

TUITION RECOMMENDATION COMMITTEE | 2.10.2023



# FY 2023-24 Budget Meeting #3

John Harman, MBA, CGMA, CMPE | VP Finance & Administration

# Follow-Up From Last Meeting



- Details of Online Tuition YTD December
- Details of ACP/Dual Credit Tuition and related State Funding YTD December
- Both are already included in FY 2023-24 Budget Forecast

Already Forecasted	FY23 YTD - December
Online Tuition	\$6,656,408
ACP/Dual Credit Tuition	\$171,533
ACP/Dual Credit State Funding (estimate)	\$720,000

# Presentation Outline

- 1. Student Enrollment Update**
- 2. FY 2023-24 Budget Environment**
- 3. Budget Options**
- 4. Draft FY 2023-24 Budget Scenarios**
- 5. Tuition Comparisons**



# Academic Year 2022-23 Enrollment

Enrollment Presentation from Provost Mott





# FY 2023-24 Budget Environment

# State Funding for 2023-25 Biennium is Uncertain

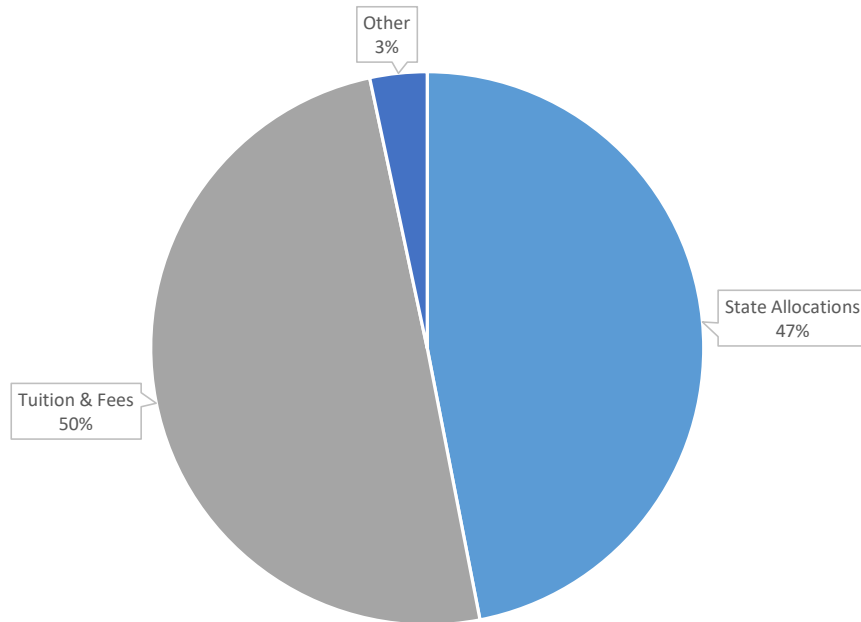


- Public Universities requested a \$150M (17%) increase in PUSF
  - Included 8.67% (\$78M) increase for CSL (essentially an inflationary adjustment on existing expenses).
  - Remainder (8.33% or \$72M) would be investment in essential student wrap-around services.
  - Improve overall funding since Oregon is 45<sup>th</sup> in the nation in per student FTE state support.
- Governor's Budget, released on February 1<sup>st</sup>, recommends only a 4.0% increase to the PUSF.
- Every 1% reduction in state funding is equivalent to a 1% increase in tuition.

