

TUITION RECOMMENDATION COMMITTEE | 1.29.25



University Budget Committee Meeting #2

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



Questions from last week?

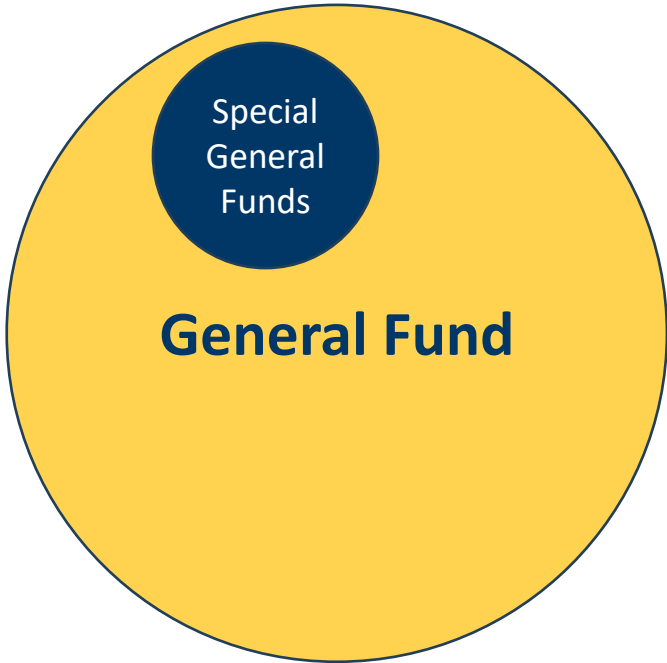
Remember recommendation will be finalized at March 4th meeting!

Presentation Outline

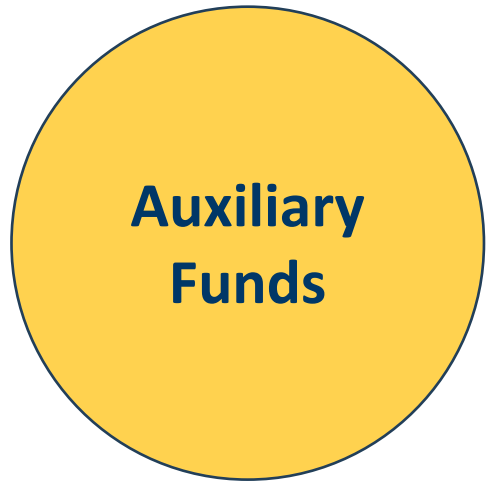


1. University Fund Types
2. FY 2024-25 Board Adopted Budget
3. FY 2024-25 Management Report Summary
4. Major Components of the FY 2024-25 E&G Budget
5. Public University Support Fund (PUSF)
6. State Appropriations – Historical Lookback
7. Tuition Historical Lookback
8. PERS – Historical Lookback and Projection
9. Oregon Tech Employee Health Insurance Expense Historical Lookback
10. General Fund Balance

Oregon Tech Fund Types (not comprehensive)



General Fund



Auxiliary Funds



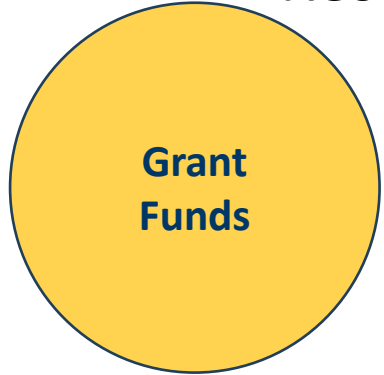
Designated Funds



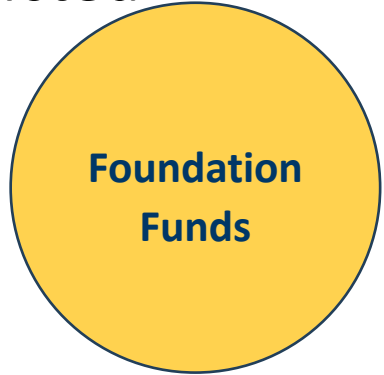
Service Funds

Unrestricted

Restricted

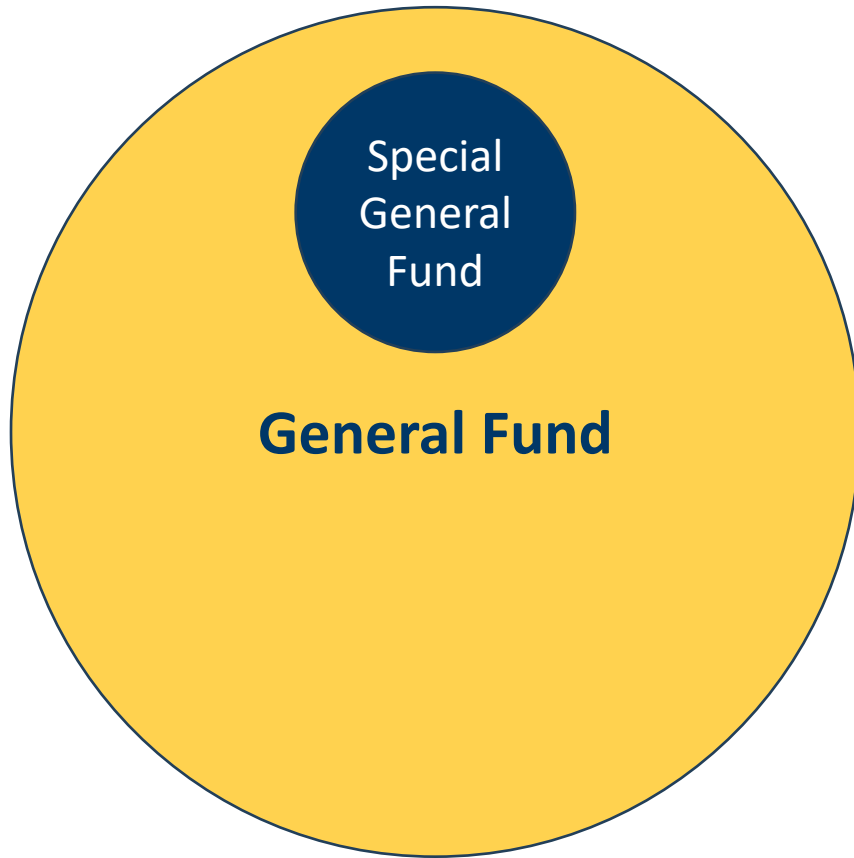


Grant Funds



Foundation Funds

Focus On - General Fund



Regular General Fund: Main operating fund of the university; operations that are related to the primary mission of OT; shared revenue (i.e., all the same “bank account”).

