Oregon Tech 2019-20 Tuition Recommendation

Brian Fox | VP Finance & Administration

Presentation Outline

1. TRC Overview & Process

2. Budget Context & Tuition Comparisons

3. Tuition Scenarios

4. Student Feedback

5. TRC Recommendation

6. Tuition Recommendation

TRC Overview and Process

How the TRC works

TRC's Role

- TRC analyzes budget, legislative, scholarship, programmatic information and collects feedback on tuition scenarios and options

- TRC weighs different options and input from campus stakeholders and develops a tuition recommendation for ASOIT and the President who in turn recommends tuition to the Board

Guiding Principles

- Consider *long-term factors* when recommending the single year decisions (important to have a forward looking vision)

- Recognize the importance of *affordability* for students

- Tuition levels should be *developed using data* and information, including internal budget, comparator institutions, and external cost indices.

- Ensure we *maintain the current service level*, quality and support that Oregon Tech provides to students.

TRC Charter

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 fee to the Board of Trustees in accordance with ORS 352.102. The **Board of Trustees shall request that the President transmit to the Board the joint tuition recommendation** of the President and the recognized student government.

This committee is comprised of **six students representing both campuses and appointed by the ASOIT president(s)**, two of which represent ASOIT and 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 Committee 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 committee.

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.

TRC Membership

*Mohammed Alqafshat	ASOIT Activities Director	Portland-Metro
Richard Bailey	Department of Management, ETM	Klamath Falls
Erin Foley, Ex-Officio	Vice President for Student Affairs and Dean of Students	Klamath Falls
Brian Fox, Chair	Vice President for Finance and Administration	Klamath Falls
*Samantha (Sam) Henkell	ASOIT President	Klamath Falls
Erik Johnson	Director of Admissions	Klamath Falls
*Taylor Kimura	Student Representative	Klamath Falls
*Nashmy Luna	Student Representative	Portland-Metro
*Jesse Lutterloh	Student Representative	Klamath Falls
Anne Malinowksi	Assistant Registrar	Portland-Metro
*Samantha McLean	Student Representative	Klamath Falls
Dr. Joanna Mott	Provost and Vice President for Academic Affairs	Klamath Falls
*Dao Nguyen	Student Representative	Portland-Metro
Dr. Rosanna Overholser	Department of Mathematics, HAS	Klamath Falls
*Stefan Valenzuela	ASOIT President	Portland-Metro
*Peter Wantuck	ASOIT Outreach Officer	Portland-Metro
*Mason Wichmann	ASOIT Vice President	Klamath Falls

How the TRC Works

Guiding Principles

- Consider long-term factors when recommending the single year decisions (important to have a forward looking vision)

- Recognize the importance of affordability for students

- Tuition levels should be developed using data and information, including internal budget, comparator institutions, and external cost indices.

- Ensure we maintain the current service level, quality and support that Oregon Tech provides to students.

Process Framework

- Communicate openly and transparently with all stakeholders at an appropriate level of detail

- The committee will utilize data and information throughout the process

- Communicate respectfully and ask questions

Tuition Setting Timeline

	2020			
	January	**February**	**March**	**April**
Establish Principles & Calendar	▨			
Budget & Tuition Data	▨			
Forum Prep and Forums	▨			
Board of Trustee Meetings	▨			
Tuition Modeling		▨		
Draft Tuition Scenarios		▨		
Tuition Forums		▨		
TRC Recommendation			▨	
ASOIT Recommendation			▨	
Presidential Review & Rec.			▨	
Board Approval				🔴

Budget Context & Tuition Comparisons

Where Does Tuition Go?

Revenues

- Other 4%
- State Allocations 44%
- Net Tuition 52%

Expenses

- Service & Supplies 19%
- Salary & Pay 46%
- Other 4%
- Utilities 2%
- Capital 1%
- Debt Service 2%
- OPE 26%
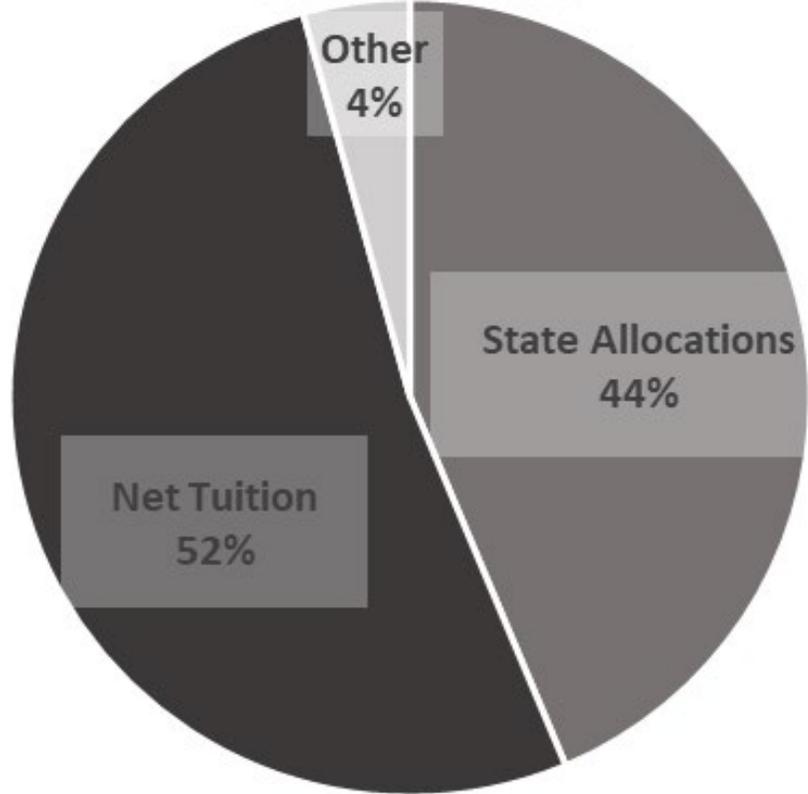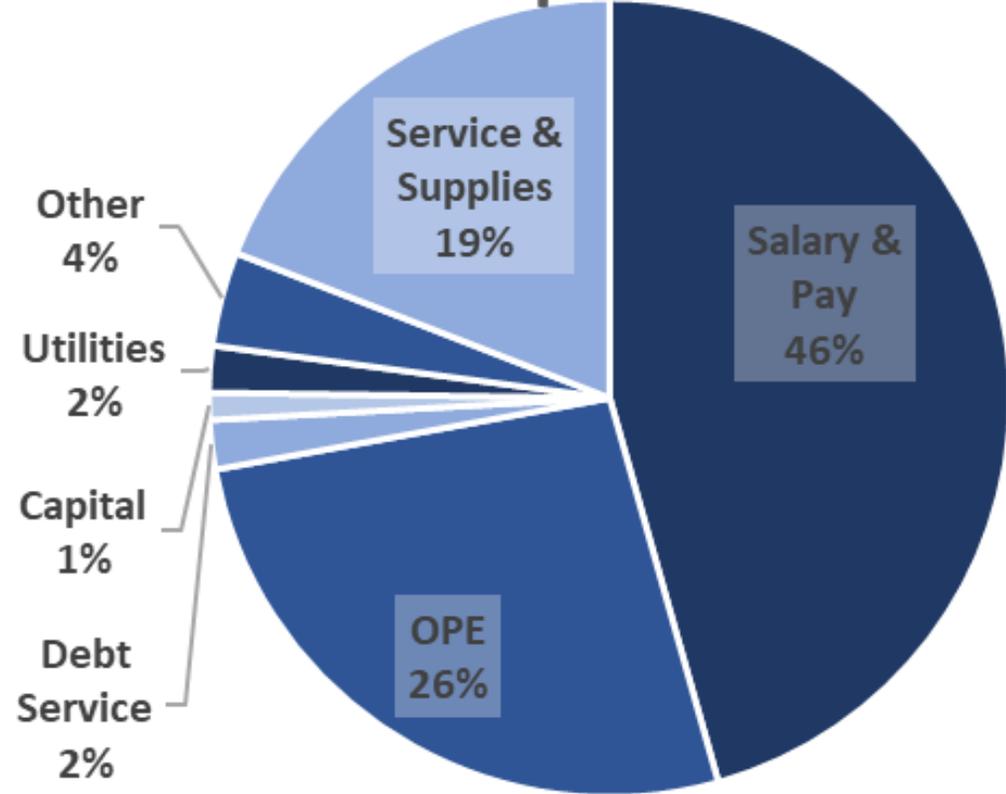
How has the university managed its budget?

