

TUITION RECOMMENDATION COMMITTEE |

1.25.2019



# Long-Term Financial Planning

Brian Fox | Vice President of Finance and Administration | Oregon Tech

# 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		
Acct	FY17 Year End Actuals	FY18 Year End Actuals
State Allocations	26,388	27,657
Tuition & Fees	32,053	33,639
Remissions	(3,578)	(3,843)
Other	2,182	1,828
<b>Total Revenue</b>	<b>57,044</b>	<b>59,280</b>
Unclassified	22,403	23,631
Classified	5,206	5,422
Student	623	769
GTA	22	25
OPE	13,069	14,665
<b>Total Labor</b>	<b>41,323</b>	<b>44,512</b>
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
<b>Total Direct Expense</b>	<b>12,812</b>	<b>13,871</b>
<b>Total All Expense</b>	<b>54,135</b>	<b>58,384</b>
<b>Net From Operations</b>	<b>2,909</b>	<b>897</b>



# 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

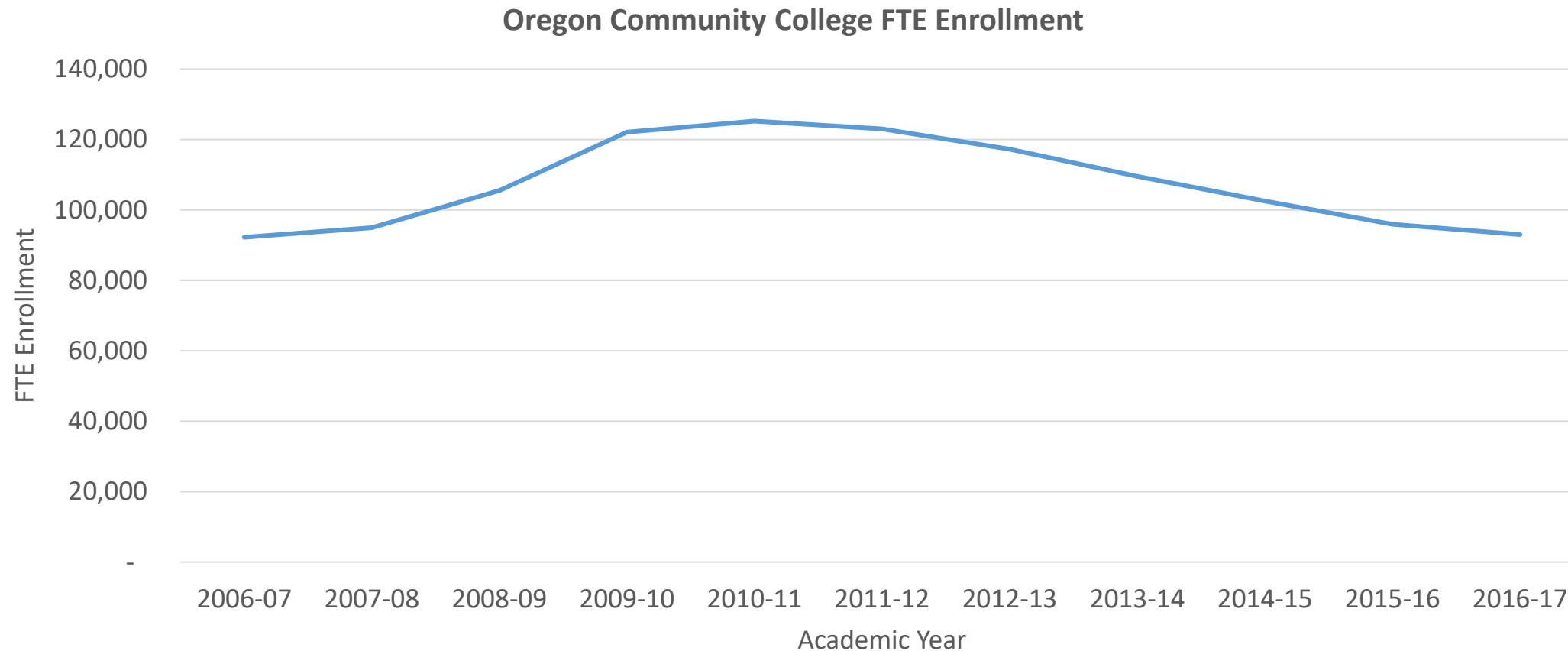
- Tuition (50%)
  - Enrollment
  - HECC/State Oversight



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?