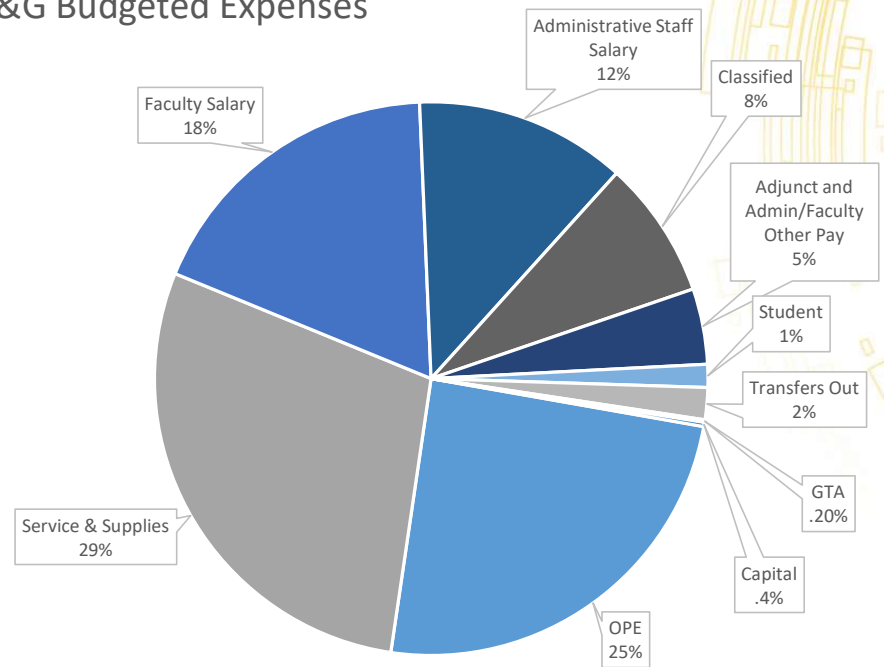
# Major Components of FY23 E&G Budget



E&G Budgeted Revenues



E&G Budgeted Expenses





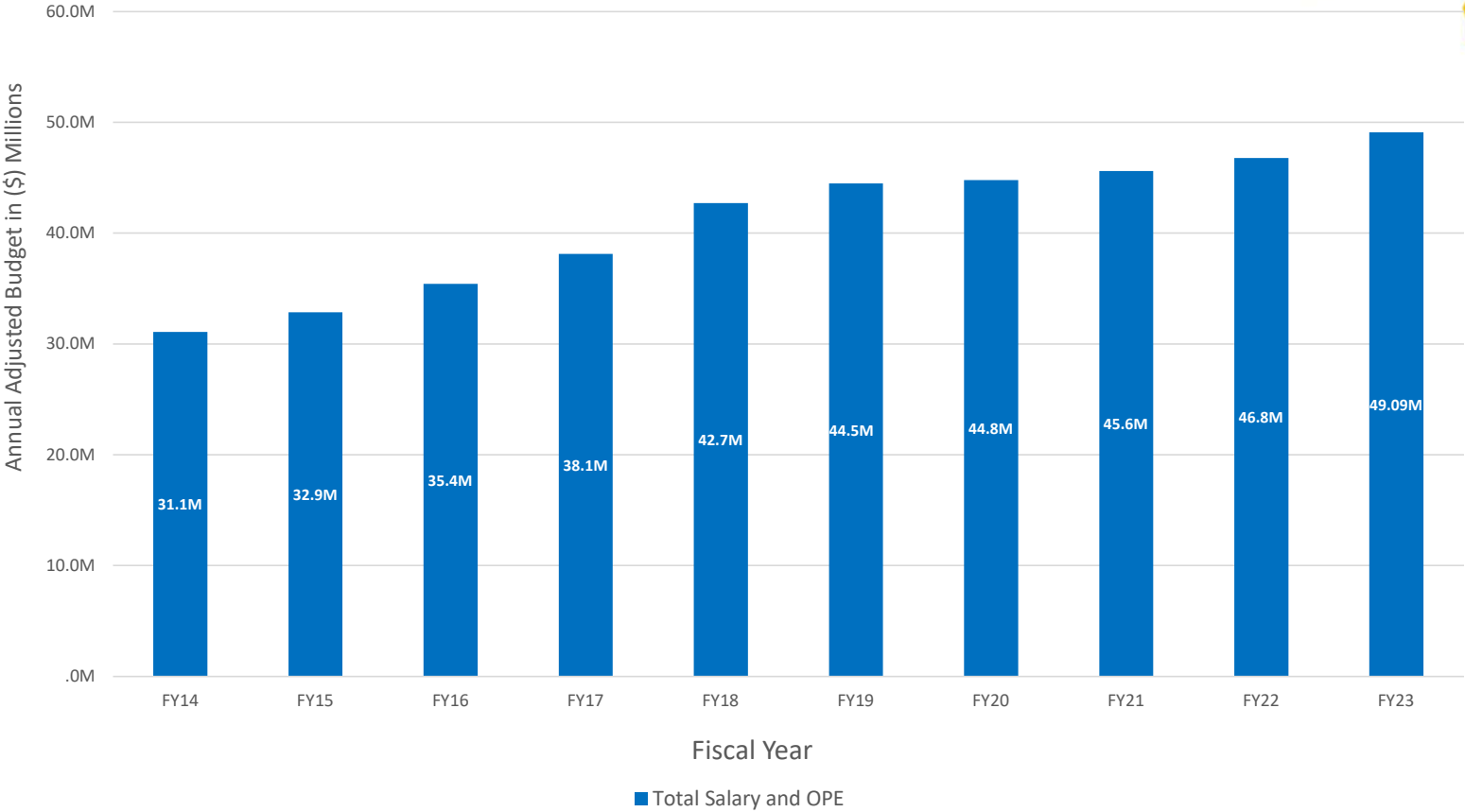
# Labor Cost Acceleration



- Retirement contribution expenditures increasing by about 4% for FY 2023-24.
- Paid Leave Oregon program added to university 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 incentive/merit component.
- Some employee benefits are enriched through additional union provisions.
- Salary increases are compounded by the increase in associated retirement contribution expenditures – almost 5% increase in total retirement expense.



