



UNIVERSITY OF OREGON

# University of Oregon Financial Briefing

January 17th, 2016

# Agenda

- Background Budget Information
- Major sources of E&G Revenue
- FY15, FY16 and FY17 Budget Issues
- FY18 Projected Major Cost Drivers

# 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*

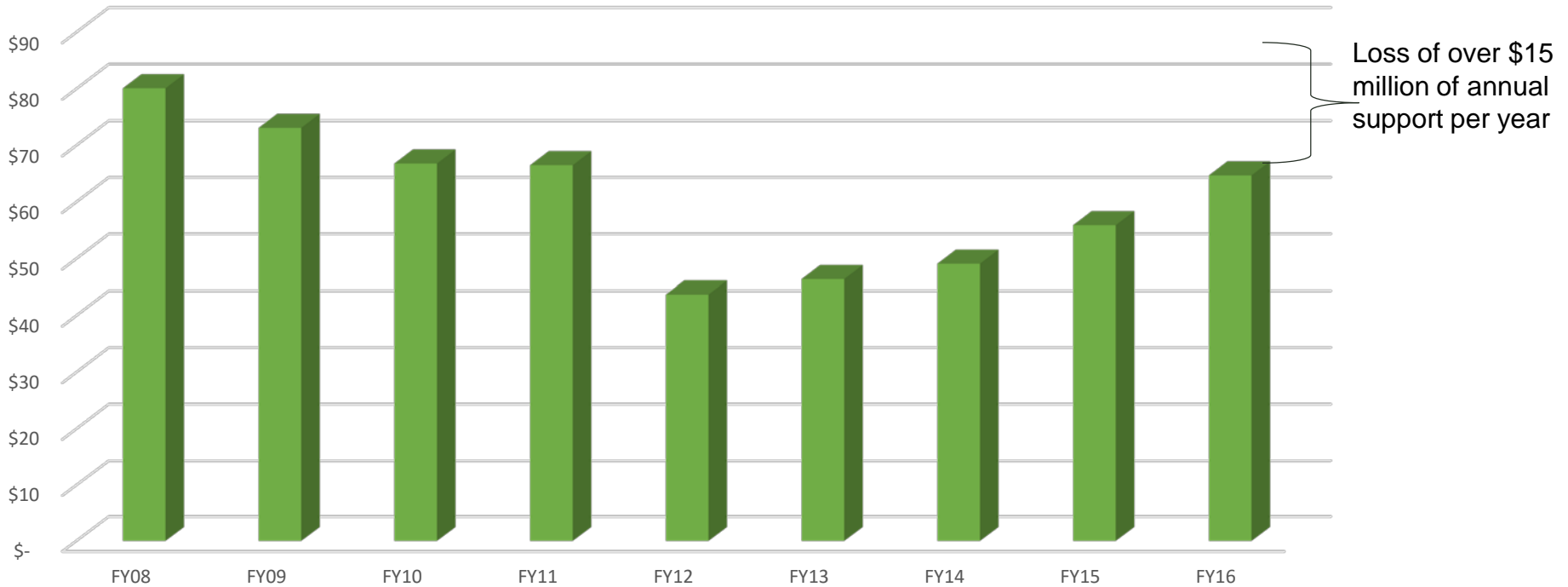
Grants & Contracts

Plant Funds

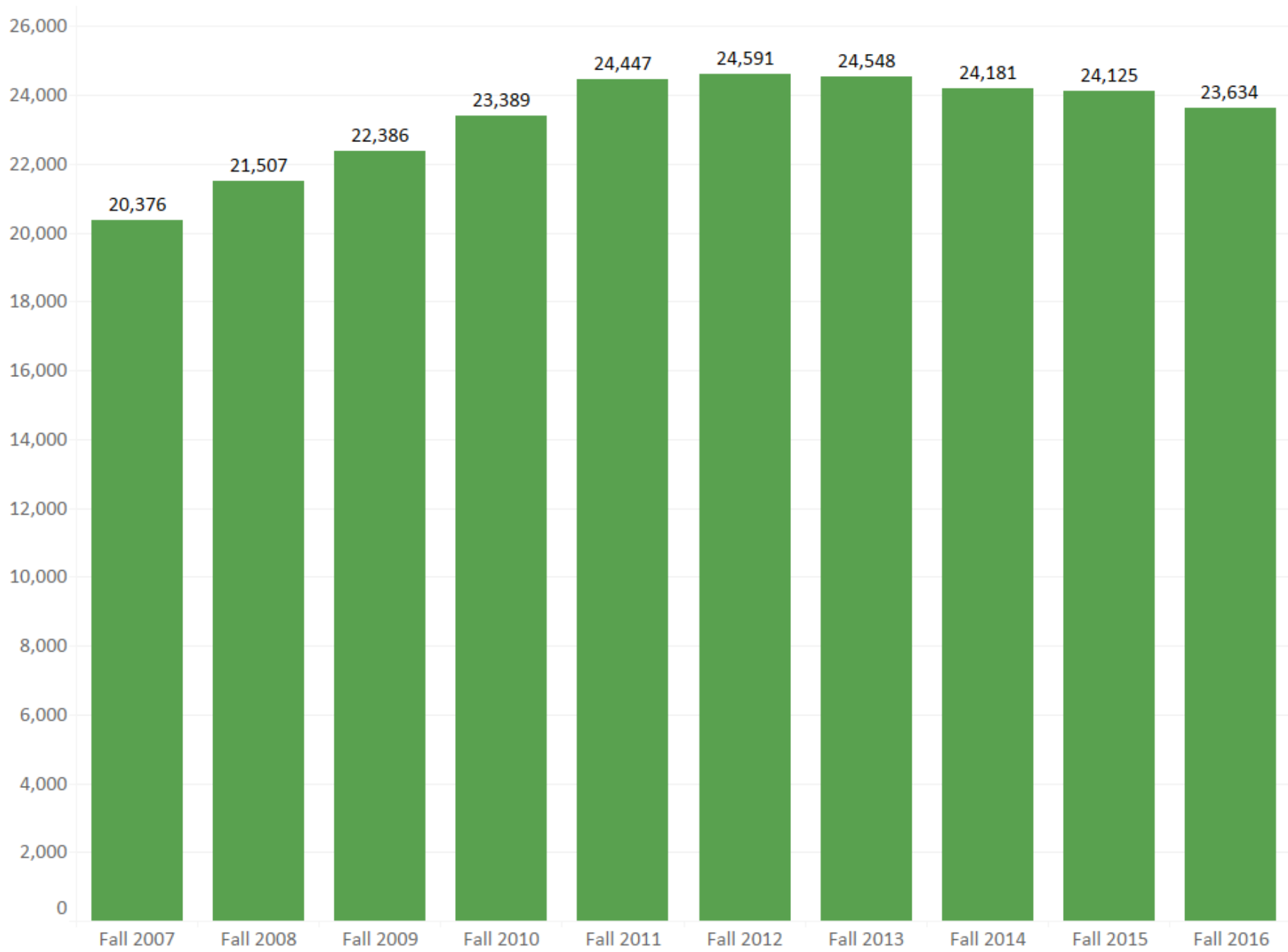
Auxiliary, Service Centers,  
and Designated Ops  
Funds