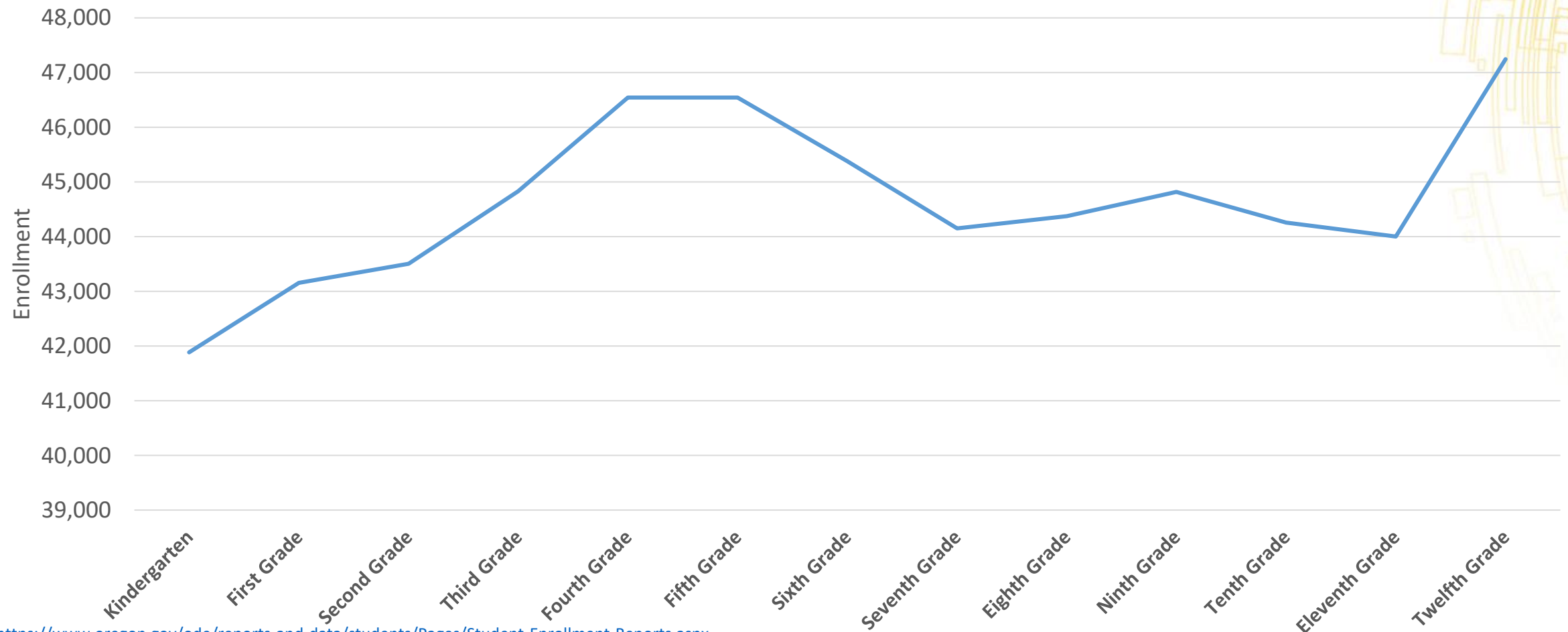
# Tuition: Community College Enrollment Cresting



