

Tuition Recommendation Forum

2.19.2024



ASOIT General Meeting

FY 2023-24 Board Adopted Budget

FY 2023-24 General Fund Budget

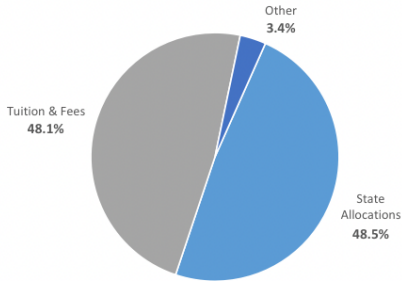
	FY 2022-23	FY 2023-24	Variance FY 2022-23 to FY 2023-24
Revenues			
State Allocation	\$ 32,384,602	\$ 33,819,717	4%
Tuition and Fees (less special general funds)	39,290,361	38,807,036	-1%
Remissions	(5,346,310)	(5,805,377)	9%
New Targeted Remissions	(200,000)	-	-100%
Other Revenues (less special general funds)	994,813	1,275,771	28%
Special General Fund Revenues	1,548,612	1,926,987	4%
Total Revenues	\$ 68,972,099	\$ 70,024,124	2%
Expenses			
Permanent Budget	\$ 72,621,634	\$ 72,476,862	0%
Salary Receipts	(2,500,000)	(3,500,000)	40%
Special General Fund Expenses	1,848,613	1,926,987	4%
Contingency Reserve	432,923	517,603	20%
Administrative Salary Pool (effective January 2024)	103,948	114,343	10%
Faculty Salary Pool (effective January 2024)	279,961	273,337	-2%
Applied Computing and Rural Health Initiatives	5,000,000	-	-100%
Total Budgeted Expenses	\$ 77,787,099	\$ 71,809,132	-8%
Strategic Investments			
Facilities Master Plan	\$ 100,000	\$ -	
Administrative Staff Pay Equity Study	100,000	-	
Faculty Pay Equity Study	150,000	-	
Business Continuity/Disaster Recovery Study	150,000	-	
Polytechnic Cost Study	185,000	-	
Math Learning Lab	-	40,000	
Bridge Funding for AIRE Lab	-	100,000	
AVP Strategic Enrollment Management and Retention	-	263,346	
Assistant Director of Admissions Operations	-	104,195	
Director of Career Services	-	159,539	
AVP Student Affairs and Dean of Students	-	187,241	
Associate Director of Environmental Health and Safety	-	131,877	
Associate Dean of Health, Arts, and Sciences	-	228,764	
Total Strategic Investments	\$ 685,000	\$ 1,215,002	77%
Total Expenses	\$ 78,472,099	\$ 73,024,134	-7%
Net from Operations Before Other Resources (Uses)			
	\$ (9,500,000)	\$ (1,000,000)	
Other Resources (Uses)			
Transfer In - Applied Computing and Rural Health Funds	\$ 5,000,000	\$ -	
Transfer In - COVID Relief Funds (HEERF)	3,000,000	-	
Use of Reserve	1,500,000	3,000,000	
Total from Operations and Other Resources (Uses)	\$ -	\$ -	



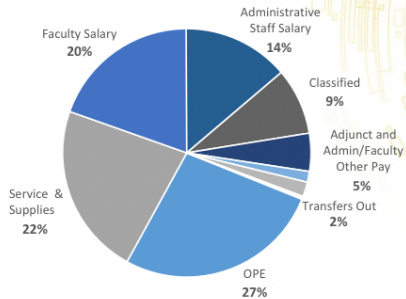
Major Components of FY2023-24 E&G Budget



E&G Budgeted Revenues



E&G Budgeted Expenses





FY 2024-25 Budget Environment

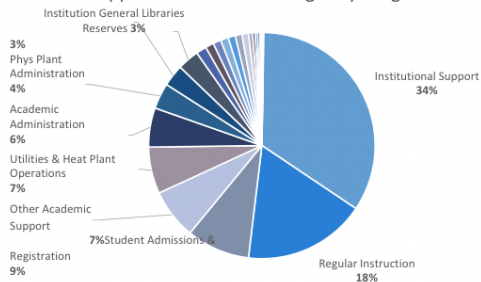
Major Components of the E&G Budget – Supplies and Services by Program Code