Restricted Gifts

# Decreased Levels of State Appropriations



# Student Enrollment



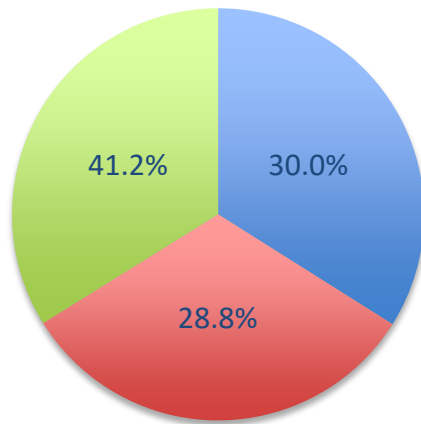
# University Resources

## FY2016 Major Revenue Streams (E&G Fund)

State Appropriation	\$64.8 million
Resident Tuition	\$104.0 million
Nonresident Tuition	\$281.1 million

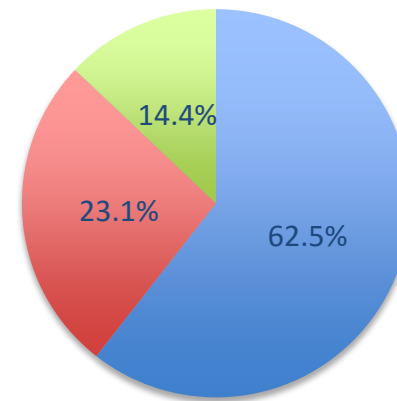
# Increasing Dependence Upon Nonresident Tuition

## FY2004 – Revenue Breakdown



- Nonresident Tuition as % of Total Three sources
- Resident Tuition as % of Total Three sources
- State Appropriation as % of Total Three sources

## FY2016 – Revenue Breakdown



- Non-Resident Tuition as % of Total Three Sources
- Resident Tuition as % of Total Three Sources
- State Appropriation as % of Total Three Sources

# UO Budget Structure

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- *Tuition revenue*
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## 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



# Context – E&G Fund

- E&G Fund - Characteristics

- 80% funded with tuition revenue
- Funds majority of activity in schools and colleges and administrative units
- Over 80% invested in people

- E&G Fund – Recent History

- FY15: \$10 million deficit (\$6.5 million related to recurring issues)
- FY16: Balanced due to state investment and tuition increase
- FY17: Projections balanced due to tuition increase and cost containment efforts

# Summary – Major E&G Fund Cost Drivers

Cost Driver	FY17 Projected Cost Increase	FY18 Projected Cost Increase
Faculty and Staff Salary and Wages	\$7.6 million	<b>\$10.6 million</b>
GTF Salary and Wages	TBD	TBD
Medical Costs	\$2.2 million	\$2.2 million
Retirement Costs	n/a	<b>\$6 million</b>
Institutional Expenses	\$1.5 million	\$1.5 million
Strategic Investments (includes \$1 million for new faculty)	\$2.0 million	\$2.0 million
IT Infrastructure Investments	\$2.75 million	\$2.75 million?
Increase to Minimum Wage	TBD	TBD
Investments in Tenure Track Faculty	\$1.5 million	\$1.5 million
<b>Total Project Cost Increases*</b>	<b>\$17.5 million*</b>	<b>\$26.5 million*</b>

**\* Does not include negotiated GTF contract increases, increases to minimum wage, additional investments needs in IT, costs related to federal FLSA regulations changes regarding eligibility for overtime pay; further investments in diversity initiatives, or individual school/college/department investments.**

# Summary – Major E&G Fund Cost Drivers

Cost Driver	Original Estimates FY18 Cost Increases	Revised Estimates FY18 Cost Increases
Faculty and Staff Salary and Wages	\$10.6 million	\$11.0 million
GTF Salary and Wages	TBD	\$800K
Medical Costs	\$2.2 million	\$1.6 million
Retirement Costs	\$6 million	\$7.1 million
Institutional Expenses	\$1.5 million	\$1.0 million
Strategic Investments (includes \$1 million for new faculty)	\$2.0 million	\$2.0 million
IT Infrastructure Investments	\$2.75 million?	TBD
Increase to Minimum Wage	TBD	TBD
Investments in Tenure Track Faculty	\$1.5 million	\$1.5 million
<b>Total Project Cost Increases*</b>	<b>\$26.5 million*</b>	<b>\$25.0 million*</b>

**\* Does not include, increases to minimum wage, costs related to federal FLSA regulations changes regarding eligibility for overtime pay; further investments in diversity initiatives, or individual school/college/department investments.**

# FY18 E&G Fund Major Cost Drivers

Factor	Projected Cost Increase	Notes
Faculty and Staff Salary and Wages	\$11.0 million	Per collective bargaining agreements. Officers of Administration salary package assumed to be similar to faculty salary package. Does not include GTF salary increases
GTF Salary and Wages	\$800K	Assumes insurance cost increases only 50% of last year
Medical Cost (PEBB)	\$1.6 million	Assumes average 3.4% increase (Dec. 2016 rate) for entire year

# FY18 E&G Fund Major Cost Drivers (continued)

Factor	Projected Cost Increase	Notes
Retirement Costs (PERS)	\$7.1 million	Based on recently released updated PERS information. Assumes 400K of savings as Tier 1&2 employees retire and are replaced with Tier 3 & 4 employees. PERS Board projecting additional significant increases to occur in FY20 and FY22.
Institutional Expenses	\$1.0 million	Debt, rent, utilities, insurance and assessments.
Strategic Investment Fund	\$2.0 million	\$1 million pre-committed to tenure track faculty hires as part of cluster hires.

# FY18 E&G Fund Major Cost Drivers (continued)

Factor	Projected Cost Increase	Notes
IT Infrastructure Investments	TBD	
Increase to Minimum Wage	TBD	New minimum wage law implemented. Mostly affecting student workers at this point.
Investments in New Tenure Track Faculty	\$1.5 million	

# Summary – Major E&G Fund Cost Drivers

Cost Driver	Revised Estimates FY18 Cost Increases
Faculty and Staff Salary and Wages	\$11.0 million
GTF Salary and Wages	\$800K
Medical Costs	\$1.6 million
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Institutional Expenses	\$1.0 million
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IT Infrastructure Investments	TBD
Increase to Minimum Wage	TBD
Investments in Tenure Track Faculty	\$1.5 million
<b>Total Project Cost Increases*</b>	<b>\$25.0 million*</b>

*\* Does not include, increases to minimum wage, costs related to federal FLSA regulations changes regarding eligibility for overtime pay; further investments in diversity initiatives, or individual school/college/department investments.*