# Tuition: Oregon K-12 Enrollment Flattening



Oregon Public K-12 Enrollment

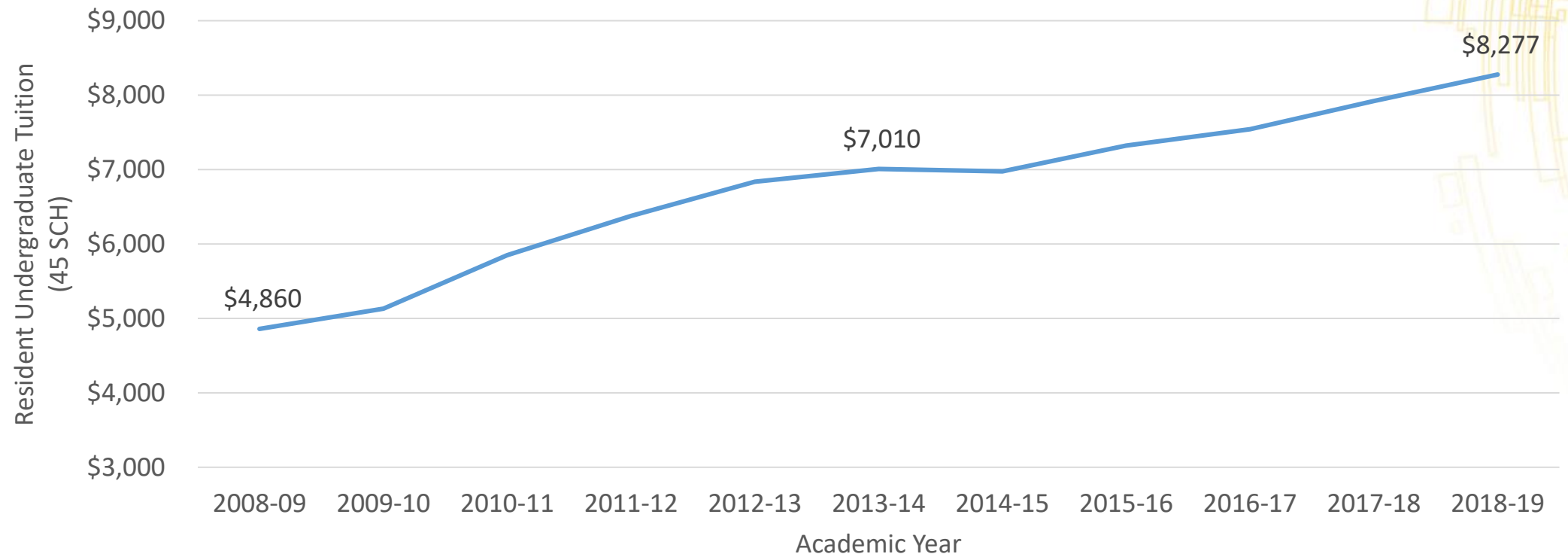




# Tuition: Increasing Steadily



Oregon Tech  
10 Year Tuition History



# 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

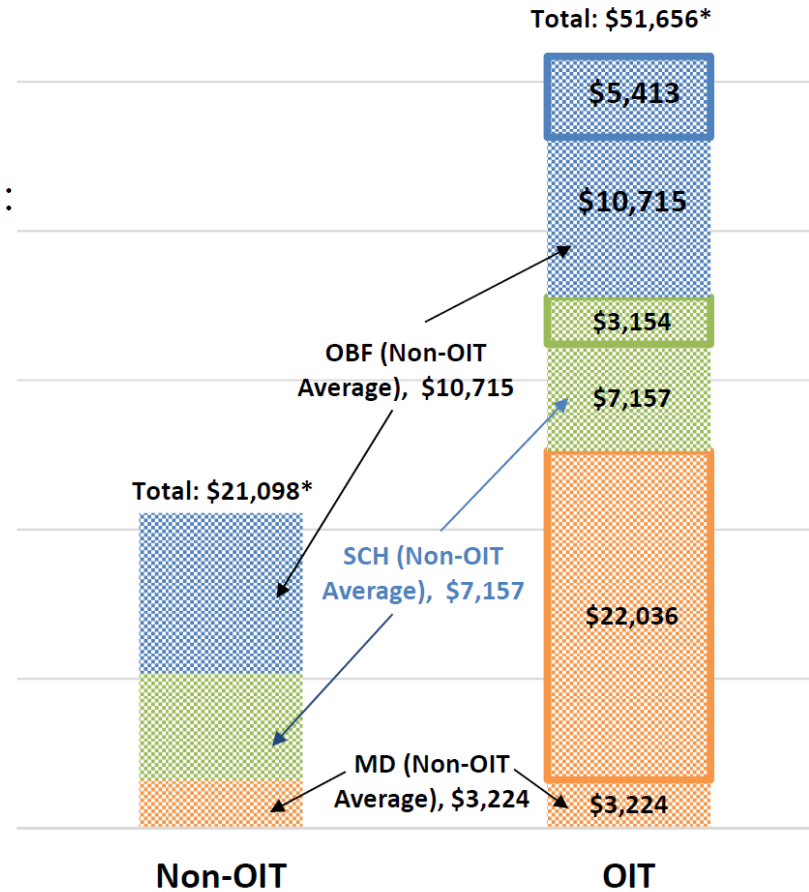


### Oregon Tech SSCM SUMMARY (2018):

- 3.1% of total degrees produced
- 7.2% of total SSCM funding

### Oregon Tech SSCM SUMMARY (2016):

- 2.8% of total degrees produced
- 7.3% of total SSCM funding



