

Long-Term Financial Planning

Oregon TECH

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Report Purpose



- Establish overview of risk factors (positive and negative) for revenue and cost drivers
- Establish background information for strategic plan
- Provide guidance for long-term fiscal planning efforts in for the Budget and Planning Office

YTD Comparison

	FY17 Year End	FY18 Year End
Acct	Actuals	Actuals
State Allocations	26,388	27,657
Tuition & Fees	32,053	33,639
Remissions	(3,578)	(3,843)
Other	2,182	1,828
Total Revenue	57,044	59,280
Unclassified	22,403	23,631
Classified	5,206	5,422
Student	623	769
GTA	22	25
OPE	13,069	14,665
Total Labor	41,323	44,512
Service & Supplies	9,693	10,726
Internal Sales	(1,225)	(1,154)
Debt Service	1,436	1,034
Capital	376	657
Utilities	1,329	1,274
Transfers Out	1,204	1,334
Total Direct Expense	12,812	13,871
Total All Expense	54,135	58,384
Net From Operations	2,909	897



Major Components of the E&G Budget

- Revenue
 - Tuition (50%)
 - State Appropriations (47%)
- Expenses
 - Personnel (51%)
 - OPE (25%)
 - Retirement
 - Healthcare
 - S&S and Equipment Replacement (18%)
 - Utilities (2%)



Revenue

- Tuition (50%)
 - Enrollment
 - HECC/State Oversight
- State Appropriations (47%)
 - SSCM
 - Outcomes
 - OUS HECC Differences
 - State Revenue
 - Prior Experience



Tuition



- Tuition (50%)
 - Enrollment
 - HECC/State Oversight

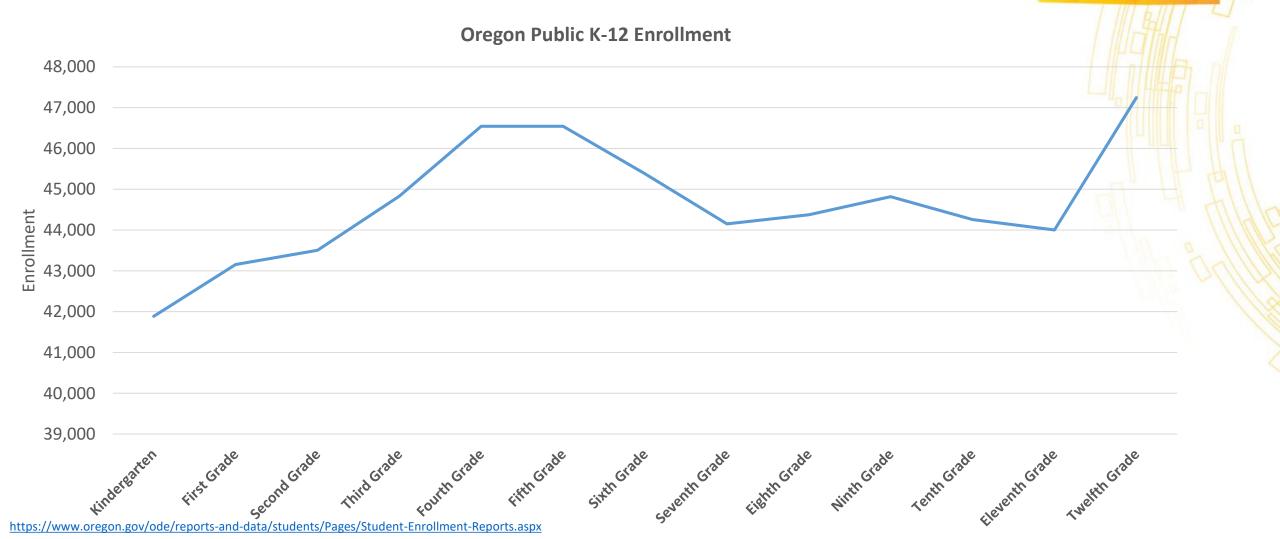
Question: What changes in enrollment can Oregon Tech expect to see?

Question: How prepared is Oregon Tech of adjusting its cost structure if enrollment changes (up or down) significantly?

