

University of Oregon Financial Briefing

**Tuition and Fee Advisory Board
November 1st, 2019**

Agenda

- UO Budget Structure
- Key Sources of University Funding
- Cost Drivers
- Revenue and Cost Dynamics

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

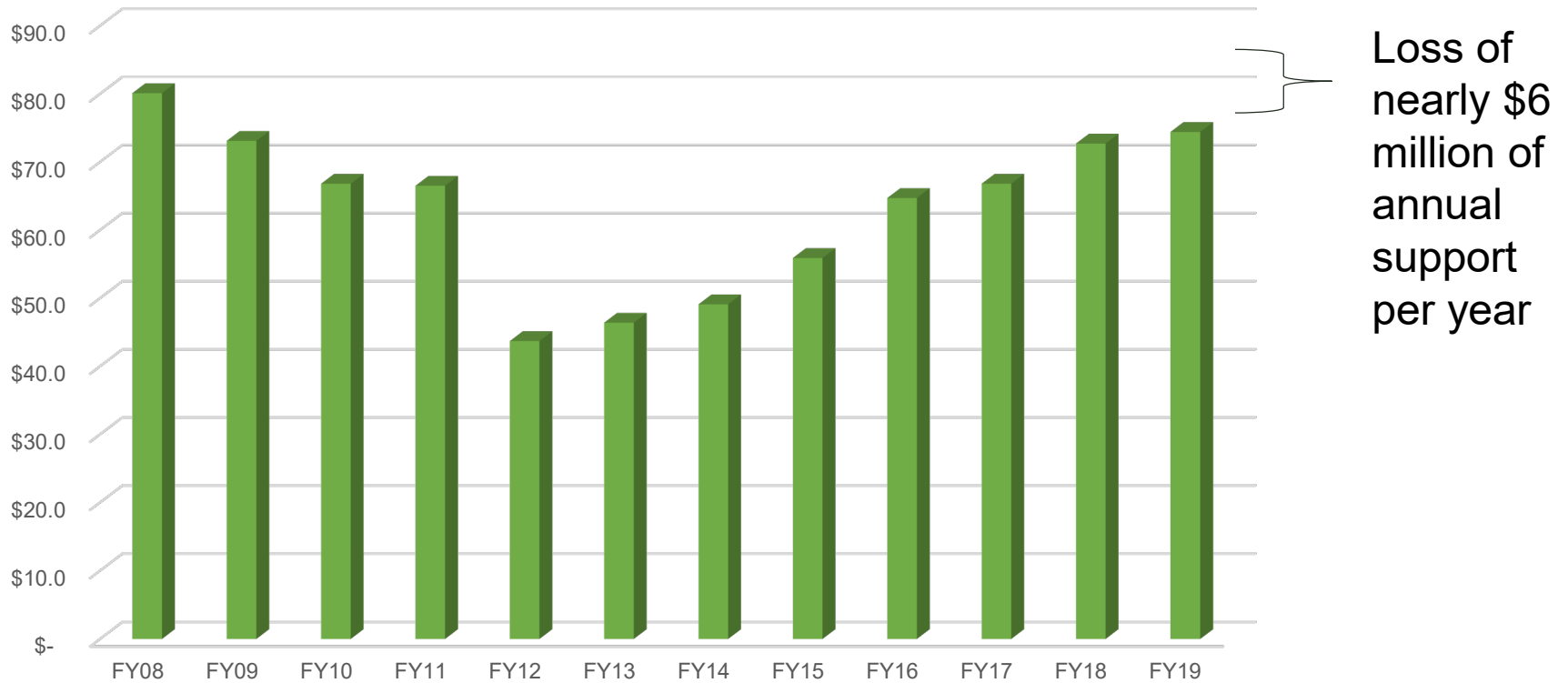
Restricted Gifts

Agenda



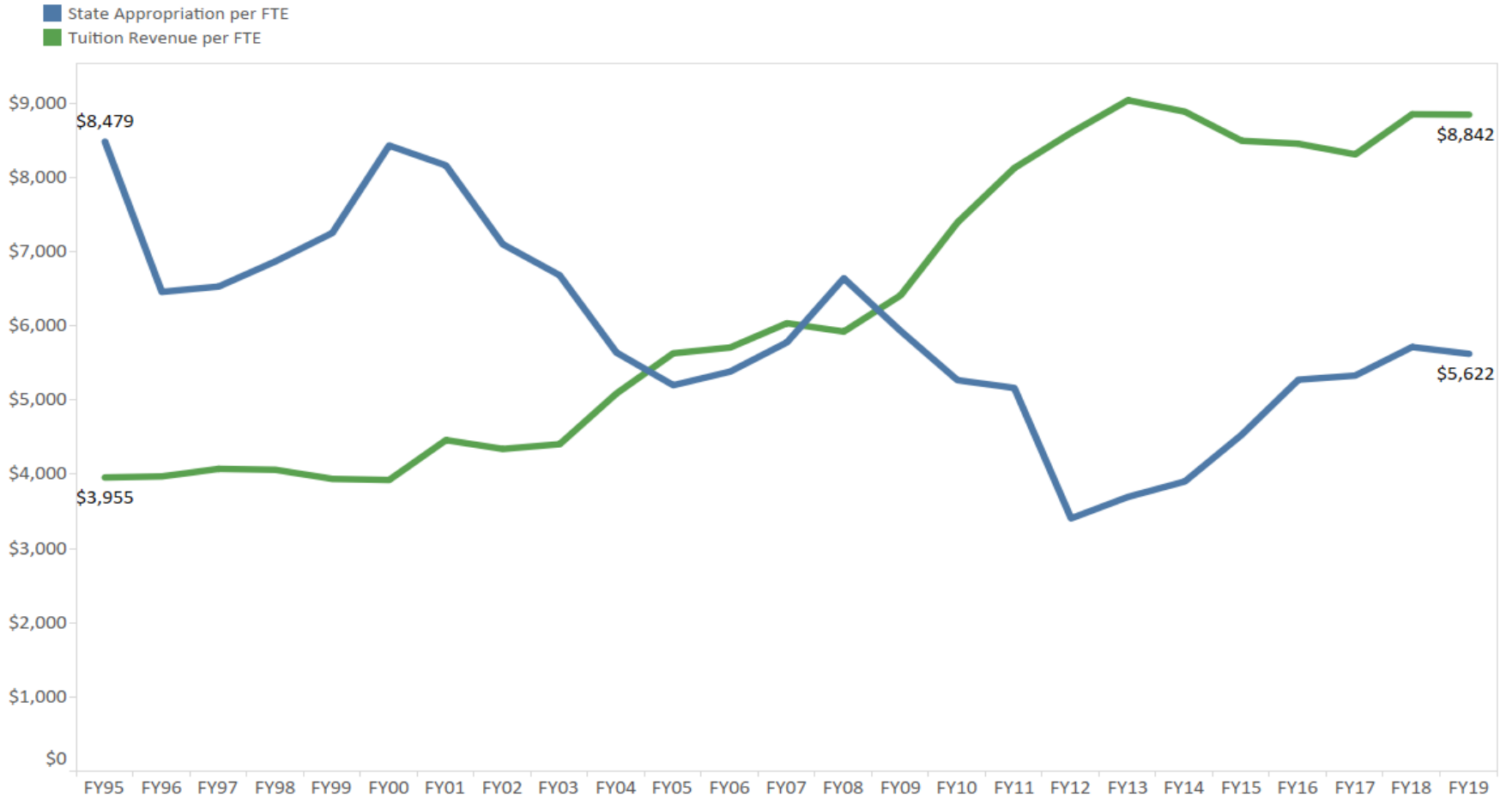
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Decreased levels of State Appropriation



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 2019 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, 2019.

Source: UO Office of Institutional Research.

University Resources

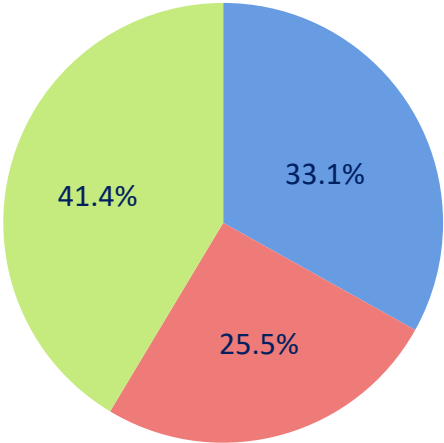
FY2019 Major Revenue Streams

(E&G Fund)