Special General Funds: Related to the primary mission of the institution but have a specific revenue source.

- Academic Clinics
- Research Indirect Cost Recovery
- “Self-supporting” activities

FY 2024-25 General Fund Budget



	FY 2023-24	FY 2024-25	Variance FY 2023-24 to FY 2024-25
Revenues			
State Appropriations	\$ 33,819,717	\$ 37,445,936	10.7%
Tuition and Fees (less special general funds)	38,807,036	37,343,370	-3.8%
Remissions	(5,805,377)	(7,519,960)	29.5%
Other Revenues (less special general funds)	1,275,771	1,914,535	50.1%
Special General Fund Revenues	<u>1,926,987</u>	<u>1,898,094</u>	-1.5%
Total Budgeted Revenues	<u>\$ 70,024,134</u>	<u>\$ 71,081,975</u>	1.5%
Expenses			
Permanent Budget	\$ 72,476,862	\$ 70,974,592	-2.1%
Salary Recapture	(3,500,000)	(3,500,000)	0.0%
Special General Fund Expenses	1,926,987	1,898,094	-1.5%
Contingency Reserve	517,603	560,000	8.2%
Administrative Salary Pool (effective January 1, 2025)	114,343	408,430	257.2%
Faculty Salary Pool (effective Jan/Feb 1, 2025)	273,337	386,342	41.3%
Classified Salary Pool	-	930,722	-
Strategic Investments	<u>1,215,002</u>	<u>1,923,795</u>	58.3%
Total Budgeted Expenses	<u>\$ 73,024,134</u>	<u>\$ 73,581,975</u>	0.8%
Net from Operations Before Other Resources (Uses)			
	<u>\$ (3,000,000)</u>	<u>\$ (2,500,000)</u>	
Other Resources (Uses)			
Use of Reserve	<u>\$ 3,000,000</u>	<u>\$ 2,500,000</u>	
Total from Operations and Other Resources (Uses)			
	<u>\$ -</u>	<u>\$ -</u>	

FY 2024- 25 Board Adopted Budget

FY 2024-25 December Management Report Summary



- FY 2024-25 budget used a -3% enrollment assumption based on estimates from enrollment management, but enrollment is up 1.3%, resulting in a tuition increase of \$2.9M
- Indirect cost recovery and interest earnings revenue is higher than budgeted, resulting in an increase in other revenue of \$800k
- As of December, expenses were projected to be slightly under budget
- Projections indicate that instead of using \$2.5M from reserves as budgeted, the fiscal year might break even

	Adopted Budget	December Forecast	Variance
Revenue	\$71,118	\$75,346	\$4,229
Expenses	73,788	73,554	(234)
Net from Operations	(\$2,671)	\$1,792	\$4,463
Transfers In	\$171	\$269	\$99
Transfers Out	-	(2,064)	(2,064)
Use of Reserve	<u>2,500</u>	<u>3</u>	<u>(2,497)</u>
Total From Operations and Other Resources	\$2,671	(\$1,792)	(\$4,463)
Total From Operations and Other Resources	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>

Major Components of the E&G Budget



- **Revenue:**

- State Appropriations (52.7% of total revenue budget)
Impacted by Student Success and Completion Model (SSCM) and state tax revenue
- Tuition, net of remissions (42.9% of total revenue budget)
Impacted by enrollment, Higher Education Coordinating Commission (HECC) oversight
- Other (4.4% of total revenue budget)

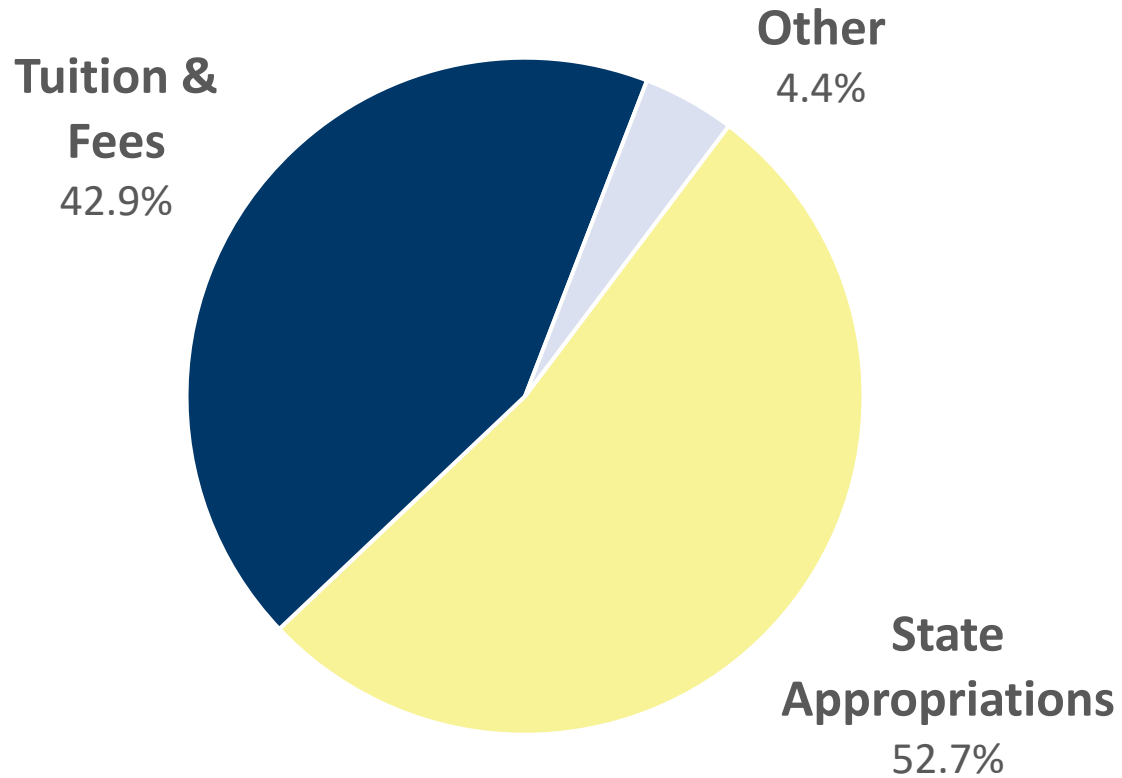
- **Expenses:**

- Staff and Faculty (47.3% of total expense budget)
- Other Payroll Expenses (25.9% of total expense budget)
Retirement, health, and miscellaneous federal/state taxes and benefits
- Services and Supplies
Debt service, utilities, office supplies, etc. (22.9% of total expense budget)
- Transfers Out (1.8% of total expense budget)
- Other (2.1% of total expense budget)
Student pay, GTA's, capital expenditures