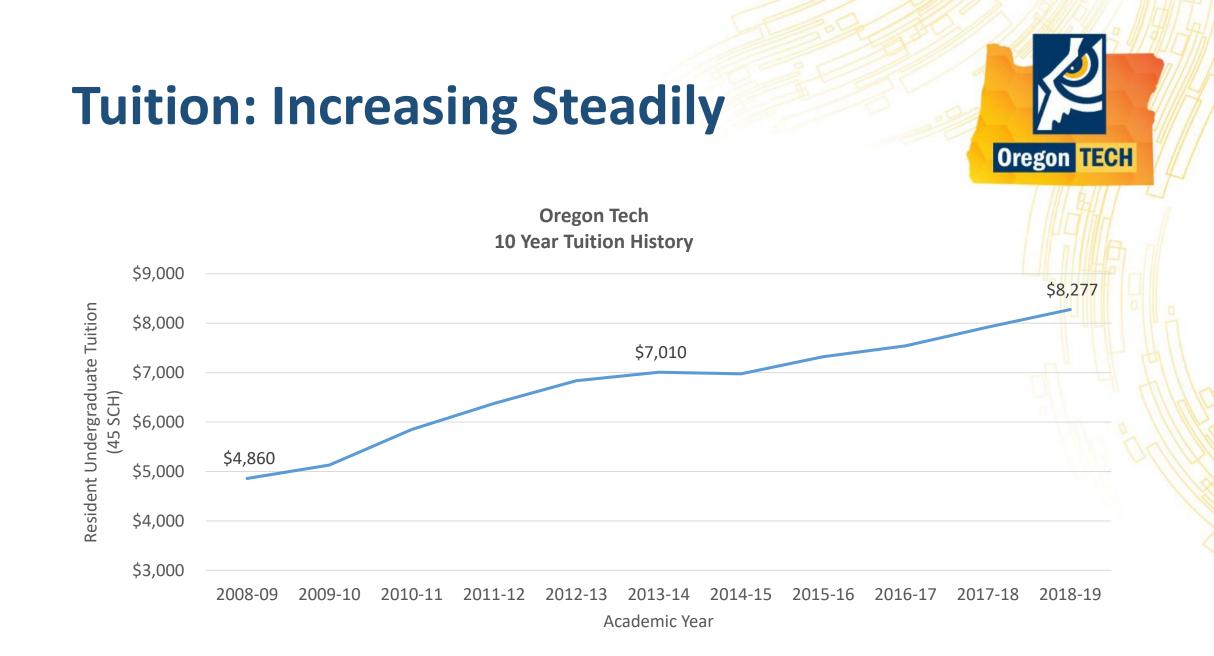
Tuition: Community College Enrollment Cresting Oregon TECH **Oregon Community College FTE Enrollment** 140,000 120,000 100,000 80,000 60,000 40,000 20,000 2006-07 2007-08 2008-09 2009-10 2011-12 2012-13 2013-14 2015-16 2010-11 2014-15 2016-17 Academic Year

FTE Enrollment

Tuition: Oregon K-12 Enrollment Flattening



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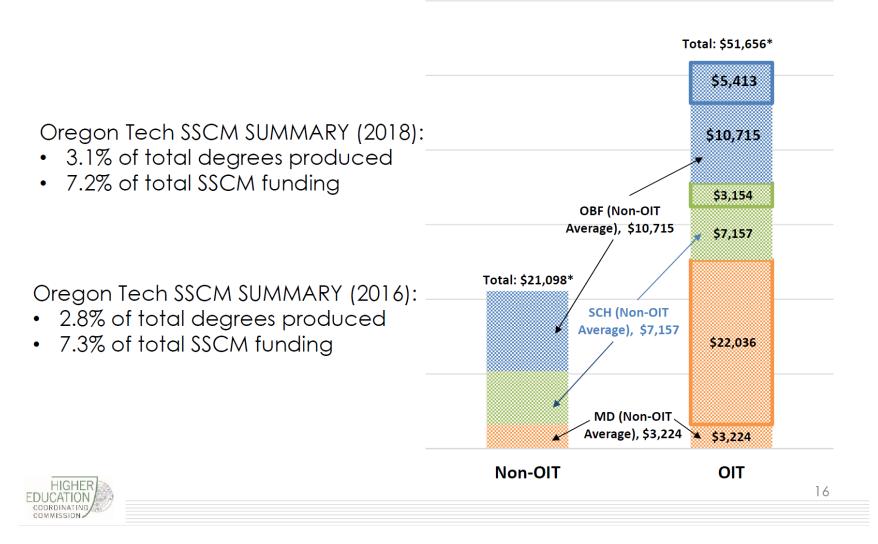
State Appropriations