Balanced approach across four categories:

- Focusing on **securing state appropriations** in operations, capital and equipment

- **Using institutional reserves** to invest in new improved programs, equipment and student services

- **Reducing expenses** and improving efficiencies to focus resources on student services and education

- **Balancing tuition increases** with increases in remissions and scholarships

Cross Application								
University	2019	2018	2017	Tuition	Eng.	Health		Honors
Oregon Tech	**-**	**-**	**-**	**$ 8,774**	**$ 11,406**	**$ 11,406**		**-**
Oregon State University	1	1	1	$ 9,840	$ 12,135	-	$	11,340
University of Oregon	2	5	4	$ 10,440	-	-	$	13,140
Portland State University	3	6	2	$ 8,078	$ 10,175	-	$	8,409
University of Portland	4	2	3	$ 47,478	-	-		-
Portland CC	5	38	8	$ 5,220	-	-		-
Cal Poli San Luis Obispo	6	7	9	$ 23,832	-	-		-
University of Washington	7	10	6	$ 36,587	-	-		-
Arizona State University	8	3	13	$ 28,800	-	-	$	30,800
Washington State University	9	9	7	$ 25,088	-	-		-
George Fox	10	33	25	$ 37,840	-	-		-
Cal Poly Pomona	11	16	21	$ 26,433	-	-		-
Gonzaga University	12	14	17	$ 46,060	-	-		-
Seattle University	13	13	10	$ 47,565	-	-		-

Tuition Comparison

Tuition by Institution
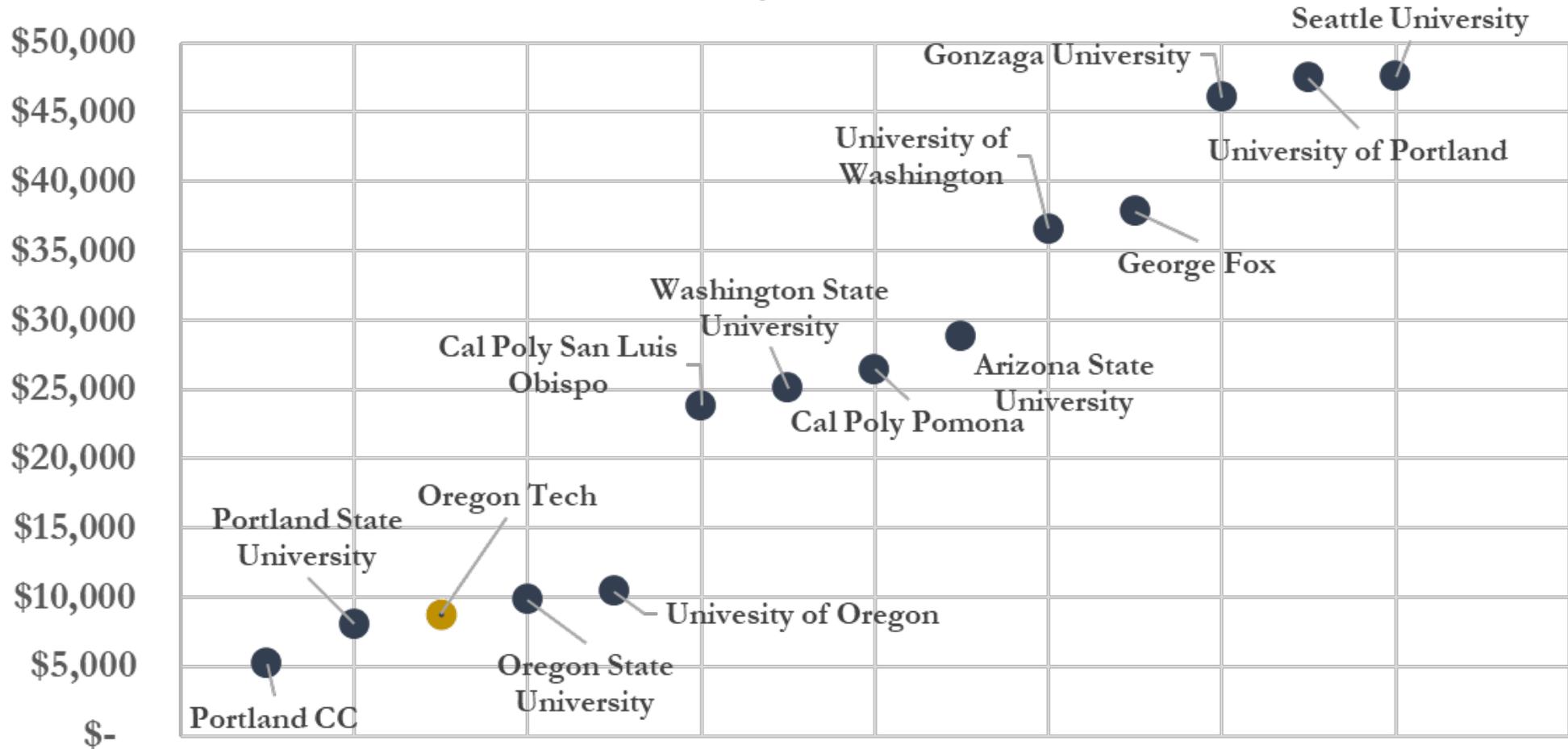
State Appropriations: Institutional Funding History

