



UNIVERSITY OF OREGON

# **AY19-20 Tuition & Fees Proposal**

**March 5th, 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
- Tuition and Fee Recommendations

# 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 nine public meetings October through February
- TFAB / ASUO hosted a Student Forum on Tuition on January 15<sup>th</sup>
- President hosted a Student Forum on Tuition on February 11<sup>th</sup>
- Public posting of both TFAB recommendations and President's Tuition Recommendations for community comment and feedback
- Board sets non-resident undergraduate tuition rates, graduate tuition rates and mandatory fee rates in March
- Undergraduate resident tuition recommendations in May



# Agenda

---

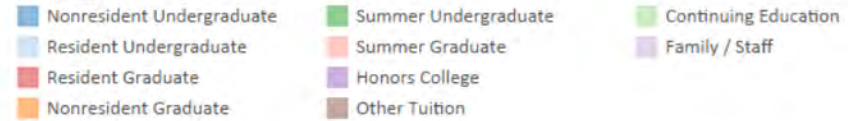
- Tuition and Fee Setting Process
- ➔ • Background Information
  - Tuition & Fee Revenue Components
  - Historical and Comparative Data
  - E&G Fund Context
- FY20 Major Cost Drivers
- Tuition and Fee Recommendations

# FY19 Tuition Revenue

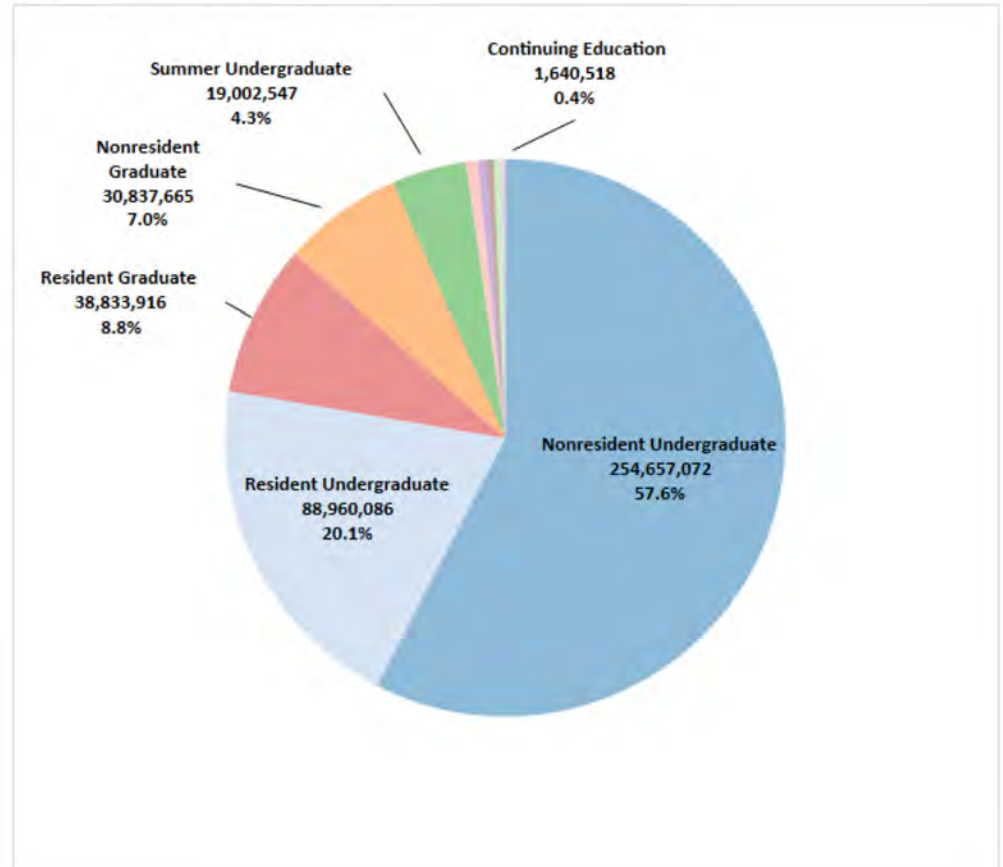
## FY19 Tuition Revenue Estimates

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
<b>Total</b>	<b>442,242,809</b>
Remissions	45,357,054
GE Tuition	23,092,858
<b>Net Tuition Revenue</b>	<b>373,792,897</b>