- State Appropriations (47%)
 - SSCM
 - Outcomes
 - OUS HECC Differences
 - State Revenue
 - Prior Experience

Question: Can Oregon Tech sustain its current state funding level and if not how will it respond?



OREGON TECH SSCM FUNDING PER DEGREE, 2017-18





https://oregontechsfcdn.azureedge.net/oregontech/docs/default-source/board-of-trustees-documents/2018-meetings/march/2018-03-22-f-f-agenda.pdf?sfvrsn=27b56167_2

State Appropriations: Administrative Rule



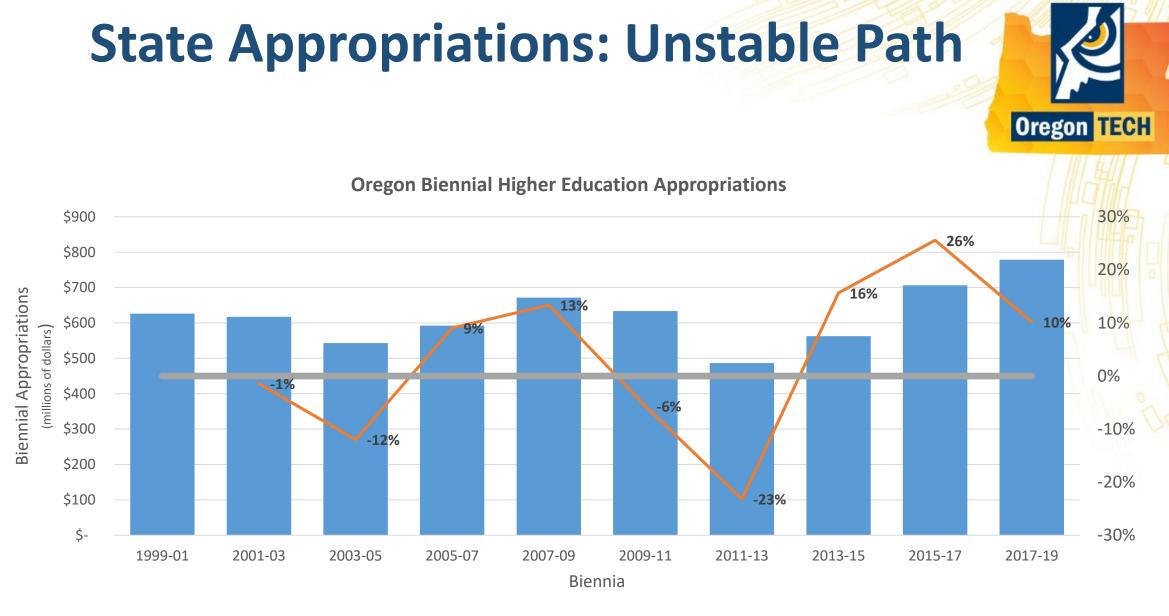
"...3) The Mission Differentiation Funding allocation for Fiscal Year 15 is as follows. This Mission Differential Funding allocation shall serve as the basis for subsequent Mission Differentiation Allocations of the PUSF. Following Fiscal Year 2015, *the Mission Differential Funding Allocation will change by the lesser of Inflation or the overall change in the PUSF* except where indicated below: [Table not included. See ED. NOTE.]