<i>State Appropriation</i>	\$74.4 million
<i>Resident Net Tuition</i>	\$107.5 million
<i>Non-resident Net Tuition</i>	\$278.6 million

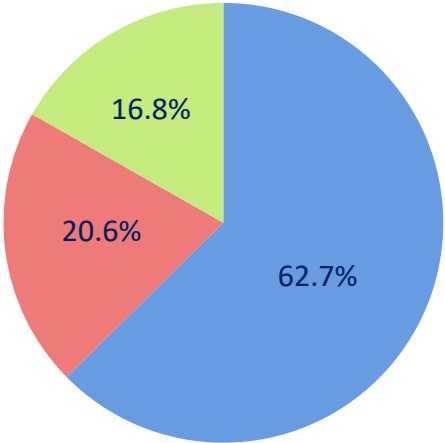
Increasing Dependence Upon Non-resident Tuition

FY2004 – Revenue Breakdown



- Non-resident tuition as % of total three sources
- Resident tuition as % of total three sources
- State appropriation as % of total three sources

FY2019 – 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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Grants & Contracts

Plant Funds

Auxiliary, Service Centers,
and Designated Ops
Funds

Restricted Gifts

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	

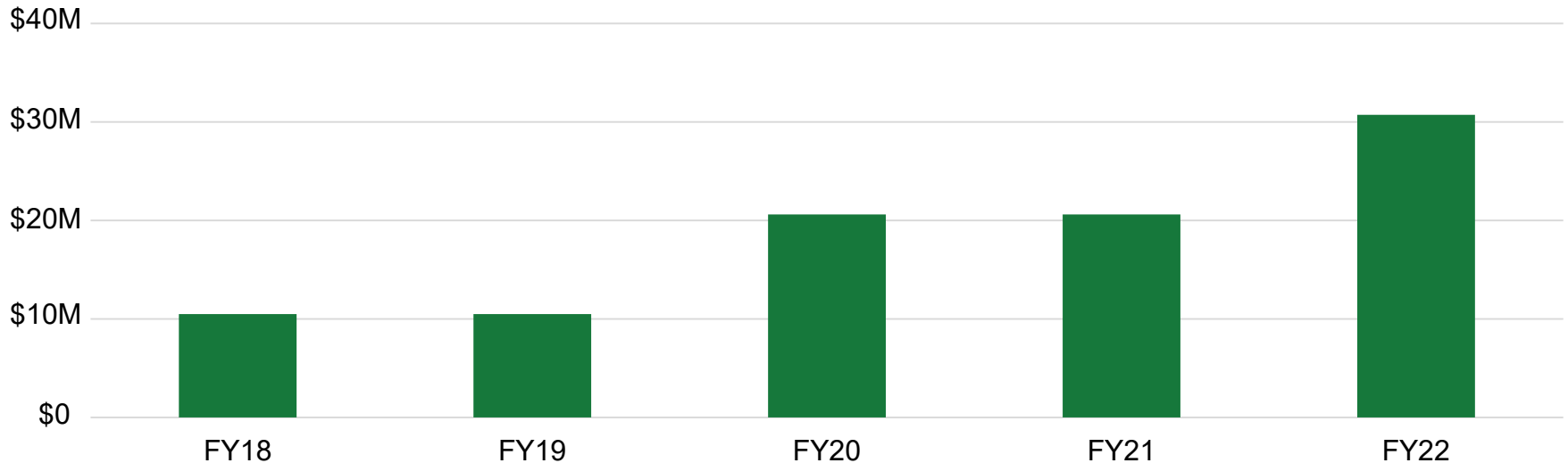
Summary – Major FY2020 E&G Fund Cost Drivers

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 PERS Increases



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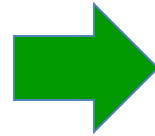


E&G Fund

- FY16, FY17 and FY18: Balanced budget due to state investment, tuition increases and budget cuts
- FY19: \$11.5 million deficit
- FY20: \$6.8 million projected deficit