## Category



## FY19 Tuition Revenue Estimates



# FY19 Fee Revenue

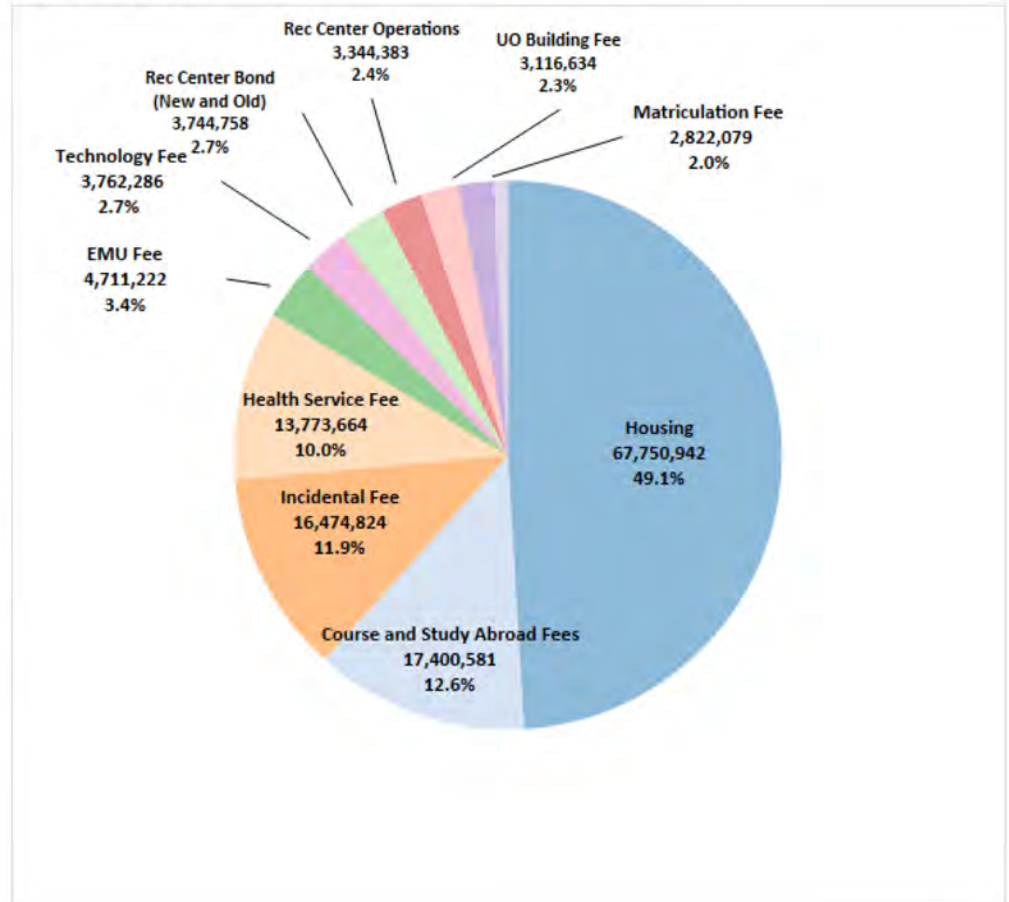
## FY19 Fee Revenue Estimates

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
<b>Total</b>	<b>138,073,891</b>

## 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:**

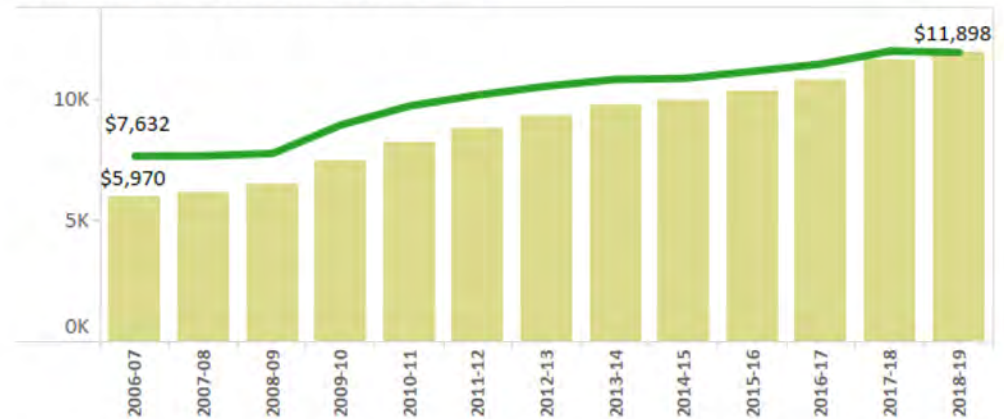
1. Figures are expressed in inflation-adjusted 2018 dollars. The Consumer Price Index (CPI) values are obtained from the Bureau of Labor Statistics and represent the Urban-West annual CPI as of June 30, 2018.

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.

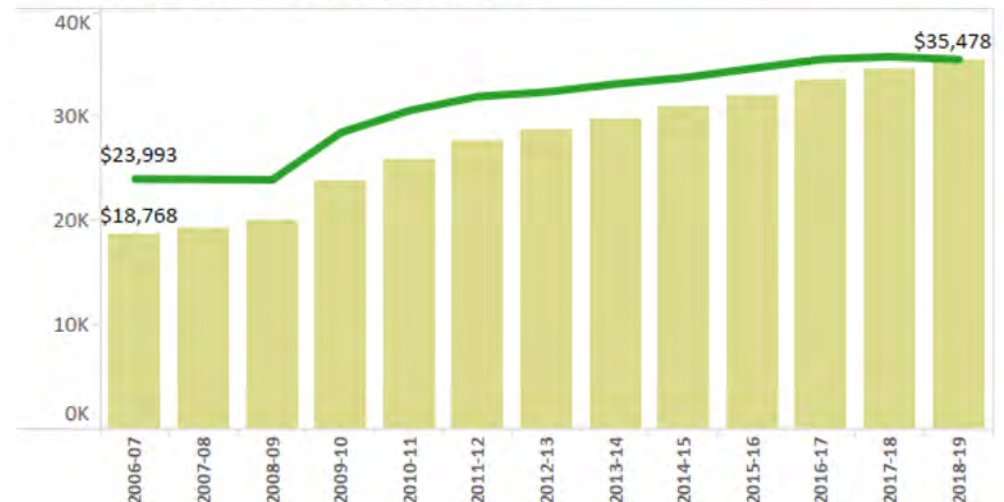
Source: UO Office of Institutional Research.