# State Appropriations: Administrative Rule



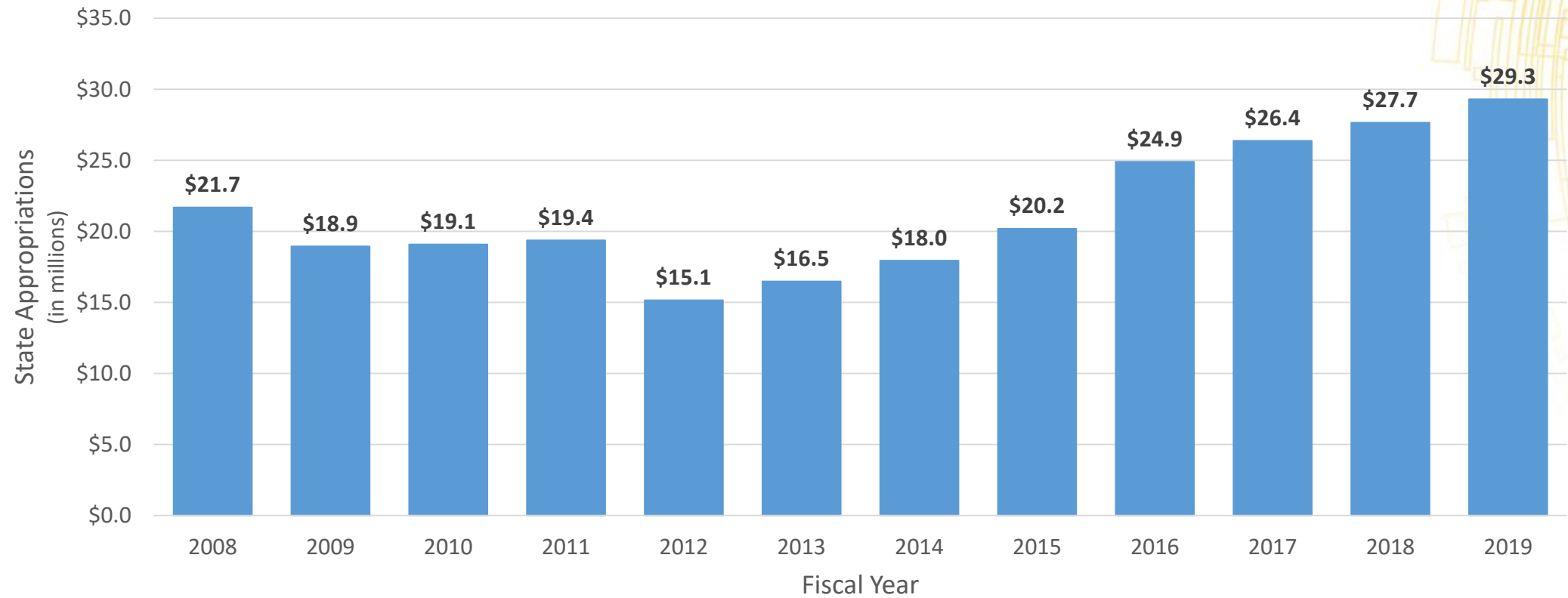
“...3) The Mission Differentiation Funding allocation for Fiscal Year 15 is as follows. This Mission Differential Funding allocation shall serve as the basis for subsequent Mission Differentiation Allocations of the PUSF. Following Fiscal Year 2015, ***the Mission Differential Funding Allocation will 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 year-over-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

