



UNIVERSITY OF OREGON

# **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*

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

# Summary – Major FY2025 E&G Fund Cost Drivers

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

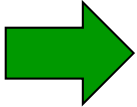
## Summary – Major FY2025 E&G Fund Cost Drivers

Cost Driver	FY24 Base	Projected FY25 Cost Increase	FY25% Increase
<b>Faculty, Staff and GE Compensation</b> (Note: FY24 base includes \$93.9 million of fixed compensation costs such as health insurance and GE tuition waiver benefits)	\$511.0 million	\$13.0 million	2.5%
<b>Medical Costs</b>	\$60.4 million	\$2.5 million	4.1%
<b>Retirement Costs</b>	\$ 74.4 million	\$0 million	0.0%
<b>Oregon Paid Leave</b>	\$511.0 million	\$300K	0.1%
<b>Institutional Expenses</b>	\$47 million	\$2.0 million	4.3%
<b>TTF Faculty Hiring</b>	\$132.3 million	\$3.0 million	2.3%
<b>Strategic Investments</b>	\$645.2 million	\$2.0 million	0.3%
<b>Total (E&amp;G Expenditure Budget)</b>	<b>\$645.2 million</b>	<b>\$22.8 million</b>	<b>3.5%</b>

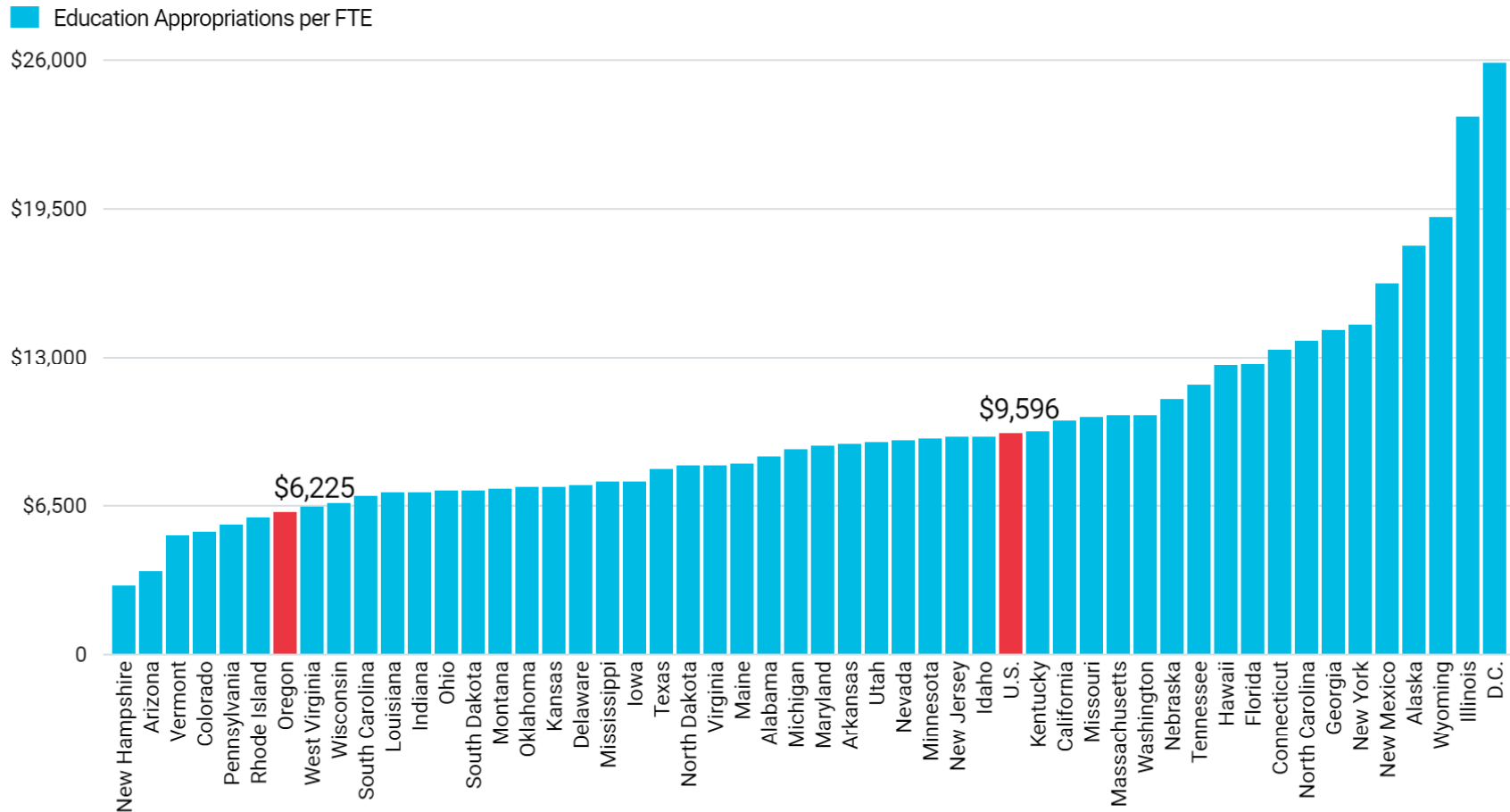
## Summary – Major FY2025 E&G Fund Cost Drivers