"...11)(b) If, during Fiscal Year 2016 through Fiscal Year 2020 the yearover-year change in the PUSF is less than the Stop Loss threshold for that fiscal year the designated Stop Loss *is reset to the year-over-year change in the PUSF, such that the change in funding level for all public universities is pro rata.*"

State Appropriations: Institutional Funding History

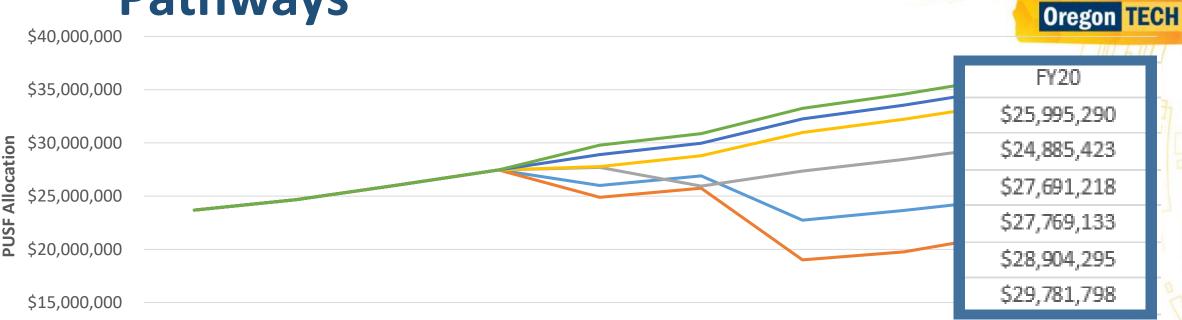
Oregon Tech State Appropriations \$35.0 \$29.3 \$30.0 \$27.7 \$26.4 \$24.9 State Appropriations \$25.0 \$21.7 \$20.2 (su \$20.0 illim ui) \$15.0 \$19.4 \$19.1 \$18.9 \$18.0 \$16.5 \$15.1 \$10.0 \$5.0 \$0.0 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 **Fiscal Year**

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Appropriations — Change (%)

State Appropriations: Short-Term Pathways



FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
\$23,682,597	\$24,658,452	\$26,034,493	\$27,455,306	\$25,995,290	\$26,894,220	\$22,740,977	\$23,653,085	\$24,700,455	\$25,691,260
\$23,682,597	\$24,658,452	\$26,034,493	\$27,455,306	\$24,885,423	\$25,745,970	\$19,002,400	\$19,764,558	\$21,405,382	\$22,264,553
\$23,682,597	\$24,658,452	\$26,034,493	\$27,455,306	\$27,691,218	\$25,945,003	\$27,350,854	\$28,448,114	\$29,735,908	\$30,928,997
\$23,682,597	\$24,658,452	\$26,034,493	\$27,455,306	\$27,769,133	\$28,790,718	\$30,970,276	\$32,213,198	\$33,674,085	\$35,025,680
\$23,682,597	\$24,658,452	\$26,034,493	\$27,455,306	\$28,904,295	\$29,964,809	\$32,243,853	\$33,538,225	\$35,061,179	\$36,468,820
\$23,682,597	\$24,658,452	\$26,034,493	\$27,455,306	\$29,781,798	\$30,868,944	\$33,237,619	\$34,572,555	\$36,146,371	\$37,598,304
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Fiscal Year

