

TUITION RECOMMENDATION COMMITTEE | FEB 20TH & 21ST



Student Tuition Forum

Sasha Rabich- Klamath Falls ASOIT Officer

Billy Kimmel- Portland-Metro ASOIT Officer

John Harman- Vice President of Finance & Administration

Joanna Mott- Provost & Vice President for Academic Affairs

Presentation Outline



- Role of Tuition Recommendation Committee
- State Funding & Budget Environment
- Enrollment Update and Outlook
- Who Pays for Higher Education Funding
- FY 2023-24 University Budget Outlook

TRC Charge

[Tuition Recommendation Committee \(TRC\) | Oregon Tech \(oit.edu\)](https://oit.edu)



The Tuition Recommendation Committee is responsible for recommending the tuition and mandatory fee rates to the President who must in turn report and recommend mandatory tuition and fees to the Board of Trustees in accordance with ORS 352.102.

The TRC is comprised of six students representing both campuses and appointed by the ASOIT president(s), two of which represent ASOIT, two of which represent historically underserved students of the University as defined by the University; the Fiscal Operations Advisory Council (FOAC) chair; and at least two administrators. Any changes to the TRC structure required by ORS 352.102, subsequent controlling statutes or Board Policy may be made without notification. The President shall designate one member to chair the TRC.

TRC Charge (continued)



Before making any recommendation to increase tuition and mandatory fees but especially when the proposed increase is more than five percent annually, the Committee must **document its consideration of the impact on students**, and the **necessity of the increase in achieving the mission of the University**. The Committee shall provide **meaningful opportunities** for members of the student government and students at large **to participate** in the process and deliberations.

The committee will meet at least twice during January – February. Its meetings shall be open to the public and broad notification of the meetings shall be made to the university community. The committee will consider the guidelines provided by the Board, information provided by the Administration, and such other matters as shall seem appropriate.



State Funding & Budget Environment

Public University Support Fund



- The Oregon State Legislature approves budget for the Public University Support Fund (PUSF) biennially which is administered by the Higher Education Coordinating Commission (HECC).
- The HECC allocates these funds to the 7 public universities through the Student Success and Completion Model (SSCM). This formula is comprised of 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. Some completions are provided additional weighting in the allocation formula.

FY 2023-24 Outlook

State Funding increase for Higher Education is Inadequate

- Public Universities requested a \$150M (17%) increase in PUSF.
- Included 8.67% CSL increase, an inflationary adjustment on expenses covered by state funds.
- Remaining 8.33% would be investment in essential student wrap-around services.
- Governor Kotek's budget only provides a 4% increase in PUSF.
- Would require 18.5% tuition increase to make up for state under-funding and to cover operating costs.

Other Factors Impacting Budget

- Each 1% drop in non (ACP) enrollment translates to about \$381,000 in lost tuition revenue.
- Inflation in operating expenditures due to:
 - Contractual obligations in labor agreements.
 - Increasing benefits and related payroll costs.
 - Investment in essential enrollment, retention, online growth and student services.
 - Utilities, liability insurance and maintenance.
 - Unfunded mandates