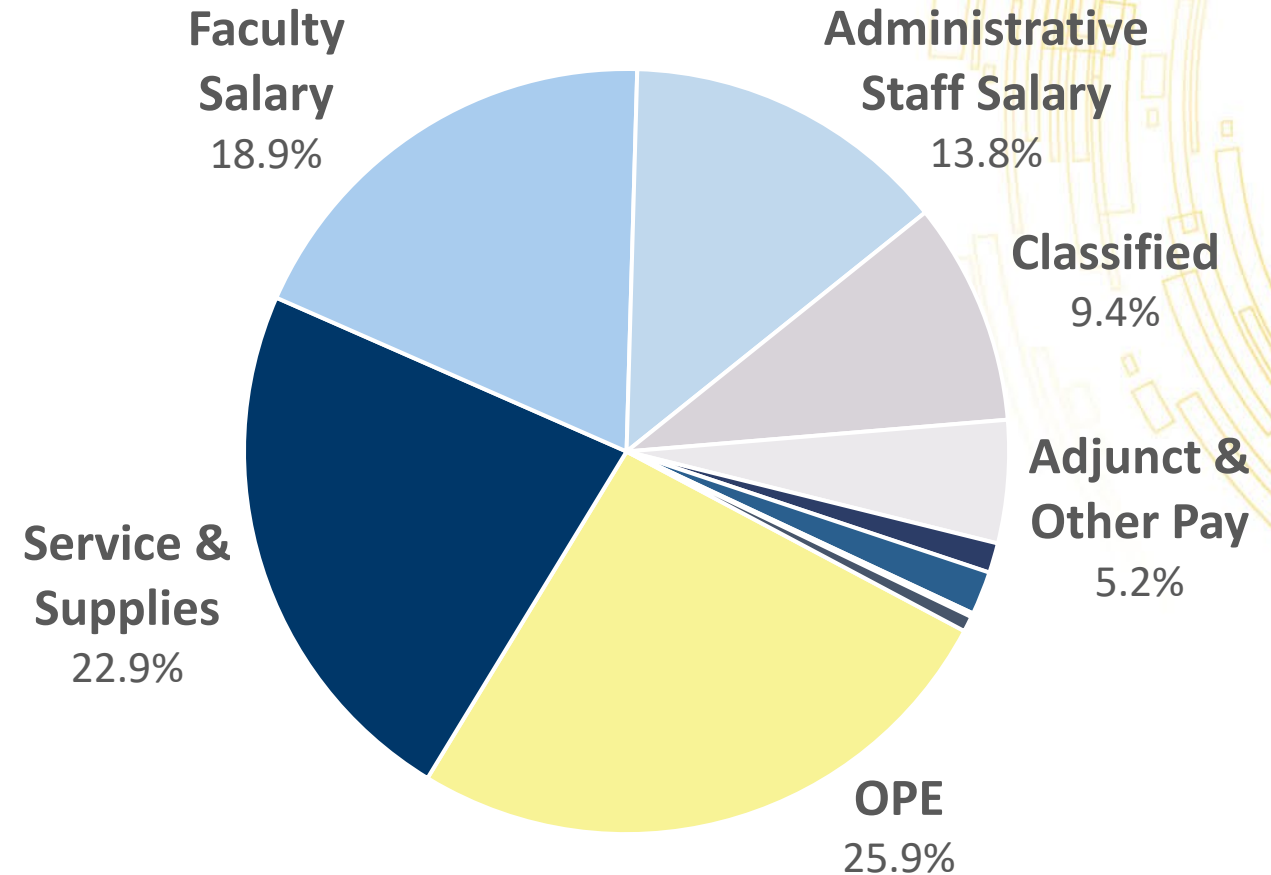
Major Components of FY 2024-25 E&G Budget