Oregon Tech
Historical State Appropriations
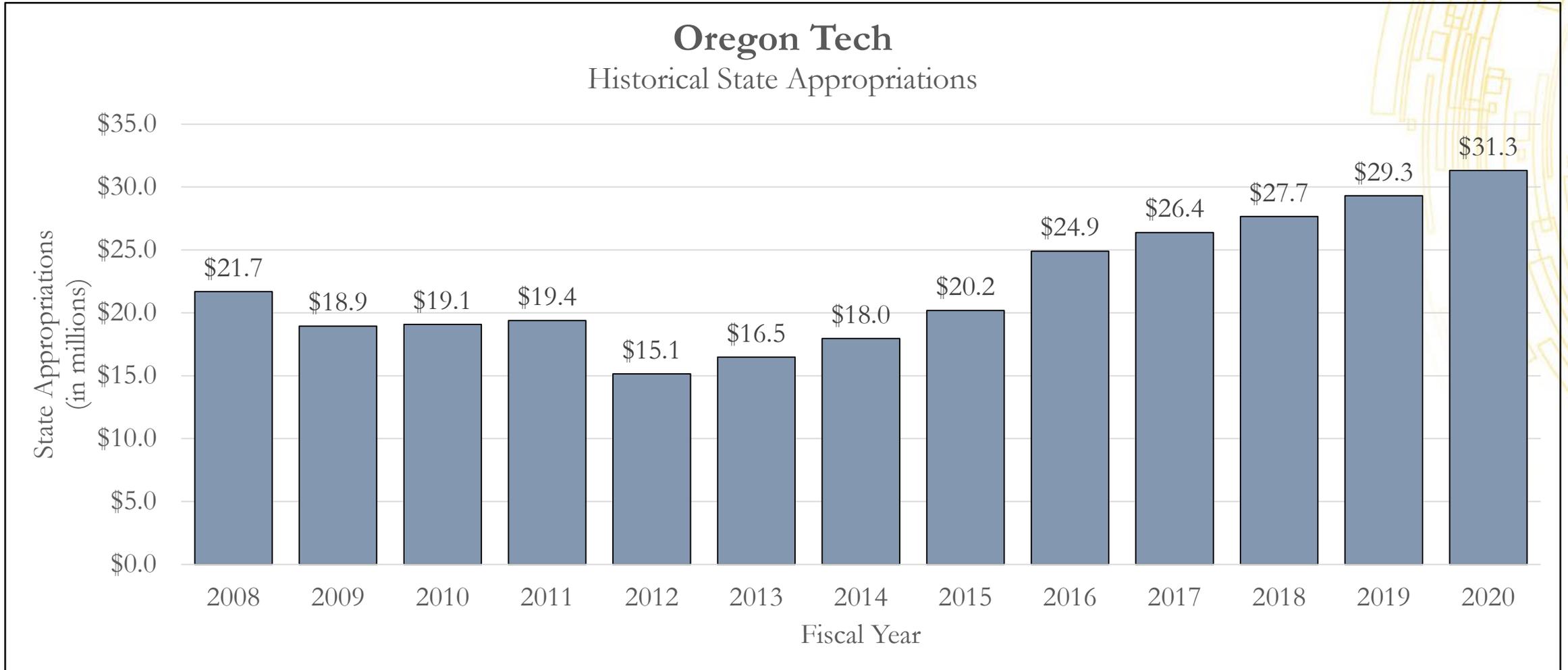
Costs We Can (and Can't) Control
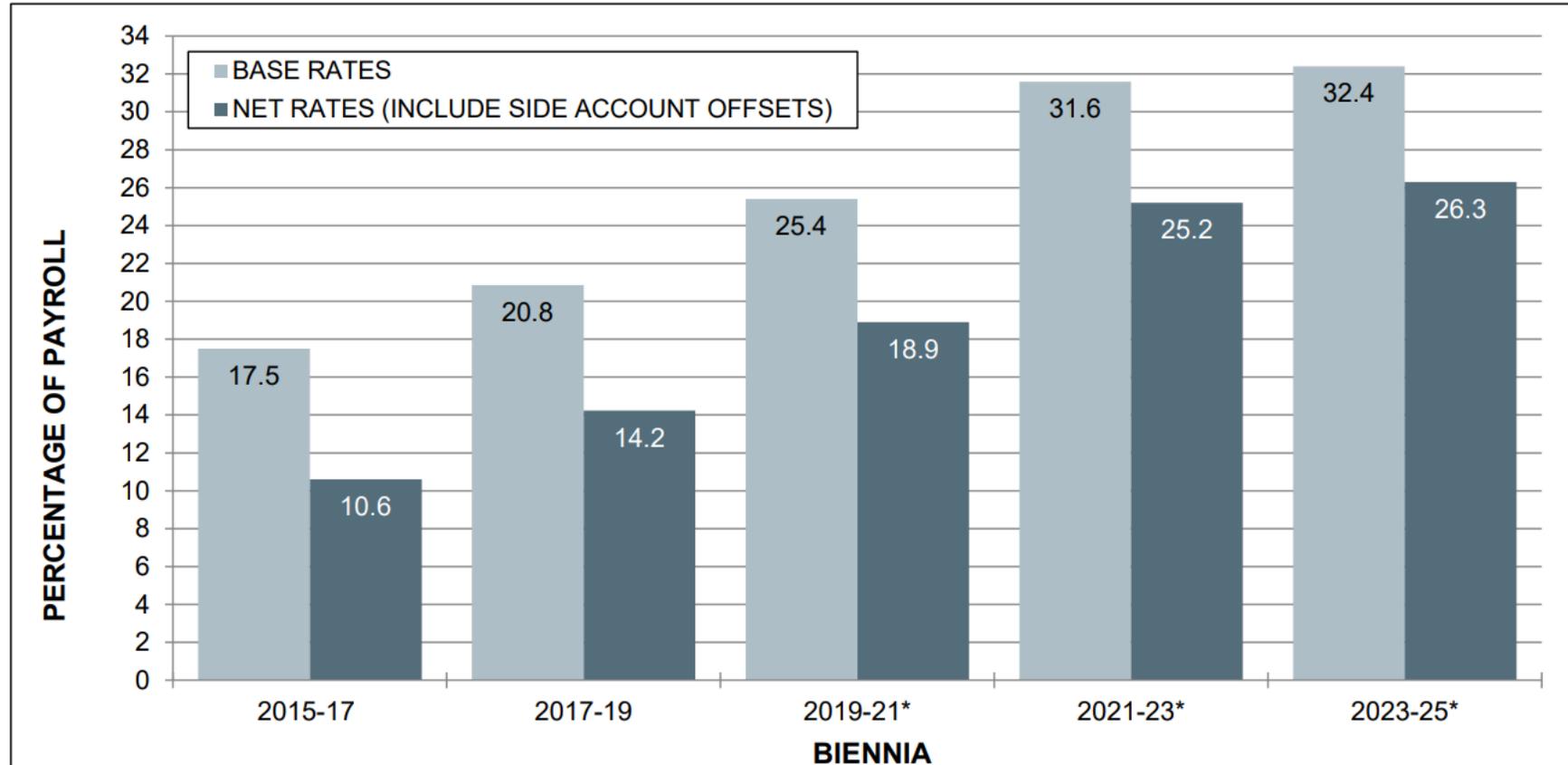
Can Control

