</td>
<td>$1.9 million</td>
<td>$320K</td>
<td>$257K</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Projected Cost Increases</strong></td>
<td><strong>$23.6 million</strong></td>
<td><strong>$19.0 million</strong></td>
<td><strong>$10.6 million</strong></td>
<td><strong>$20.1 million</strong></td>
<td><strong>$24.4 million</strong></td>
<td><strong>$22.8 million</strong></td>
</tr>
</tbody>
</table>
Agenda

• Cost Drivers
• State Appropriation
• Guaranteed Tuition Program
• Info and Input on Tuition
• Small Group Discussion
Public Higher Education Appropriations per FTE by State at Four-Year Institutions, FY2022 (Adjusted)

Notes:
1. Education appropriations are a measure of state and local support available for public higher education operating expenses and student financial aid, excluding appropriations for research, hospitals, and medical education. Education appropriations include federal stimulus funding.
2. The U.S. calculation does not include the District of Columbia.
3. Fiscal year 2022 net FTE enrollment is estimated for Arkansas and education appropriations for Illinois and Texas include estimated local appropriations.
5. Adjusted to account for interstate differences using the Cost of Living Index (COLI). The COLI is not a measure of inflation over time.
6. Sector is determined at the institution level using the Carnegie Basic Classification (https://carnegieclassifications.acenet.edu/). Baccalaureate/Associate's Colleges and "less-than-two-year" degree-granting institutions not assigned a Carnegie classification are considered two-year institutions.

Source(s): State Higher Education Executive Officers Association
## Comparative University Funding

<table>
<thead>
<tr>
<th>FY 2023</th>
<th>EOU</th>
<th>OIT</th>
<th>OSU</th>
<th>PSU</th>
<th>SOU</th>
<th>UO</th>
<th>WOU</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fundable Students (Fall 2022)</td>
<td>1,278</td>
<td>2,194</td>
<td>15,601</td>
<td>12,223</td>
<td>2,188</td>
<td>10,523</td>
<td>2,423</td>
<td>46,430</td>
</tr>
<tr>
<td>PUSF Funding</td>
<td>$22.2M</td>
<td>$32.1M</td>
<td>$147.3M</td>
<td>$113.6M</td>
<td>$26.5M</td>
<td>$85.6M</td>
<td>$31.6M</td>
<td>$459.0M</td>
</tr>
<tr>
<td>PUSF Funding Per FTE Resident Student</td>
<td>$17,369</td>
<td>$14,650</td>
<td>$9,443</td>
<td>$9,297</td>
<td>$12,111</td>
<td>$8,137</td>
<td>$13,037</td>
<td>$9,886</td>
</tr>
<tr>
<td>Total FY 2023 State Funding</td>
<td>$25.8M</td>
<td>$38.2M</td>
<td>$269.7M</td>
<td>$134.0M</td>
<td>$28.7M</td>
<td>$90.9M</td>
<td>$34.1M</td>
<td>$621.4M</td>
</tr>
<tr>
<td>State Funding per FTE Resident Student</td>
<td>$20,169</td>
<td>$17,396</td>
<td>$17,290</td>
<td>$10,962</td>
<td>$13,095</td>
<td>$8,638</td>
<td>$14,090</td>
<td>$13,383</td>
</tr>
</tbody>
</table>
State Appropriations per Student FTE among AAU Publics (FY2021)

<table>
<thead>
<tr>
<th>Institution Name</th>
<th>State Appropriation per Student FTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of North Carolina at Chapel Hill</td>
<td>$18,555</td>
</tr>
<tr>
<td>Stony Brook University</td>
<td>$17,398</td>
</tr>
<tr>
<td>University of Florida</td>
<td>$16,434</td>
</tr>
<tr>
<td>University of Maryland-College Park</td>
<td>$15,856</td>
</tr>
<tr>
<td>University at Buffalo</td>
<td>$15,155</td>
</tr>
<tr>
<td>Rutgers University-New Brunswick</td>
<td>$14,865</td>
</tr>
<tr>
<td>Texas A &amp; M University-College Station</td>
<td>$12,889</td>
</tr>
<tr>
<td>University of Utah</td>
<td>$12,534</td>
</tr>
<tr>
<td>University of Minnesota-Twin Cities</td>
<td>$12,507</td>
</tr>
<tr>
<td>University of Wisconsin-Madison</td>
<td>$11,098</td>
</tr>
<tr>
<td>University of California-Davis</td>
<td>$10,287</td>
</tr>
<tr>
<td>University of Kansas</td>
<td>$10,237</td>
</tr>
<tr>
<td>University of California-Riverside</td>
<td>$10,177</td>
</tr>
<tr>
<td>University of South Florida</td>
<td>$9,838</td>
</tr>
<tr>
<td>Georgia Institute of Technology-Main Campus</td>
<td>$9,511</td>
</tr>
<tr>
<td>University of Washington-Seattle Campus</td>
<td>$9,444</td>
</tr>
<tr>
<td>University of California-Santa Cruz</td>
<td>$9,013</td>
</tr>
<tr>
<td>University of California-Los Angeles</td>
<td>$8,709</td>
</tr>
<tr>
<td>University of Missouri-Columbia</td>
<td>$8,017</td>
</tr>
<tr>
<td>University of California-Berkeley</td>
<td>$8,041</td>
</tr>
<tr>
<td>University of Iowa</td>
<td>$7,884</td>
</tr>
<tr>
<td>Ohio State University-Main Campus</td>
<td>$7,542</td>
</tr>
<tr>
<td>University of California-Santa Barbara</td>
<td>$7,418</td>
</tr>
<tr>
<td>University of California-Irvine</td>
<td>$7,341</td>
</tr>
<tr>
<td>University of California-San Diego</td>
<td>$7,236</td>
</tr>
<tr>
<td>The University of Texas at Austin</td>
<td>$7,232</td>
</tr>
<tr>
<td>University of Virginia-Main Campus</td>
<td>$6,578</td>
</tr>
<tr>
<td>University of Michigan-Ann Arbor</td>
<td>$6,522</td>
</tr>
<tr>
<td>University of Arizona</td>
<td>$6,492</td>
</tr>
<tr>
<td>Purdue University-Main Campus</td>
<td>$6,423</td>
</tr>
<tr>
<td>Michigan State University</td>
<td>$6,247</td>
</tr>
<tr>
<td>Indiana University-Bloomington</td>
<td>$5,278</td>
</tr>
<tr>
<td>University of Illinois Urbana-Champaign</td>
<td>$4,683</td>
</tr>
<tr>
<td>Arizona State University Campus Immersion</td>
<td>$4,147</td>
</tr>
<tr>
<td>University of Oregon</td>
<td>$3,849</td>
</tr>
<tr>
<td>University of Colorado Boulder</td>
<td>$2,895</td>
</tr>
</tbody>
</table>