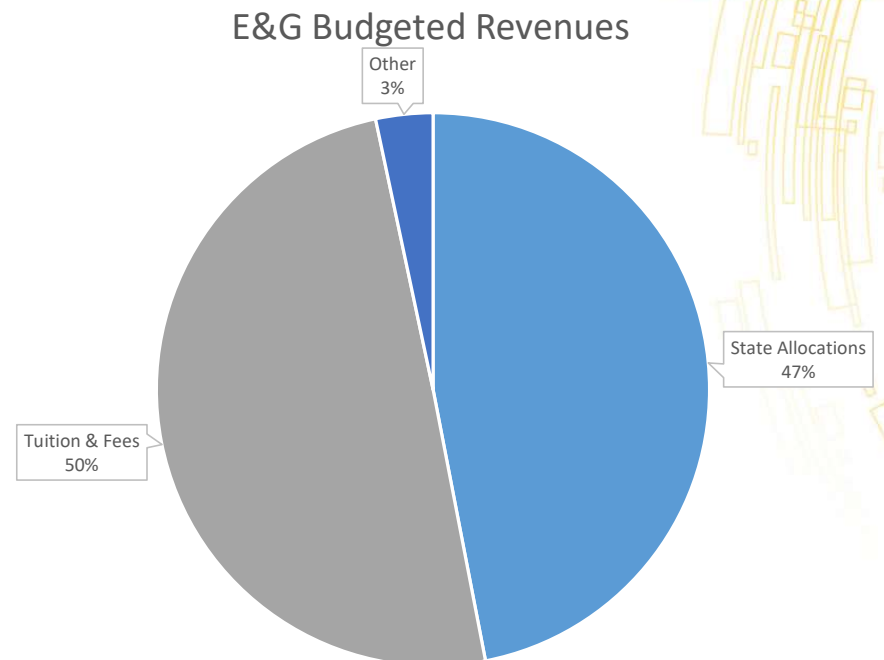


Major Components of E&G Revenues

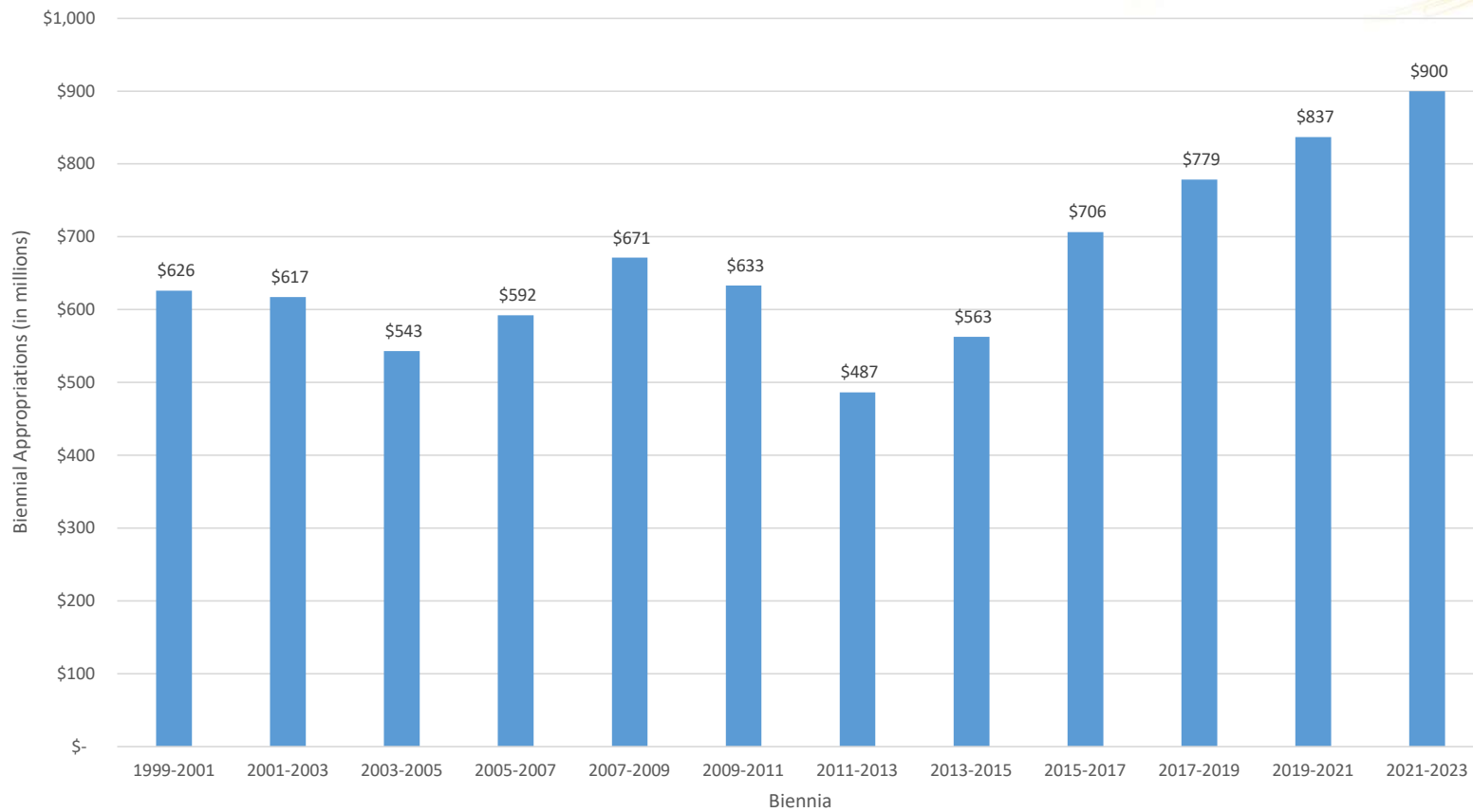


Revenues:

- State Appropriations comprise 47% of total revenue
 - Impacted by state tax revenue, legislative allocation, SSCM formula and enrollment
- Tuition, net of remissions, comprises 50% of total revenue
 - Impacted by enrollment, Higher Education Coordinating Commission (HECC) Oversight
- Other is 3% is from clinical revenue and F&A on grants



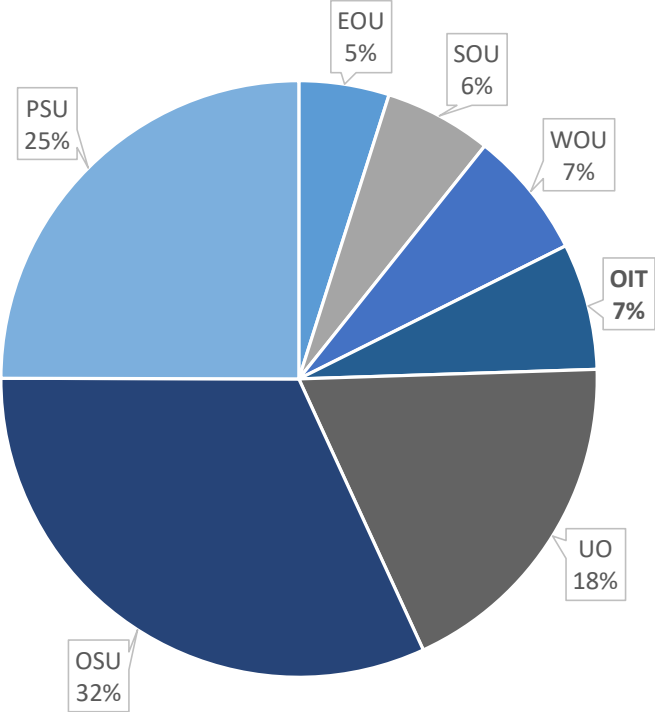
Total Historical State PUSF (in millions)