Institutional Support (34%)
Regular Instruction (18%)
Student Admissions & Registration (9%)
Utilities & Heat Plant Operations (7%)
Other Academic Support (7%)

Information Technology Services (52%)
Risk Management Insurance (15%)
University Shared Services Enterprise Contracts (9%)

FY24 Supplies and Services Budget by Program Code



Public University Support Fund



- The Oregon State Legislature funds the Public University Support Fund (PUSF) which is split between all seven public universities in Oregon.
- The PUSF is distributed through a funding formula called the Student Success and Completion Model (SSCM). The funding model has three categories:
 - Mission Differentiation Funding—supports the unique regional, research, and public service missions and activities of each university.
 - Activity-Based Funding—based on resident student credit hour (SCH) completions at undergraduate and graduate levels.
 - Outcomes-Based Funding—based on resident degree and certificate completions. Completions by underrepresented students (minority, low-income, rural, and veteran status) and those in academic disciplines in high-demand and high-reward fields (STEM, Health, Bilingual Education) are provided additional weighting in the allocation formula.

University Budget Types

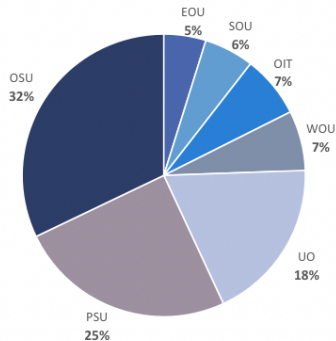


- General Fund Budget: This is the primary university budget known as the operating budget. This is the budget that is approved by the Board of Trustees. It is also referred to as the E&G (Education & General) budget.
- Special General Funds: This is part of the General Fund and is revenue or fee funded areas such as matriculation fee funds, testing, peer consulting, etc.
- Auxiliary Services: Considered “self-support”. These are revenue or fee funded areas such as campus housing, parking permits, incidental fees, student recreation fee, student health fee, athletics, etc.

Public University Support Fund FY24 Distribution



FY24 Distribution of PUSF Funding



Uncertainty In State Funding

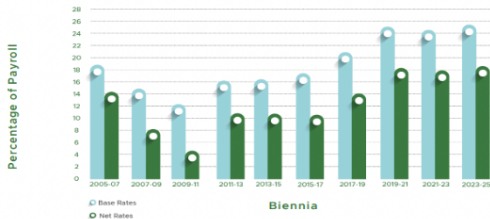


- Second year of the biennium normally means more predictable PUSF,
- However, three years of declining student credit hours and degree production increases the risk of a loss in the November 2024 SSCM true-up.

OPE: PERS Rate Expansion



SYSTEM-WIDE AVERAGE EMPLOYER CONTRIBUTION RATES AS A PERCENT OF COVERED SALARY (NET RATES INCLUDE SIDE ACCOUNT OFFSETS)



- Base rates are system-wide average employer contribution rates without side account offsets.
- Net rates are system-wide average employer contribution rates including.
- Excludes member contributions and RHIA/RHPA healthcare contributions.
- Includes Tier One, Tier Two, and OPSRP.
- Rates for 2023-25 reflect actuarial assumptions adopted by the PERS Board in 2020 and investment returns for 2020 and 2021. The rates also include the effects of the member redirect offset from Senate Bill 1049 (2019).