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

# Agenda

- Cost Drivers
-  • State Appropriation
- Guaranteed Tuition Program
- Info and Input on Tuition
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# 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.
4. Constant 2022 dollars adjusted by the Higher Education Cost Adjustment (HECA).
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.

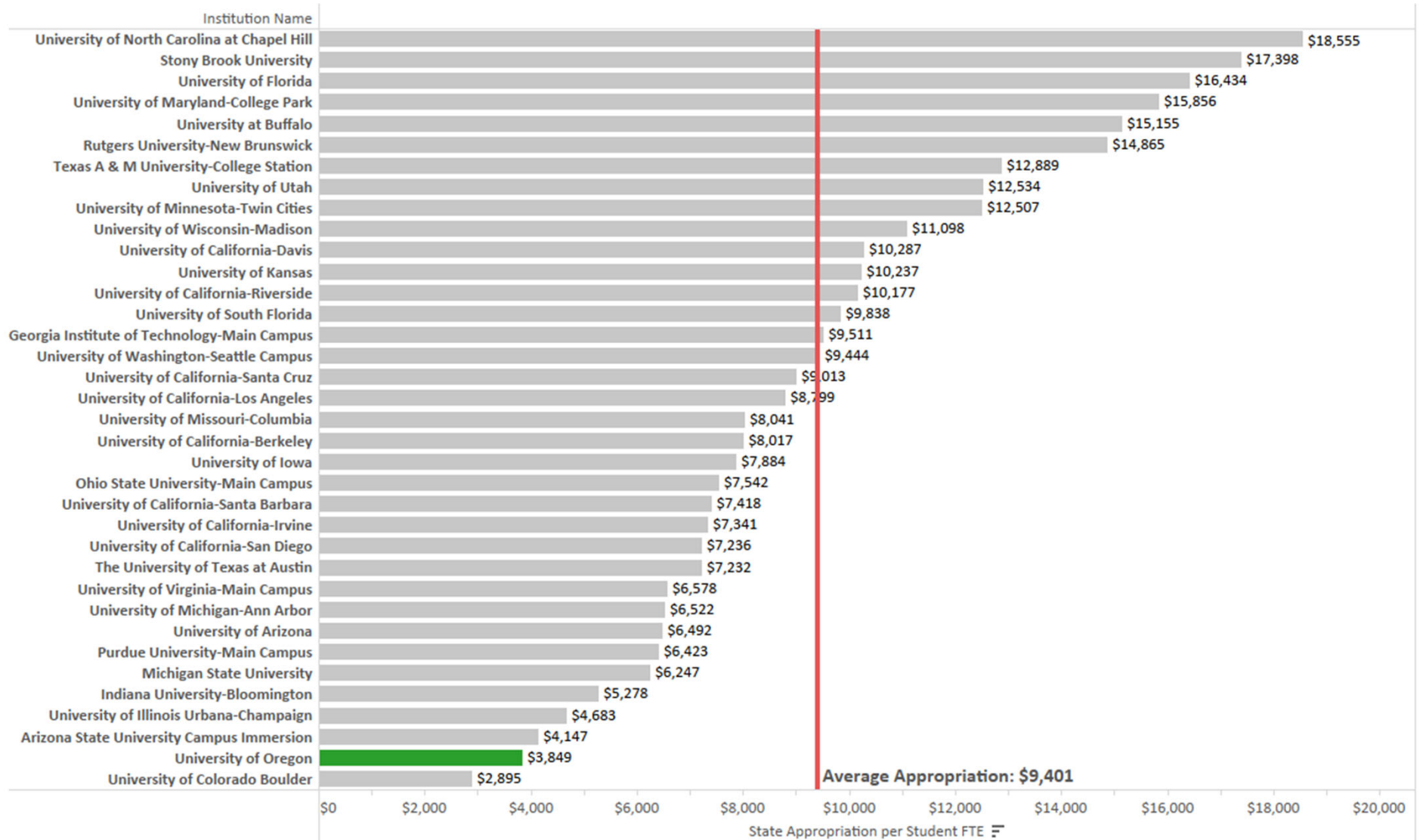
**Source(s):** State Higher Education Executive Officers Association