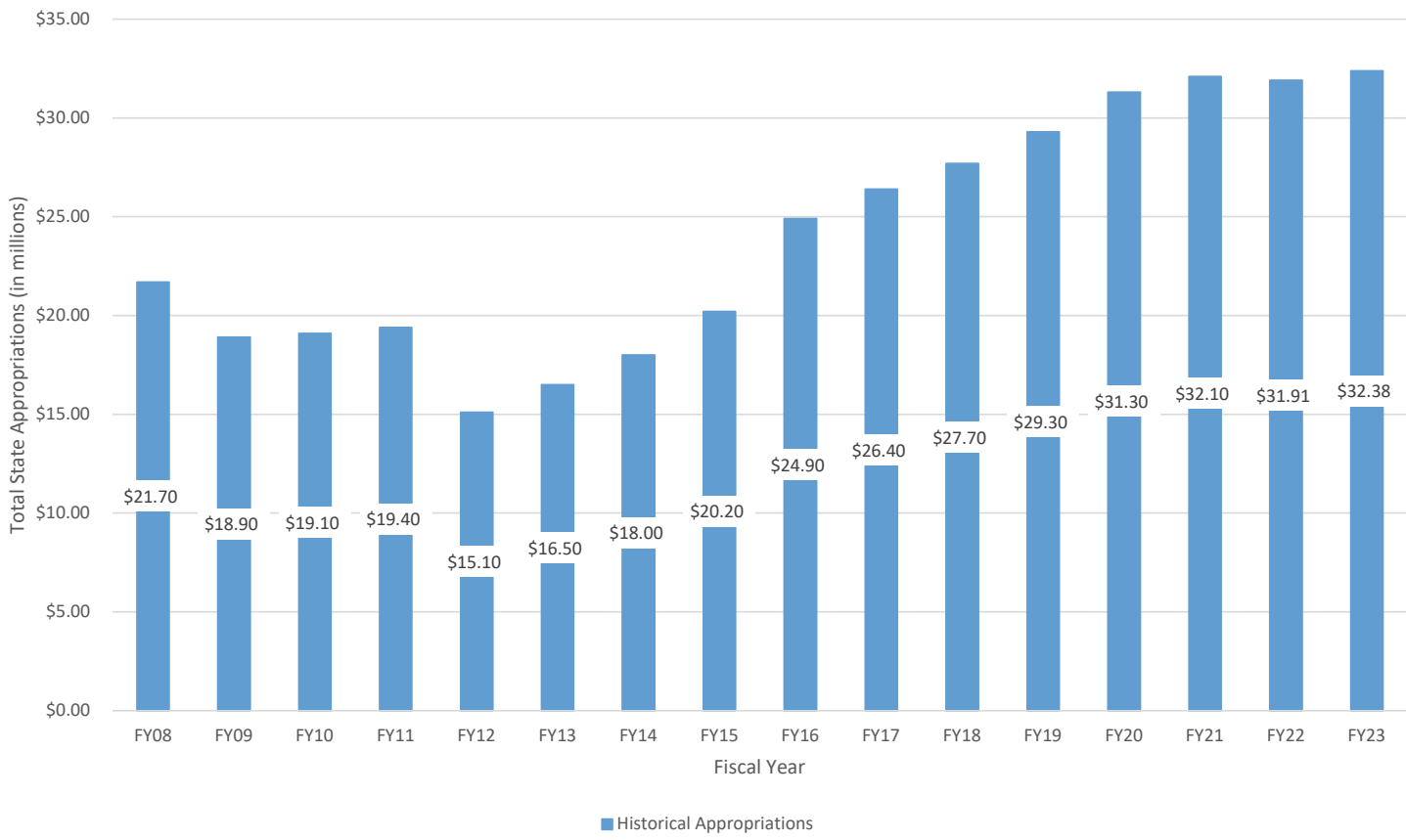
Public University Support Fund FY 2022-23 Distribution



FY22 Distribution of PUSF Funding



Total Oregon Tech State Allocations (in millions)



*FY22 Excludes one-time Applied Computing and Rural Health funding

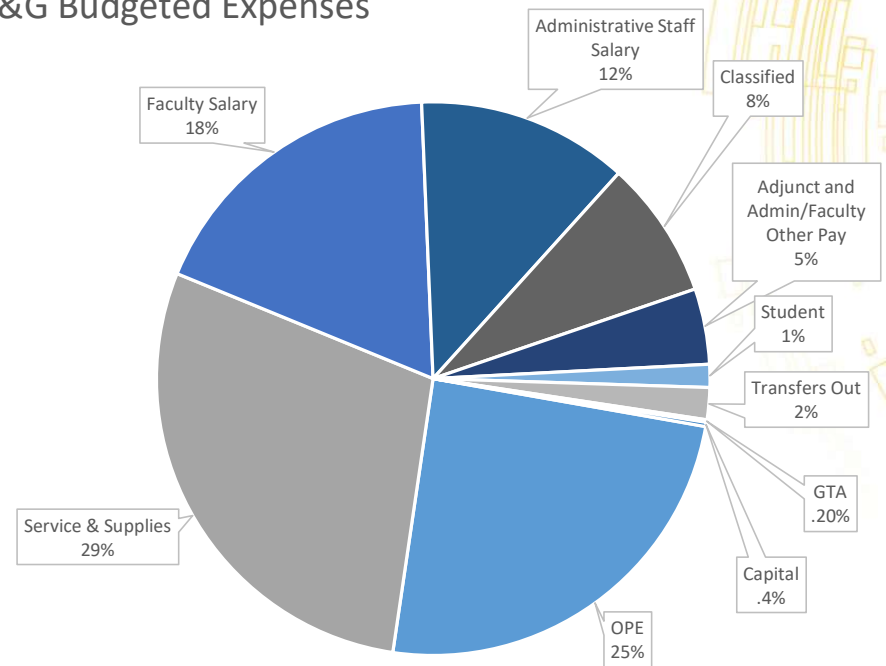
Major Components of E&G Expenses



Expenditures:

- Staff and Faculty- 43% of expenditures
- Other Payroll- 25% of expenditures
 - Retirement, health, disability, and miscellaneous federal/state taxes and benefits
- Services and Supplies- 29% of expenditures
 - Debt service, utilities, office supplies, contracts, leases, etc.
- Transfers Out- 2%- Support for Athletics
- Other

E&G Budgeted Expenses



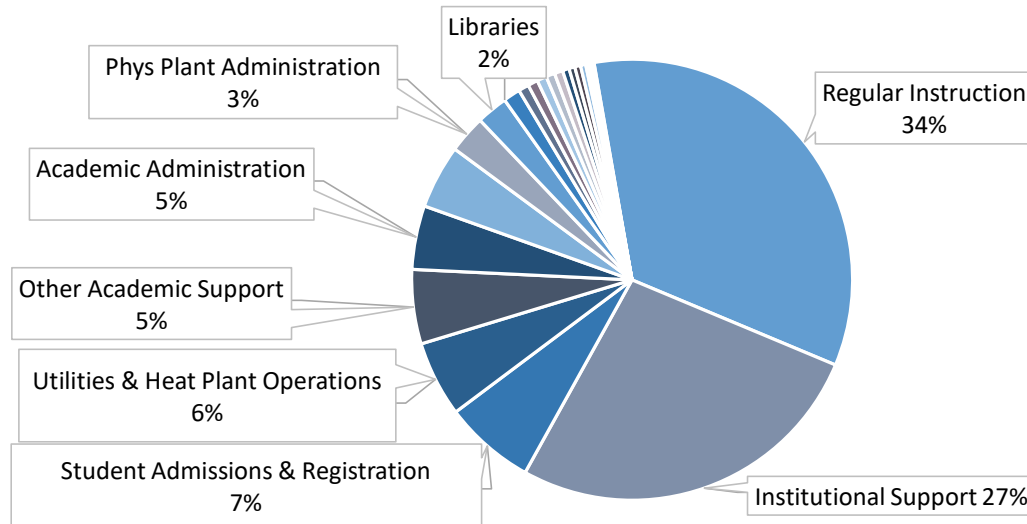
Major Components of the E&G Budget – Supplies and Services by Program Code