E&G Budgeted Revenues



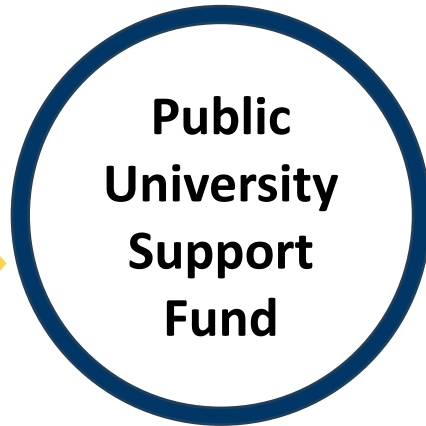
E&G Budgeted Expenses



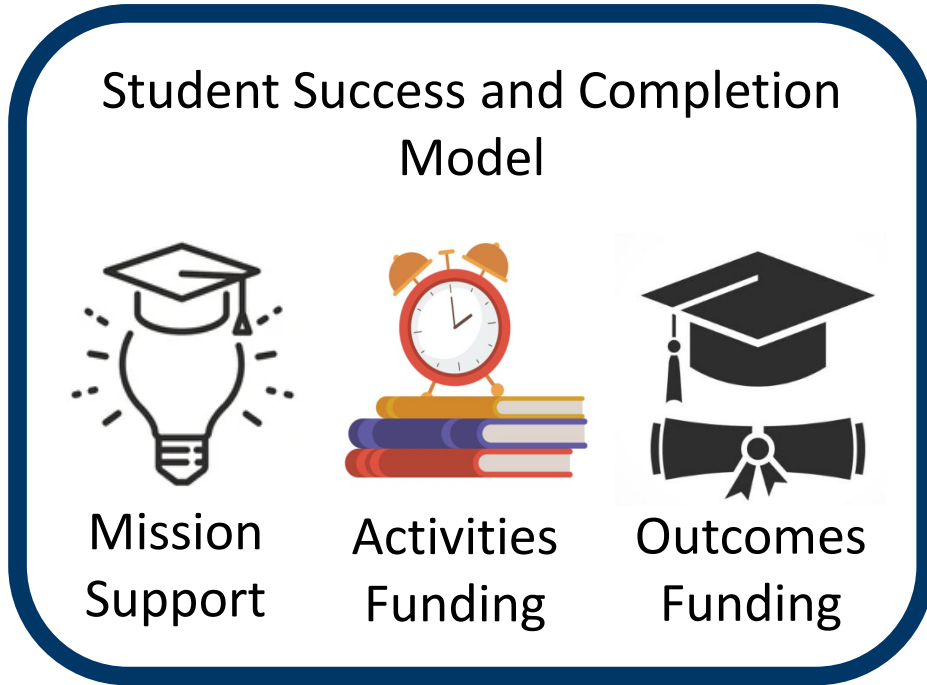
Public University Support Fund



Oregon
Legislature



Public
University
Support
Fund



Student Success and Completion
Model



Mission
Support



Activities
Funding



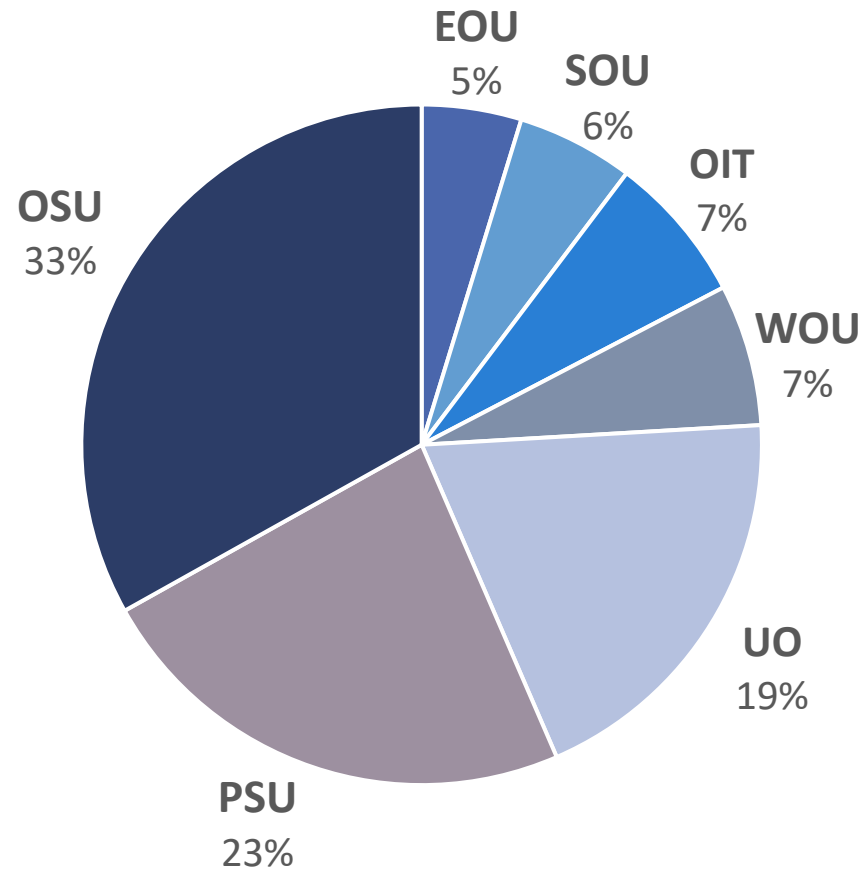
Outcomes
Funding