Actual Dollars  
CPI-adjusted

## Tuition and Fees for Residents

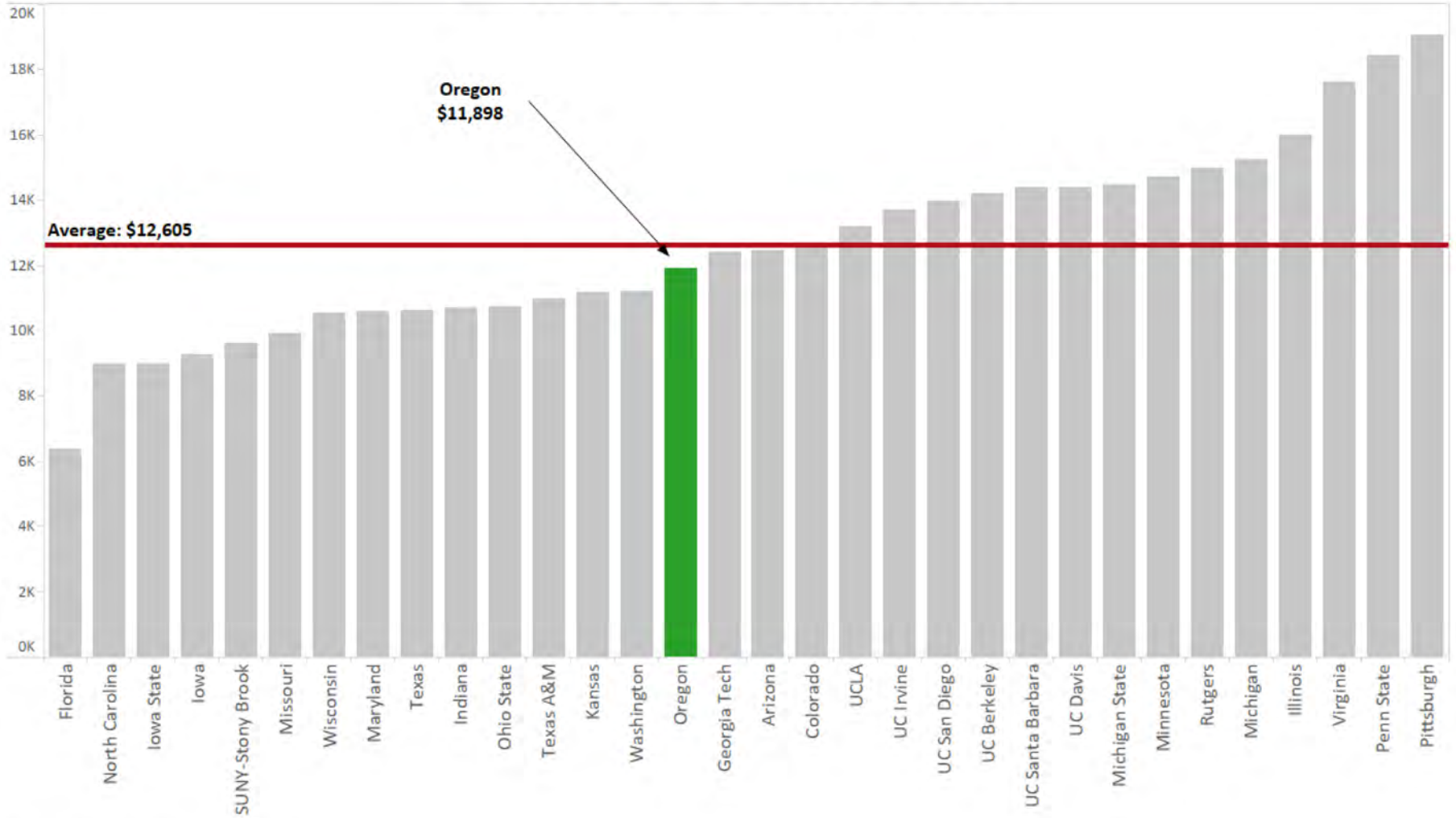


## Tuition and Fees for Nonresidents