# Comparative University Funding

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

## State Appropriations per Student FTE among AAU Publics (FY2021)



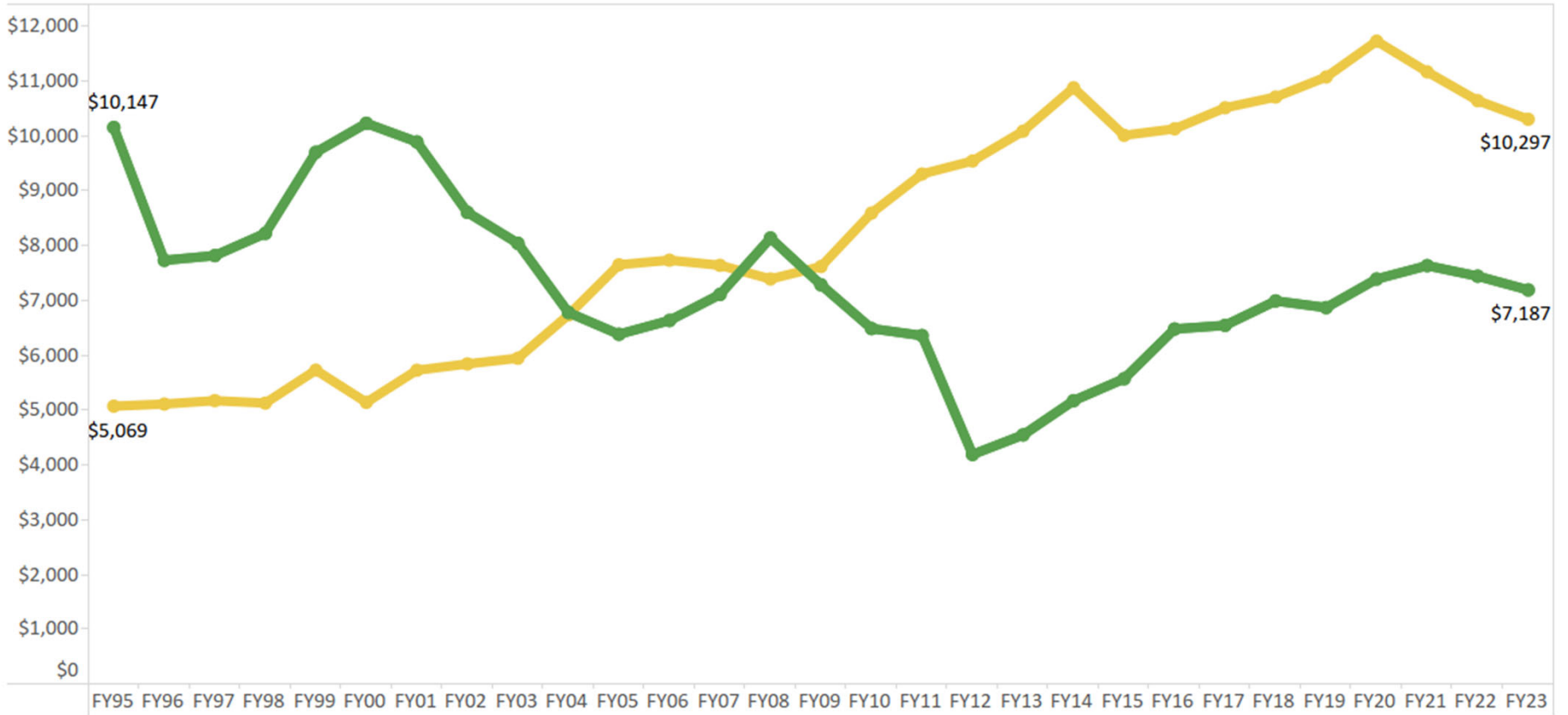
**Notes:**

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

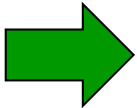
■ State Appropriation per FTE  
■ Resident Tuition Revenue per FTE



*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.

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# Framework – Guaranteed Tuition Program for Undergraduate Students

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- 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

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	<u>10 Year Average</u>	<u>5 Year Average</u>
Resident	5.4%	5.0%
Non-resident	4.4%	3.3%