## Estimate of Impact of Flat PUSF (Public University Support Fund)

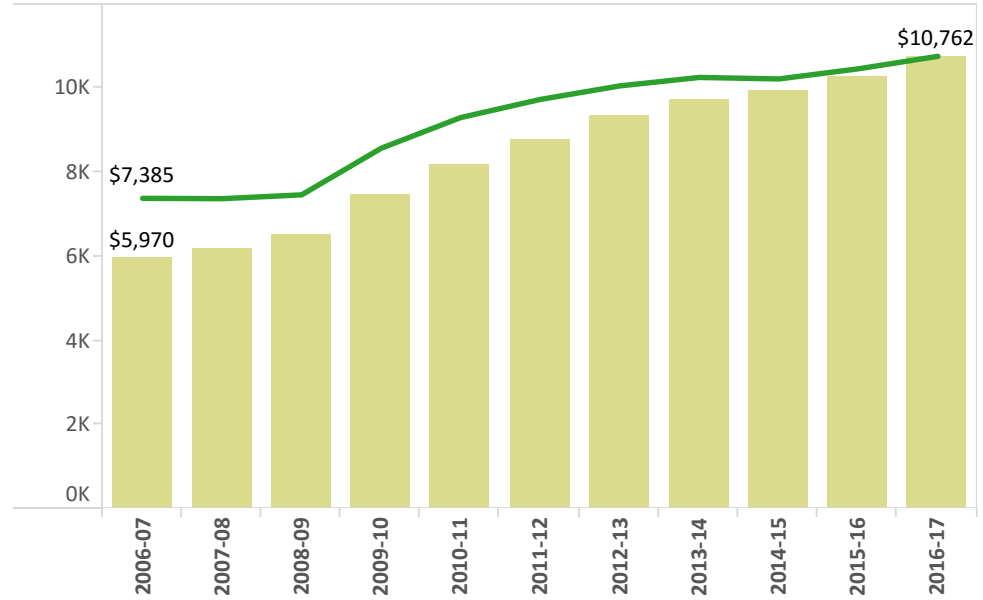
	<b>FY16 / FY17 - \$667 million</b>		<b>FY18 / FY19 - \$667 million</b>	
<b>PUSF</b>	<u>FY2016</u> \$327M	<u>FY2017</u> \$340M	<u>FY2018</u> \$327M <b>-3.8%</b>	<u>FY2019</u> \$340M +4%
	<b>FY16 / FY17 - \$126.9 million</b>		<b>FY18 / FY19 - \$125.95 million</b>	
<b>UO</b>	<u>FY2016</u> \$62.7M	<u>FY2017</u> \$64.2M	<u>FY2018</u> \$61.75 <b>-3.8%</b> <b>-\$2.45M</b>	<u>FY2019</u> \$64.2M +4% +\$2.45M



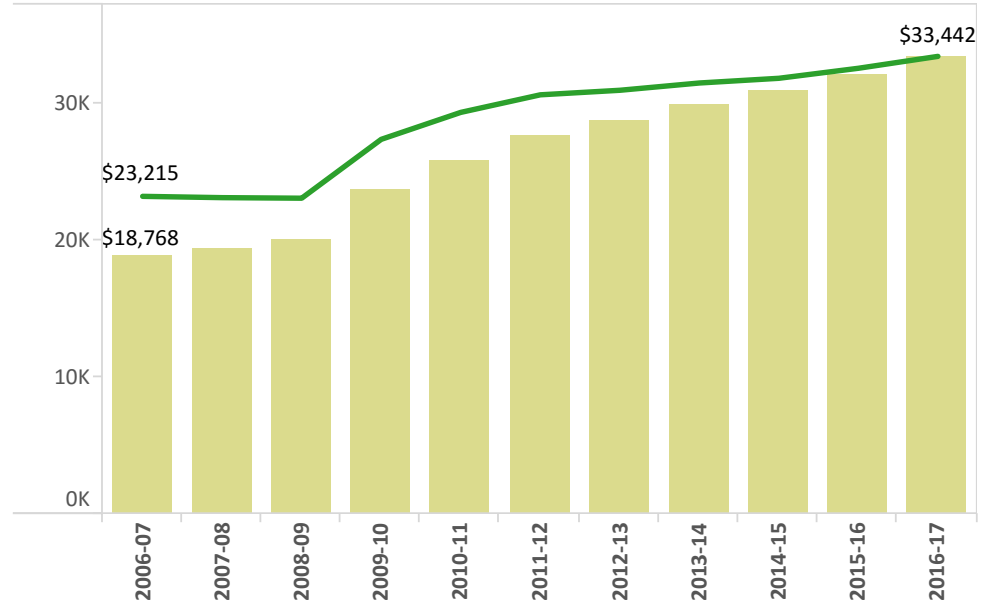
# Undergraduate Tuition and Fee History 2006-07 to 2016-17

Year	Resident		Nonresident	
	Amount	CPI-adjusted	Amount	CPI-adjusted
2006-07	\$5,970	\$7,385	\$18,768	\$23,215
2007-08	\$6,168	\$7,377	\$19,332	\$23,120
2008-09	\$6,485	\$7,468	\$20,042	\$23,079
2009-10	\$7,430	\$8,576	\$23,720	\$27,380
2010-11	\$8,190	\$9,306	\$25,830	\$29,349
2011-12	\$8,789	\$9,736	\$27,653	\$30,633
2012-13	\$9,310	\$10,058	\$28,660	\$30,965
2013-14	\$9,703	\$10,259	\$29,788	\$31,496
2014-15	\$9,918	\$10,224	\$30,888	\$31,840
2015-16	\$10,289	\$10,465	\$32,024	\$32,573
2016-17	\$10,762	\$10,762	\$33,442	\$33,442