# AAU Publics

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

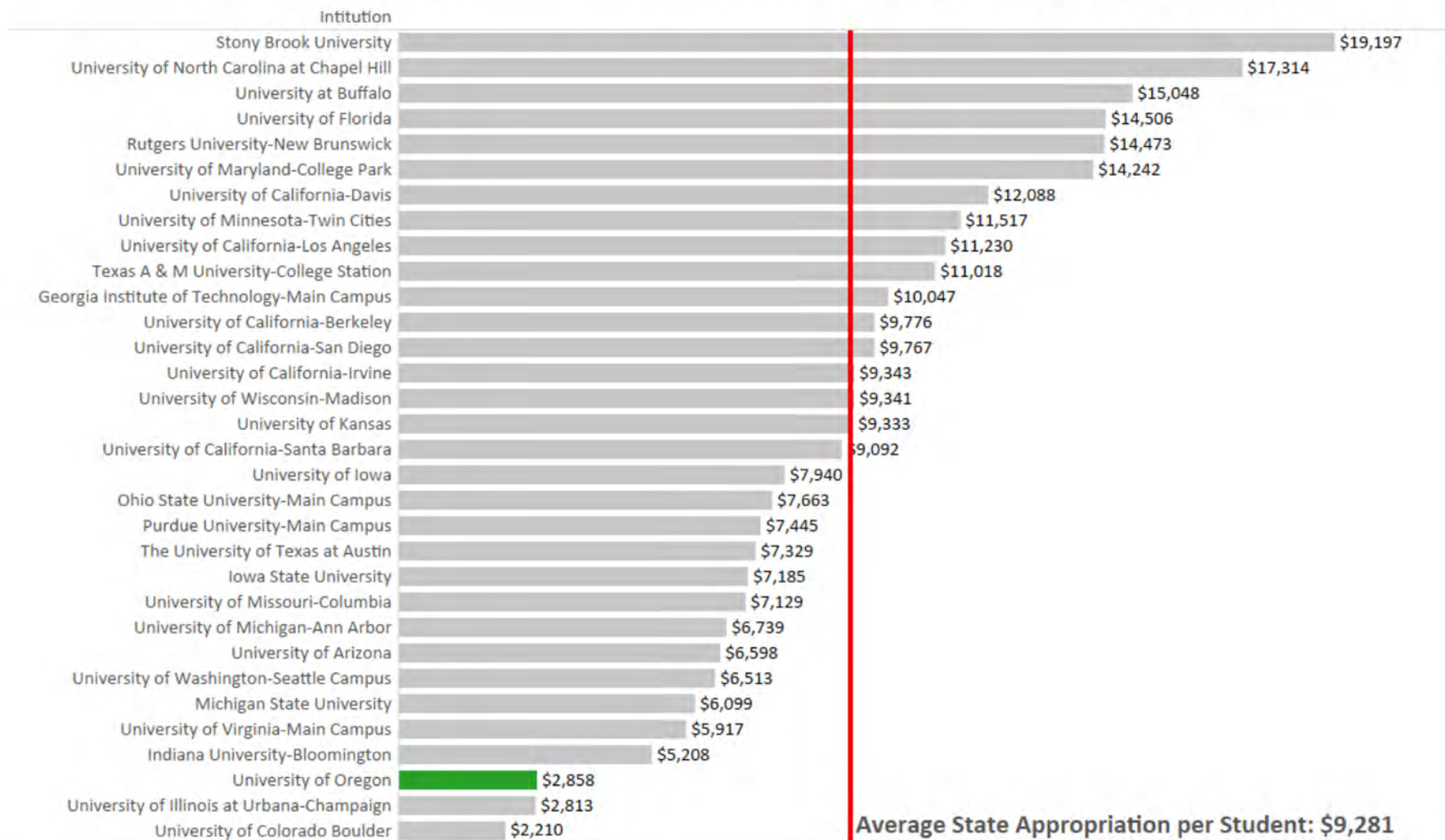


Source: AAUDE Tuition and Fees.





