



UNIVERSITY OF OREGON

AY19-20 Resident, Undergraduate Tuition Proposal

May 23rd, 2019

Board of Trustees of the University of Oregon



UNIVERSITY OF OREGON

Agenda

- Tuition and Fee Setting Process
- Background Information
 - Tuition & Fee Revenue Components
 - Historical and Comparative Data
 - E&G Fund Context
- FY20 Major Cost Drivers
- State Funding and Budget Challenge
- Resident, Undergraduate Tuition Rate Proposal

Tuition and Fee Setting Process

- Tuition and Fee Advisory Board (TFAB): an advisory group to the President charged with developing undergraduate tuition recommendations and reviewing mandatory fees, major non-mandatory fees, and graduate proposals each year
 - Eighteen members: students, faculty and staff
 - Held twelve public meetings October through May
- TFAB / ASUO hosted a Student Forum on Tuition on January 15th; President hosted Student Forums on Tuition on February 11th and May 13th
- TFAB recommendations posted publically for community comment and feedback
- President considered TFAB recommendations, student forum and community feedback, and developed recommendations to the Board

Agenda

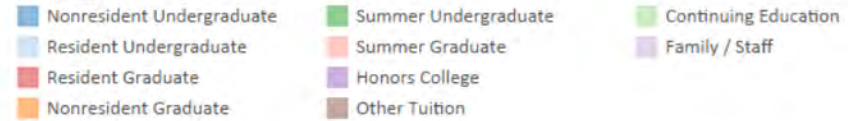
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FY19 Tuition Revenue

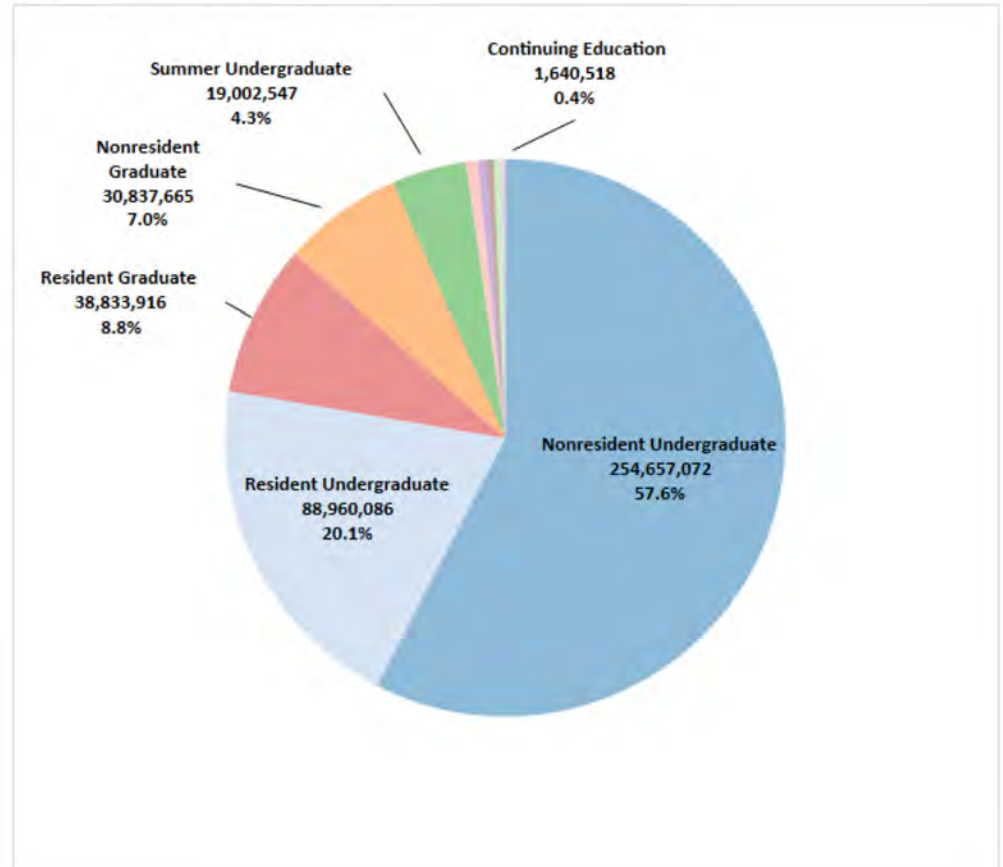
FY19 Tuition Revenue Estimates

Nonresident Undergraduate	254,657,072
Resident Undergraduate	88,960,086
Resident Graduate	38,833,916
Nonresident Graduate	30,837,665
Summer Undergraduate	19,002,547
Summer Graduate	3,042,648
Honors College	2,031,899
Other Tuition	2,029,965
Continuing Education	1,640,518
Family / Staff	1,206,491
Total	442,242,809
Remissions	45,357,054
GE Tuition	23,092,858
Net Tuition Revenue	373,792,897