Average Appropriation: $9,401

Notes:
1. Penn State University and University of Pittsburgh are excluded from the table because Pennsylvania has alternative state funding mechanisms.
2. The Student FTE corresponds to a 12-month FTE.
Source: IPEDS Finance (FY2021) and Enrollment (FY2021).
State Appropriation and Resident Tuition (net: after remissions) Revenue per Resident Student FTE

Note: The chart compares state appropriation and resident tuition revenue on a per student FTE basis. Figures are expressed in inflation-adjusted 2023 dollars. The Consumer Price Index (CPI) values are obtained from the Bureau of Labor Statistics and represent the Urban-West annual CPI as of June 30, 2023.
Source: UO Office of Institutional Research.
Agenda

• Cost Drivers
• State Appropriation
• Guaranteed Tuition Program
• Info and Input on Tuition
• Small Group Discussion
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

<table>
<thead>
<tr>
<th></th>
<th>10 Year Average</th>
<th>5 Year Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resident</td>
<td>5.4%</td>
<td>5.0%</td>
</tr>
<tr>
<td>Non-resident</td>
<td>4.4%</td>
<td>3.3%</td>
</tr>
</tbody>
</table>
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)

FY 2020 = $232 per SCH
2021 2022 2023 2024
Annual Increase Program Guaranteed Program
Total Tuition Paid
$1,050
$1,018
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.
Tuition and Fee Advisory Board (TFAB) Process

• Fall term: TFAB was provided with training on
  o Historical and comparative data and UO budget information
  o Background on the Public University Support Fund (PUSF)
  o Guaranteed Tuition Program, cost drivers, long-term financials, and a plan for cost management

• Winter term:
  • Student Forum on tuition (co-hosted with ASUO)
  • TFAB reviews proposals: administratively-controlled mandatory fees (EMU, recreation center, health services, tech fee), course fees, housing, graduate programs, and other proposals received
  • TFAB makes recommendations to the president (early Feb)
  • President receives input at the President’s tuition forum (mid-Feb)
  • President’s tuition recommendations posted for community comment (mid-Feb)
  • President finalizes recommendations for March Board meeting
Tuition Website

The University of Oregon delivers a world-class education and exceptional experience to students from around the world. Tuition and state support are the two main sources of revenue that pay for the bulk of the university’s operating costs, including faculty and staff salaries; classrooms and libraries; academic advising; information technology; facilities; fundraising; admissions; human resources, and around $50 million in financial aid and scholarships that help ensure UO remains accessible to every qualified Oregonian who wants to attend.

The Oregon Guarantee

On March 17, 2020, the UO Board of Trustees approved the Oregon Guarantee program. Starting fall 2020, the Oregon Guarantee provides each UO undergraduate student a fixed tuition rate for up to five years. This helps families accurately plan and predict their total tuition and helps eliminate the uncertainty of what a UO degree will cost.

Tuition-Setting Process

The Tuition and Fee Advisory Board (TFAB) is the university’s official advisory group charged with reviewing and recommending tuition and fee proposals each year, prior to their submission to the President. TFAB is advisory to the President and its members are drawn broadly from the university community, including students, faculty, and staff.

Tuition and Fee Advisory Board (TFAB) Schedule

General Meetings (all open to the public)

WINTER MEETINGS

All meetings are open to the public. Information on the venues for the winter term meetings will be added here when final.

- Wednesday, January 10, 3-4:30pm: EMU 107 The Miller Room
- Friday, January 19, 10-11:30am: EMU 230 Swindells
- Friday, January 26, 11am-12:30pm: EMU 029 Lease Crutcher Lewis
- Monday, January 23, 3-4:30pm: EMU 107 The Miller Room
- Wednesday, January 31, 3-4:30pm: EMU 107 The Miller Room
- Friday, February 2, 8-9:30am: EMU 107 The Miller Room

Wednesday, January 10, 3-4:30pm, The Miller Room (EMU 107)

- Meeting agenda: Wed Jan 10
- TFAB winter term meeting plan
- Administratively controlled mandatory fees
- Student Services and Enrollment Management (SSEM) presentation
  - Health services proposal
  - Housing proposal
Opportunities for Learning and Input

- UO tuition website: https://tuition.uoregon.edu

- Input to TFAB during meetings (all open to the public): https://tuition.uoregon.edu/tfab-schedule

- Input to ASUO

- President’s forum in February to receive input on tuition recommendations

- Community survey input to the President following release of TFAB recommendations in February

- University Day at the Capitol in Salem: Feb 8, 2024
Agenda

• Cost Drivers
• State Appropriation
• Guaranteed Tuition Program
• Info and Input on Tuition
• Small Group Discussion