Public University Support Fund



FY 2024-25 Distribution of PUSF Funding

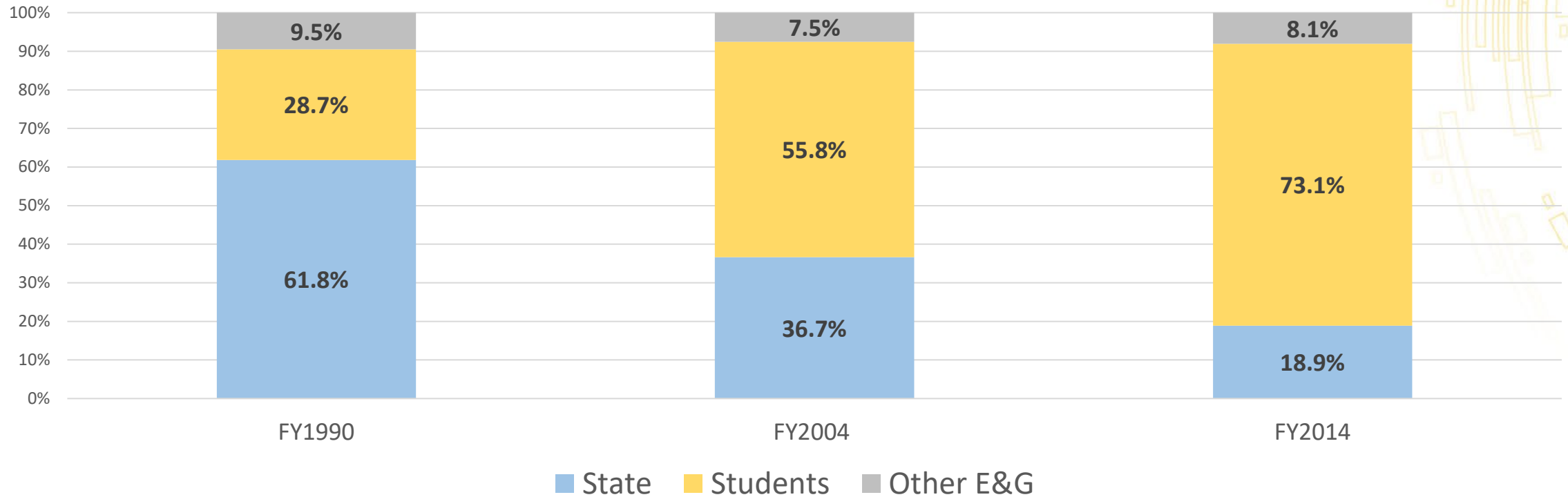


Changing Share of Higher Education Expense Burden

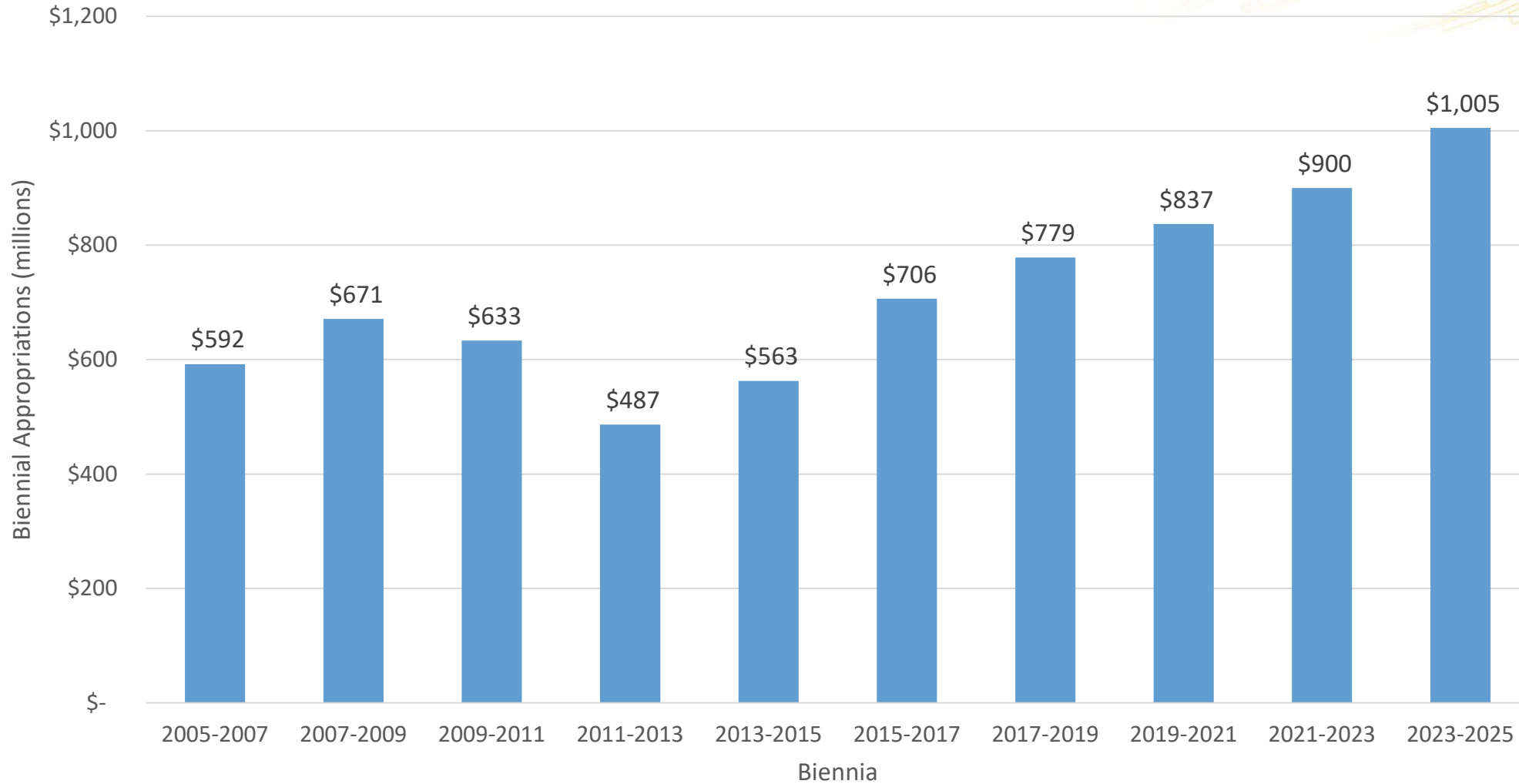
Source- 2023 Public Universities Legislative Affairs Council



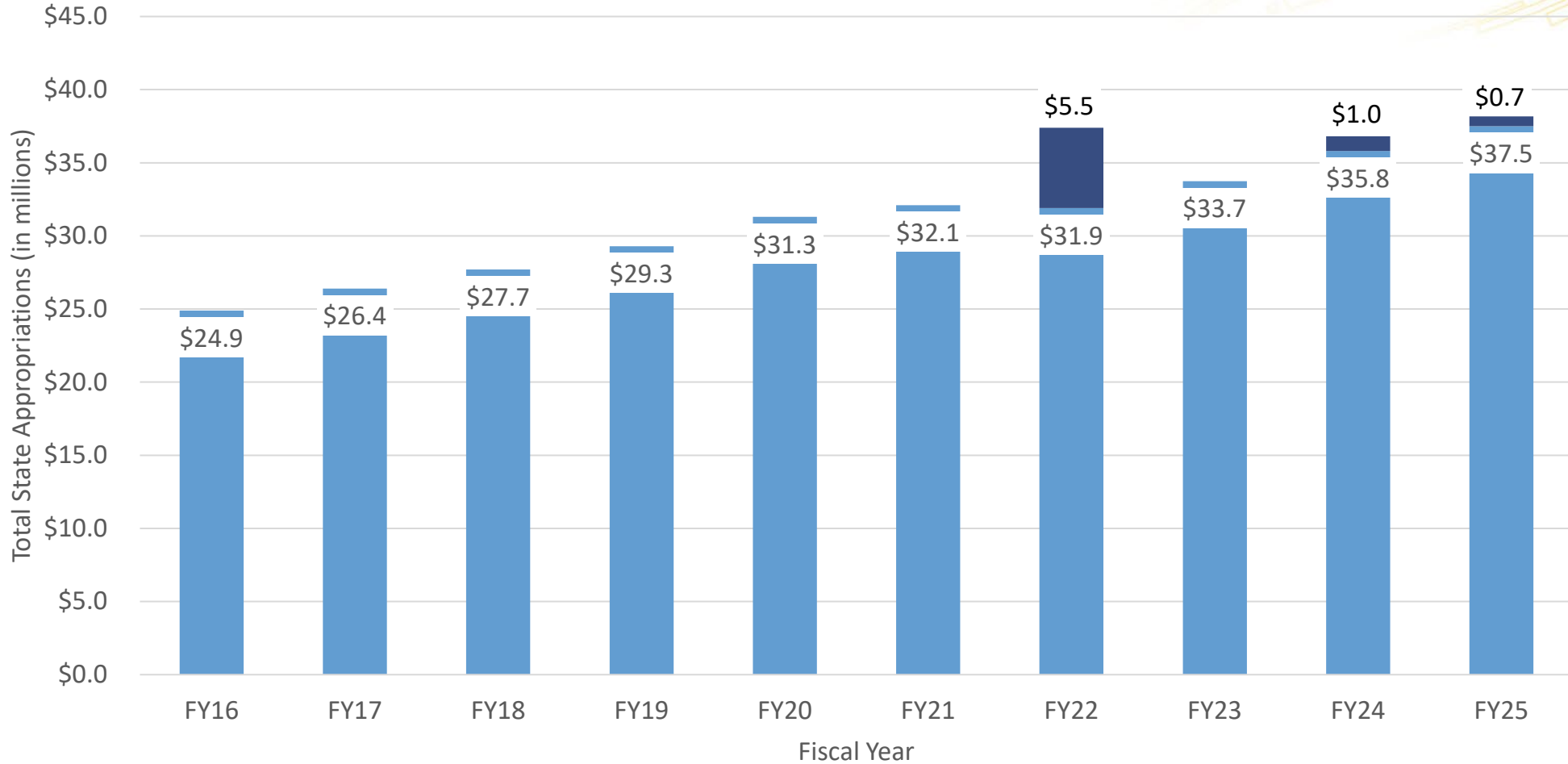
Who Has Paid Historically
(Data Source: OUS Fact Book)