Category



FY19 Tuition Revenue Estimates

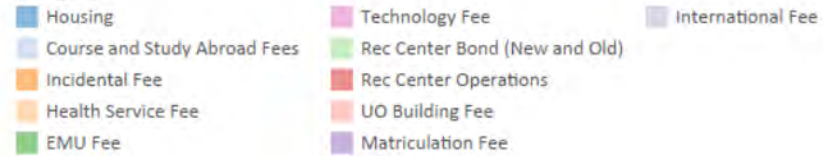


FY19 Fee Revenue

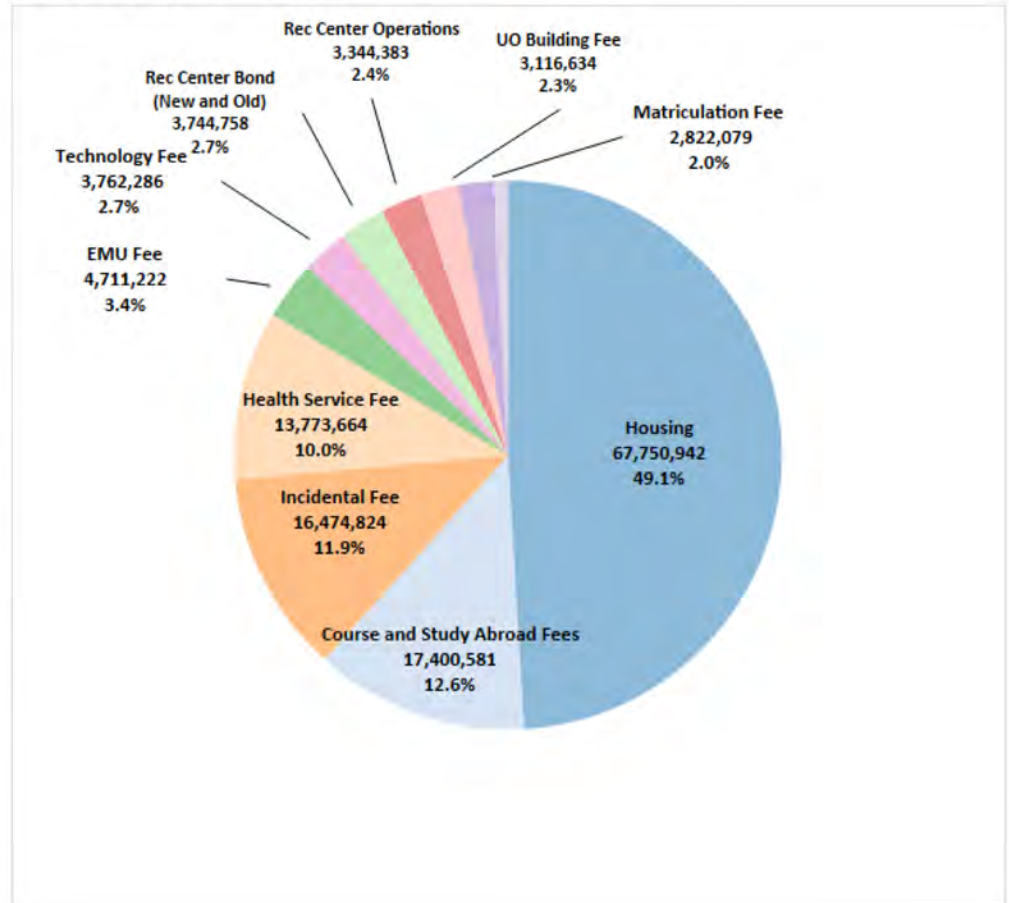
FY19 Fee Revenue Estimates

Housing	67,750,942
Course and Study Abroad Fees	17,400,581
Incidental Fee	16,474,824
Health Service Fee	13,773,664
EMU Fee	4,711,222
Technology Fee	3,762,286
Rec Center Bond (New and Old)	3,744,758
Rec Center Operations	3,344,383
UO Building Fee	3,116,634
Matriculation Fee	2,822,079
International Fee	1,172,520
Total	138,073,891

Category



FY19 Fee Revenue Estimates



Undergraduate Tuition and Mandatory Fee History 2006-07 to 2018-19

Year	Resident		Nonresident	
	Actual Dollars	CPI-adjusted	Actual Dollars	CPI-adjusted
2006-07	\$5,970	\$7,632	\$18,768	\$23,993
2007-08	\$6,168	\$7,646	\$19,332	\$23,966
2008-09	\$6,485	\$7,741	\$20,042	\$23,924
2009-10	\$7,430	\$8,919	\$23,720	\$28,474
2010-11	\$8,190	\$9,698	\$25,830	\$30,585
2011-12	\$8,789	\$10,148	\$27,653	\$31,929
2012-13	\$9,310	\$10,511	\$28,660	\$32,358
2013-14	\$9,703	\$10,790	\$29,788	\$33,126
2014-15	\$9,918	\$10,833	\$30,888	\$33,736
2015-16	\$10,289	\$11,125	\$32,024	\$34,629
2016-17	\$10,762	\$11,426	\$33,442	\$35,504
2017-18	\$11,571	\$11,952	\$34,611	\$35,750
2018-19	\$11,898	\$11,898	\$35,478	\$35,478

Notes:

1. 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.

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.