- # of Employees
- Some S&S Expenses
- Equipment investments
- New capital projects
- Salaries (Admin/Faculty)

Can't Control

- Salaries (SIEU)
- Benefits
- Utilities
- Regulatory compliance
- Debt Service
- Rent/Leased Space
- Software costs
- S&S inflation
- Equipment/buildings system failures

Benefits: Retirement Cost Increases

- RATES ARE COLLARED; THIS LIMITS THE MAXIMUM ALLOWABLE BIENNIUM-TO-BIENNIUM CHANGE IN RATES. THE WIDTH OF THE RATE COLLAR IS DETERMINED BY AN EMPLOYER'S CURRENT CONTRIBUTION RATE AND FUNDED STATUS
- EXCLUDES 6% MEMBER IAP CONTRIBUTIONS AND PENSION OBLIGATION BOND DEBT SERVICE PAYMENTS
- INCLUDES TIER ONE, TIER TWO, AND OPSRP
- DOES NOT INCLUDE RHIA/RHIPA

* PROJECTED BASED ON NOVEMBER 2016 MILLIMAN FINANCIAL MODELING PRESENTATION

Health Care Costs

Oregon Tech
Per Employee Health Insurance Expense
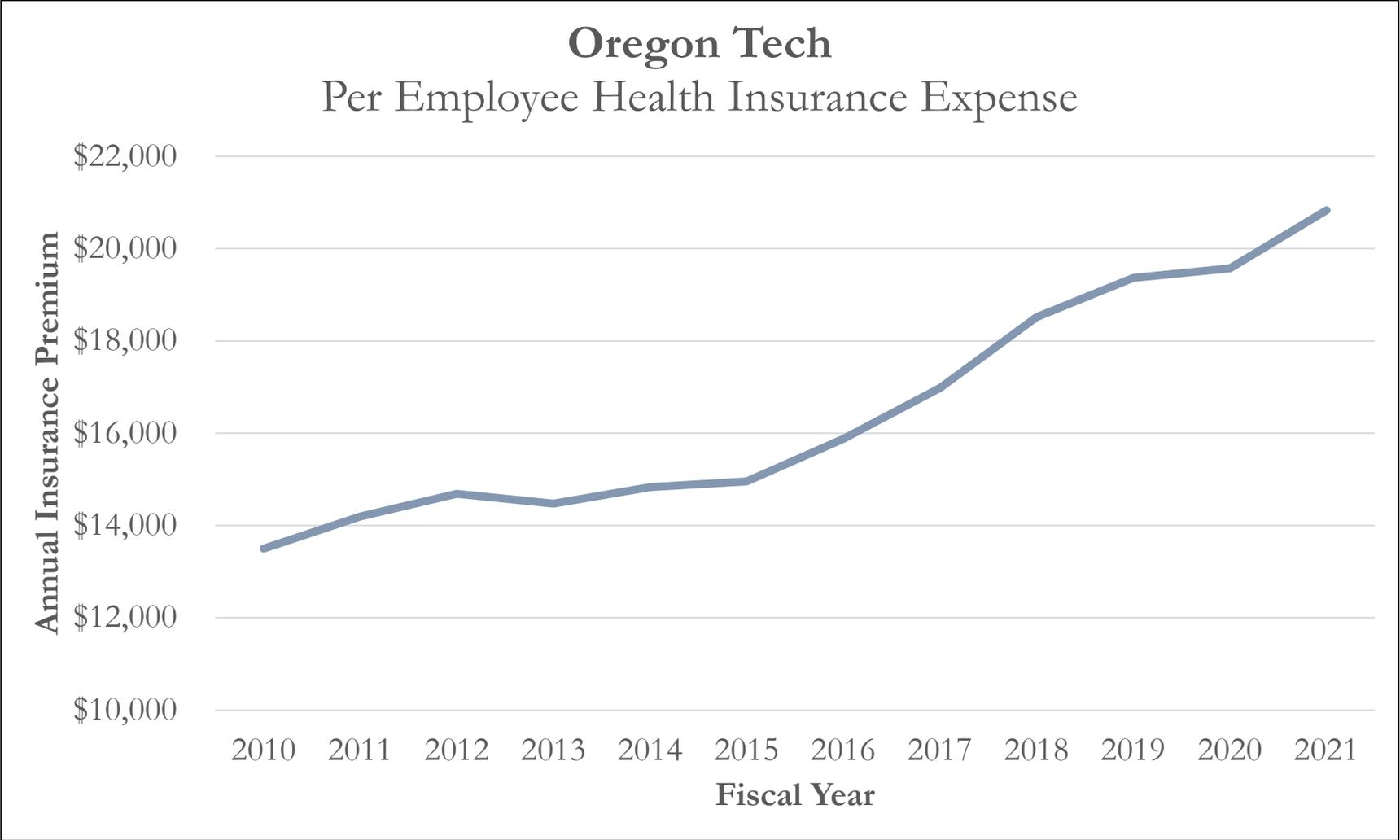
Cost Containment Efforts