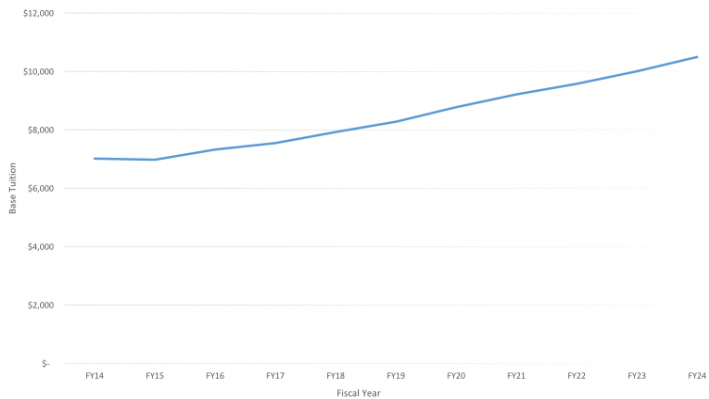
Labor Cost Acceleration

- Paid Leave Oregon program added to university payroll expenses in FY24.
- OT's two unionized employee groups, faculty (AAUP) and classified staff SEIU), have annual mandatory salary increases and AAUP agreement also has an additional incentive/merit component.
- Some employee benefits are enriched through additional union provisions.
- This year health and retirement benefit rates are not increasing.

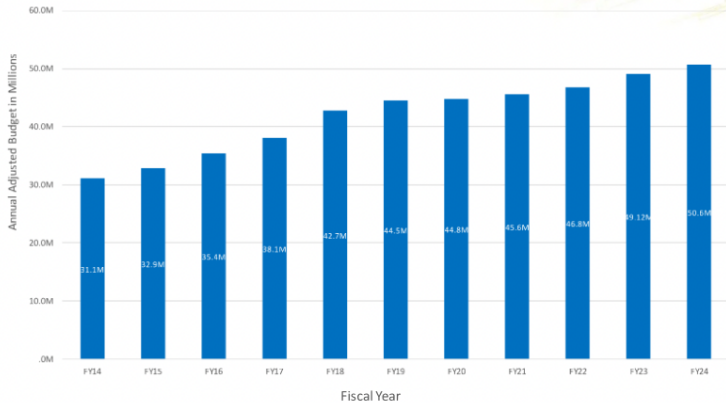




Oregon Tech Undergraduate Tuition History for 15 SCH



Salary and OPE History





Budget Options

Budget Options

- Operating Budget Expense Reductions
- Use of Fund Balance
- Tuition Increase
- Some combination





Draft FY 2024-25 Budget Scenarios

FY 2024-25 Early Budget Projections

Assuming a 3% decrease in enrollment



	FY 2023-24 Board Approved Budget ¹		FY 2024-25 Budget Projection		0% Tuition Increase Variance
Revenue					
Gross tuition and fees	\$	39,514	\$	36,479	\$ (3,035)
Less fee remissions		(5,805)		(7,520)	(1,715)
Net tuition	\$	33,709	\$	28,959	\$ (4,750)
State appropriations		33,942		37,446	3,504
Other		2,374		3,100	726
Total revenue	\$	70,024	\$	69,505	\$ (519)
Expenses					
Labor	\$	54,946	\$	58,372	\$ 3,426
Supplies and Services		16,654		17,091	437
Transfers		1,406		1,406	-
Total expenses	\$	73,006	\$	76,869	\$ 3,863
Net from Operations before Other Resources (Uses)					
Other Resources (Uses)	\$	(2,982)	\$	(7,364)	\$ (4,382)
Other Resources (Uses)					
Transfers In	\$	82	\$	-	\$ (82)
Transfers Out		(100)		-	100
Use of Reserve		3,000		-	(3,000)
Total from Operations and Other Resources (Uses)	\$	0	\$	(7,364)	\$ (7,364)

Notes: These projections are preliminary and are subject to change

(1) For comparability, Applied Computing and Rural Health Initiatives expenses and transfer-in are removed