**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)**

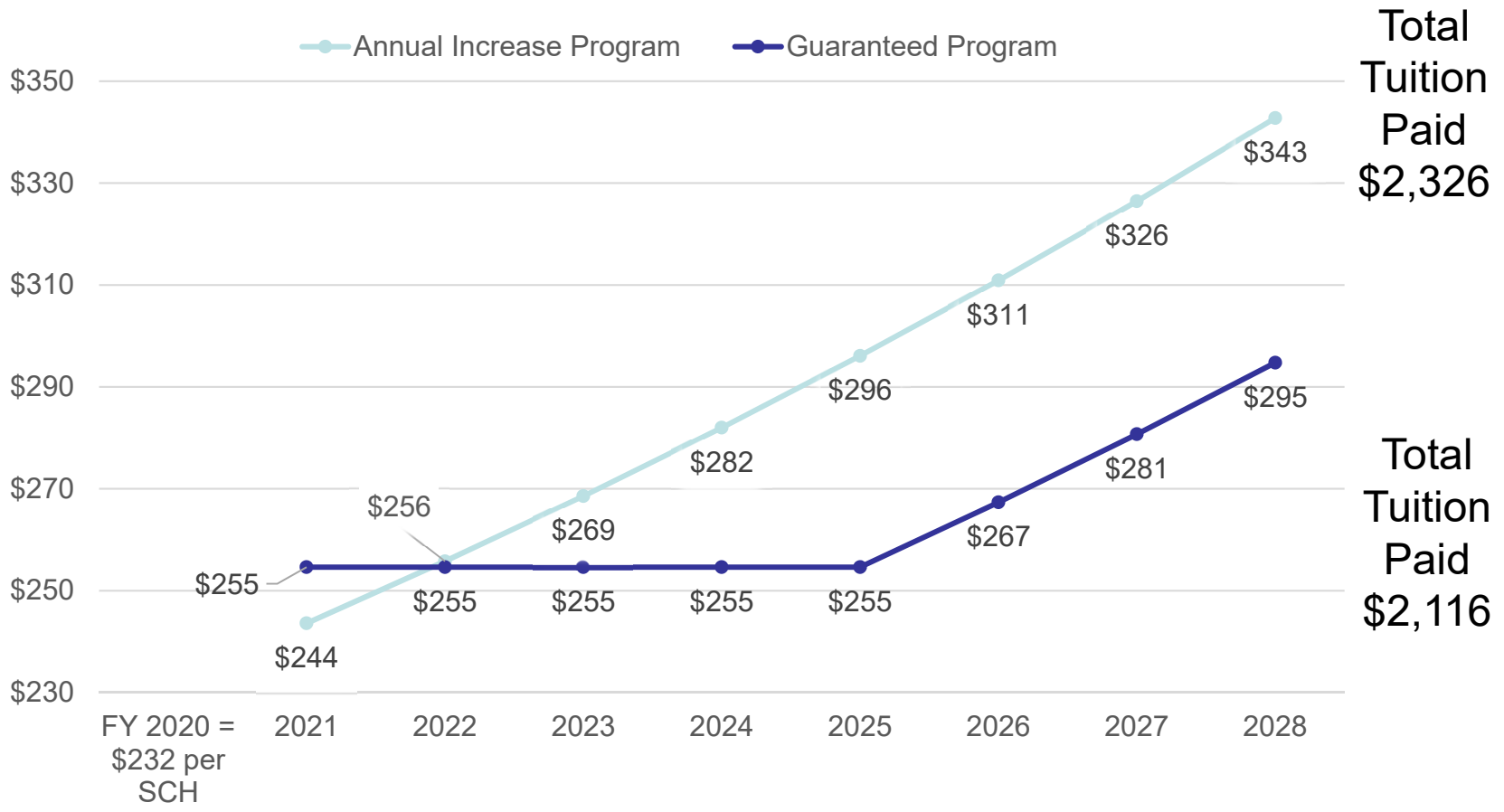


**New Resident Undergraduate Students  
 Graduation Time 5 yrs  
 Analysis Conducted in FY2020  
 Assumed Annual Increases 5% - Average 5 Year Historical Rate  
 5 year Guaranteed rate \$254.62 per SCH (9.75% increase)**





**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

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- ***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

