



UNIVERSITY OF OREGON

Tuition and Fee Advisory Board

**University of Oregon  
Financial Briefing**

October 30th, 2018

# Agenda

- UO Budget Structure
- Key Sources of University Financing
- 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

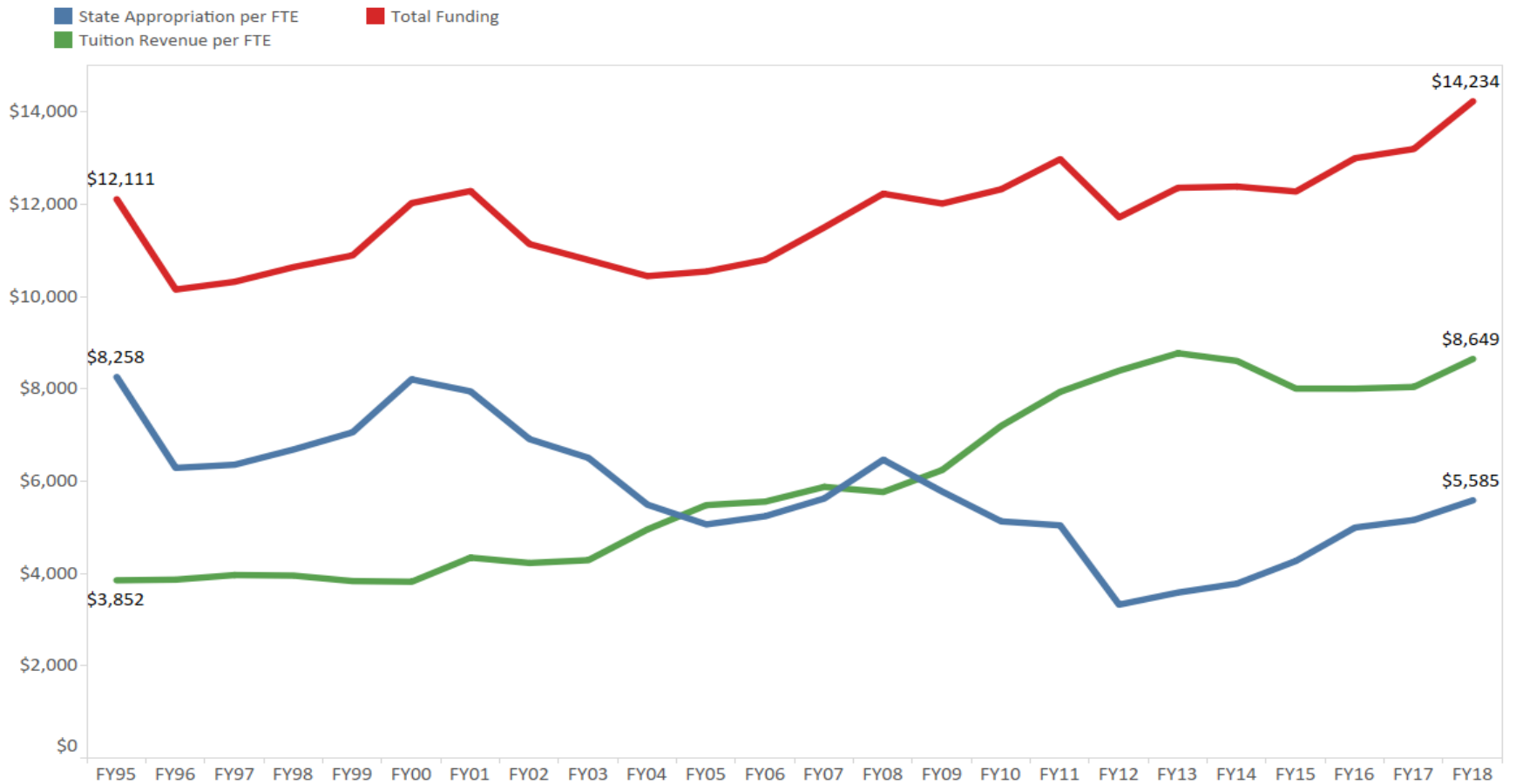
Restricted Gifts

# Decreased levels of State Appropriation



# State Appropriation and Tuition

## State Appropriation and Resident Tuition 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 2018 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, 2018.

Source: UO Office of Institutional Research.