# Salary and OPE Expense History





# Budget Options

# Budget Options

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



# Operating Budget Reductions



<b>Pros</b>	<b>Cons</b>
Smooths reductions across multiple years if variables causing budget conditions do not improve	Negatively impacts student educational experience. Potential impacts include: layoffs, reduced student services, fewer course offerings, less campus upkeep, larger class sizes, etc.
Reduces dependency on revenue increases	Negatively impacts future enrollment growth

# Use of Fund Balance



<b>Pros</b>	<b>Cons</b>
Avoids deep cuts in the short-term, allows time for improvement in enrollment, state funding and for more strategic approach to longer-term budget decisions	Using one-time funds only postpones addressing the deficit if variables contributing to budget conditions don't improve
Reduces dependency on revenue increases	Reduces OT's ability to mitigate fiscal risks in the future

# Tuition Increase



## Pros

Keeps tuition rates commensurate with the increasing costs of providing quality education

Improves continuity of educational quality, course offerings and student experience

Reduces dependency on one-time funding or uncertain external funding sources

## Cons

Potentially decreases affordability of attending Oregon Tech for some students and may reduce access for others

Could negatively impact enrollment



# Draft FY 2023-24 Budget Scenarios



# FY 2023-24 Early Budget Projections

Assuming a 0% increase in enrollment

0% Tuition Increase

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

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 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 <sup>1</sup>	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
<b>Revenue</b>						
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)
<b>Net tuition</b>	<b>\$ 34,286</b>	<b>\$ 31,900</b>	<b>\$ 33,008</b>	<b>\$ 33,377</b>	<b>\$ 33,746</b>	<b>\$ 38,728</b>
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
<b>Total revenue</b>	<b>\$ 68,972</b>	<b>\$ 68,152</b>	<b>\$ 69,260</b>	<b>\$ 69,629</b>	<b>\$ 69,998</b>	<b>\$ 74,980</b>
<b>Expenses</b>						
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
<b>Total expenses</b>	<b>\$ 73,421</b>	<b>\$ 74,979</b>	<b>\$ 74,979</b>	<b>\$ 74,979</b>	<b>\$ 74,979</b>	<b>\$ 74,979</b>
<b>Net from Operations before Other Resources (Uses)</b>	<b>\$ (4,449)</b>	<b>\$ (6,826)</b>	<b>\$ (5,719)</b>	<b>\$ (5,350)</b>	<b>\$ (4,981)</b>	<b>\$ 1</b>
<b>Other Resources (Uses)</b>						
Transfers In	\$ 3,000	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers Out	(51)	-	-	-	-	-
Use of Reserve	1,500	-	-	-	-	-
<b>Total from Operations and Other Resources (Uses)</b>	<b>\$ (0)</b>	<b>\$ (6,826)</b>	<b>\$ (5,719)</b>	<b>\$ (5,350)</b>	<b>\$ (4,981)</b>	<b>\$ 1</b>

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
			\$1.1M increase to revenue		\$1.5M increase to revenue		\$1.8M increase to revenue		\$6.8M increase to revenue	



# Tuition Comparison

# Tuition Peer 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





# Differential Tuition Comparison - Resident



FY23 Resident Oregon University Tuition Comparison

	OIT	OSU	OSU-CC	PSU	UofO	SOU	WOU	EOU
Undergraduate Resident Base Per Credit	\$222.27	\$244.67	\$244.67	\$200.00	\$278.05	\$209.00	\$194.00	\$182.50
Undergraduate per term at 15 credits	\$3,334.05	\$3,670.00	\$3,670.00	\$3,000.00	\$4,170.75	\$3,135.00	\$2,910.00	\$2,737.50
Online Base Tuition	\$294.00	\$346.00	\$346.00	\$200.00	\$278.05	\$209.00	\$194.00	\$278.00
Online Fee	\$65.00	\$93.00	\$93.00	\$22.00	\$25.00	\$75.00	\$53.00	\$0.00
Graduate Resident Base Per Credit	\$511.22	\$298.80	\$298.80	\$429.20	\$355.80	\$525.00	\$460.00	\$510.50
<b>Differential Per Credit Rates</b>								
Undergraduate - Engineering & Technology	\$304.51			\$250.60				
Undergraduate - Allied Health Programs	\$304.51							
Undergraduate - Respiratory Care	\$304.51							
Undergraduate - Medical Lab Science	\$304.51							
Undergraduate - Paramedic Education	\$243.10							
Undergraduate - Dental Hygiene - Chemeketa	\$243.10							
Undergraduate - College of Business		\$268.67	\$268.67	\$218.40				\$197.00
Undergraduate - Pre-Engineering		\$281.67	\$281.67					
Undergraduate - Professional Engineering		\$301.67	\$301.67					
Undergraduate - Forestry		\$262.67						
Undergraduate - Arts		\$267.67	\$267.67	\$211.40		\$219.00		
Undergraduate - Honors College		\$278.00	\$278.00	\$207.40	\$345.22	\$234.00		
Undergraduate - Creative Writing						\$219.00		
Undergraduate - EMDA						\$219.00		
Undergraduate - Military Science						\$219.00		
Undergraduate - Music						\$219.00		
Undergraduate - Theatre						\$219.00		
Graduate - Engineering & Technology	\$700.37	\$357.80		\$481.70				
Doctor of Physical Therapy	\$455.93		\$486.27					

## Reminder - Final Deliverable:

By the final meeting on March 10, 2023 this Committee **must provide a recommendation for the tuition and mandatory fee rates** to the President.





# Questions?



Klamath Falls Forum- February 20, 2023  
Portland-Metro Forum- February 21, 2023

Final Committee meeting  
March 10<sup>th</sup>, 2023