### Tuition and Fees for Residents



### Tuition and Fees for Nonresidents



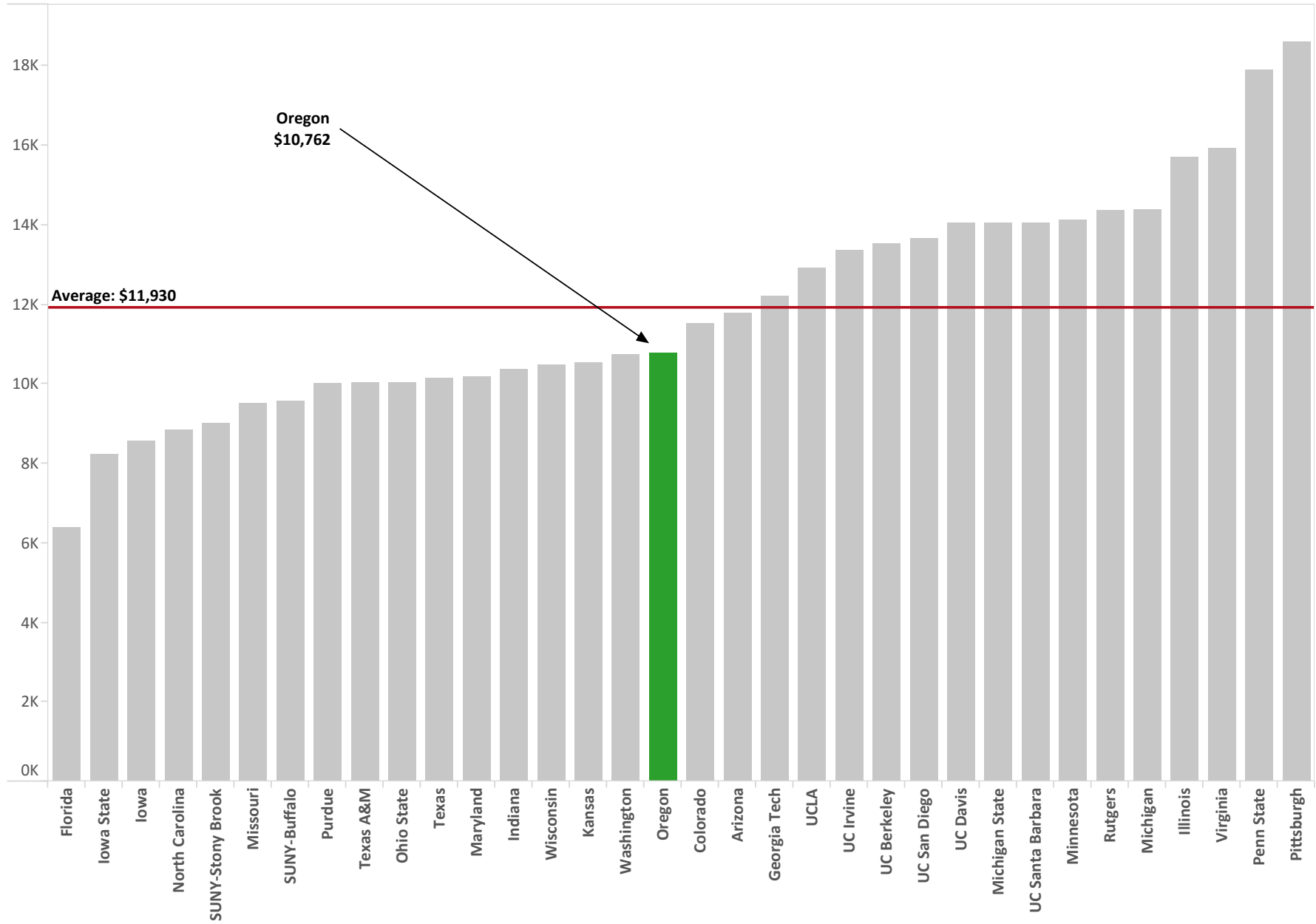
**Notes:**

1. The CPI values are provided by the Bureau of Labor Statistics and represent the Portland-Salem annual CPI values as of June 30, 2016.
2. All of the costs presented in the table are annualized for the academic year. Tuition and fee rates correspond to a carrying load of 15 credit hours.

Source: UO Office of Institutional Research.

# AAU Publics

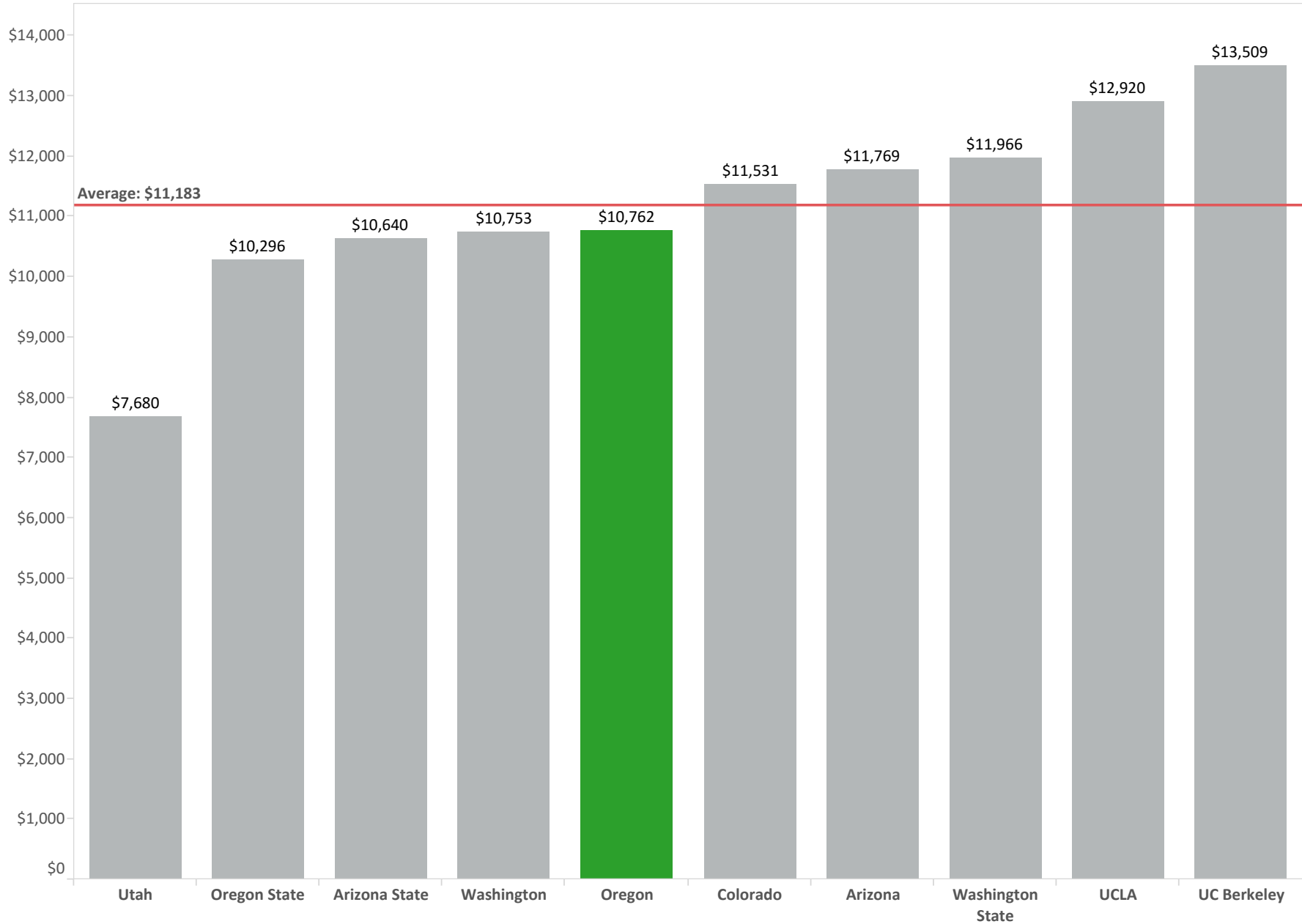
## 2016-17 Tuition and Fees Resident Full-time Undergraduate



Source: AAUDE Tuition and Fees.