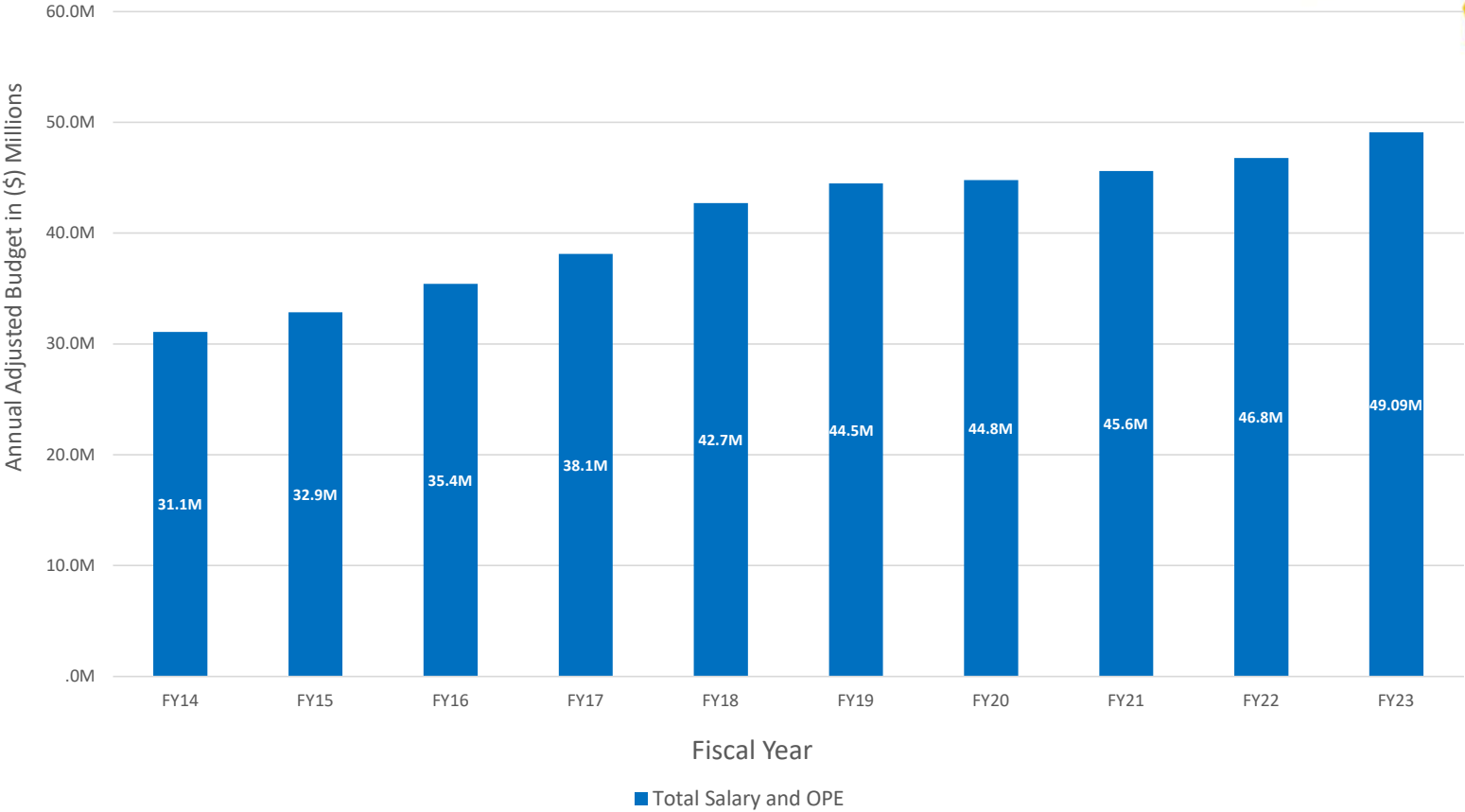
1. Regular Instruction (34%)
2. Institutional Support (27%)
3. Student Admissions & Registration (7%)
4. Utilities & Heat Plant Operations (6%)
5. Academic Adm. & Support (10%)

1. Information Technology Services (51%)
2. Risk Management Insurance (15%)
3. University Shared Services Enterprise Contracts (8%)

FY23 Supplies and Services Budget by Program Code



Salary and OPE Expense History



Labor Cost Inflation



- Retirement contribution expenditures increasing by about 4% for FY 2023-24.
- Paid Leave Oregon program added to university unfunded payroll expenses.
- OT's two unionized employee groups, faculty (AAUP) and classified staff SEIU), have annual mandatory salary increases and AAUP agreement also has an additional merit component.
- Some employee benefits are enriched through additional union provisions.
- Salary increases are compounded by the increase in associated retirement contribution expenditures.