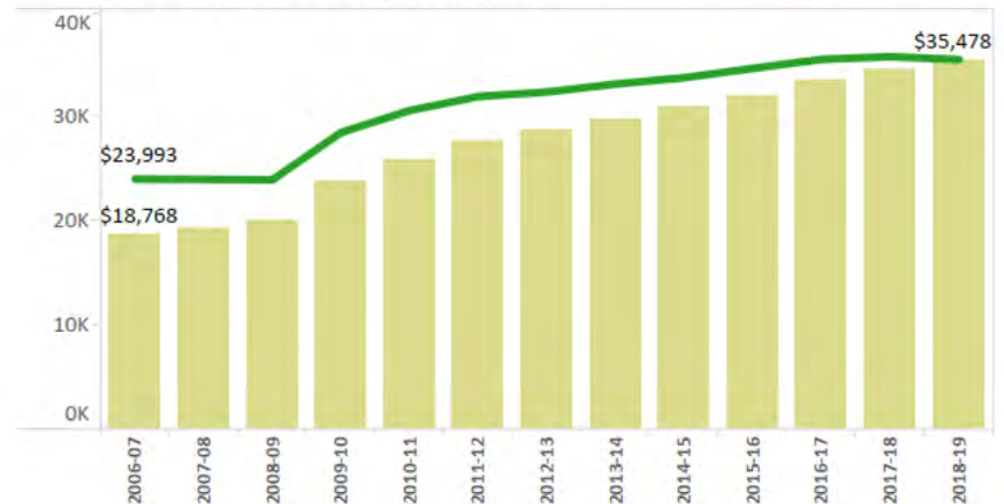
Source: UO Office of Institutional Research.

