PRESIDENT’S TUITION FORUM

February 15, 2024
6:00 p.m.
EMU Crater Lake Rooms

Taco bar provided

tuition.uoregon.edu
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

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
## Summary – Major FY2025 E&G Fund Cost Drivers

<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 Salary and OPE</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>
</tbody>
</table>

**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

<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>
Agenda

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Annual Increase Program</th>
<th>Guaranteed Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>244</td>
<td>255</td>
</tr>
<tr>
<td>2021</td>
<td>255</td>
<td>255</td>
</tr>
<tr>
<td>2022</td>
<td>256</td>
<td>255</td>
</tr>
<tr>
<td>2023</td>
<td>269</td>
<td>255</td>
</tr>
<tr>
<td>2024</td>
<td>282</td>
<td>255</td>
</tr>
</tbody>
</table>

Total Tuition Paid in FY 2020 = $1,018
Total Tuition Paid in FY 2021 = $1,050
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)

Total Tuition Paid $1,346
Total Tuition Paid $1,273

FY 2020 = $232 per SCH
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
  - 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

<table>
<thead>
<tr>
<th>Administratively Controlled Mandatory Fees</th>
<th>All Graduate Students</th>
<th>New, Incoming Undergraduate Students (2024 Cohort) Locked Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY2024 Fee</td>
<td>FY2025 Fee</td>
</tr>
<tr>
<td>Building Fee</td>
<td>$ 45.00</td>
<td>$ 45.00</td>
</tr>
<tr>
<td>Health Service Fee</td>
<td>$ 252.00</td>
<td>$ 259.25</td>
</tr>
<tr>
<td>Rec Center Fee</td>
<td>$ 128.50</td>
<td>$ 132.00</td>
</tr>
<tr>
<td>Student Union Fee</td>
<td>$ 232.75</td>
<td>$ 239.00</td>
</tr>
<tr>
<td>Tech Fee</td>
<td>$ 59.25</td>
<td>$ 63.75</td>
</tr>
<tr>
<td><strong>Total ACMF</strong></td>
<td><strong>$ 717.50</strong></td>
<td><strong>$ 739.00</strong></td>
</tr>
</tbody>
</table>

### Incidental Fee
- FY2024: $141.50
- FY2025: $145.25
- % Increase: **2.65%**

### All Mandatory Fees
- FY2024: $859.00
- FY2025: $884.25
- % Increase: **2.94%**

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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
  o 5.0% for JD and CRES programs
  o 8.4% for LLM program

These increases are proposed by Law to
  o Cover increasing operational costs
  o 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