

Cost Management Overview - November 2019

Enrolled House Bill 4141-B (2018) establishes certain requirements for the process that must be used by Oregon's public universities in setting undergraduate, resident tuition. Section 4(a) stipulates that the UO must provide the Tuition and Fee Advisory Board (TFAB) with a "plan for how the governing board and the public university's administration are managing costs on an ongoing basis".

Managing both short- and long-term costs is an enduring concern of the university's administration and governing board. The Board of Trustees, along with university leadership, accepts full responsibility for the management of costs of the University, recognizing that this is a fundamental duty of the governing board. University leadership believes it is an obligation to appropriately and responsibly manage costs, particularly since so much of the institution's education and general budget comes from tuition or taxpayer dollars.

To help ensure cost management happens on an "ongoing basis" as required by both the law and sound fiscal management,

1. The Board of Trustees annually reviews projected expenditures for the upcoming fiscal year. This helps ensure expenditures align with institutional priorities, as well as projected revenue.
2. The Board of Trustees reviews, quarterly, financial projections against actual spending rates. This helps ensure costs are in line with approved budgets, that treasury and financial decisions are rooted in data, and that any irregularities are quickly caught and analyzed.
3. The Board of Trustees receives benchmarking information, comparing the UO's staffing levels (which account for approximately 80% of the education and general budget) to those of public peer institutions. This information helps UO Leadership to better understand how UO staffing compares to peers and how comparative staffing levels affect our labor costs.
4. The Board of Trustees reviews long-term financial scenario plans from the chief financial officer on at least an annual basis. This information helps provide a longer view of the impact of known and assumed costs on the university's financial stability.
5. The Board of Trustees includes financial stability – including an ongoing examination of cost-saving measures – in the president's annual objectives. These objectives are a key component of the president's annual evaluation.
6. The Board of Trustees will annually discuss measures taken by the institution toward specific savings initiatives. Administration leadership will provide updates on cost-saving endeavors that will realize one-time savings, recurring savings, or a combination of both.
7. The Board of Trustees and University leadership regularly discuss and review all university costs, including state mandated costs such as PERS and PEBB, and supports efforts, including those in coordination with the other universities, to address such costs.