Actual Dollars
CPI-adjusted

Tuition and Fees for Residents

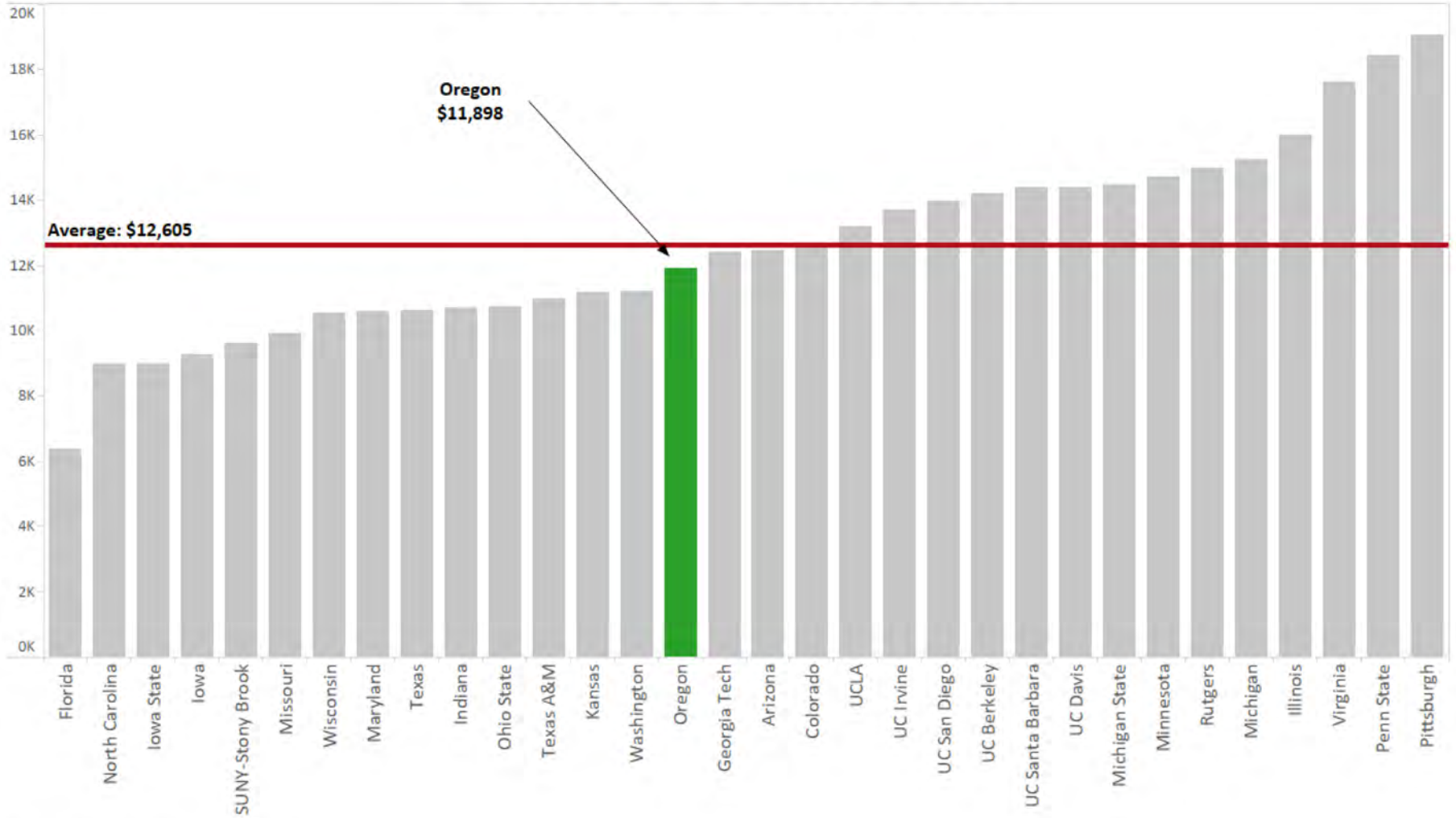


Tuition and Fees for Nonresidents



AAU Publics

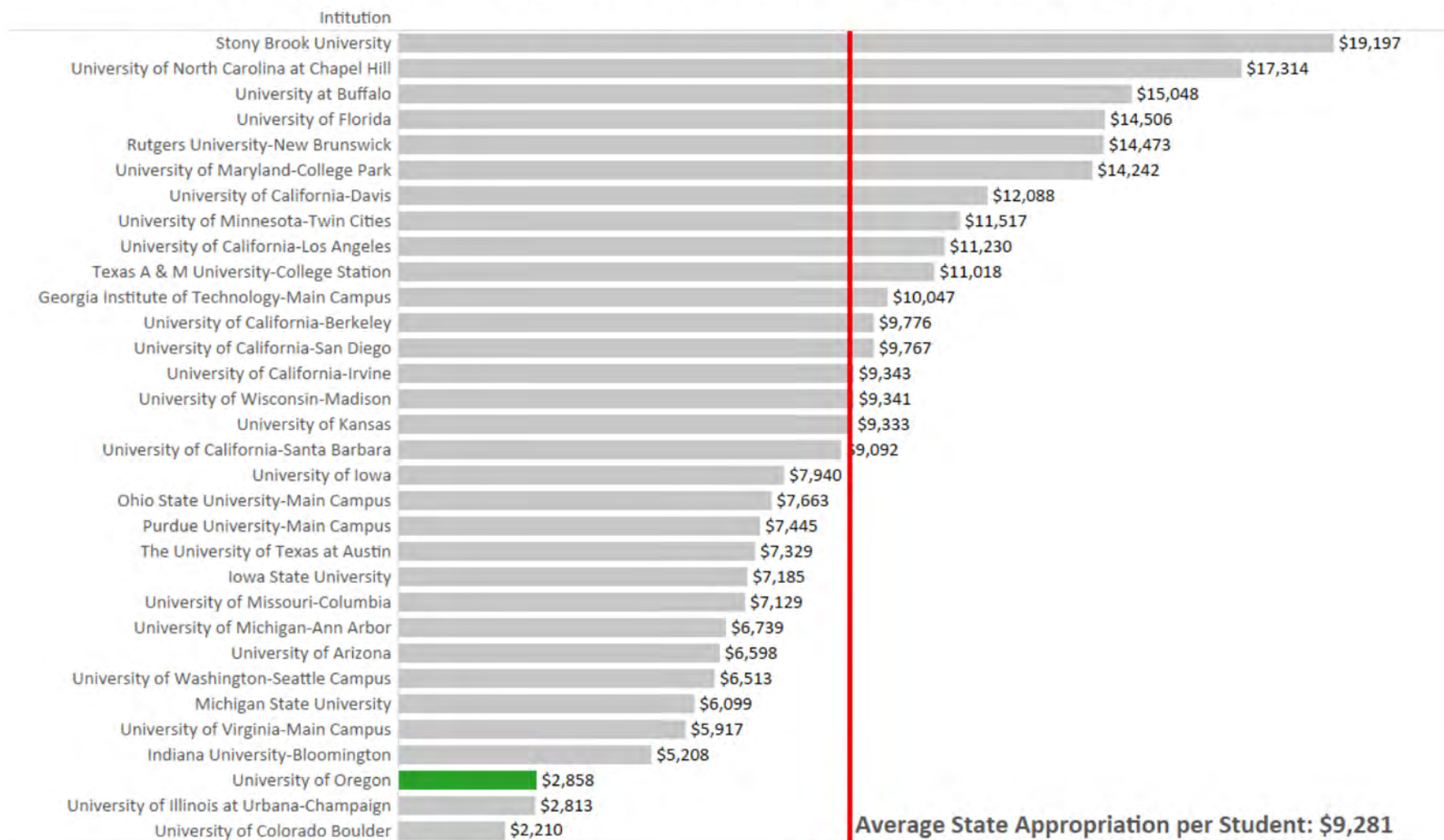
2018-19 Tuition and Mandatory Fees Resident Full-time Undergraduate



Source: AAUDE Tuition and Fees.



State Appropriations per Student FTE among AAU Publics (FY2017)