Enrollment Update & Outlook

Headcount Comparison Fall 2020, 2021 & 2022

Source: Office of the Provost from 3rd TRC meeting



Headcount (Based on Primary Campus)

Same Week Comparison

	Fall 2020	Fall 2021	Fall 2022
On Campus (Klamath Falls)	2,232	2,109	1,984
Online	726	592	563
Onsite Total	1,004	873	816
* Portland Metro	779	698	642
* Seattle	78	50	58
* Chemeketa	59	58	60
* Joint Program	1	0	1
* HST at OIT	87	67	55
Sub-Total	3,962	3,574	3,363

Fall 2021 vs. Fall 2022

Difference	% Change
-125	-5.9%
-29	-4.9%
-57	-6.5%
-56	-8.0%
8	16.0%
2	3.4%
1	-
-12	-17.9%
-211	-5.9%

High School (ACP)	1363	1,336	1,550
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214	16.0%
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Grand Total	5,325	4,910	4,913
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3	0.1%
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Fall 2020 to fall 2021 subtotal change -9.8%, fall 2021 to fall 2022 -5.9%

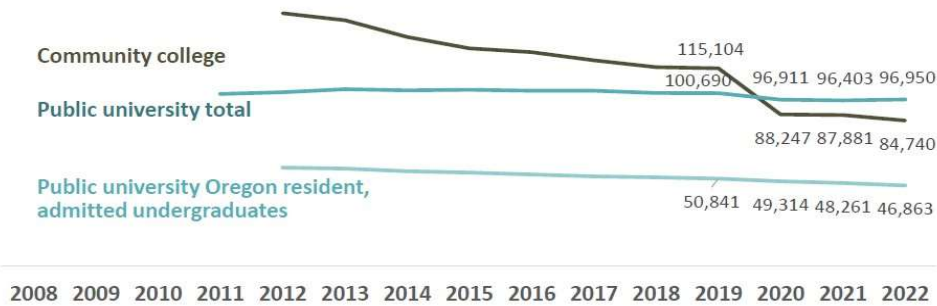
Oregon Higher Education Landscape

Source: Office of the Provost from 3rd TRC meeting



The steep changes related to the pandemic and the greater stability today are evident in the long-term trend

Student headcount enrollment



Enrollment has stabilized but not returned to pre-pandemic levels.

Full-time equivalent enrollment rose slightly in both sectors this fall, compared to 2021.

Full-time equivalent enrollment



Source: Some numbers may differ slightly from earlier published reports as data were finalized. Fall enrollment data provided as aggregate counts by community colleges and as individual student records by public universities. Individual analyses are made by HECC staff. Notes: Students enrolling in more than one institution in fall are included in both institutions' counts. Full-time equivalent counts are defined in the colleges as the total number of clock hours in which all students enrolled divided by 510, and in the universities as credit hours divided by 15 at the undergraduate level, by 12 at the graduate level (excluding PhD), and by 9 at the PhD level.





Who pays for Oregon Higher Education

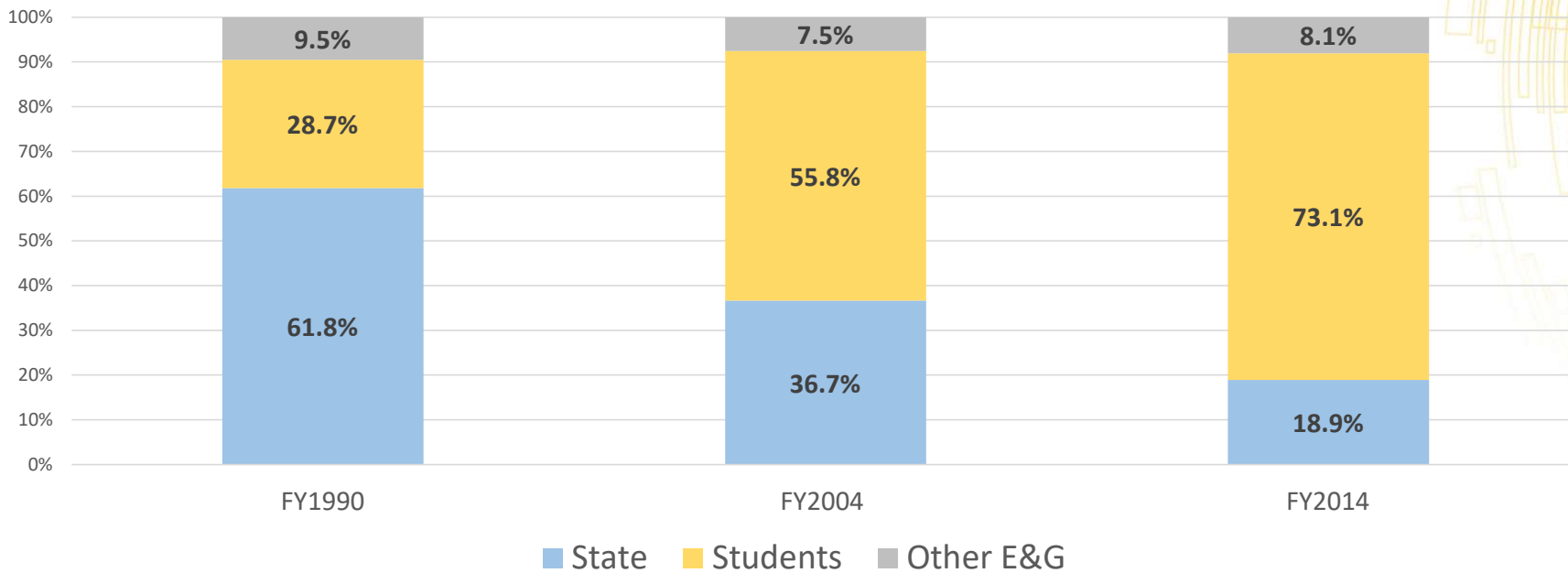
Changing Share of Higher Education Expense Burden