Total Historical State Appropriations to Public Universities



Total Oregon Tech State General Fund Appropriations



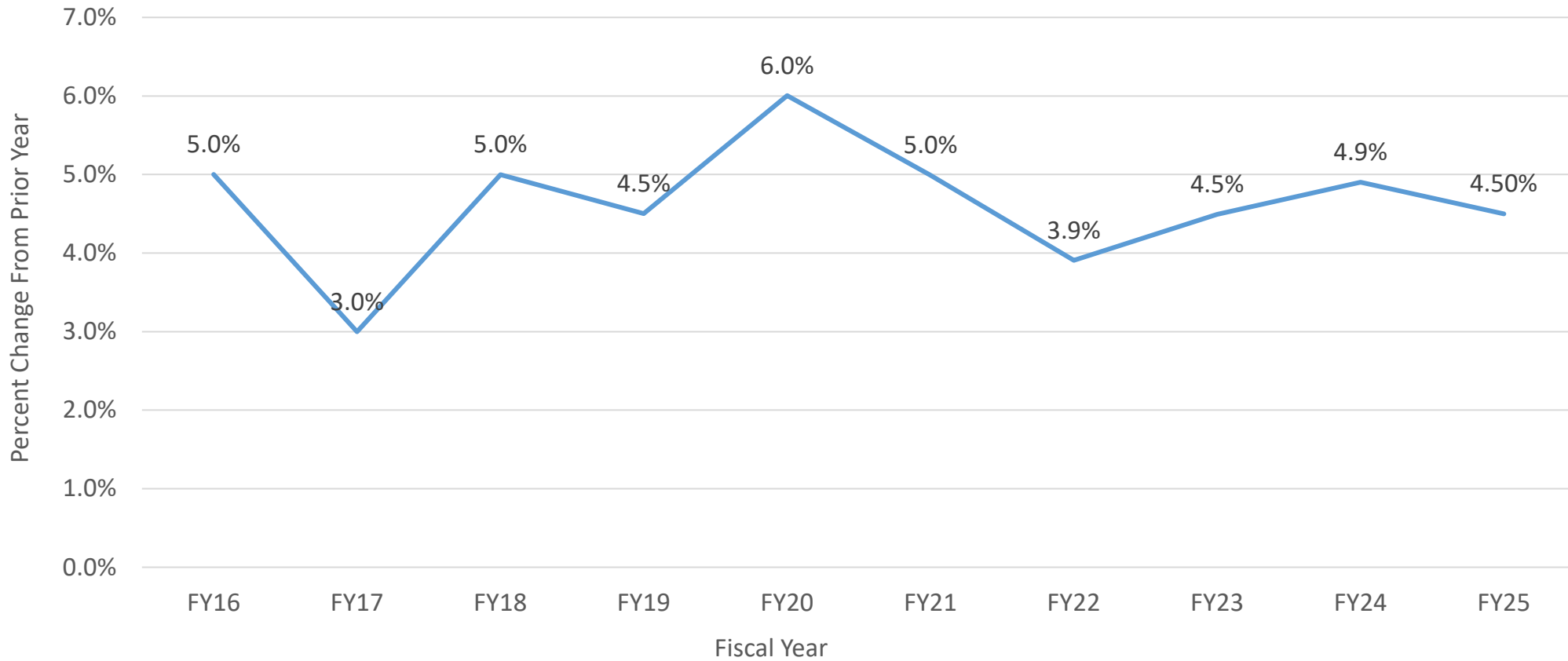
■ Appropriations ■ Significant One-Time Appropriations