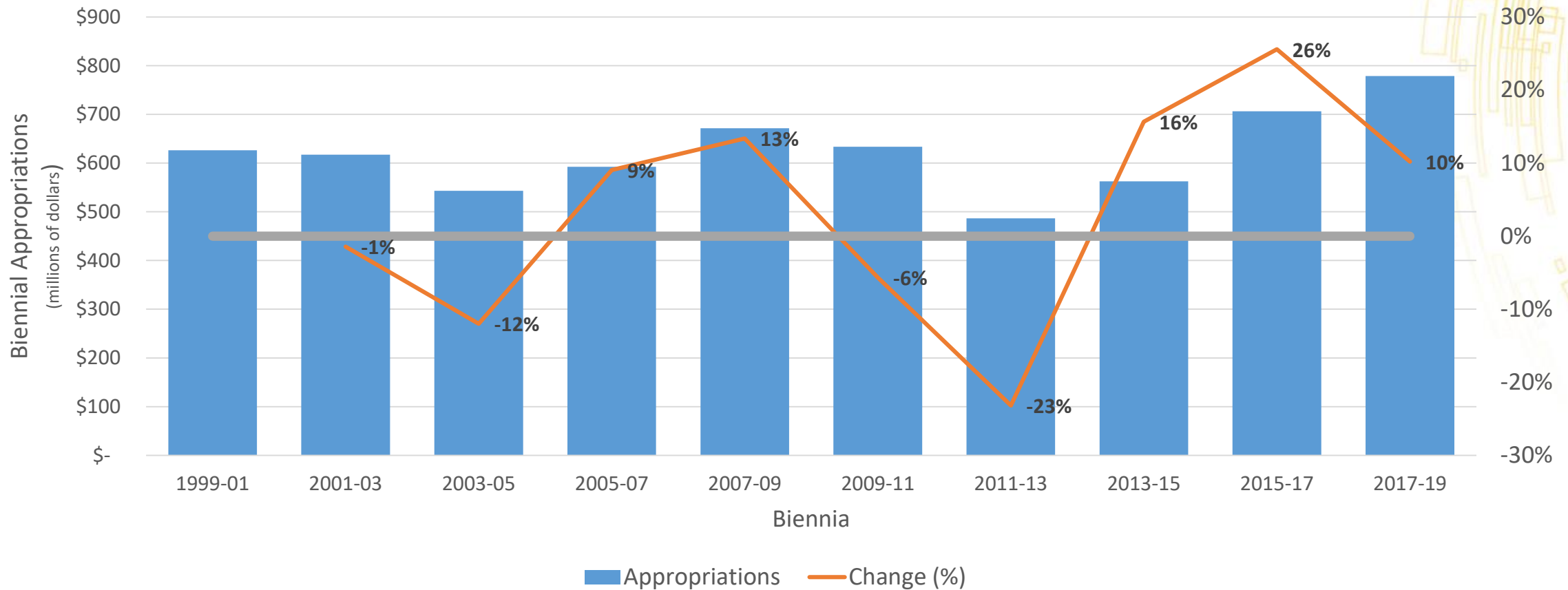




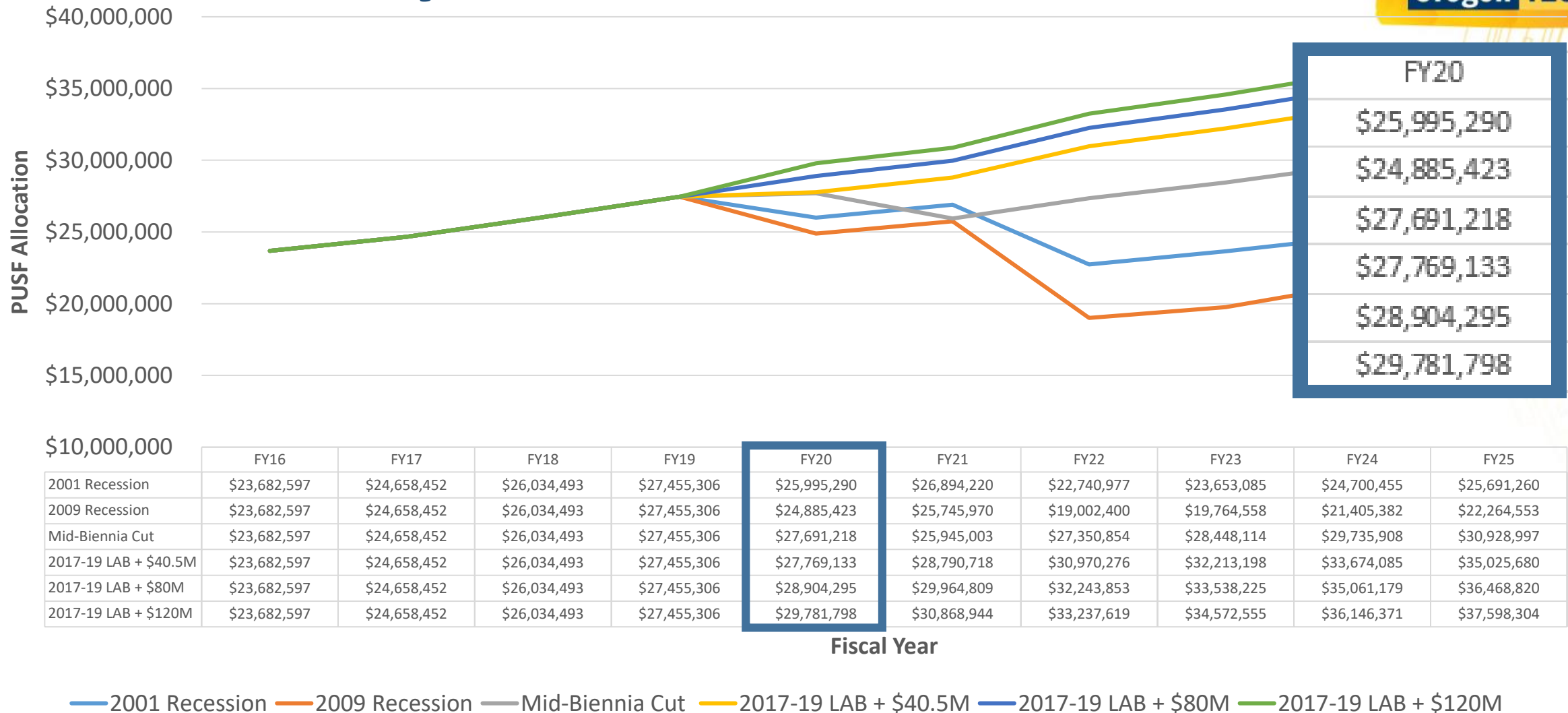
# State Appropriations: Unstable Path



Oregon Biennial Higher Education Appropriations