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



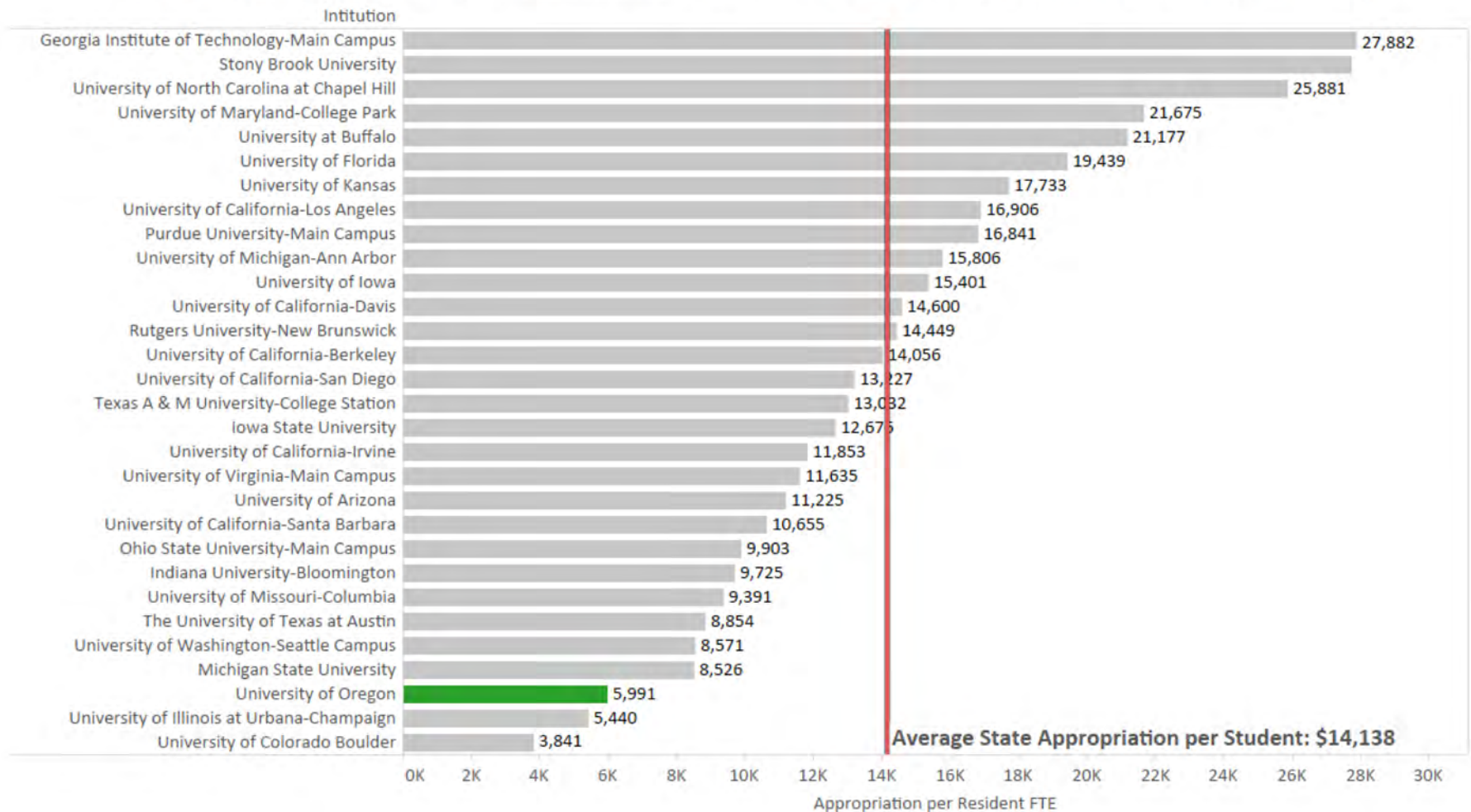
**Notes:**

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:**

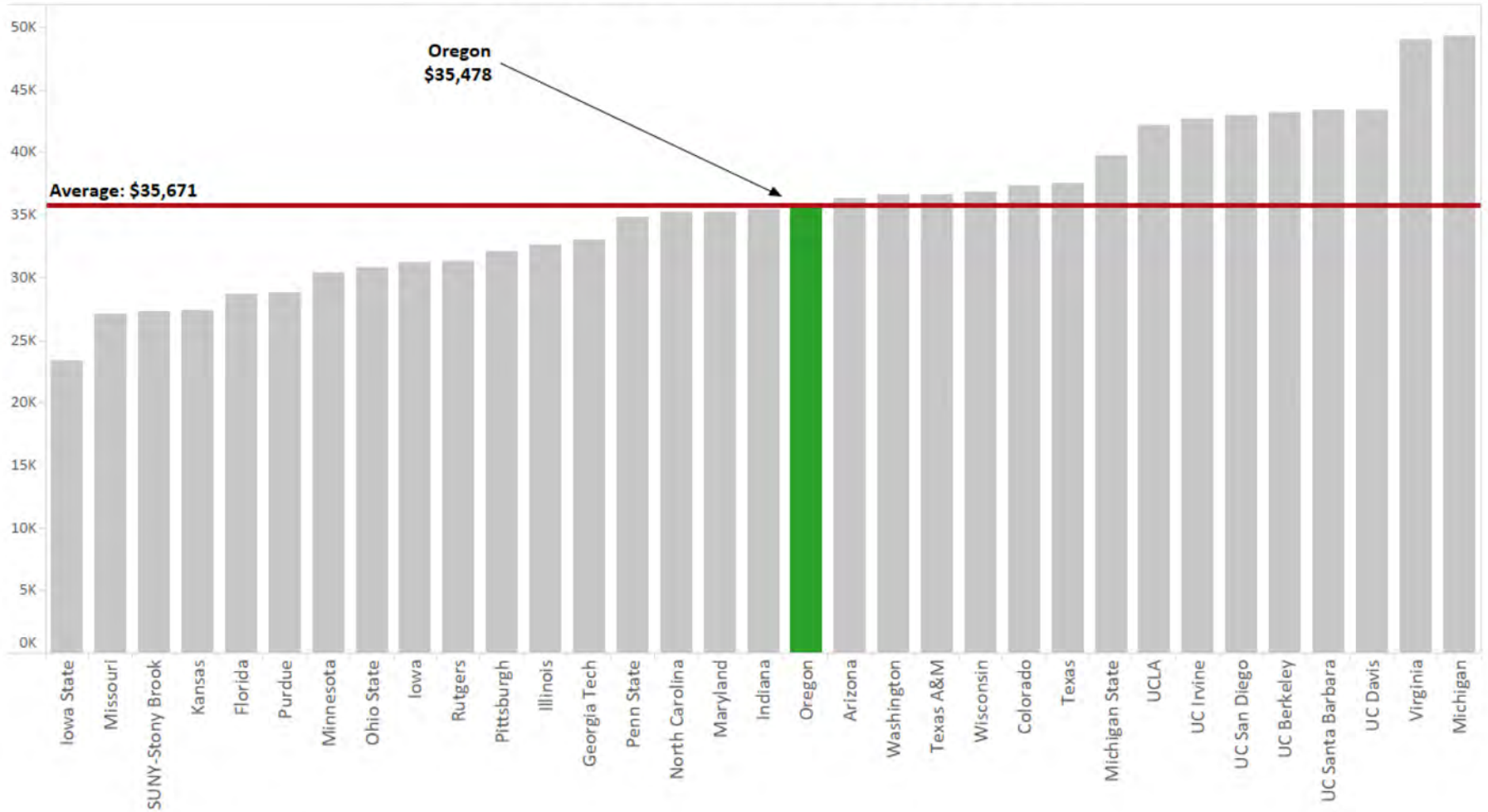
1. Penn State University and University of Pittsburgh are excluded from the table because Pennsylvania has an alternative state funding mechanism. University of Wisconsin and University of Minnesota resident FTE counts are not available.