| Student Affairs	Finance & Administration	Academic Affairs
- Sold aging bus which required costly unexpected maintenance/regulatory compliance - **Reduced travel / professional development** - **Reduced S&S budgets** - Streamlined Emergency Management into Student Affairs/Campus Safety	- Renegotiated, centralized and eliminated software packages - Reduced sewer expense from $21K/month to $8K/month - Reorganized custodial coverage and outsourced mail services - Combined Project Manager and Facilities Director positions despite dramatic increase in major capital projects - Process improvements/streamlining in Business Affairs - Utilized Trust reserves to offset insurance cost increases - Replaced aging facilities fleet with standardized models to reduce maintenance/lifecycle costs - Reduced and centralized staff development/training budgets - Reduced communication allowances	- Administrative support positions not filled (Provost Office, Retention/ Advising, Registrar Office) - Director for Global Engagement, Dean of Online Education, AVP for Strategic Enrollment Management positions not filled. - Reduced travel and travel efficiencies e.g. car pooling whenever possible (PM, Trustees meetings, commencements) - Reduced equipment spending, replacement cycle extended - Reduced S&S budgets - Developing two year schedule to increase efficiency of course offerings - Working with consortium on trainings, other cost efficiencies

Tuition & Financial Aid Changes (%)

Tuition, Financial Aid and Inflation
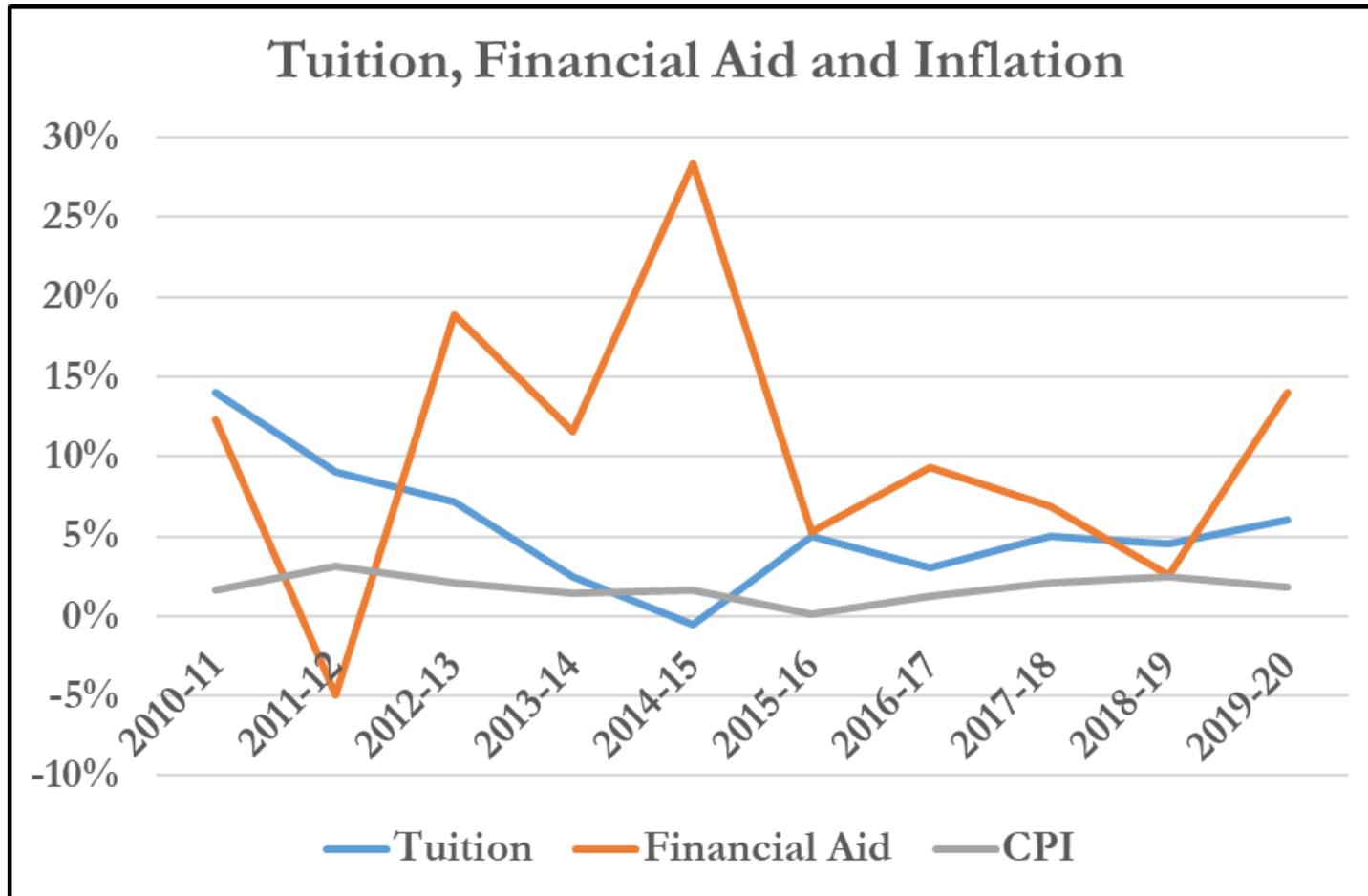
Tuition & Financial Aid Change Relative to 2009-10
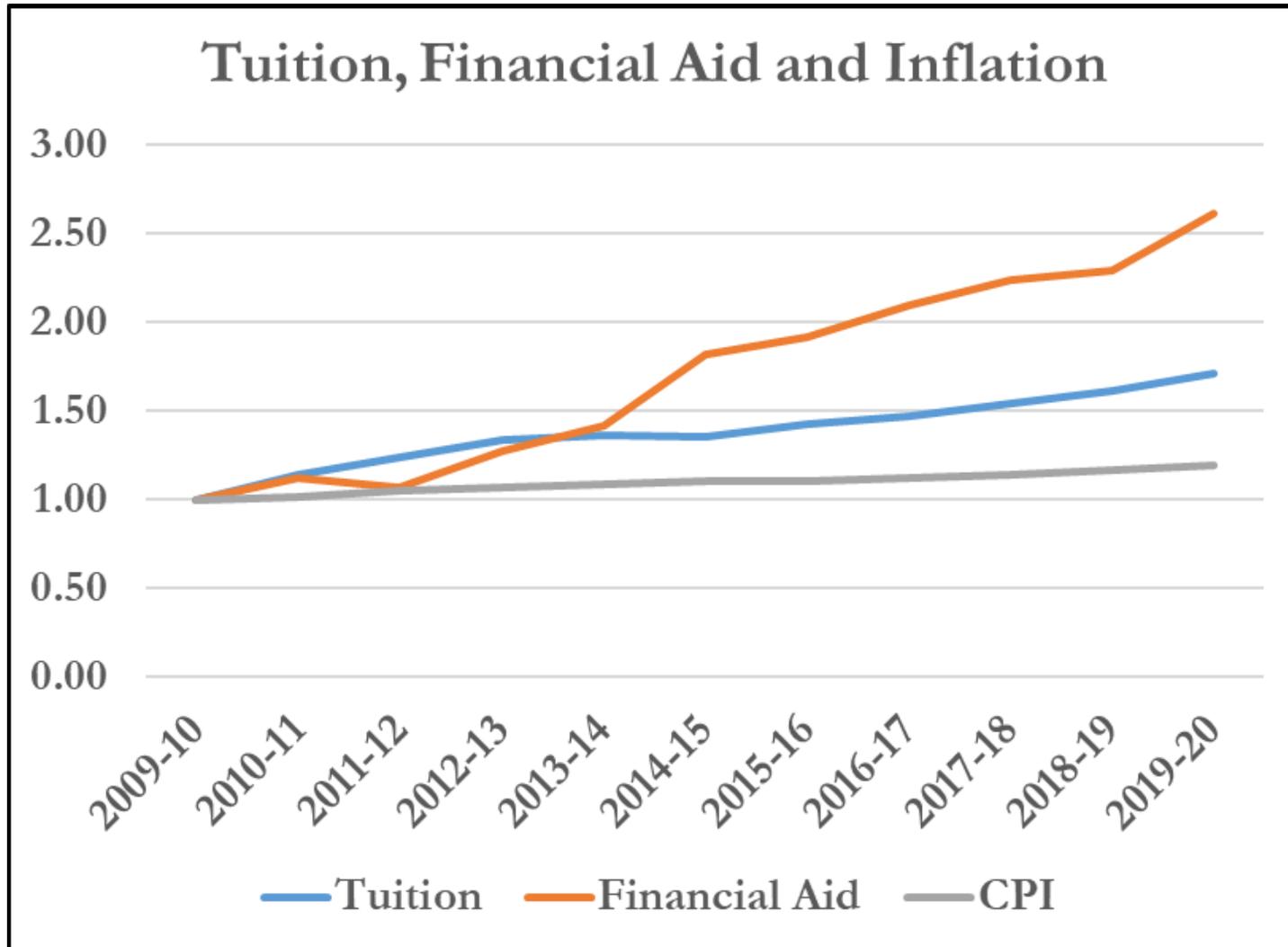
2019-20 TRC Process Commitments

- Tuition Increase of 9%, with reductions of 1% for every additional $20M in state funding beyond "CSL"
    - Tuition decreased to 6% after additional state funding was approved.
- Investments in IT systems including, classroom and lab computer replacement, WiFi systems to support the academic experience
    - $70k Classroom projector and $200K Academic computer replacements.
- Increase of Tuition Remissions by 1% of tuition above 2018-19 rates

	FY20 Budget	FY20 YTD Actual*	FY19 Actual	FY18 Actual	FY17 Actual	FY16 Actual
University Remissions	$4,500,001	$3,130,613	$3,945,695	$3,843,239	$3,578,237	$3,244,750
Foundation Scholarships		$901,000	$813,000	$674,000	$589,000	--
Remissions 5 Year Change		$1,255,251	39%			
Foundation 4 Year Change		$312,000	53%			
*University Remissions YTD Actual as of 2.18.2020						

Tuition Scenarios

# Assumptions

Modeling Assumptions	
Enrollment	+1%
Tuition	Various
State Funding	+$1.2M (OREC, ETSF, PUSF)
MLS Tuition Differential	Adjusted down to Health Differential
Salary Changes	Various based on CBA
Student Worker Pay	+14% (minimum wage increases)
Retirement	+0%
Healthcare	+4.9%
Utilities	+1%
Services & Supplies	+1%