# State Appropriations: Short-Term Pathways



# Expenses

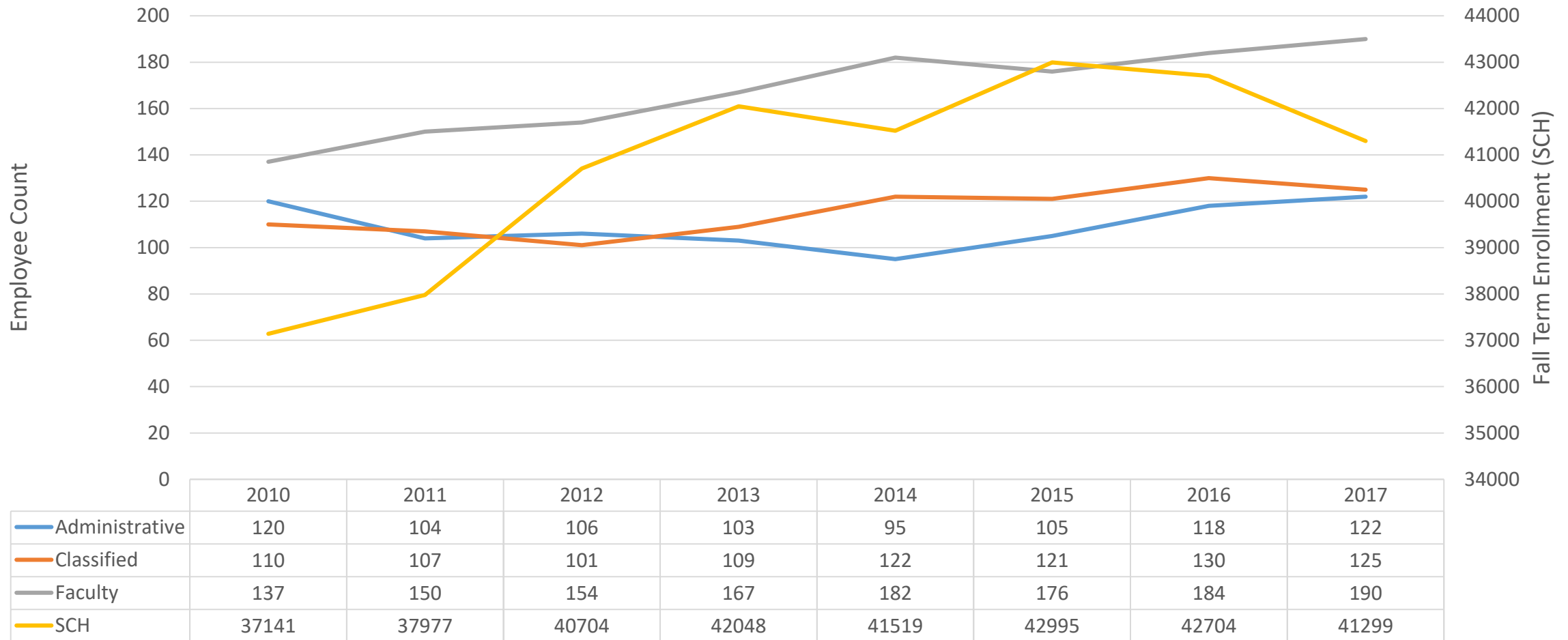
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  - Retirement