## PAC-12 Publics

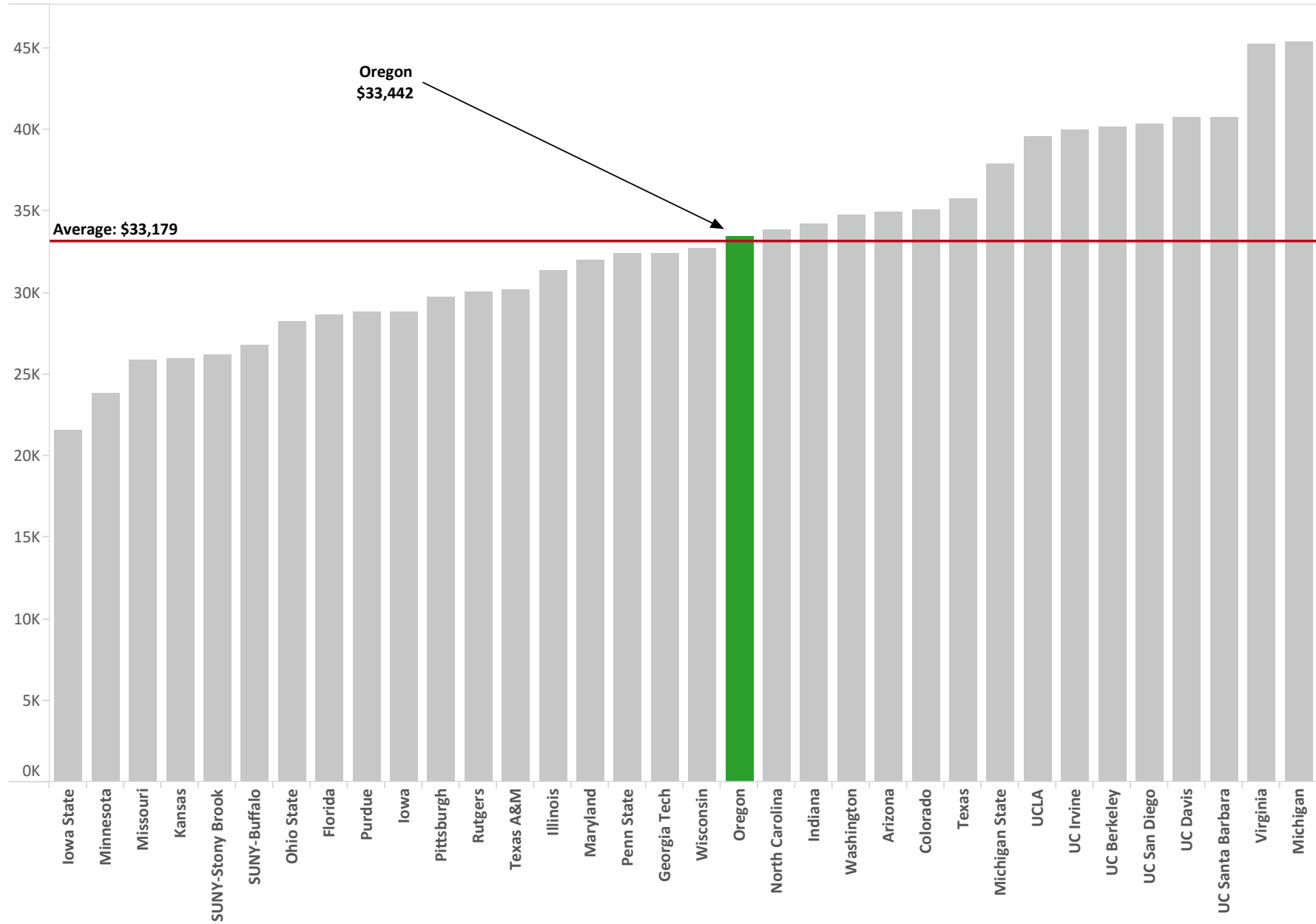
### 2016-17 Tuition and Fees Resident Full-time Undergraduate



Source: AAUDE Tuition and Fees and Institution web sites.

## AAU Publics

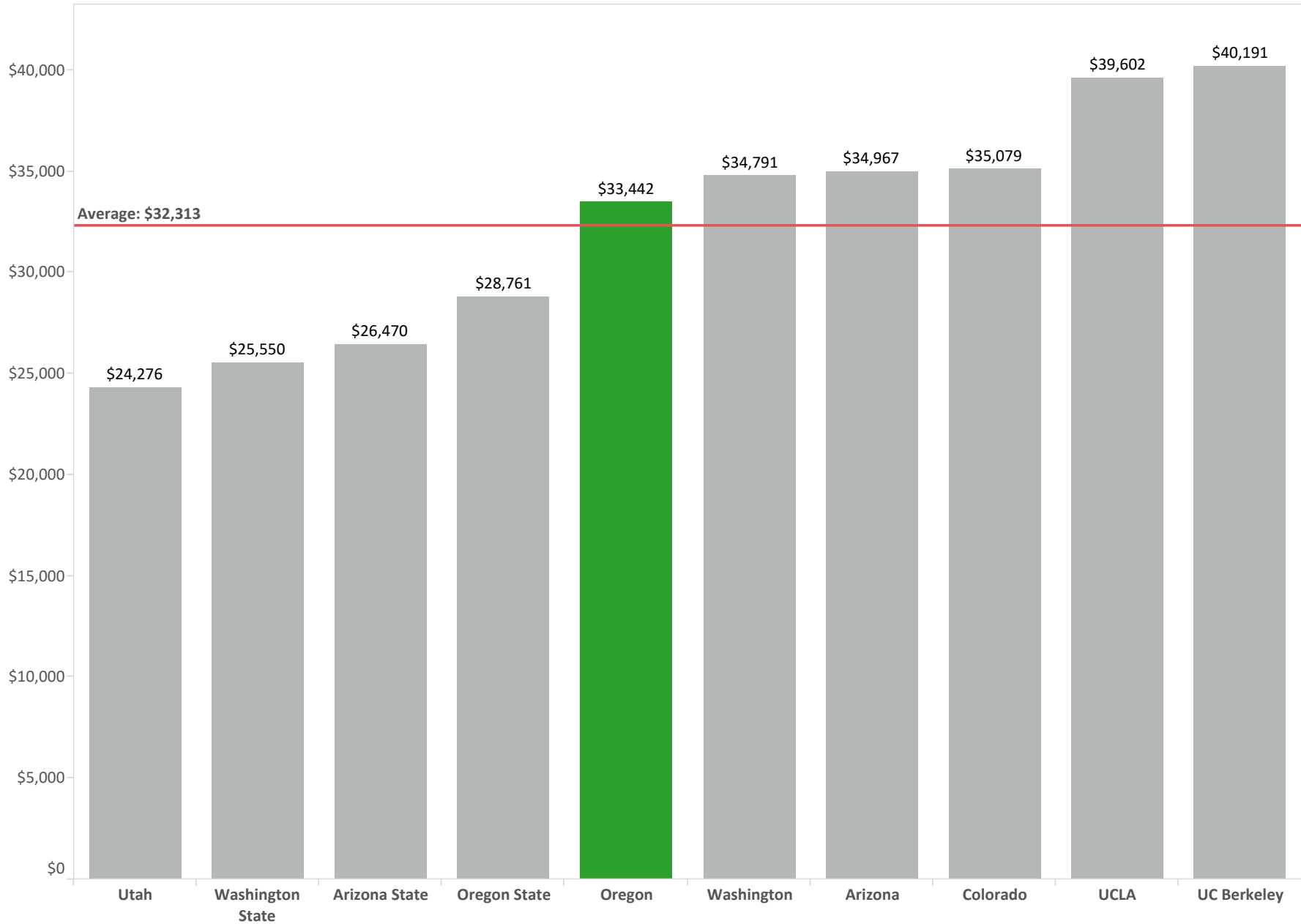
### 2016-17 Tuition and Fees Nonresident Full-time Undergraduate



Source: AAUDE Tuition and Fees.