FY 2024-25 Tuition Scenarios

Every 1% increase in tuition is approximately \$350k



	FY 2023-24 Board Approved Budget ¹	0% Tuition Increase FY 2024-25 Budget Projection	3% Tuition Increase FY 2024-25 Budget Projection	4% Tuition Increase FY 2024-25 Budget Projection	5% Tuition Increase FY 2024-25 Budget Projection	21% Tuition Increase FY 2024-25 Budget Projection
Revenue						
Gross tuition and fees	\$ 39,514	\$ 36,479	\$ 37,530	\$ 37,881	\$ 38,231	\$ 43,839
Less fee remissions	(5,805)	(7,520)	(7,520)	(7,520)	(7,520)	(7,520)
Net tuition	\$ 33,709	\$ 28,959	\$ 30,010	\$ 30,361	\$ 30,711	\$ 36,319
State appropriations	33,942	37,446	37,446	37,446	37,446	37,446
Other	2,374	3,100	3,100	3,100	3,100	3,100
Total revenue	\$ 70,024	\$ 69,505	\$ 70,556	\$ 70,907	\$ 71,257	\$ 76,865
Expenses						
Labor	\$ 54,946	\$ 58,372	\$ 58,372	\$ 58,372	\$ 58,372	\$ 58,372
Supplies and Services	16,654	17,091	17,091	17,091	17,091	17,091
Transfers	1,406	1,406	1,406	1,406	1,406	1,406
Total expenses	\$ 73,006	\$ 76,869	\$ 76,869	\$ 76,869	\$ 76,869	\$ 76,869
Net from Operations before Other Resources (Uses)	\$ (2,982)	\$ (7,364)	\$ (6,313)	\$ (5,962)	\$ (5,612)	\$ (5)
Other Resources (Uses)						
Transfers In	\$ 82	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers Out	(100)	-	-	-	-	-
Use of Reserve	3,000	-	-	-	-	-
Total from Operations and Other Resources (Uses)	\$ 0	\$ (7,364)	\$ (6,313)	\$ (5,962)	\$ (5,612)	\$ (5)

Notes: These projections are preliminary and are subject to change

(1) For comparability, Applied Computing and Rural Health Initiatives expenses and transfer-in are removed

Tuition Rate Scenarios



	FY24		FY25		FY25		FY25		FY25	
	Base Tuition	Differential Tuition	Base Tuition + 3%	Differential Tuition	Base Tuition + 4%	Differential Tuition	Base Tuition + 5%	Differential Tuition	Base Tuition + 21%	Differential Tuition
Tuition per credit	\$233	\$319	\$240	\$329	\$242	\$332	\$245	\$335	\$291	\$398
Tuition per term at 15 credits/term	\$3,497	\$4,791	\$3,602	\$4,935	\$3,637	\$4,983	\$3,672	\$5,031	\$4,359	\$5,972
Additional Revenue				\$1.1M		\$1.4M		\$1.8M		\$7.4M
Remaining Unfunded Gap				\$(6.3M)		\$(6.0M)		\$(5.6M)		\$0

\$1.1M increase to revenue

\$105 increase in tuition per quarter (15 credits)

\$1.4M increase to revenue

\$140 increase in tuition per quarter (15 credits)

\$1.8M increase to revenue

\$175 increase in tuition per quarter (15 credits)

\$7.4M increase to revenue

\$861 increase in tuition per quarter (15 credits)