  - Healthcare
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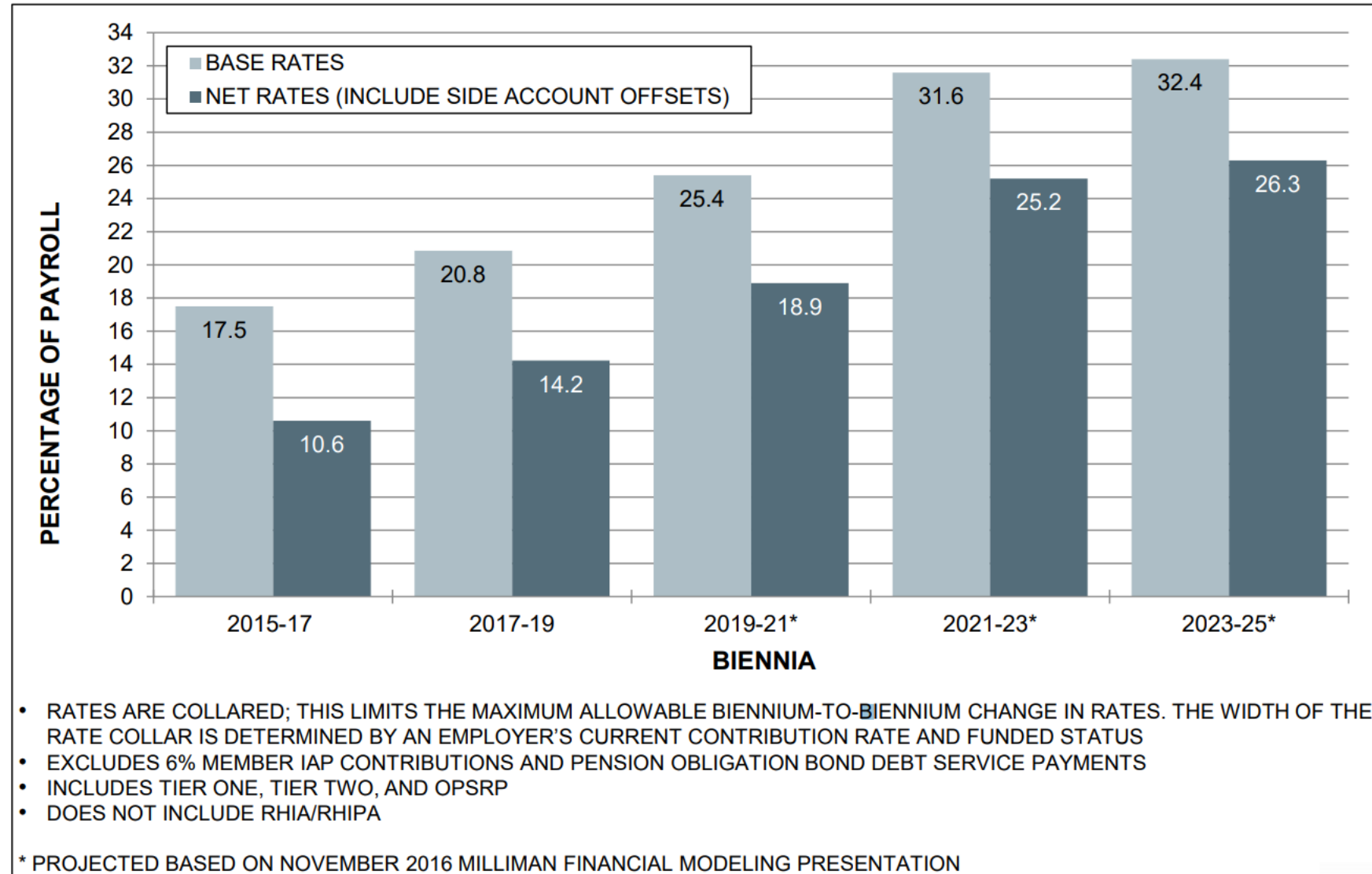
# Personnel: Changes in Employee Mix