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

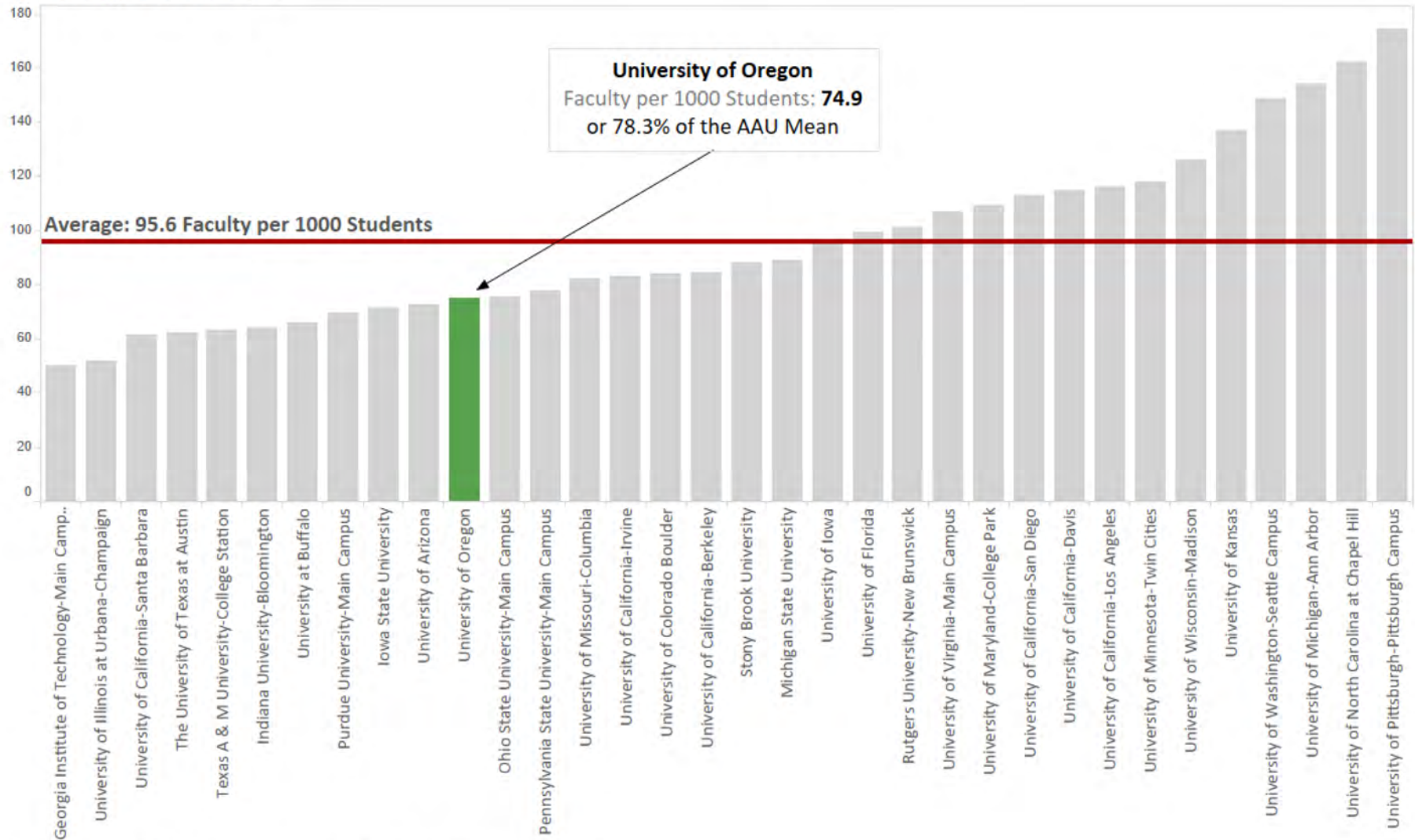
## 2018-19 Tuition and Mandatory Fees Nonresident Full-time Undergraduate



Source: AAUDE Tuition and Fees.