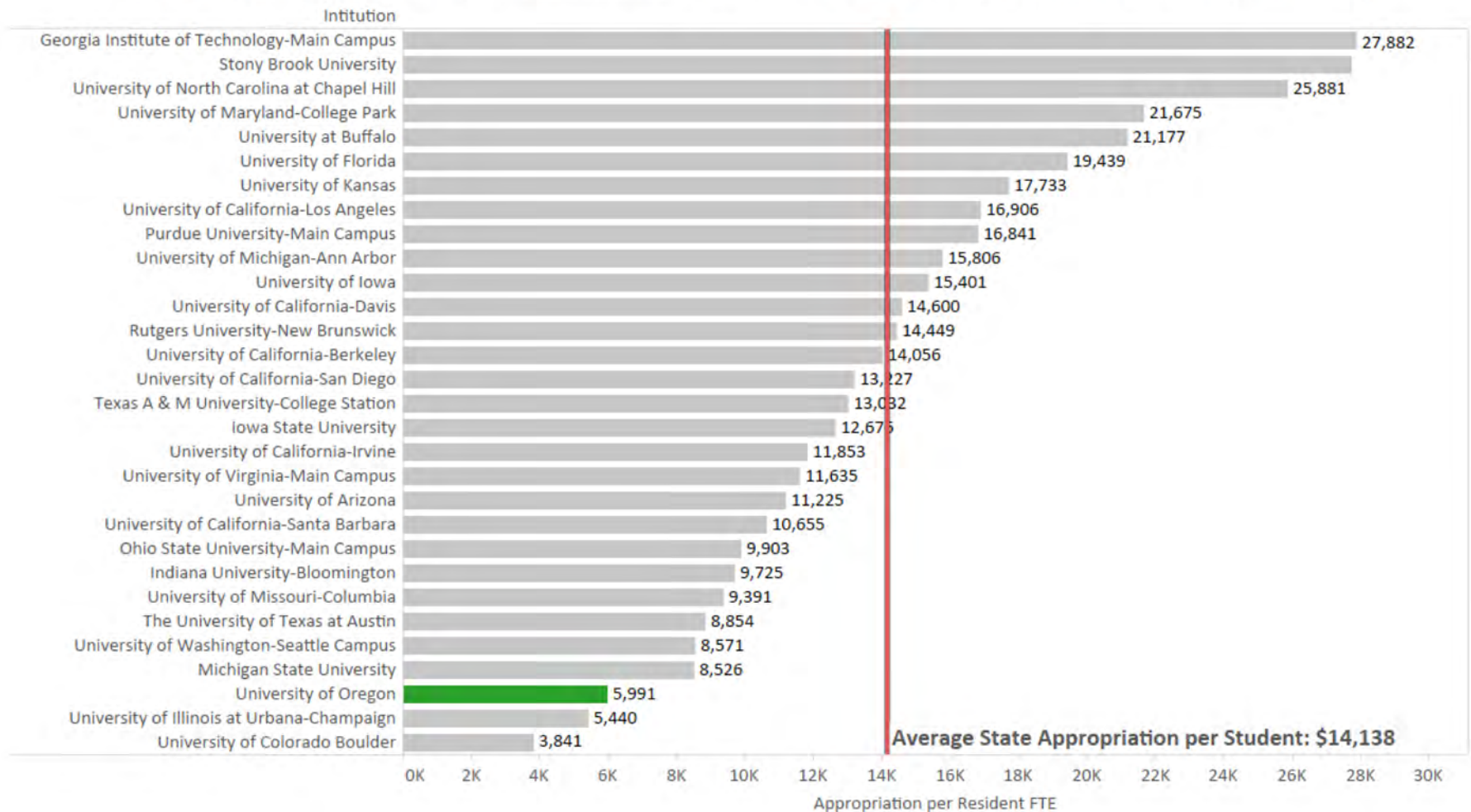
Notes:

1. Penn State University and University of Pittsburgh are excluded from the table because Pennsylvania has an alternative state funding mechanism.
2. The Student FTE corresponds to a 12-month FTE.

Source: IPEDS Finance (FY2017) and Enrollment (FY2017).



State Appropriations per Resident Student FTE among AAU Publics (FY2017)



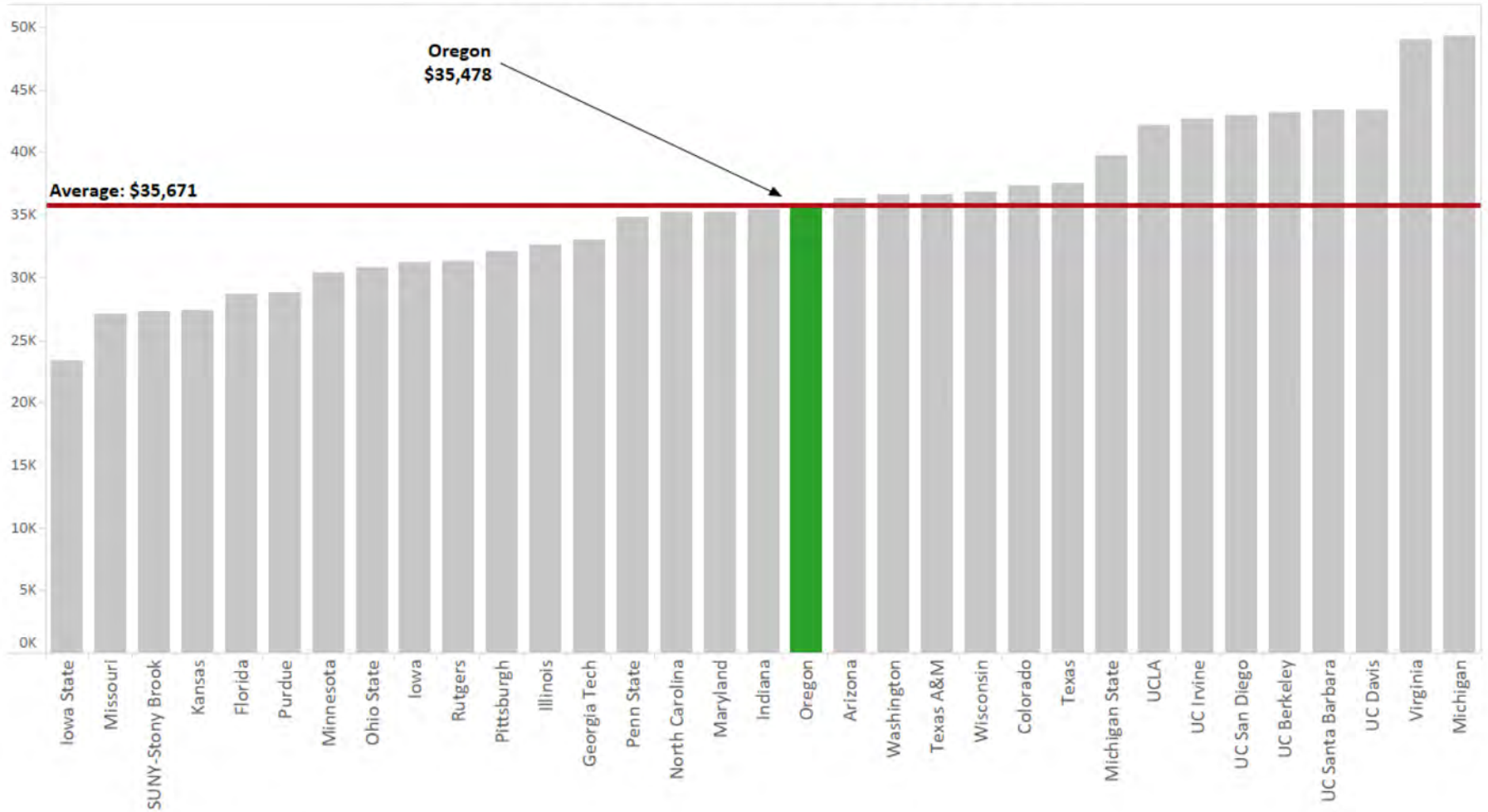
Notes:

1. Penn State University and University of Pittsburgh are excluded from the table because Pennsylvania has an alternative state funding mechanism. University of Wisconsin and University of Minnesota resident FTE counts are not available.
2. The Student FTE corresponds to a Fall term Student FTE

Source: IPEDS Finance (FY2017) and UVA State Appropriation Survey (FY2017) and University of California System Office reports.

AAU Publics

2018-19 Tuition and Mandatory Fees Nonresident Full-time Undergraduate

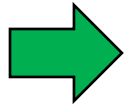


Source: AAUDE Tuition and Fees.



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Context – E&G Fund

- E&G Fund – Characteristics
 - Approximately \$541 million
 - 79% funded with tuition revenue
 - Funds majority of activity in schools and colleges and administrative units
 - 79% invested in people
- E&G Fund – Recent History
 - FY15: \$10 million deficit (\$6.5 million related to recurring issues)
 - FY16, FY17, & FY18: Balanced due to state investments, cost cutting, and tuition increases
 - FY19: Projected \$10.7 million deficit
 - FY20: Will need to address existing E&G fund deficit plus any increased costs with incremental revenue or cuts

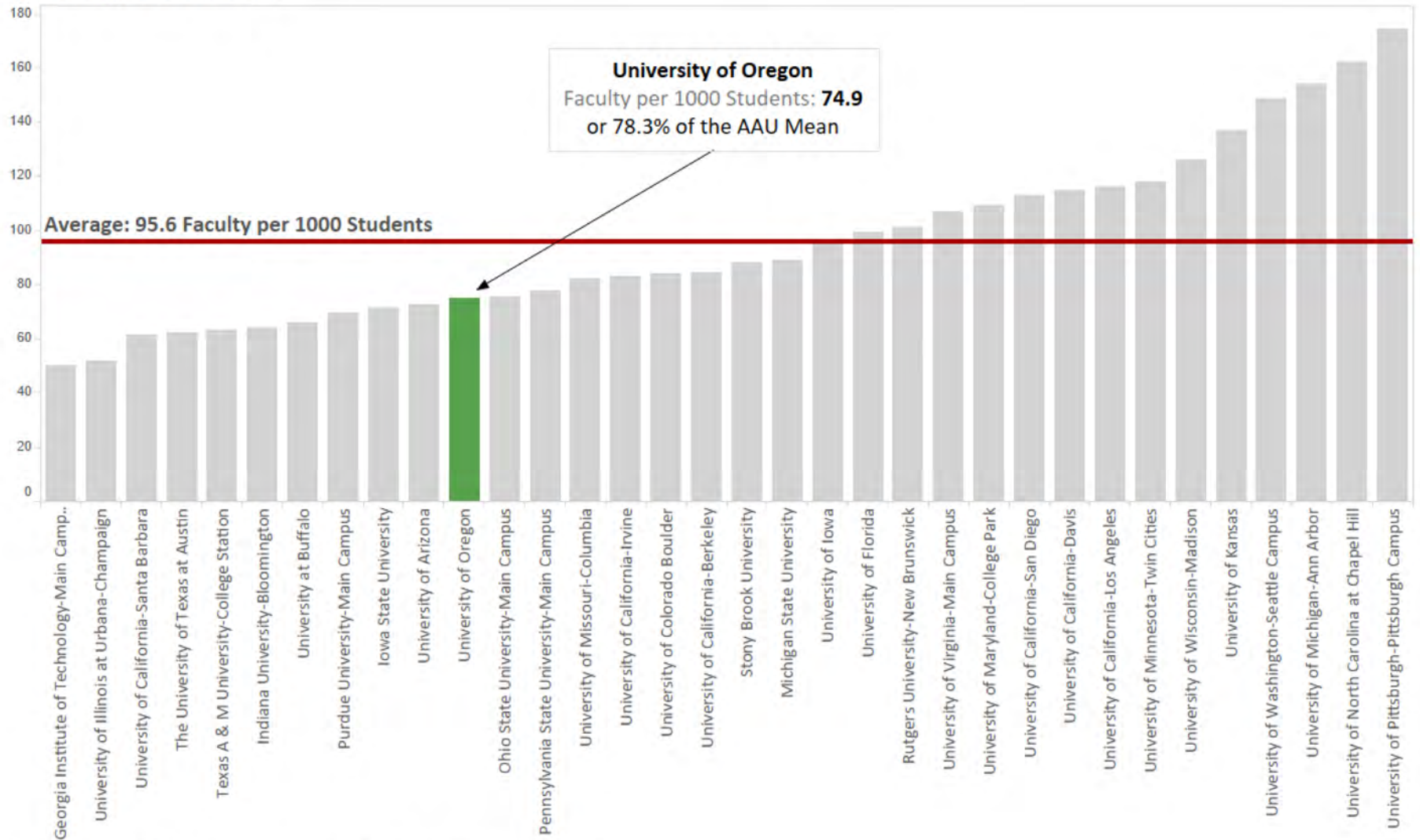
Recent Cost Cutting

- FY2017
 - Administrative Cuts - \$3.0M
 - CAS Cost Cut - \$3.3M
- FY2018
 - Presidential Directed Cuts- \$4.5M
- FY2019:
 - Administrative and Academic Cuts: \$11.6 million
- Three year total: \$22.4 million per year



UO Faculty per Student Ratio at 78.3% of Public AAU Average

FTE Faculty per FTE Students



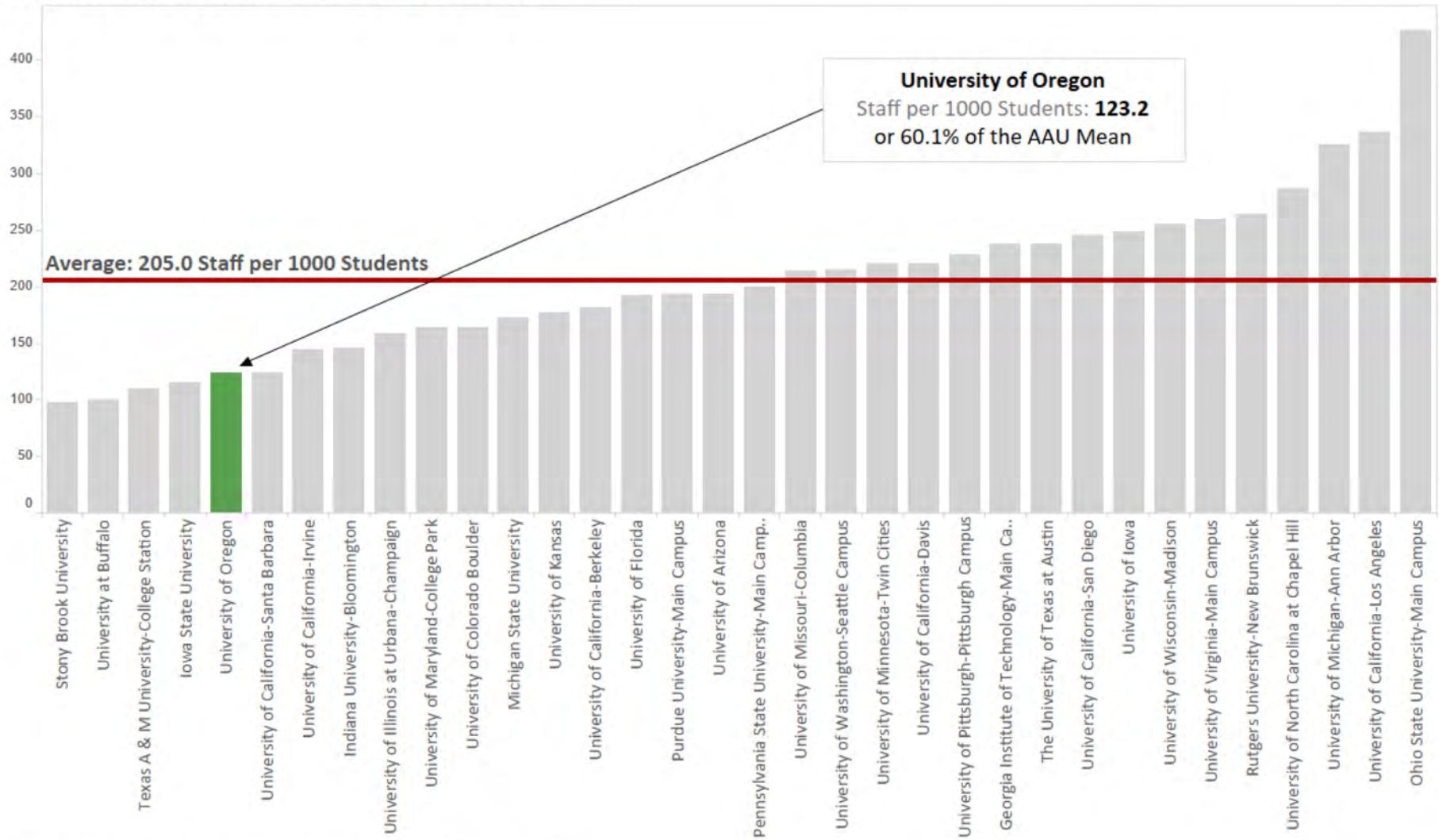
Note: The ratio of faculty to students is based on faculty FTE to student FTE.

Source: IPEDS Human Resources and Enrollment (FY2017).