Employee Count and Enrollment

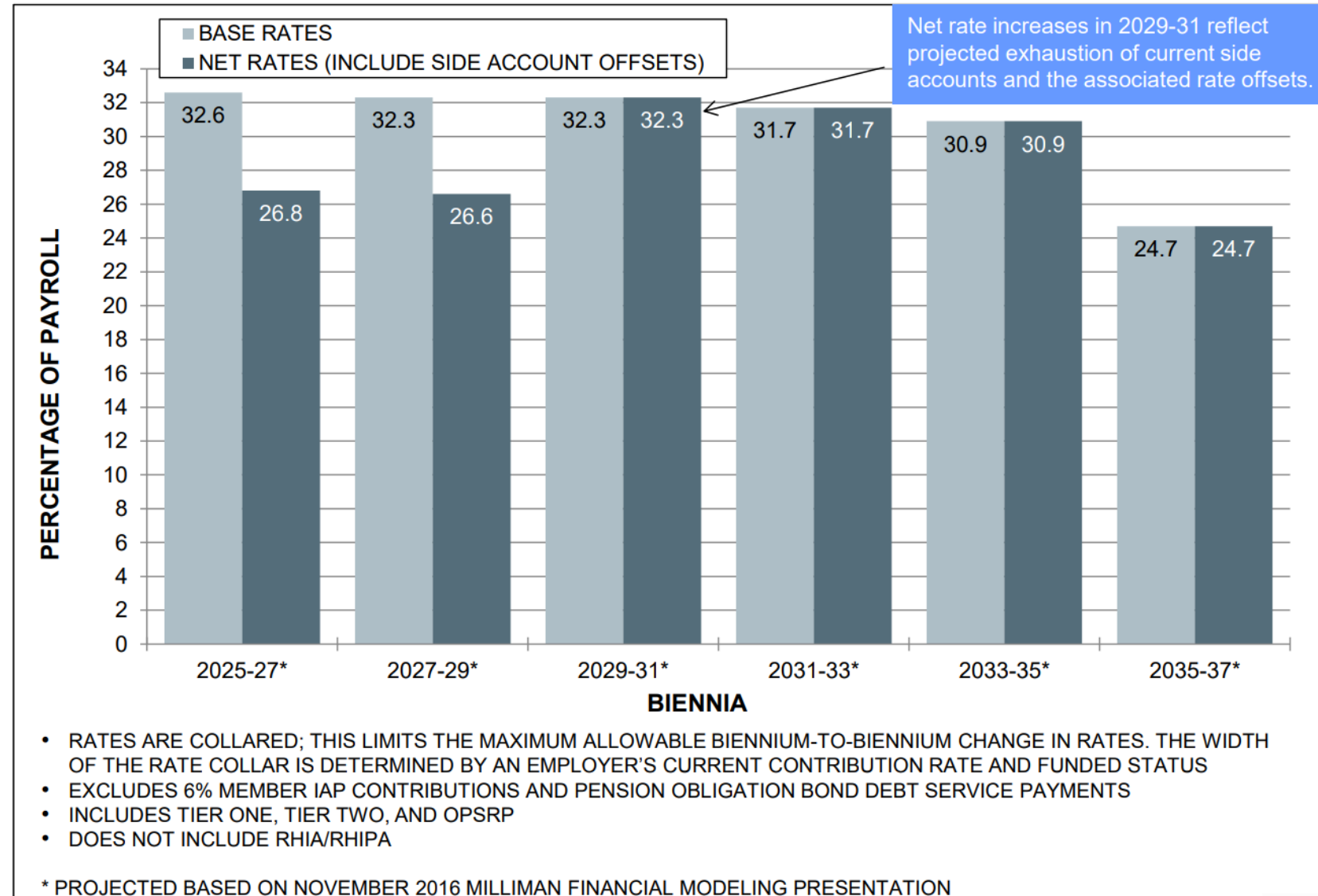


# OPE: PERS Rate Expansion





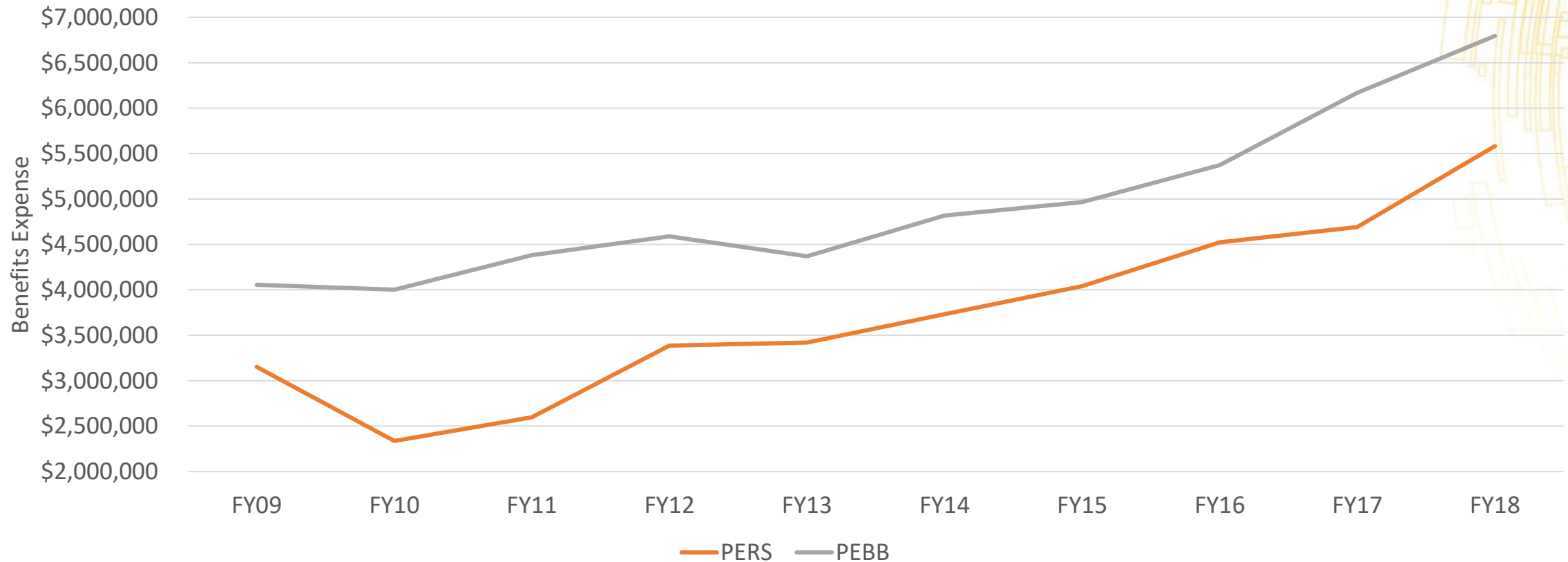
# OPE: PERS Rate Expansion



# OPE: PERS & PEBB Growth



Oregon Tech PERS and PEBB Expenses



# 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

Replacement 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	\$577,139	\$519,929



# Questions