Tuition Comparison

Tuition Peer Comparison

FY24 Annual Undergraduate Tuition Comparison

List includes official peers, + admissions competitors, + Oregon universities

University	State	Resident	Non-Resident Cost of Living Index (by state)	
Bemidji State University	MN	\$8,994	\$8,994	94.4
California Polytechnic State University-Humboldt	CA	\$5,742	\$17,622	136.4
California Polytechnic State University	CA	\$11,490	\$31,674	136.4
Eastern Oregon University	OR	\$8,618	\$22,289	114.7
Fairmont State University	WV	\$8,454	\$18,372	85.2
Midwestern State University	TX	\$5,877	\$7,827	93.0
Missouri Western State University	MO	\$7,740	\$16,260	88.8
Montana Tech of the University of Montana	MT	\$6,113	\$16,593	103.1
Nicholls State University	LA	\$8,906	\$9,999	90.7
Oregon Institute of Technology	OR	\$10,491	\$33,357	114.7
Oregon State University - Cascades	OR	\$11,460	\$34,305	114.7
Oregon State University - Corvallis	OR	\$11,460	\$34,305	114.7
Portland State University	OR	\$9,315	\$28,215	114.7
Rogers State University	OK	\$7,600	\$16,260	86.8
Shawnee State University	OH	\$10,448	\$16,928	92.2
Southern Oregon University	OR	\$9,675	\$28,305	114.7
Southwestern Oklahoma State University	OK	\$6,969	\$6,999	86.8
UC-Davis	CA	\$13,752	\$46,326	136.4
UC-San Diego	CA	\$13,752	\$46,326	136.4
University of Hawaii at Manoa	HI	\$11,304	\$33,336	179.2
University of Nevada Reno	NV	\$7,875	\$8,478	101.1
University of Oregon	OR	\$13,013	\$27,097	114.7
University of South Carolina-Upstate	SC	\$11,208	\$22,730	94.3
University of Washington - Seattle	WA	\$12,645	\$41,997	115.7
Washington State	WA	\$11,554	\$27,630	115.7
Western Oregon University	OR	\$9,000	\$28,730	114.7



Differential Tuition Comparison - Resident

FY 2023-24 Resident Oregon University Tuition Comparison



	OIT	OSU	OSU-CC	PSU	UoR	SOU	WOU	EDU
Undergraduate Resident Base Per Credit	\$233.16	\$254.67	\$254.67	\$207.00	\$289.17	\$215.00	\$200.00	\$191.50
Undergraduate per term at 15 credits	\$3,497.40	\$3,820.00	\$3,820.00	\$3,105.00	\$4,337.55	\$3,225.00	\$3,000.00	\$2,872.50
Online Base Tuition	\$308.00	\$350.00	\$350.00	\$207.00	\$289.17	\$215.00	\$200.00	\$286.40
Online Fee	\$65.00	\$0.00	\$0.00	\$22.00	\$25.00	\$75.00	\$53.00	\$0.00
Graduate Resident Base Per Credit	\$536.27	\$373.50	\$373.50	\$463.00	Varies by Program	\$539.00	\$460.00	\$520.80
Differential Per Credit Rates								
Undergraduate - Engineering & Technology	\$319.43			\$267.80				
Undergraduate - Allied Health Programs	\$319.43							
Undergraduate - Respiratory Care	\$319.43							
Undergraduate - Medical Lab Science	\$319.43							
Undergraduate - Paramedic Education	\$319.43							
Undergraduate - Dental	\$319.43							
Undergraduate - College of Business		\$279.67	\$279.67	\$225.40				\$206.00
Undergraduate - Pre-Engineering		\$292.67	\$292.67					
Undergraduate - Professional Engineering		\$313.67	\$313.67					
Undergraduate - Forestry		\$273.67						
Undergraduate - Arts		\$278.67	\$278.67	\$218.40		\$225.00		
Undergraduate - Honors College		\$288.00	\$288.00	\$214.40	\$356.51	\$240.00		
Undergraduate - Creative Writing						\$225.00		
Undergraduate - EMDA						\$225.00		
Undergraduate - Military Science						\$225.00		
Undergraduate - Music						\$225.00		
Undergraduate - Theatre						\$225.00		
Graduate - Engineering & Technology	\$734.69	\$432.50		\$515.50				
Doctor of Physical Therapy	\$606.88		\$631.58					

Oregon State Funding Trends



Tuition rates accelerated in FY15. Why?

- Dissolution of Oregon University System (OUS), with loss of economies of scale
- Disinvestment in Higher Education
 - In 2015 the Higher Education Coordinating Commission indicated that while overall state appropriations went up in the preceding 10 years, they did not keep up with enrollment growth. Therefore, the state funding per student went down¹.
- Oregon ranks in the bottom half (45th) of all states in state support for higher education per full-time equivalent student
- Oregon public universities have richer retirement and health benefits than other states, thus our inflation rate is higher than the national average

¹ <https://www.oregon.gov/highered/research/Documents/Legislative/2016-HECC-ARB-FINAL.pdf>