UO Staff per Student Ratio at 60.1% of Public AAU Average

FTE Non-Faculty Staff (Non-medical) per FTE Students



Note: The ratio of staff to students is based on staff FTE to student FTE.

Source: IPEDS Human Resources and Enrollment (FY2017).



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Summary – Major FY2020 E&G Fund Cost Drivers

Cost Driver	FY20 Cost	Notes
Faculty, Staff and GE Salary and Wages	\$10.6 million	E&G employee increases per existing collective bargaining agreement for approximately 1,402 faculty. Also includes estimates of increases for 665 classified staff, 1,272 graduate employees, and approximately 1,034 unrepresented staff. Figures are for employees paid with E&G funds only.
Medical Costs	\$1.9 million	Assumed annual increase of 3.7%
Retirement Costs	\$7.1 million	Based on new PERS rates released by PERS board in fall 2018
Institutional Expenses	\$1.0 million	Increases related to utilities, insurance, debt for academic buildings, assessments, and leases
Strategic Investments	\$2.0 million	Allocated via strategic investment process
Minimum Wage Increase	\$1.0 million	Increases per State of Oregon minimum wage increase to \$11.25/hour
Total Projected Cost Increases	\$23.6 million	



Summary – Major FY2020 E&G Fund Cost Drivers

Cost Driver	FY19 Base	FY20 Cost Increase	FY20 % increase
Faculty, Staff and GE Salary and Wages	\$422.3 million	\$10.6 million	2.5%
Medical Costs	\$51.0 million	\$1.9 million	3.7%
Retirement Costs	\$54.4 million	\$7.1 million	13.0%
Institutional Expenses	\$36.6 million	\$1.0 million	2.7%
Strategic Investments	\$541.1 million	\$2.0 million	0.4%
Minimum Wage Increase	\$429.2 million	\$1.0 million	0.2%
Totals	\$541.1 million	\$23.6 million	4.36%



Cost Drivers – PERS Costs

Projected Annual Increases	FY18	FY19	FY20	FY21	FY22
E & G Fund	\$7.1M	\$0	\$7.1M	\$0	\$7.1M
Other	\$3.4M	\$0	\$3.0M	\$0	\$3.0M
Total	\$10.5M	\$0	\$10.1M	\$0	\$10.1M

Projected Cumulative Increases	FY18	FY19	FY20	FY21	FY22
E & G Fund	\$7.1M	\$7.1M	\$14.2M	\$14.2M	\$21.3M
Other	\$3.4M	\$3.4M	\$6.4M	\$6.4M	\$9.4M
Total	\$10.5M	\$10.5M	\$20.6M	\$20.6M	\$30.7M

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



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State Funding

- Governor's original recommended budget "flat funded" universities
 - Due to split and allocation formula UO would have seen a \$2.7 million cut in FY20
 - No increases were provided for cost drivers such as salary increases, PERS, PEBB
- Budget put out by Ways and Means co-chairs increased funding to \$40.5 million for PUSF which would provide UO with \$200K in FY20
- We are lobbying for a more significant investment in the PUSF (+\$120 million)
- Process likely not complete until late June

Summary of FY2020 E&G Fund Budget Challenge

• FY2019 Projected Deficit:	\$10.7 million
• FY2020 Cost Drivers:	\$23.6 million
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• Total:	\$34.3 million
• Co Chairs Budget	\$0.2 million
• Non resident tuition increase	\$7.4 million
• Budget Cuts	\$11.6 million
• Increased enrollment	\$2.3 million
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• Total	\$21.5 million

Remaining Gap: \$12.8 million



Summary of FY2020 E&G Fund Budget Challenge

- Remaining gap: \$12.8 million
- Challenge: UO state allocation could vary between \$0.2 million and \$8.0 million depending upon level of PUSF funding (co-chairs budget vs. \$120 million PUSF)

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President's Proposal

PUSF Level	Resident Tuition Increase (\$ per SCH)	Resident Tuition Increase (%)	Total Tuition and Fee Increase (%)
Baseline Rate (assumes +\$80 million)	\$21	9.68%	9.18%
At Least +\$90 million	\$18	8.29%	8.04%
At Least +\$100 million	\$15	6.91%	6.91%
At Least +\$110 million	\$12	5.53%	5.77%
At Least +\$120 million	\$9.65	4.45%	4.89%

Support fund for low income students: up to \$350,000



President's Proposal

FY2019 Tuition: \$217 per SCH; \$9,765 per year (45 SCH)

FY2019: Total Tuition and Fees: \$11,898 (45 SCH)

PUSF Level	Resident Tuition Increase (\$ per SCH)	Resident Tuition Increase (%)	Total Annual Increase (assumes 45 SCH)	Proposed FY2020 Tuition	Resident Tuition and Fees	Total Tuition and Fee Increase (%)
Baseline Rate (assumes +\$80 million)	\$21	9.68%	\$945	\$10,710	\$12,990	9.18%
At Least +\$90 million	\$18	8.29%	\$810	\$10,575	\$12,855	8.04%
At Least +\$100 million	\$15	6.91%	\$675	\$10,440	\$12,720	6.91%
At Least +\$110 million	\$12	5.53%	\$540	\$10,305	\$12,585	5.77%
At Least +\$120 million	\$9.65	4.45%	\$434.25	\$10,199.25	\$12,479.25	4.89%



President's Proposal

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