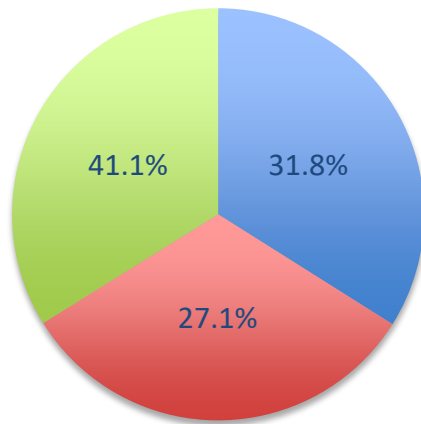
# University Resources

## FY2018 Major Revenue Streams (E&G Fund)

<i>State Appropriation</i>	\$72.7 million
<i>Resident Net Tuition</i>	\$103.4 million
<i>Non-resident Net Tuition</i>	\$281.7 million

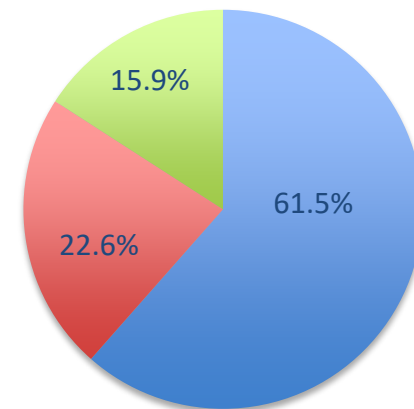
# Increasing Dependence Upon Nonresident Tuition

## FY2003 – Revenue Breakdown



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

## FY2018 – Revenue Breakdown



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

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- Cost Drivers





# Summary – Major FY2019 E&G Fund Cost Drivers

Cost Driver	FY18 Base	FY19 Cost Increase	FY19 % increase
Faculty and Staff Salary and Wages	\$361.1 million	\$9.8 million	2.7%
GE Salary and Benefits	\$26.2 million	\$1.0 million	3.8%
Medical Costs	\$48.7 million	\$1.8 million	3.7%
Retirement Costs	\$52.5 million	n/a	n/a
Institutional Expenses	\$34.9 million	\$600K	1.7%
Strategic Investments (includes \$1 million for new faculty)	\$524.9 million	\$2.0 million	0.4%
Investments in Tenure Track Faculty (includes salary and OPE)	\$156.6 million	\$1.5 million	1.0%
<b>Totals</b>	<b>\$524.9 million</b>	<b>\$16.7 million</b>	<b>3.18%</b>

<b>Cost Driver</b>	<b>FY19 Cost Increases</b>	<b>Notes</b>
Faculty and Staff Salary and Wages	\$9.8 million	<ul style="list-style-type: none"> <li>Increases per collective bargaining agreements for approximately 1700 faculty and 900 classified staff. Also includes increases for approximately 1200 unrepresented staff.</li> </ul>
GE Salary and Benefits	\$1.0 million	<ul style="list-style-type: none"> <li>Estimate based on collective bargaining agreement for GEs; includes estimate of health insurance cost increases</li> </ul>
Medical Costs	\$1.8 million	<ul style="list-style-type: none"> <li>Assumed annual increase of 3.7%</li> </ul>
Retirement Costs	n/a	<ul style="list-style-type: none"> <li>PERS rates only increase every two years</li> </ul>
Institutional Expenses	\$600K	<ul style="list-style-type: none"> <li>Increases related to utilities, insurance, debt for academic buildings, assessments, and leases. Lower than normal annual increase due to Power Station savings.</li> </ul>
Strategic Investments (includes \$1 million for new faculty)	\$2.0 million	<ul style="list-style-type: none"> <li>Allocated via strategic investment process. \$1 million pre-committed for tenure track faculty hiring related to Cluster Hires.</li> </ul>
Investments in Tenure Track Faculty	\$1.5 million	<ul style="list-style-type: none"> <li>Supporting long term strategic plan to increase number of tenure track faculty</li> </ul>
<b>Total Projected Cost Increases*</b>	<b>\$16.7 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.**

# Cost Drivers – PERS Costs

Projected Annual Increases	FY18	FY19	FY20	FY21	FY22
E & G Fund	\$7.1M	\$0	\$7.6M	\$0	\$7.6M
Other	\$3.4M	\$0	\$3.0M	\$0	\$3.0M
<b>Total</b>	<b>\$10.5M</b>	<b>\$0</b>	<b>\$10.6M</b>	<b>\$0</b>	<b>\$10.6M</b>

Projected Cumulative Increases	FY18	FY19	FY20	FY21	FY22
E & G Fund	\$7.1M	\$7.1M	\$14.7M	\$14.7M	\$22.3M
Other	\$3.4M	\$3.4M	\$6.4M	\$6.4M	\$9.4M
<b>Total</b>	<b>\$10.5M</b>	<b>\$10.5M</b>	<b>\$21.1M</b>	<b>\$21.1M</b>	<b>\$31.7M</b>

If PERS unfunded liabilities continue to grow, charges to the University of Oregon could grow significantly in future years.