Source- 2023 Public Universities Legislative Affairs Council

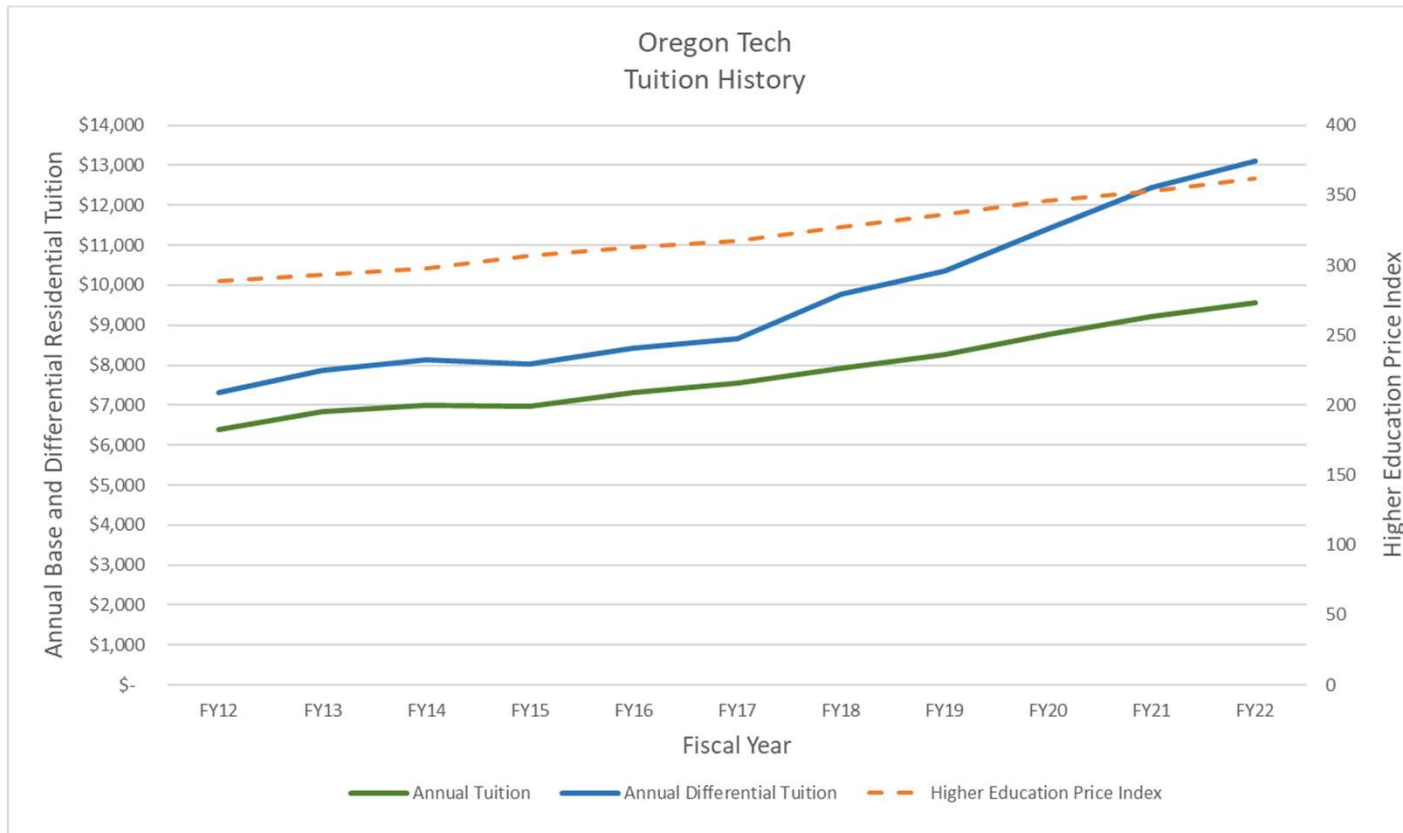


Who Has Paid Historically

(Data Source: OUS Fact Book)



Tuition History with Differential and HEPI



Oregon State Funding Trends



Tuition rates accelerated in FY15. Why?

- Dissolution of Oregon University System (OUS) shifted more responsibilities to independent public universities
- State disinvestment in Higher Education
- Oregon ranks 45th among 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

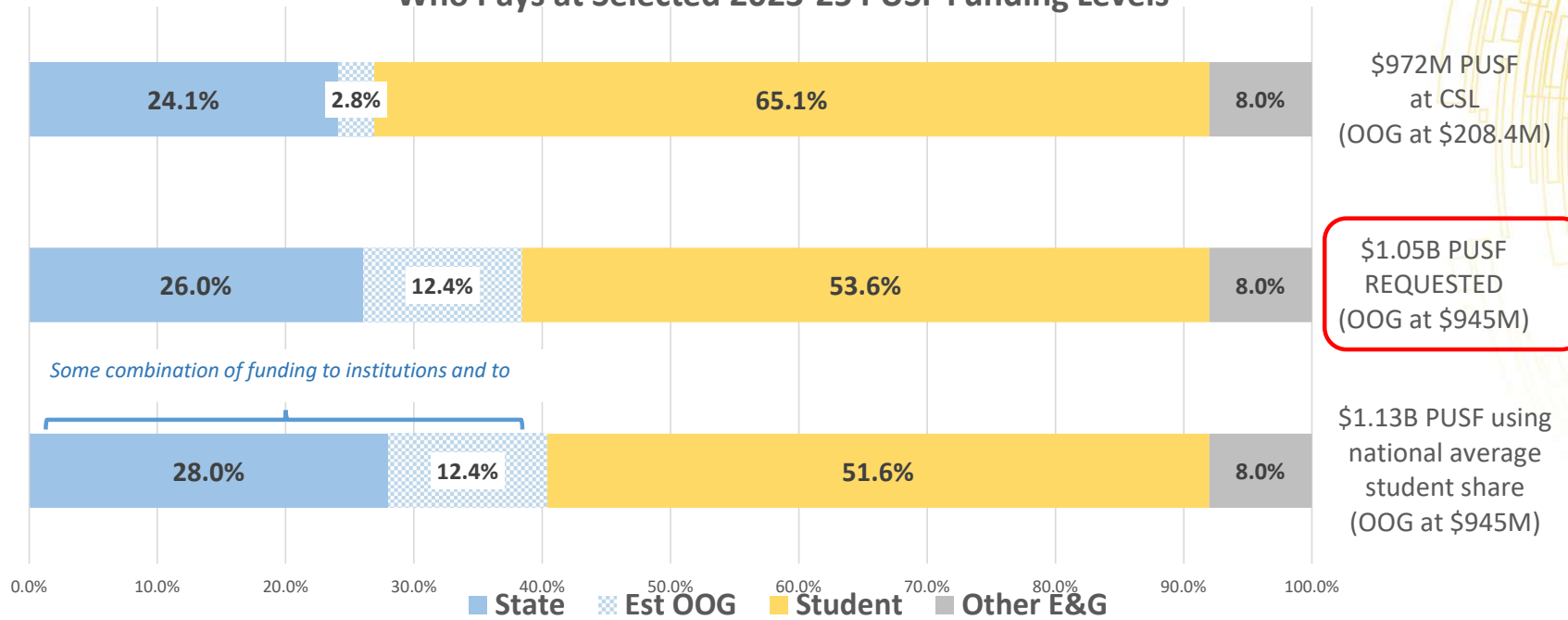
¹ <https://www.oregon.gov/highered/research/Documents/Legislative/2016-HECC-ARB-FINAL.pdf>