## PAC-12 Publics

### 2016-17 Tuition and Fees Nonresident Full-time Undergraduate



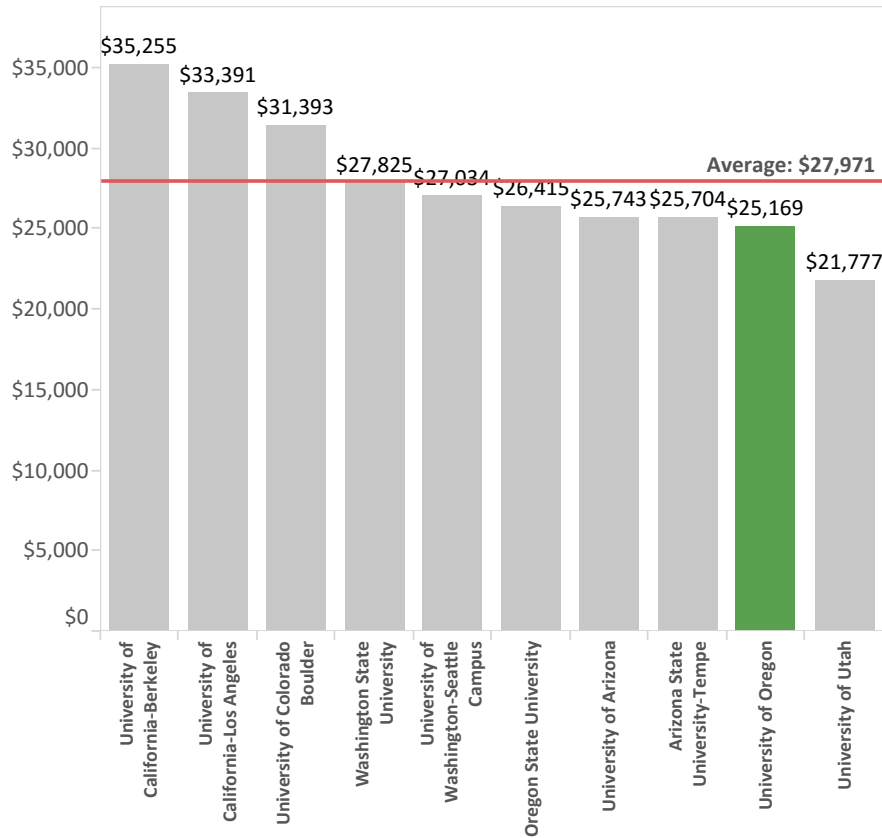
Source: AAUDE Tuition and Fees and Institution web sites.

# Cost of Attendance for the 2015-16 Academic Year among PAC 12 Publics

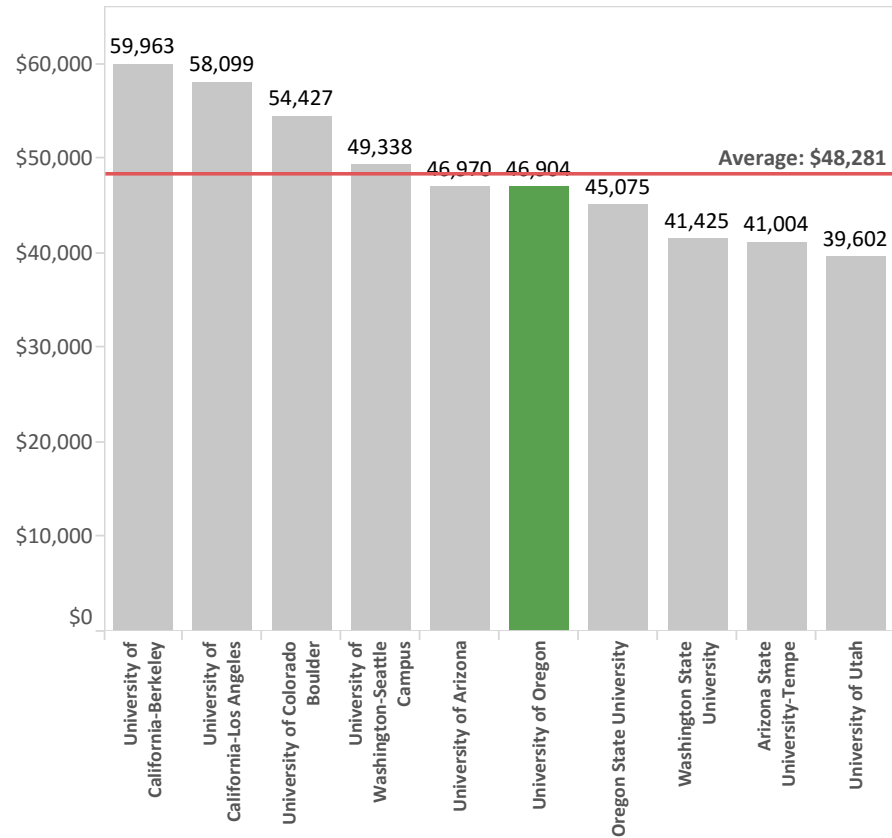
	Resident tuition and fees	Nonresident tuition and fees	Rom and board	Books and supplies	Other expenses	Resident Cost of Attendance	Nonresident Cost of Attendance
Arizona State University-Tempe	\$10,158	\$25,458	\$11,061	\$1,081	\$3,404	\$25,704	\$41,004
Oregon State University	\$10,107	\$28,767	\$11,874	\$1,950	\$2,484	\$26,415	\$45,075
University of Arizona	\$11,403	\$32,630	\$9,840	\$1,200	\$3,300	\$25,743	\$46,970
University of California-Berkeley	\$13,431	\$38,139	\$15,847	\$1,241	\$4,736	\$35,255	\$59,963
University of California-Los Angeles	\$12,763	\$37,471	\$14,832	\$1,611	\$4,185	\$33,391	\$58,099
University of Colorado Boulder	\$11,091	\$34,125	\$13,194	\$1,800	\$5,308	\$31,393	\$54,427
University of Oregon	\$10,289	\$32,024	\$11,430	\$1,068	\$2,382	\$25,169	\$46,904
University of Utah	\$8,197	\$26,022	\$9,000	\$1,006	\$3,574	\$21,777	\$39,602
University of Washington-Seattle Campus	\$11,839	\$34,143	\$11,310	\$1,206	\$2,679	\$27,034	\$49,338
Washington State University	\$11,967	\$25,567	\$11,356	\$960	\$3,542	\$27,825	\$41,425

Source: IPEDS Student Charges (FY2016).