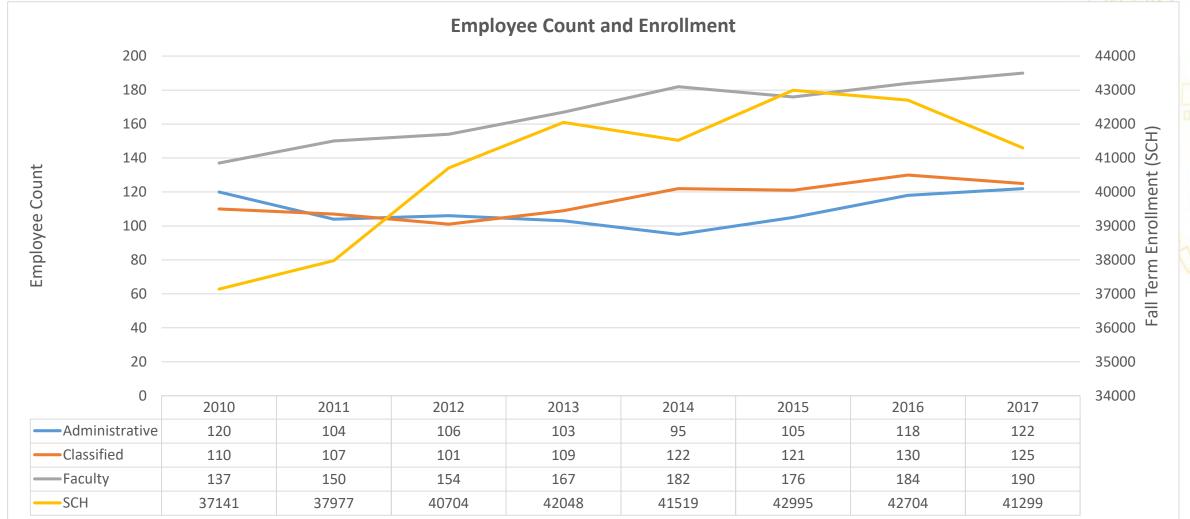
Expenses

- Personnel (51%)
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 - Retirement
 - Healthcare
- S&S and Equipment Replacement (18%)
- Utilities (2%)