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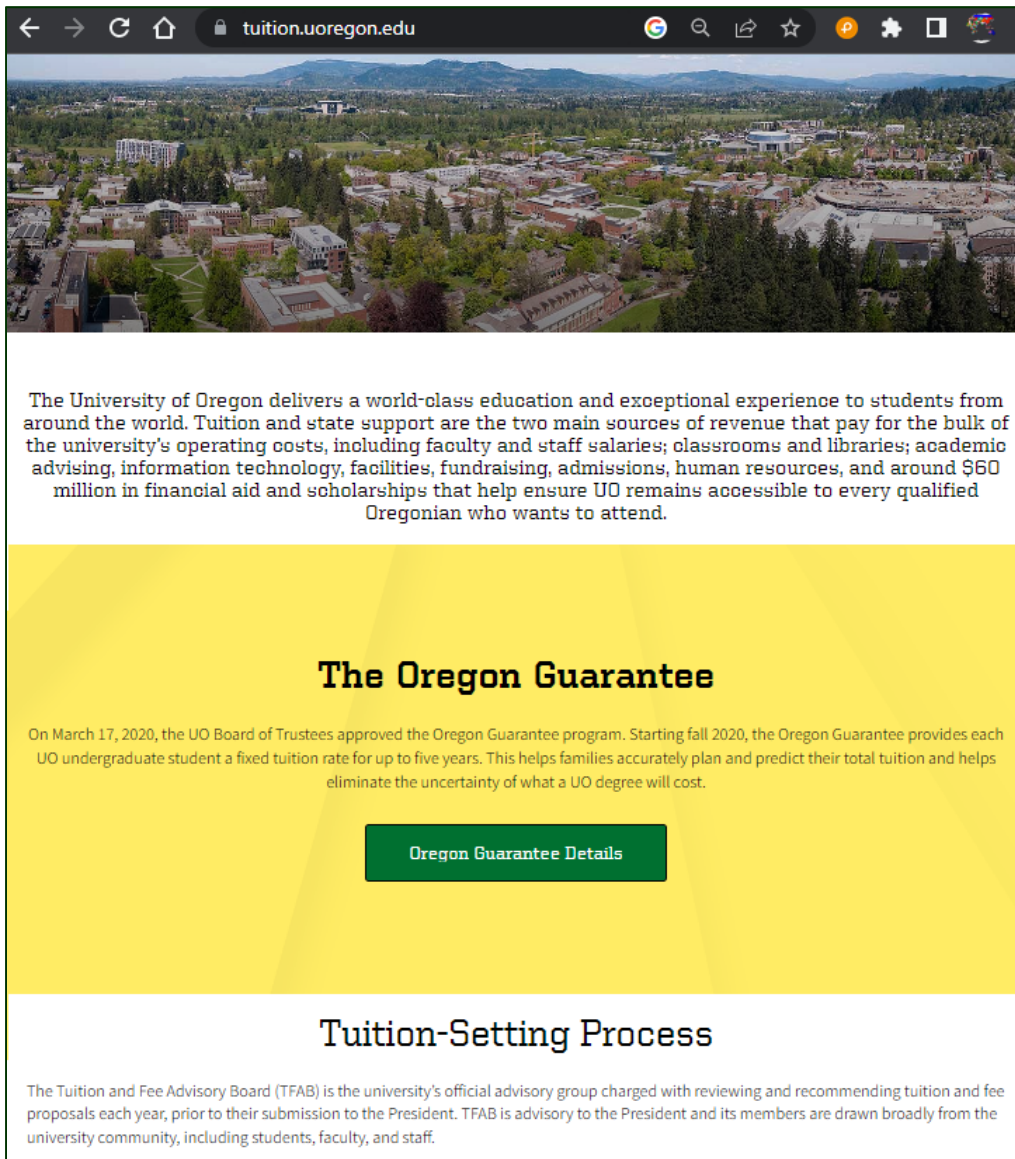
- ***Recruiting:*** The stronger value proposition of a locked-in rate should be very attractive to new students. This should help support the institution's enrollment growth initiative.
- ***Retention:*** One of the main reasons students cite for dropping out of school is financial pressure. This can 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

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- Fall term: TFAB was provided with training on
  - Historical and comparative data and UO budget information
  - Background on the Public University Support Fund (PUSF)
  - 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 \$60 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.

[Oregon Guarantee Details](#)

## 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**

## Tuition and Fee Advisory Board (TFAB) Schedule

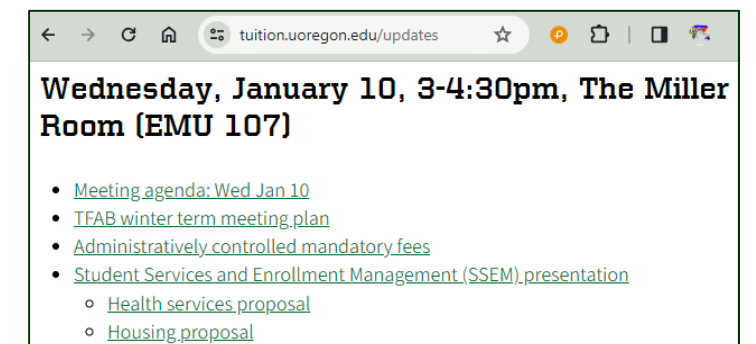
### General Meetings (all open to the public)

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#### 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 023 Lease Crutcher Lewis
- Monday, January 29, 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

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- 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

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