# 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.

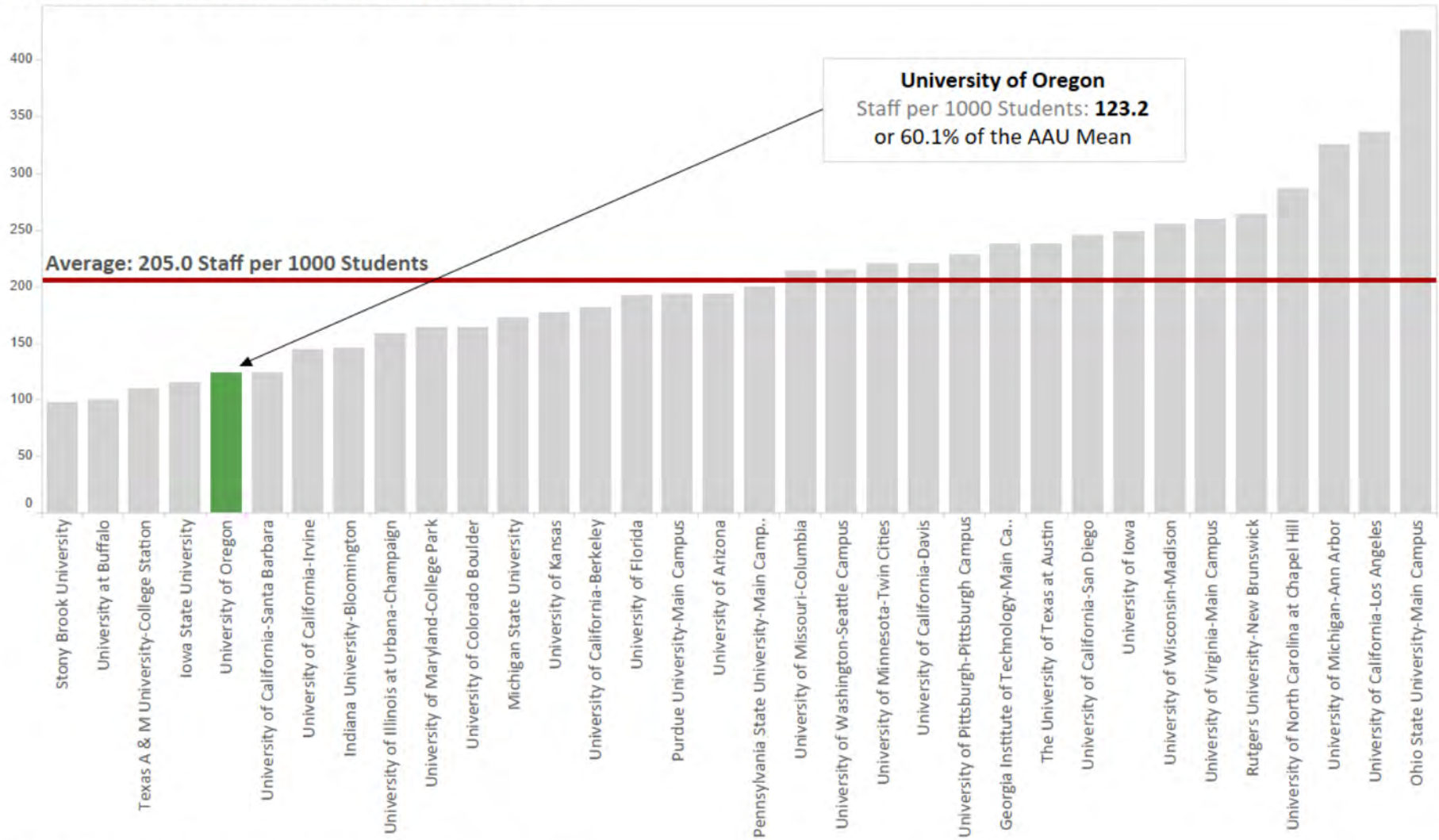
Source: IPEDS Human Resources and Enrollment (FY2017).