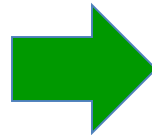
E&G Fund: Revenue and Cost Dynamics

Revenue



79% Tuition &
Fees Funded

Costs



79% Invested
in People

Cost Dynamics – Personnel Costs

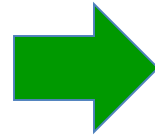
Cost Driver	FY20 Cost Increase	FY20 Percentage Increase	Notes
Faculty, Staff, & GE Salary and Wages	\$10.6 million	2.5%	<ul style="list-style-type: none"> E&G employee increases per existing collective bargaining agreement for approximately 1,402 faculty Also includes estimates of increases for 665 classified 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	3.7%	Assumed annual increase of 3.7%
Retirement Costs	\$7.1 million	13.0%	Based on new PERS rates released by PERS board in fall 2018
Minimum Wage Increase	\$1.0 million	0.2%	Increases per State of Oregon minimum wage increase to \$11.25/hour

➤ Total Personnel Related Cost Increase: \$20.6 million

➤ Equates to 4.8% annual increase

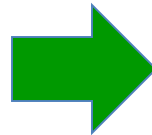
E&G Fund: Revenue and Cost Dynamics

Revenue



79% Tuition &
Fees Funded

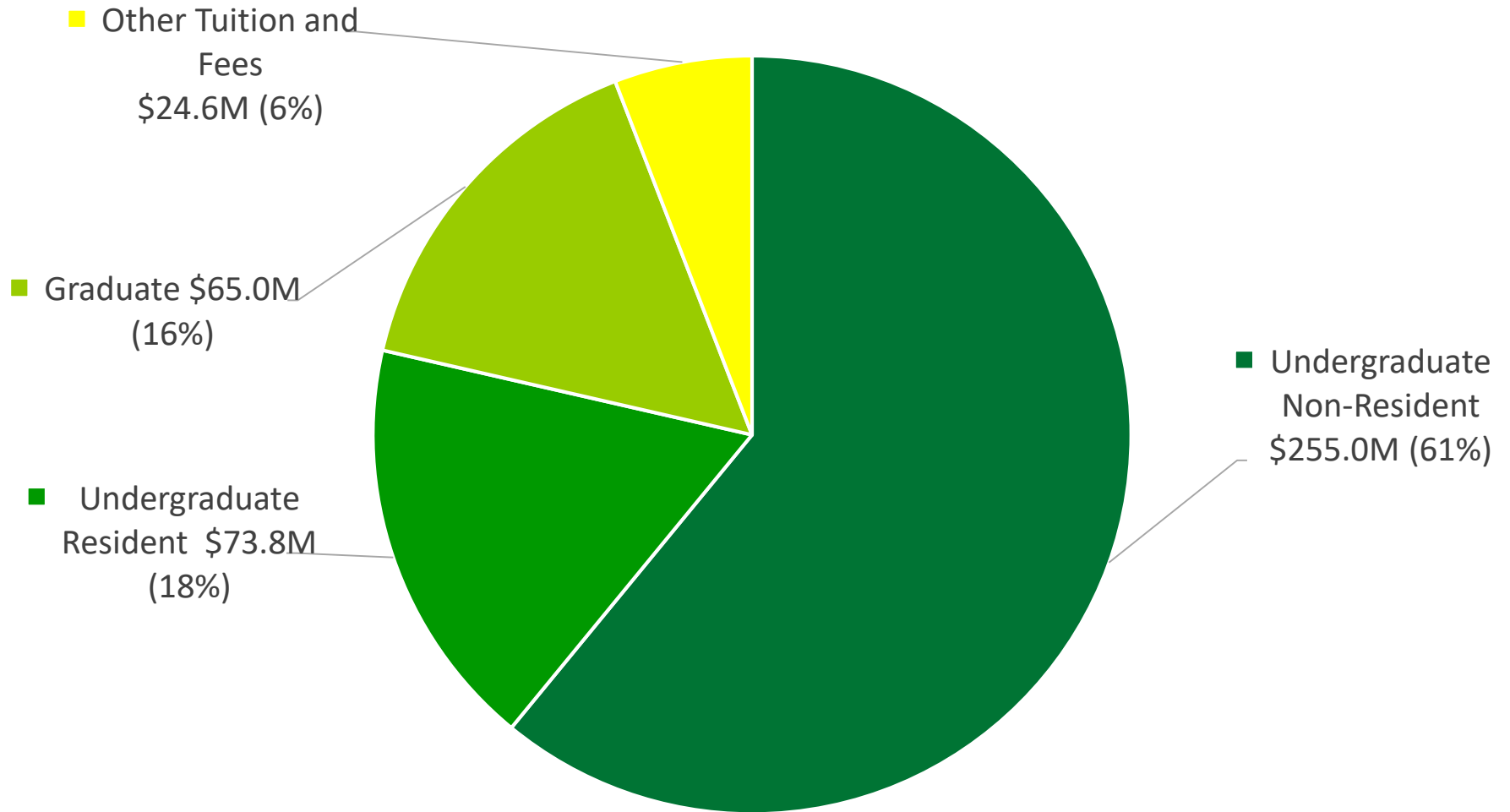
Costs



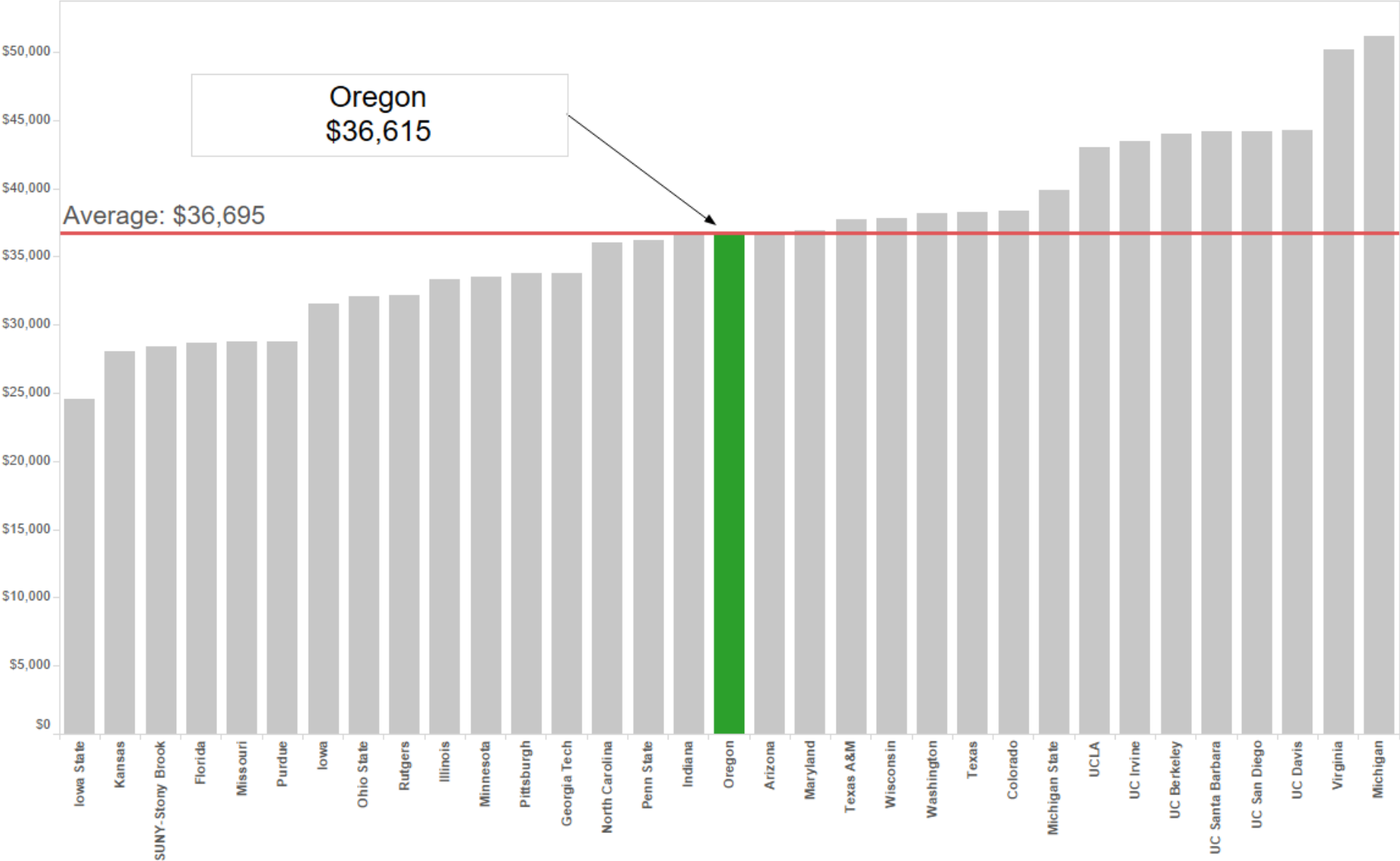
79% Invested
in People

FY19 E&G Fund Net Tuition Revenue

Total: \$418.5 million



2019-20 Nonresident Tuition and Fees AAU Publics



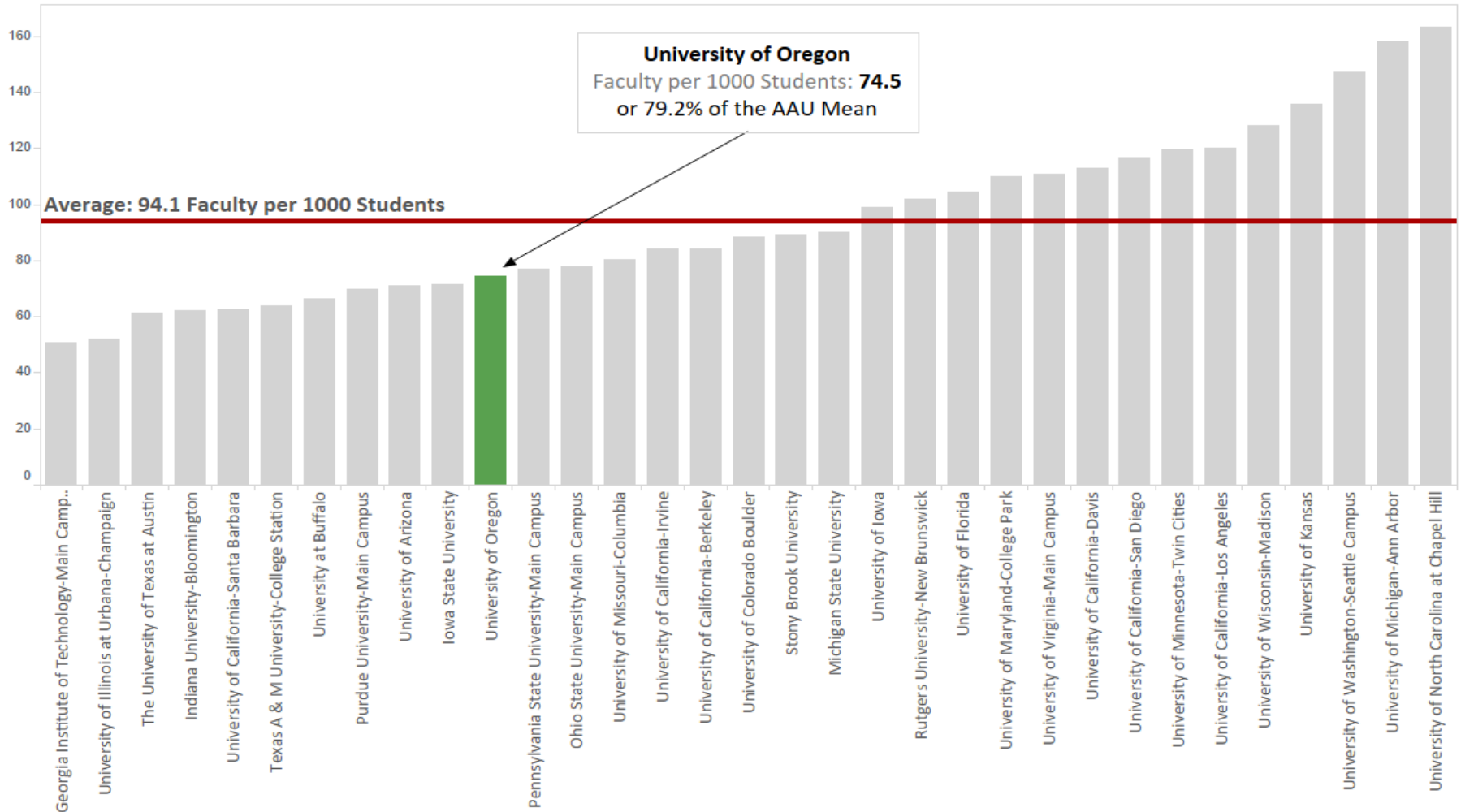
Recent Cost Cutting

- 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

Faculty / Student Ratio – 79.2% of Peers

Comparison of Faculty per 1,000 Students among AAU Publics