Oregon Tech Tuition History for 45 SCH

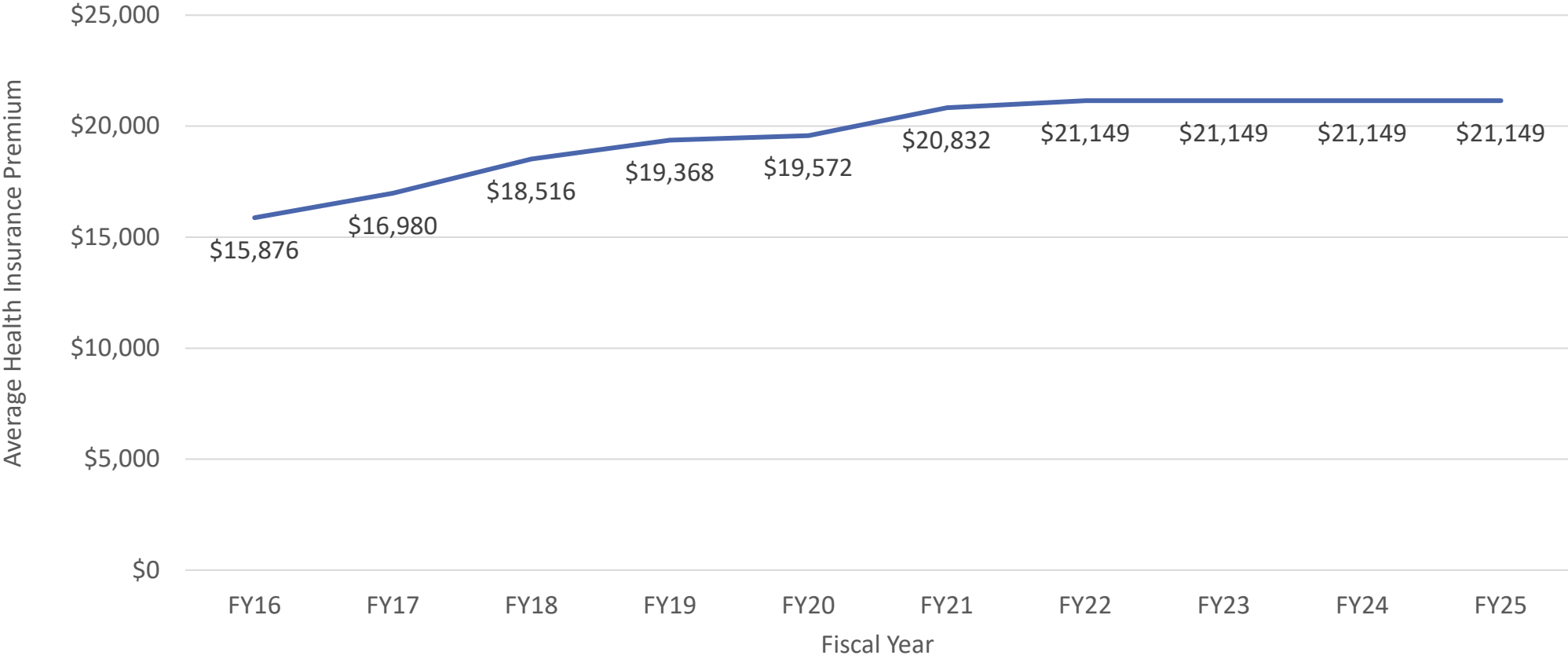




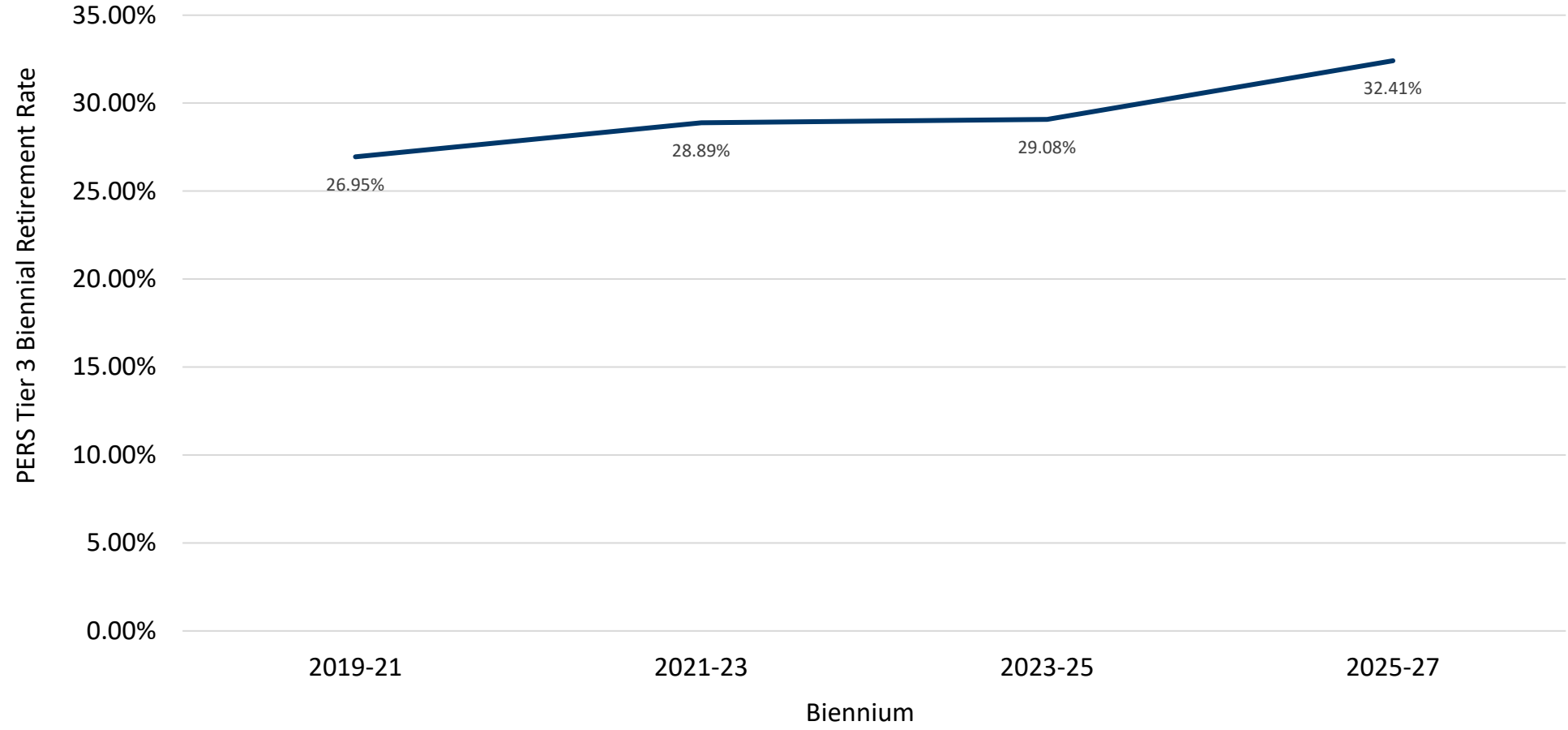
Oregon Tech 10 Year Tuition History % Change Year over Year



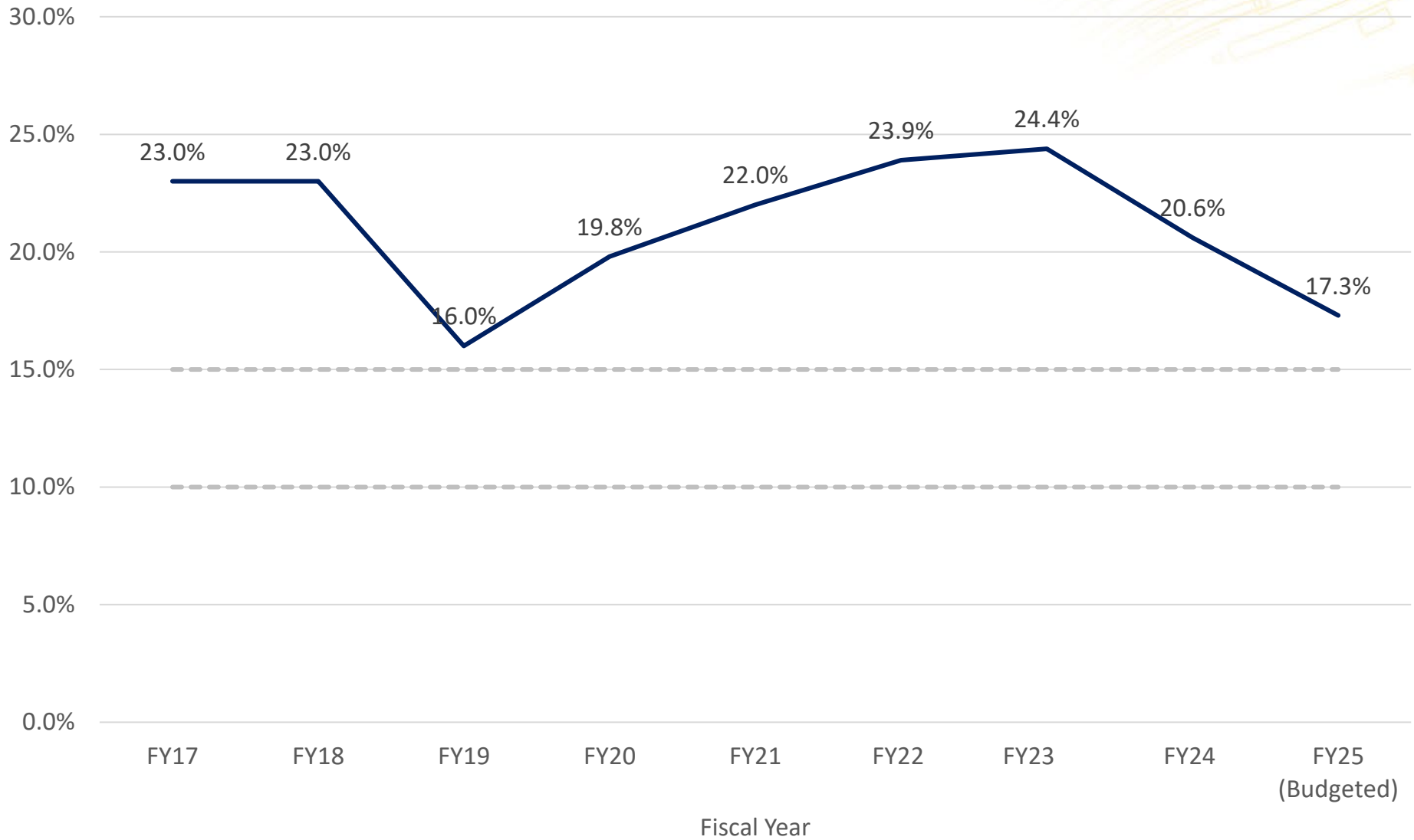
Oregon Tech Annual Employee Health Insurance