2021-23 Biennium CFR Funding Request*

Source- 2023 Public Universities Legislative Affairs Council



Public Universities Education and General Operations
Who Pays at Selected 2023-25 PUSF Funding Levels



*Governor's Budget calls for PUSF at \$933M (only 4% increase)



FY 2023-24 University Budget Outlook

FY 2023-24 Early Budget Projections



Assume:

- 0% increase in enrollment from current year (5.9% ↓ budget)
- 0% increase in tuition rate and thus no increase in tuition revenue from current year (\$2.1M ↓ budget)
- 4% increase in state funding
- 4% increase in labor and benefits costs

	0% Tuition Increase	
	FY 2022-23 Board Approved Budget ¹	FY 2023-24 Budget Projection
Revenue		
Gross tuition and fees	\$ 39,832	\$ 37,706
Less fee remissions	(5,546)	(5,805)
Net tuition	\$ 34,286	\$ 31,900
State allocations	32,385	33,950
Other	2,302	2,302
Total revenue	\$ 68,972	\$ 68,152
Expenses		
Labor	\$ 54,142	\$ 56,162
Supplies and Services	17,817	17,304
Transfers	1,462	1,513
Total expenses	\$ 73,421	\$ 74,979
Net from Operations before Other Resources (Uses)	\$ (4,449)	\$ (6,826)
Other Resources (Uses)		
Transfers In	\$ 3,000	\$ -
Transfers Out	(51)	\$ -
Use of Reserve	1,500	\$ -
Total from Operations and Other Resources (Uses)	\$ (0)	\$ (6,826)

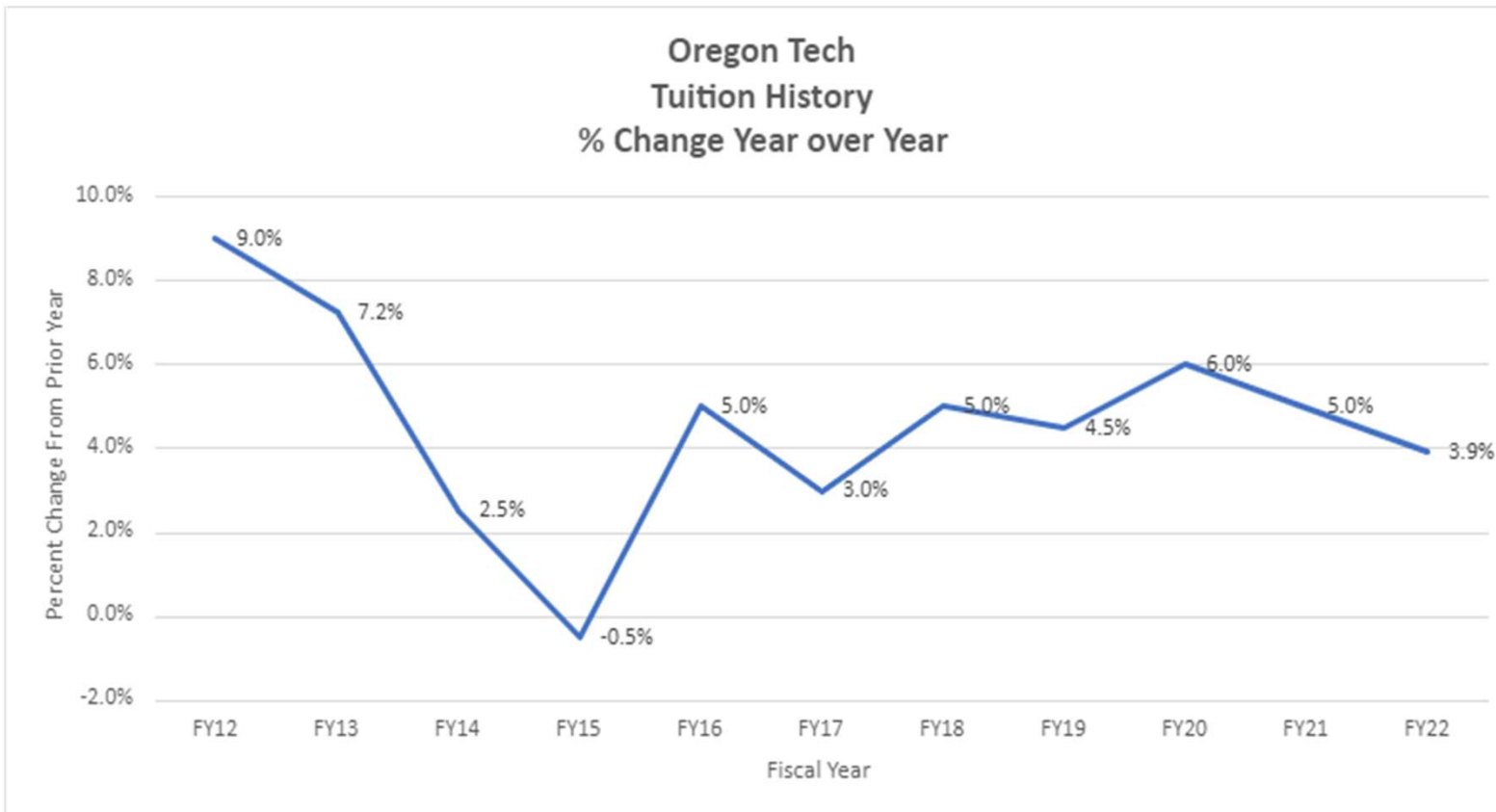
Notes: These projections are preliminary and are subject to change
 (1) For comparability, Applied Computing and Rural Health Initiatives expenses and transfer-in are removed