FTE Faculty per FTE Students



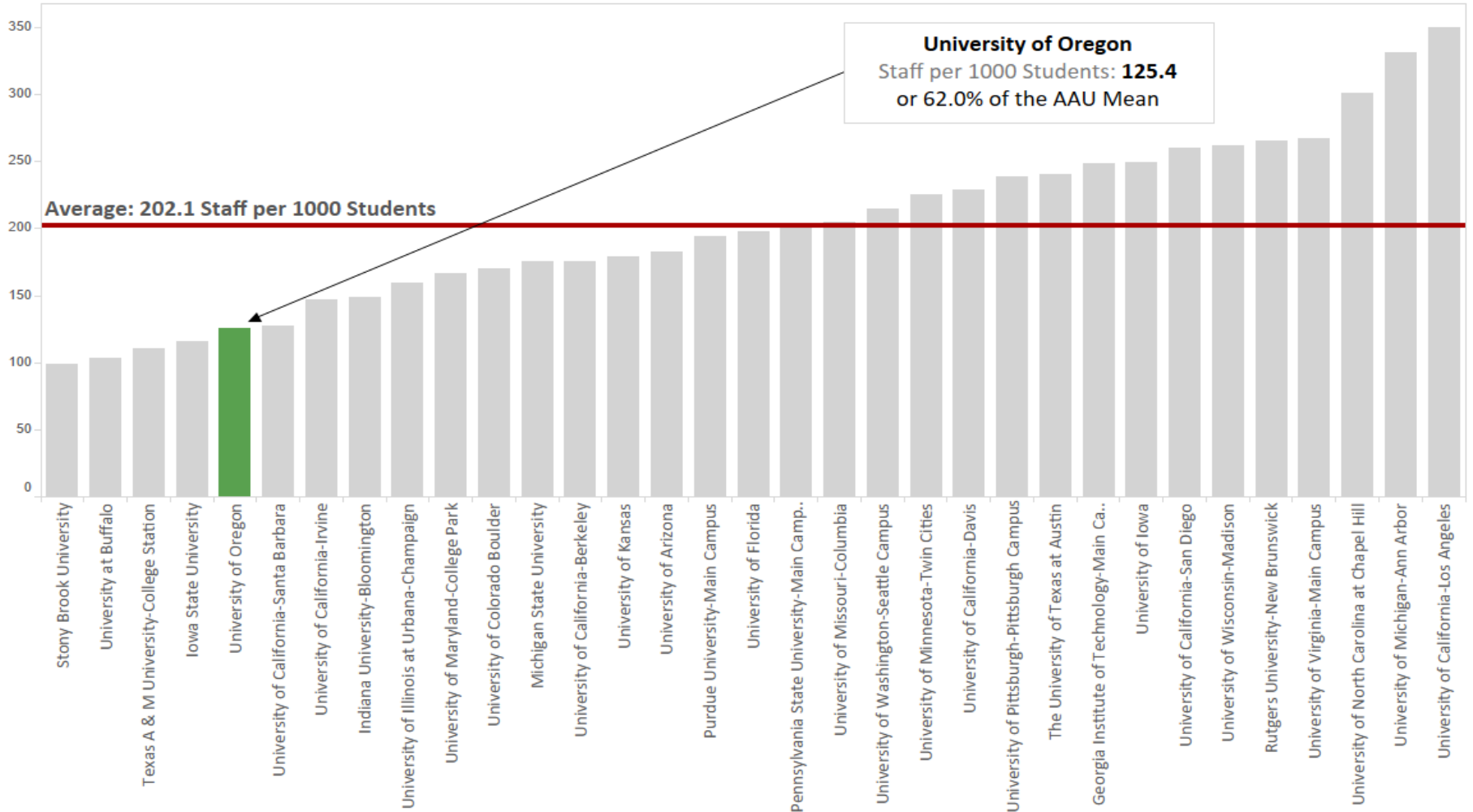
Note: The ratio of faculty to students is based on faculty FTE to student FTE.

Source: IPEDS Human Resources and Enrollment (FY2018).

Staff / Student Ratio – 62.0% of Peers

Comparison of Staffing per 1,000 Students among AAU Publics

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 (FY2018).

Campus Growth

UNIVERSITY OF OREGON Undergraduate Enrollment by Residency

Residency
■ Nonresident UG
■ Resident UG