# 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).



# Agenda

---

- Tuition and Fee Setting Process
- Background Information
  - Tuition & Fee Revenue Components
  - Historical and Comparative Data
  - ➔ • E&G Fund Context
- FY20 Major Cost Drivers
- Tuition and Fee Recommendations



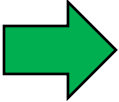
# Context – E&G Fund

---

- 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 \$7.9 million deficit
  - FY20: Will need to address existing E&G fund deficit plus any increased costs with incremental revenue or cuts

# Agenda

---

- Tuition and Fee Setting Process
- Background Information
  - Tuition & Fee Revenue Components
  - Historical and Comparative Data
  - E&G Fund Context
-  • FY20 Major Cost Drivers
- Tuition and Fee Recommendations

# 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
<b>Total Projected Cost Increases</b>	<b>\$23.6 million</b>	



# 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%
<b>Totals</b>	<b>\$541.1 million</b>	<b>\$23.6 million</b>	<b>4.36%</b>



# 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
<b>Total</b>	<b>\$10.5M</b>	<b>\$0</b>	<b>\$10.1M</b>	<b>\$0</b>	<b>\$10.1M</b>

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
<b>Total</b>	<b>\$10.5M</b>	<b>\$10.5M</b>	<b>\$20.6M</b>	<b>\$20.6M</b>	<b>\$30.7M</b>

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



# Summary of FY2020 E&G Fund Budget Challenge

- |                             |                |
|-----------------------------|----------------|
| • FY2019 Projected Deficit: | \$7.9 million  |
| • FY2020 Cost Drivers:      | \$23.6 million |
| • GRB Budget – FY20 Cut:    | \$2.7 million  |
| <hr/>                       |                |
| • Total Gap to Fill:        | \$34.2 million |

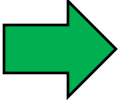
## Opportunities:

- Campus Growth
- Increased State Support



# Agenda

---

- Tuition and Fee Setting Process
- Background Information
  - Tuition & Fee Revenue Components
  - Historical and Comparative Data
  - E&G Fund Context
- FY20 Major Cost Drivers
-  • Tuition and Fee Recommendations

# Undergraduate Tuition Proposed Increase

---

- Resident Tuition
  - Recommendation scheduled for May
- Non-resident Tuition
  - 2.97% increase
  - Increase \$22 per student credit hour from \$741/SCH to \$763/SCH
  - Total annual non-resident undergraduate tuition on a full-time basis (45 SCH) increases from \$33,345 to \$34,335 (\$990 increase)
- Expected to generate approximately \$7.4 million of incremental revenue (after 10% of new revenue has been set aside to fund additional scholarships)



# Graduate Tuition Proposed Increases

---

- With exceptions in the College of Design and the School of Law, increases range from 0% to 5.4% (see Board materials)
- College of Design
  - Some programs' non-resident tuition sees no increase
  - Resident tuition increases range from 4.9% to 15%
  - Reasons for increases vary
    - Architecture, Landscape Architecture, Historic Preservation: 15% increase to bring tuition in line with actual program costs; tuition guarantee in place – increase only affects new students
    - Planning, Public Policy and Management: 8% increase covers cost drivers and a new faculty support position
    - Sports Product Design: 7.1% increase to cover labor contract, PERS increases, and initiate a tuition guarantee for the program



# Graduate Tuition Proposed Increases

---

- School of Law
  - Proposing 7% increase for resident and non-resident students in the following master's programs
    - Juris Doctorate (JD)
    - Master's in law (LLM)
    - Conflict and Dispute Resolution
  - Tuition increase to cover cost drivers (mainly PERS), student career development services and help address challenging budget situation
  - Tuition will still be priced at a lower rate than comparator schools



## Proposed Mandatory Fee Increase

---

- Overall proposed mandatory fee rate increase is 6.9%
- Some fees are not increasing: building fee, rec center bond fee, technology fee
- Existing fees that are increasing:
  - Rec Center Fee: \$2 increase per term from \$62.50 to \$64.50 (3.2%)
  - EMU Fee: \$3 increase per term from \$67 to \$70 (4.5%)
  - Incidental Fee: \$8.75 increase per term from \$250.25 to \$259.50 (3.5%)
  - Health Center Fee: \$35.25 increase per term \$198 to \$233.25 (17.68%)



## Health Center Fee Increase

---

- Health Center Fee: \$35.25 increase per term \$198 to \$233.25 (17.68%)
- Increase allows the University Health Center and the University Counseling Center to meet key objectives:
  - Address increased mental health care demand, including medical management and behavioral therapy
  - Provide continued resources for areas of special importance to UO student body—prevention, detection, outbreak response, and enhanced access to women’s health services
  - Align UHC staffing resources to continue providing high quality service in response to increased student demand





## E&G Fund

---

Existing FY2019 E&G Fund Budget Deficit:	\$7.9 million
Major cost drivers estimated at:	\$23.6 million
Governor's Recommended Budget (FY20 cut):	\$2.7 million

---

***Total costs to cover*** ***\$34.2 million***

### Potential actions to cover costs:

- Undergraduate non-resident tuition increase:  
per year (net of new fee remissions) \$7.4 million
- Increased state funding projected: Up to \$10.7 million
- Potential new revenue from campus growth: Up to \$7.5 million
- Likely reduction in total international students: Around -\$7.0 million
- Undergraduate resident tuition increase: TBD in May
- Other initiatives (e.g. budget reductions): TBD