Budget Examples

Expense Estimates	
1.0 FTE Employee	
Salary	$66,000
OPE	$42,000
Total	$108,000
1% of Tuition	$348,000
Save on Supplies & Services (1%)	$135,000
Reduce Utilities (1%)	$13,000

Tuition Scenarios: Base + Differential

OREGON TECH | ENDING FUND BALANCE FORECAST BASE
BASE + DIFFERENTIAL TUITION
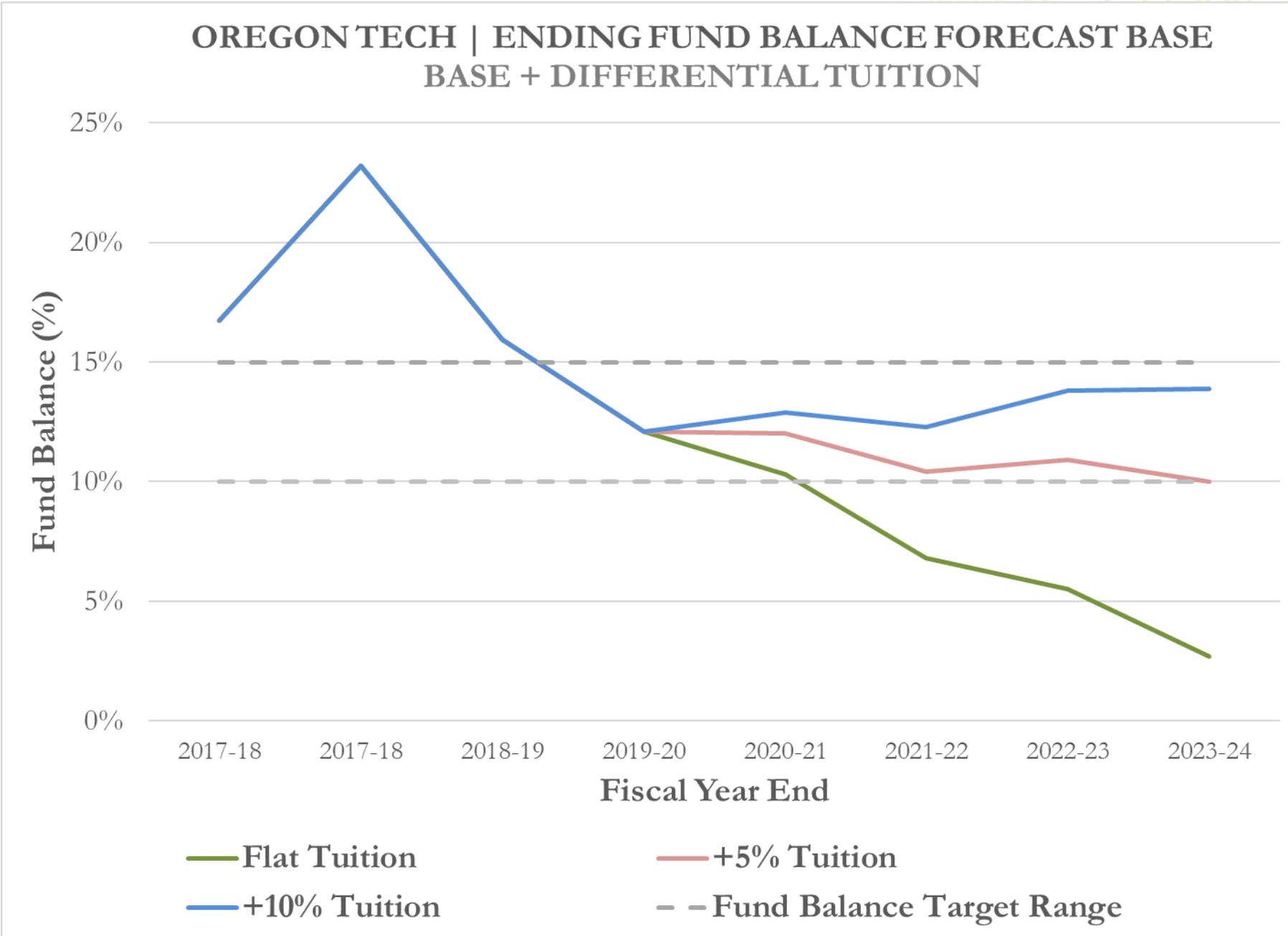
Tuition Scenarios (Base + Differential)

Differential Rate		35%				
Tuition Rate						
Tuition Change	**2019-20**		0%		5%	10%
Base	$ 194.97	$	194.97	$	204.72	$ 214.47
Differential	$ 253.46	$	263.21	$	276.37	$ 289.53
Per Credit Change						
Tuition Change	**2019-20**		0%		5%	10%
Base	$ 194.97	$	–	$	9.75	$ 19.50
Differential	$ 253.46	$	9.75	$	22.91	$ 36.07
Per Term (15 SCH) Change						
Tuition Change	**2019-20**		0%		5%	10%
Base	$ 2,924.55	$	–	$	146.23	$ 292.46
Differential	$ 3,801.92	$	146.23	$	343.63	$ 541.04
Per Year (45 SCH) Change						
Tuition Change	**2019-20**		0%		5%	10%
Base	$ 8,773.65	$	–	$	438.68	$ 877.37
Differential	$ 11,405.75	$	438.68	$	1,030.90	$ 1,623.13

Tuition Scenarios (Base Only)

Differential Rate		30%				

Tuition Rate						
Tuition Change	**2019-20**		3%		8%		13%
Base	$	194.97	$	200.82	$	210.57	$	220.32
Differential	$	253.46	$	261.06	$	273.74	$	286.41

Per Credit Change						
Tuition Change	**2019-20**		3%		8%		13%
Base	$	194.97	$	5.85	$	15.60	$	25.35
Differential	$	253.46	$	7.60	$	20.28	$	32.95

Per Term (15 SCH) Change						
Tuition Change	**2019-20**		3%		8%		13%
Base	$	2,924.55	$	87.74	$	233.96	$	380.19
Differential	$	3,801.92	$	114.06	$	304.15	$	494.25