Oregon Tech Biennial Tier 3 PERS Retirement Rate



Fund Balance as a Percent of Operating Revenue



Board Policy is to maintain a fund balance between 10% and 15% of annual budgeted operating revenues.

Reminder - Final Deliverable:



By the final meeting on March 4, 2025, this committee **must provide a recommendation for the tuition and mandatory fee rates** to the President.



Questions?



Link to Full FY 2024-25 December Management Report

Double Click Image

General Fund Monthly Report
FY 2024-25 December (in thousands)

	FY 2024-25			FY 2024-25 Budget & Forecast		
	December Actual	December Actual	Year End Actual	Budget Adopted	Adjusted Budget	Forecast
Revenue						
State Appropriations	\$22,264	\$22,150	\$26,813	\$27,494	\$27,494	\$28,140
Tuition & Fees	26,797	28,011	30,451	30,251	30,251	29,811
Transfers	12,840	12,810	17,440	17,440	17,440	17,440
Other	2,452	2,452	2,452	2,452	2,452	2,452
Total Revenue	\$64,353	\$65,423	\$77,156	\$77,637	\$77,637	\$78,253
Expenses						
Administration Staff Salary	\$2,128	\$2,128	\$2,128	\$2,128	\$2,128	\$2,128
Faculty Salary	1,298	1,298	14,128	14,128	14,128	14,128
Adjunct and Admin/Faculty Other Pay	1,125	1,125	1,125	1,125	1,125	1,125
Classified	1,117	1,111	4,498	4,491	4,494	4,511
Unfunded	966	958	1,128	966	966	1,128
USA	24	22	22	22	22	22
Other	20	20	20	20	20	20
Total Labor Expense	\$6,848	\$6,742	\$26,201	\$26,270	\$26,270	\$26,253
Service & Supplies	\$2,061	\$2,061	\$2,061	\$2,061	\$2,061	\$2,061
Travel & Other	104	104	104	104	104	104
Build/Construction	1,099	979	1,718	1,817	1,817	1,817
Capital	664	243	664	664	664	664
Utilities	704	409	1,417	1,293	1,293	1,293
Materials	20	20	20	20	20	20
Insurance	20	20	20	20	20	20
Total Direct Expense	\$11,629	\$11,546	\$18,262	\$18,272	\$18,272	\$18,253
Total All Expense	\$18,477	\$18,288	\$44,463	\$44,542	\$44,542	\$44,506
Net Non-Operational Surplus						
Other Resources (Used)	\$14,683	\$14,620	\$16,420	\$16,420	\$16,420	\$16,420
Other Resources (Used)						
Transfers In	\$200	\$0	\$278	\$271	\$279	\$289
Transfers Out	(174)	—	(174)	(174)	(174)	(174)
Net of Transfers	26	\$0	\$304	\$297	\$305	\$315
Total Other Resources (Used)	\$174	\$0	\$582	\$567	\$584	\$594
Net Non-Operational Surplus	\$14,509	\$14,620	\$15,838	\$15,853	\$15,836	\$15,826
Beginning Fund Balance	\$16,411	\$16,799	\$16,411	\$16,799	\$16,799	\$16,799
Fund Balance Adjustment	26	—	26	26	26	26
Ending Fund Balance	\$32,847	\$33,419	\$32,847	\$33,651	\$33,651	\$33,651
Fund Balance as % Operating Revenues	50.9%	50.9%	42.6%	43.3%	43.3%	42.9%
Budgeted Net Revenue	\$28,226	\$28,226	\$28,226			

Notes:

- FY 2024-25 State Appropriations Revenue:** The increase in state appropriations reflects a minimal increase in Public University Support Fund appropriations from the October 2024 bill, and the addition of a special fee state appropriation for behavioral health increased in quarter one.
- FY 2024-25 Tuition & Fees Revenue:** Reflects the projected 2.5% increase in student credit hours over fiscal adopted budget assumptions.
- FY 2024-25 Other Revenue Revenue:** Reflects a projected increase in budgeted and not yet received earnings.
- FY 2024-25 Actuals:** Faculty workload was paid from the incorrect account code in FY 2024-24 - Faculty Salary is over-stated by \$300k and Adjunct and Admin/Faculty Other Pay is under-stated by \$200k.
- FY 2024-25 Labor Expense Revenue:** Reflects budgeted positions remaining unfilled for all or part of the year (faculty in ad interim/leave status and faculty), and associated savings in other direct expenses.
- FY 2024-25 Service and Supplies Revenue:** Reflects the projected quarter of the remainder of the FY 2024-25 University Sustainability state appropriation (offset with transfers in), the FY 2024-25 state appropriation for behavioral health (offset with increased materials), and new subscriptions.
- FY 2024-25 Capital Revenue:** Reflects the growing amount budgeted for capital.
- FY 2024-25 Utilities Revenue:** The increase is to reflect the effect for the projected quarter of the FY 2024-25 University Sustainability state appropriation.
- FY 2024-25 Insurance Revenue:** The increase is to reflect the effect for the projected quarter of the FY 2024-25 University Sustainability state appropriation (for use in Safety Risk events) and funding for miscellaneous capital projects.
- FY 2024-25 Ending Cash Balance Available:** FY 2024-24 year end and monthly cash are increased due to an annual adjustment made prior to fiscal year 2024.