Total Cost of Attendance for Residents



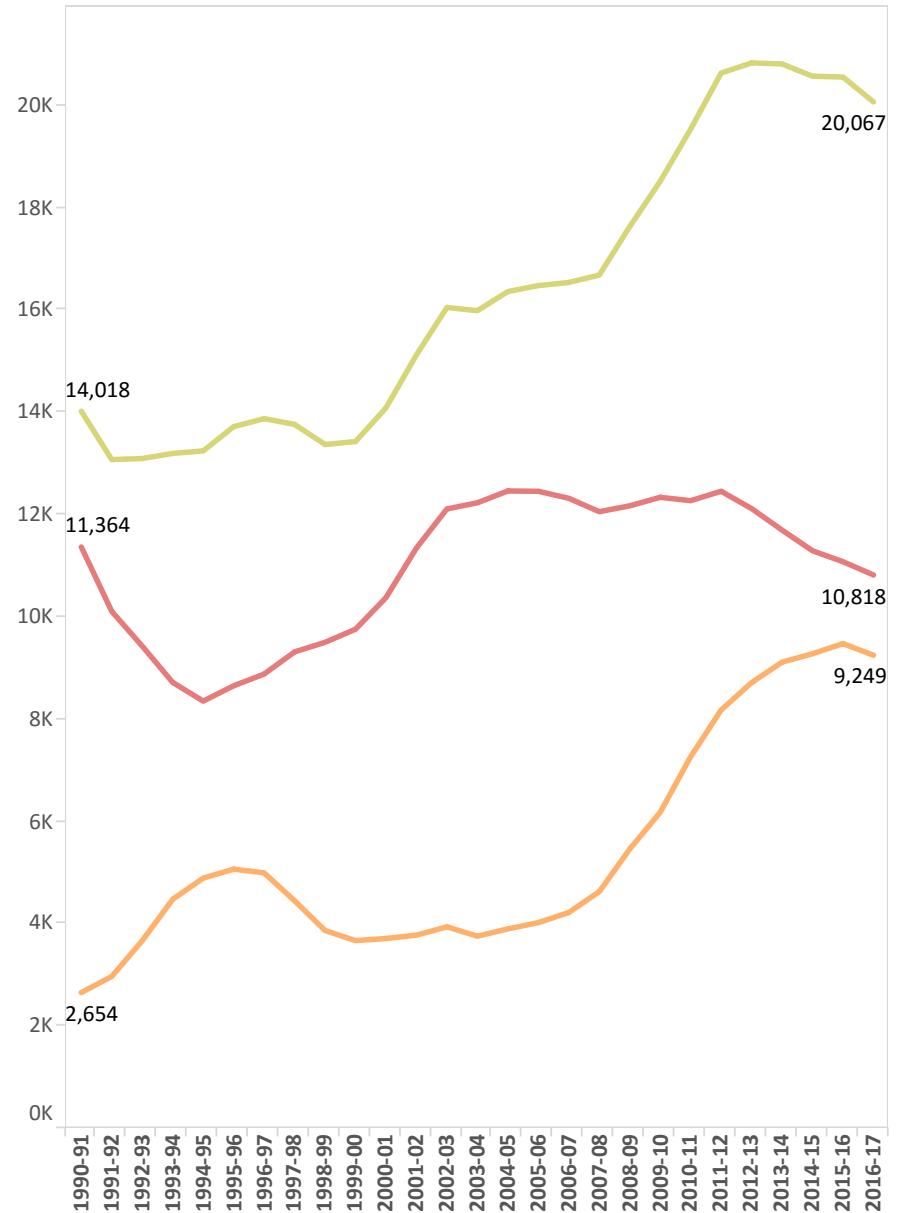
Total Cost of Attendance for Nonresidents



## UNIVERSITY OF OREGON – Enrollment History

**Level**  
■ Resident UG     ■ Total UG  
■ Nonresident UG

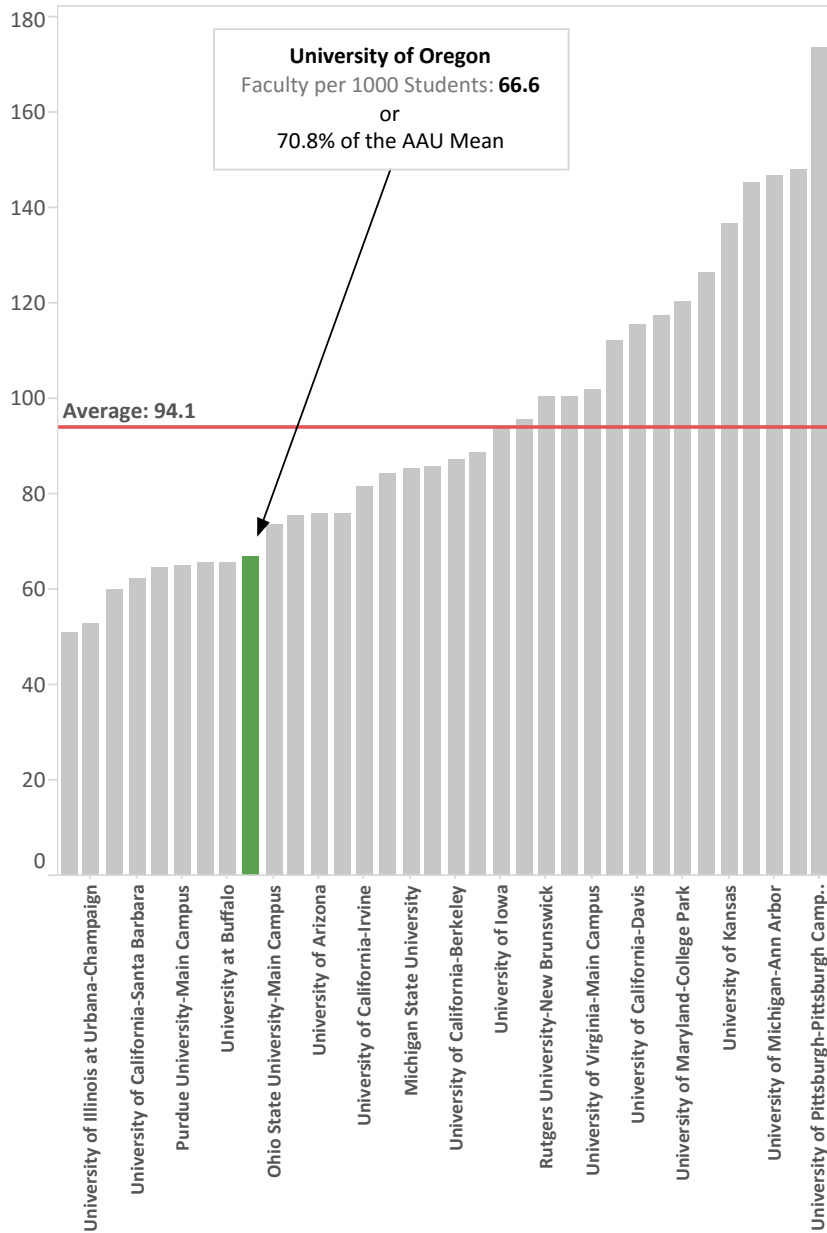
Year	Resident UG	Nonresident UG	Total UG
1990-91	11,364	2,654	14,018
1991-92	10,105	2,969	13,074
1992-93	9,426	3,668	13,094
1993-94	8,717	4,477	13,194
1994-95	8,352	4,891	13,243
1995-96	8,651	5,066	13,717
1996-97	8,880	4,994	13,874
1997-98	9,314	4,448	13,762
1998-99	9,501	3,867	13,368
1999-00	9,757	3,669	13,426
2000-01	10,375	3,710	14,085
2001-02	11,345	3,776	15,121
2002-03	12,109	3,938	16,047
2003-04	12,229	3,756	15,985
2004-05	12,460	3,898	16,358
2005-06	12,454	4,021	16,475
2006-07	12,317	4,219	16,536
2007-08	12,055	4,626	16,681
2008-09	12,169	5,459	17,628
2009-10	12,336	6,178	18,514
2010-11	12,270	7,264	19,534
2011-12	12,454	8,177	20,631
2012-13	12,116	8,713	20,829
2013-14	11,695	9,113	20,808
2014-15	11,291	9,278	20,569
2015-16	11,077	9,475	20,552
2016-17	10,818	9,249	20,067



*Note:* Fall term fourth-week enrollment.  
*Source:* UO Office of Institutional Research.