FY 2023-24 Budget Funding Options



- Beginning with a \$6.8M deficit due to:
 - Lack of adequate state funding increase
 - Enrollment decline
 - Rising payroll and benefits costs
- Addressing the deficit:
 - Operating Budget Expense Reductions
 - Use of some Reserve Funds
 - Balance is 22% or 16 weeks of funds to cover expenses, best practice is 21 weeks
 - Tuition Increase
 - Combination of above

Tuition: Moderating Changes



Undergraduate Tuition Comparison

FY23 Annual Undergraduate Base 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	95.1
Cal Poly- Humboldt	CA	\$5,742	\$17,622	139.7
California Polytechnic State University	CA	\$10,194	\$28,104	138.7
Eastern Oregon University	OR	\$8,213	\$21,533	122.2
Fairmont State University	WV	\$8,208	\$17,836	89.8
Midwestern State University	TX	\$5,877	\$7,827	92.6
Missouri Western State University	MO	\$7,200	\$15,120	90.1
Montana Tech of the University of Montana	MT	\$5,878	\$15,537	105.3
Nicholls State University	LA	\$8,966	\$10,059	93.5
Northern Arizona University	AZ	\$11,024	\$26,286	108.0
Oregon Institute of Technology	OR	\$10,002	\$31,837	122.2
Oregon State University - Cascades	OR	\$11,010	\$32,910	122.2
Oregon State University - Corvallis	OR	\$11,010	\$32,910	122.2
Portland State University	OR	\$9,000	\$27,900	122.2
Rogers State University	OK	\$4,860	\$13,200	86.7
Shawnee State University	OH	\$6,758	\$13,103	89.4
Southern Oregon University	OR	\$9,405	\$27,765	122.2
Southwestern Oklahoma State University	OK	\$6,585	\$13,695	86.7
UC-Davis	CA	\$11,928	\$42,954	139.7
UC-San Diego	CA	\$12,570	\$41,562	139.7
University of Hawaii at Manoa	HI	\$11,304	\$33,336	186.0
University of Nevada Reno	NV	\$7,680	\$8,445	101.9
University of Oregon	OR	\$12,510	\$13,053	122.2
University of South Carolina-Upstate	SC	\$11,208	\$22,710	96.3
University of Washington - Seattle	WA	\$12,242	\$40,740	114.1
Washington State	WA	\$11,266	\$26,950	114.1
Western Oregon University	OR	\$8,730	\$28,710	122.2



FY 2023-24 Tuition Scenarios

Every 1% increase in tuition is approximately \$370k



		0% Tuition Increase	3% Tuition Increase	4% Tuition Increase	5% Tuition Increase	18.5% Tuition Increase
	FY 2022-23 Board Approved Budget ¹	FY 2023-24 Budget Projection	FY 2023-24 Budget Projection	FY 2023-24 Budget Projection	FY 2023-24 Budget Projection	FY 2023-24 Budget Projection
Revenue						
Gross tuition and fees	\$ 39,832	\$ 37,706	\$ 38,813	\$ 39,182	\$ 39,551	\$ 44,533
Less fee remissions	(5,546)	(5,805)	(5,805)	(5,805)	(5,805)	(5,805)
Net tuition	\$ 34,286	\$ 31,900	\$ 33,008	\$ 33,377	\$ 33,746	\$ 38,728
State allocations	32,385	33,950	33,950	33,950	33,950	33,950
Other	2,302	2,302	2,302	2,302	2,302	2,302
Total revenue	\$ 68,972	\$ 68,152	\$ 69,260	\$ 69,629	\$ 69,998	\$ 74,980
Expenses						
Labor	\$ 54,142	\$ 56,162	\$ 56,162	\$ 56,162	\$ 56,162	\$ 56,162
Supplies and Services	17,817	17,304	17,304	17,304	17,304	17,304
Transfers	1,462	1,513	1,513	1,513	1,513	1,513
Total expenses	\$ 73,421	\$ 74,979	\$ 74,979	\$ 74,979	\$ 74,979	\$ 74,979
Net from Operations before Other Resources (Uses)	\$ (4,449)	\$ (6,826)	\$ (5,719)	\$ (5,350)	\$ (4,981)	\$ 1
Other Resources (Uses)						
Transfers In	\$ 3,000	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers Out	(51)	-	-	-	-	-
Use of Reserve	1,500	-	-	-	-	-
Total from Operations and Other Resources (Uses)	\$ (0)	\$ (6,826)	\$ (5,719)	\$ (5,350)	\$ (4,981)	\$ 1

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



	FY23		FY24		FY24		FY24		FY24	
	Base Tuition	Differential Tuition	Base Tuition + 3%	Differential Tuition	Base Tuition + 4%	Differential Tuition	Base Tuition +5%	Differential Tuition	Base Tuition +18.5%	Differential Tuition
Tuition per credit	\$217	\$297	\$223	\$306	\$226	\$309	\$228	\$312	\$265	\$363
Tuition per term at 15 credits/term	\$3,254	\$4,459	\$3,352	\$4,592	\$3,385	\$4,637	\$3,417	\$4,682	\$3,972	\$5,442
Additional Revenue				\$1.1M		\$1.5M		\$1.8M		\$6.8M
Remaining Unfunded Gap				\$(5.7M)		\$(5.3M)		\$(4.9M)		\$0

Be Part of the Process!



E-Mail

PM-ASOIT@groups.oit.edu

ASOIT@oit.edu

Tuition Recommendation Committee Website:

www.oit.edu/finance-administration/tuition-recommendation-committee

A screenshot of a survey form titled 'Oregon TECH'. The form has a white background with a blue border. At the top, the 'Oregon TECH' logo is displayed. Below the logo, the text reads: 'Please provide your comments and thoughts to be shared with the Tuition Recommendation Committee (TRC):'. There is a large, empty text input field with a small cursor icon at the bottom right. A blue button with a white right-pointing arrow is located at the bottom right of the form.

Survey link located at the bottom of the TRC website.



Questions?