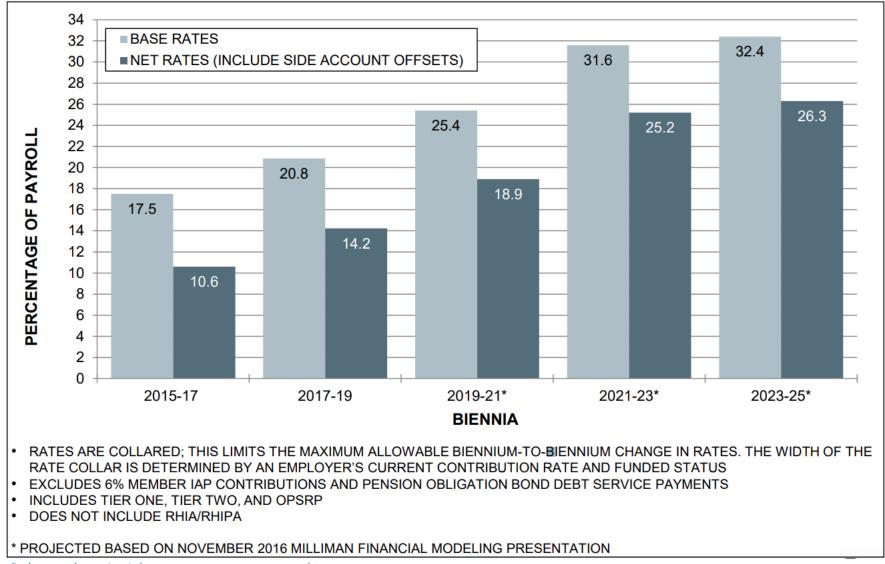




Personnel: Changes in Employee Mix



OPE: PERS Rate Expansion

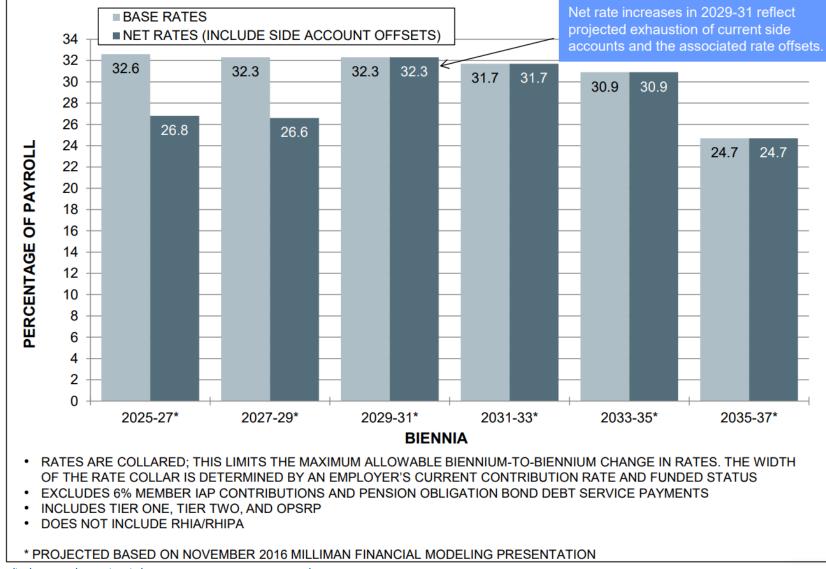


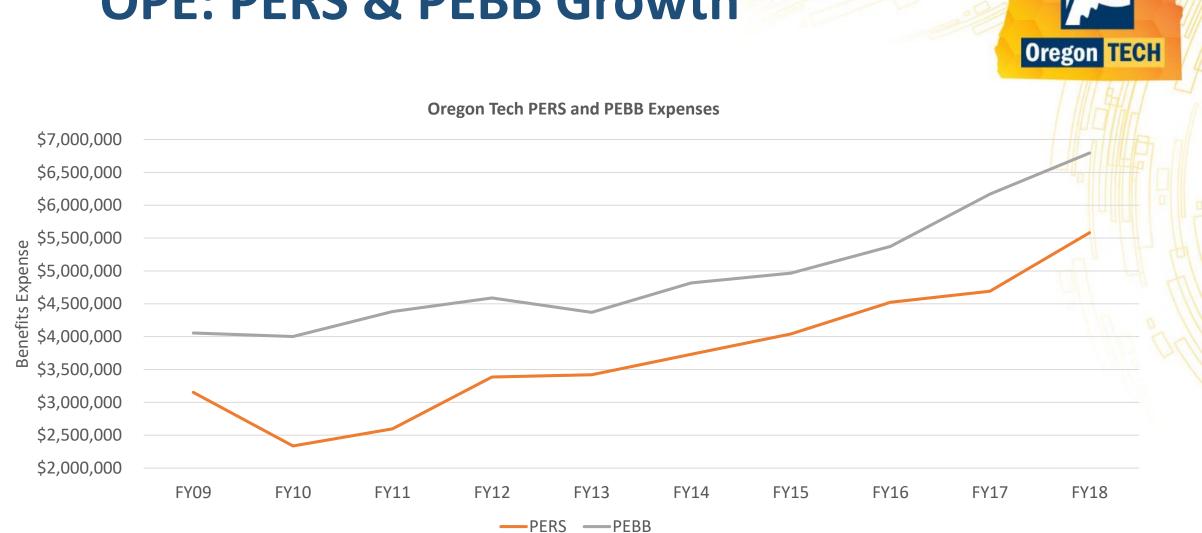
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https://olis.leg.state.or.us/liz/2017R1/Downloads/CommitteeMeetingDocument/103800



OPE: PERS Rate Expansion





OPE: PERS & PEBB Growth



Equipment: Replacement Planning

	Inventory and Cost							
	Klamath Falls	Portland-Metro	Cost per Unit (Low)	Cost per Unit (High)				
PC Laptop	118	45	\$ 1,073	\$ 1,732				
PD Desktop	889	399	\$ 768	\$ 1,459				
Mac Laptop	7	8	\$ 1,285	\$ 2,158				
Max Desktop	15	3	\$ 1,012	\$ 2,586				

	Replacem	ent	Range	Total Annual Budget Requirement (4 yr laptop, 5 yr desktop, network and servers)				
	Low	High		Low		High		
PC Laptop	\$ 174,899	\$	282,316	\$	43,737	\$	70,576	
PD Desktop	\$ 989,184	\$	1,879,192	\$	197,837	\$	375,838	
Mac Laptop	\$ 19,275	\$	32,370	\$	4,819	\$	8,093	
Max Desktop	\$ 18,216	\$	46,548	\$	3,643	\$	9,310	
Total	\$ 1,201,574	\$	2,240,426	\$	250,036	\$	463,817	



Equipment: Current Resourcing

	FY17	FY18	FY19
ITS001 - ITS Capital			\$60,750
ITS040 - Investments			\$344,800
Provost Equipment	\$558,229	\$577 <i>,</i> 139	\$519,929



Questions