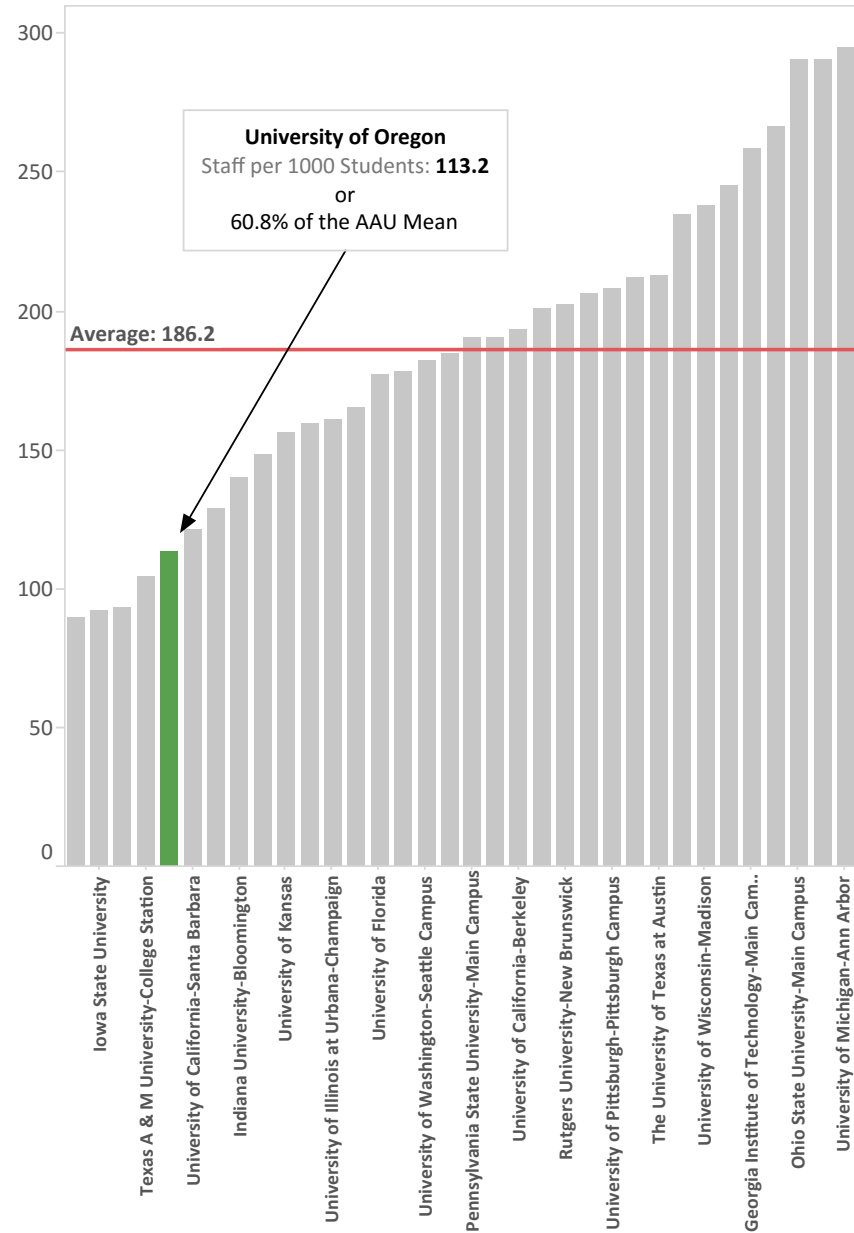
# Comparison of Faculty and Staffing Personnel per 1,000 Students

Faculty per Students



Note: The ratio of faculty to students is based on faculty FTE to student FTE.  
Source: IPEDS Human Resources and Enrollment (FY2015).

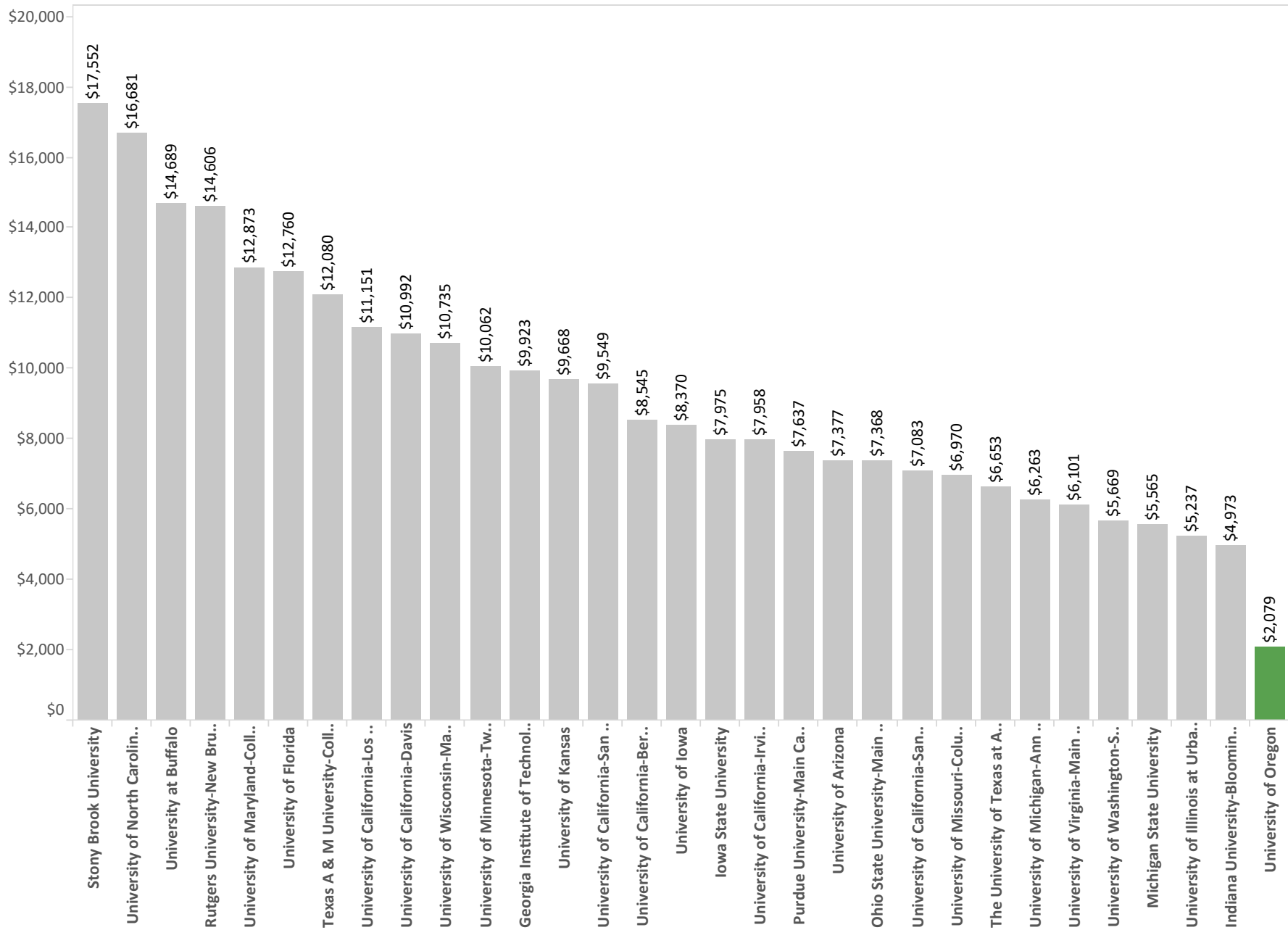
Noninstructional (Nonmedical) Staff per Students



Note: The ratio of faculty to students is based on staff FTE to student FTE.  
Source: IPEDS Human Resources and Enrollment (FY2015).



## State Appropriations per Student FTE among AAU Publics (FY2014)



Note: Penn State University, University of Colorado, and University of Pittsburgh are excluded from the table because Pennsylvania and Colorado have alternative funding mechanisms.

Source: IPEDS Finance (FY2014) and Enrollment (FY2014).