Per Year (45 SCH) Change						
Tuition Change	**2019-20**		3%		8%		13%
Base	$	8,773.65	$	263.21	$	701.89	$	1,140.57
Differential	$	11,405.75	$	342.17	$	912.46	$	1,482.75

	0% / 5% Dif 3% / -% Dif	5% Base / 5% Dif 8% Base / -% Dif	10% / 5% Dif 13% / -% Dif
Lower Base	$194.97 / $263.21	$204.72 / $276.37	$214.47 / $289.53
Higher Base	$200.82/ $271.11	$210.57 / $273.84	$220.32 / $286.41
Net Budget Impact	-$1.3M	-$250K	+$500K
Financial Aid Impacts	Flat	+$150K	+$500K
Course Availability and Academic Impacts	Significant reductions in course availability and faculty replacements, department funds, elimination of equipment replacement	Limited travel/training, equipment replacement, reduced adjunct/ overload and some limits to course availability	Departmental budgets and adjunct/overload to support needed courses and equipment replacement funds available
Faculty Replacements	Reduce faculty replacements and hold significant vacancies	Maintain currently approved faculty replacements	Maintain current approved faculty replacements
Student Support Impacts	Reduced service, less student employment	Essentially flat	Minor improvements/increases
Equipment/IT Impacts	Significant reductions in IT/ equipment replacements	Replacement of existing systems only at failure point or no replacement	Some investment in expanded capability

Student Feedback

Be a Part of the Process!

Tuition Recommendation Committee Website:

www.oit.edu/trc

Student Forum Feedback

- Students are concerned about lack of faculty in certain departments which have had several members leave in the past year
- Broad understanding by students that maintaining quality and high ROI programs is important
- Strengthening programs, ensuring quality education are most important to students

- Students are frustrated with online class quality in certain areas
- Certain equipment needs – general IT/WiFi in particular are not being met
- Understanding of value and importance to fund areas, but also worried about the total price which is higher than in prior years

TRC Recommendation

TRC Recommendation

Two Recommendations:

1. Increase Base Tuition by 5% and increase Health Program and Engineering & Technology Differentials: increase by 5% from 30% to 35% premium

2. Increase Base Tuition by 8% and leave Health Program and Engineering & Technology Differentials at their current premium of 30%

Notes:

Under both scenarios MLS differential tuition for resident students would be reset to match the Health Program differential.

Scenario 1 was the preference of the TRC, but each scenario has the same financial impact on the university and provides the President with an alternative approach.

TRC Service Recommendation

- Increase remissions by $150,000 above the $4.5M 2019-20 remissions budget.

- Continue focus on increasing state, federal and corporate funding/grants.

- Increase campus visits/presence by senior leadership (PM) and conduct Q&A sessions on both campuses more frequently to solicit feedback and input.

- Replace equipment in PM in line with its proportion of enrollment and maintain efforts to support programmatic equipment needs in KF.

- Increase availability of Financial Aid professional staff in PM.

- Ensure faculty replacements in line with those approved during 2019-20.

Incidental Fee Recommendation

	Klamath Falls		Portland-Metro	
	2019-20	**2020-21**	**2019-20**	**2020-21**
Incidental Fee	$367	$399.50	$50	$50
Health Services Fee	$167	$172	$40	$43

Tuition Recommendation

Presidential Tuition Recommendation

In line with the TRC and ASOIT's recommendation:

- Undergraduate Base Tuition (Res/WUE/Non-Res)
  - +5%

- Differential Tuition:
  - 35%

- Graduate Tuition:
  - +5%

- Various Programs
  - +5%

Note: Remissions and institutional investments are incorporated into the budget development process and will be presented subsequently

Tuition Recommendation Detail
5% Tuition Increase / 35% Differential

Student Type	Rate	Current Tuition	Tuition Recommendation	Change
Resident	Per Credit	$194.97	$204.72	$9.75
	15 Credits (term)	$2,924.55	$3,070.80	$146.25
	45 Credits (year)	$8,773.65	$9,212.40	$438.75
	Differential	$58.49	$71.65	$13.16
WUE	Per Credit	$292.45	$307.08	$14.63
	15 Credits (term)	$4,386.75	$4,606.20	$219.45
	45 Credits (year)	$13,160.25	$13,818.60	$658.35
	Differential	$87.74	$107.48	$19.74
Non-Resident	Per Credit	$620.58	$651.61	$31.03
	15 Credits (term)	$9,308.70	$9,774.15	$465.45
	45 Credits (year)	$27,926.10	$29,322.45	$1,396.35
	Differential	$186.17	$228.06	$41.89

Presidential Fee Recommendation

	Klamath Falls		Portland-Metro	
	2019-20	2020-21	2019-20	2020-21
Incidental Fee	$367	$399.50	$50	$50
Health Services Fee	$167	$172	$40	$43
Building Fee	$45	$45	$45	$45
Student Rec Center Fee	$69	$69	N/A	N/A

Questions and Discussion

Non-Differential Departments

Majors without Differential Tuition	
Applied Mathematics	Business Management
Applied Psychology	Health Informatics
Marriage and Family Therapy – MS	Operations Management
Applied Behavioral Analysis – Cert./MS	Accounting
Population Health Management	Information Technology
Communication Studies	Marketing
Environmental Sciences	Biology Health Sciences
EMS Management	Pre-Nursing
Data Science	

Differential Departments

Majors with Differential Tuition	
Health Professions Differential	**Engineering & Technology Differential**
Allied Health – MS	Health Care Management
Dental Hygiene	Civil Engineering – BS/MS
Dental Hygiene – Chemeketa*	Computer Systems Engineering Technology
Diagnostic Medical Sonography	Cybersecurity
Echocardiography	Electrical Engineering
Emergency Medical Technology Paramedic*	Electronics Engineering Technology
Pre-Medical Imaging Technology	Embedded Systems Engineering Technology
Medical Lab Sciences*	Engineering – MS
Nuclear Medicine Technology	Geomatics
Polysomnographic Technology	Mechanical Engineering
Radiological Science	Manufacturing Engineering Tech. – BS/MS
Respiratory Care	Renewable Energy Engineering – BS/MS
Vascular Technology	Software Engineering Technology
Program specific differential tuition rates.	