

**Docket Item:**

## University Tuition Setting – Financial Information Summary

**Oregon Institute of Technology (OIT)**

In the last five years, Oregon Tech has become less dependent on tuition and fees despite a relatively unchanged proportion of their budget coming from the state. Tuition revenues increased by approximately 26 percent, as did OIT's tuition remissions during the same period. Although resident tuition represents nearly half of all E&G other funds revenue, resident tuition remissions account for about one-fifth of that revenue. With the exception of the return on net revenues, OIT has improved its position across all financial ratios since 2014. Oregon Tech spends approximately \$19,700 per full-time equivalent student (FTE) in education and general (E&G) expenditures, which is about average for Oregon.

**Southern Oregon University (SOU)**

When looking at financial information over the past five years (FY 2014 – FY 2018), SOU has become less dependent on tuition revenue. They spend a larger percentage of total E&G on the academic mission. They have increased E&G other funds revenue by roughly 11 percent. Resident tuition is about 43 percent of the total collected. Remissions dollars have increased 31 percent. The primary reserve and viability ratios have improved across the institution (exclusive of retirement liabilities) but do not necessarily meet recommended thresholds adopted by the industry. SOU spends about \$16,400 per FTE on E&G, about average for Oregon.

**University of Oregon (UO)**

University of Oregon has a relatively diverse set of revenues. Over half of the university's revenues come from students in the form of tuition and fees while less than 10 percent comes from state support. However, almost 80 percent of all E&G other funds revenue is from tuition and fees. The university enrolled over 8,500 nonresident undergraduates in 2019, or approximately 45 percent of all undergraduates enrolled there. Nonresident tuition represents over 68 percent of all tuition revenue in 2019. Since 2014, the university increased E&G other funds revenue by almost 25 percent. Resident remissions represent about 30 percent of total resident tuition, and total remissions have doubled since 2014.

Overall, the university is performing well with respect to the five financial ratios, and the primary reserve ratio has been relatively consistent since 2014. The University of Oregon spends approximately \$29,100 per FTE in E&G expenditures, the highest in the state.

**Portland State University (PSU)**

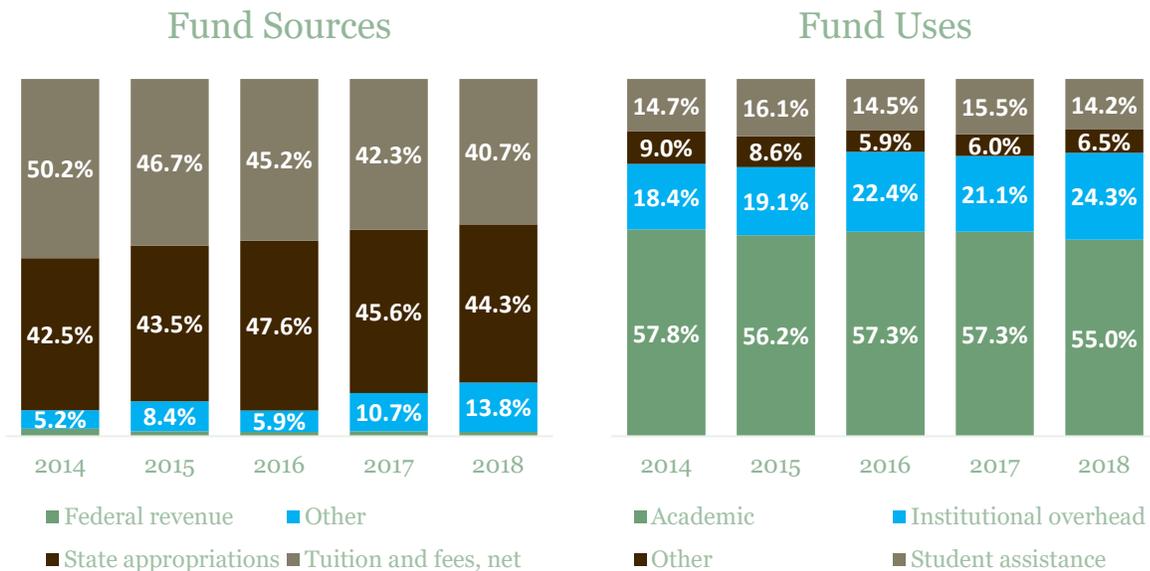
Since 2014, the percentage of total funding from tuition and fees has declined with a similar increase in state support. Over 55 percent of their funds are spent on E&G functions such as instruction, research, and public service. Of the institutions seeking approval, PSU has seen the slowest growth (9.4 percent) in their total E&G revenues from tuition and fees and other revenues, not including state support. Resident tuition represents about 51 percent of all E&G other funds revenue while 9 percent of gross resident tuition is remitted.

Although PSU has suffered from negative return on net revenues in the last three years, the institution has doubled its primary reserve since 2014 and nearly quadrupled its viability ratio in that time as well. The university spends approximately \$20,200 per FTE in E&G expenditures, just above average for the state as a whole.

**Docket Item:**

Oregon Tech – Financial Fact Sheet

**Fund Sources and Uses (operating revenues and expenditures, including state appropriations):**



Institutional overhead includes institution support, foundation provided support and O&M of plant.

**Tuition Revenues (not including state appropriations):**

Table 1a: Resident, nonresident, and unclassified tuition and fees; and other revenues.

<i>in million dollars</i>	FY 2015 (Actuals)	FY 2016 (Actuals)	FY 2017 (Actuals)	FY 2018 (Actuals)	FY 2019 (Projections)	FY 2015 - 2019 Change	
Resident	\$15.1	\$15.9	\$16.0	\$16.9	\$18.0	\$2.9	19.5%
Nonresident	\$7.9	\$8.3	\$8.9	\$8.6	\$9.5	\$1.6	20.5%
Unclassified <sup>1</sup>	\$5.1	\$6.8	\$7.2	\$8.5	\$8.0	\$2.9	56.8%
Other <sup>2</sup>	\$1.3	\$4.2	\$2.2	\$1.8	\$1.6	\$.3	21.8%
<b>Total Revenues</b>	<b>\$29.4</b>	<b>\$35.1</b>	<b>\$34.3</b>	<b>\$35.8</b>	<b>\$37.1</b>	<b>\$7.7</b>	<b>26.3%</b>

1. Unclassified revenues include online and onsite continuing education credit and other fees such as course fees.
2. Other revenues include but are not limited to sales and services, interest, and indirect cost recoveries

Table 1b – Remissions analysis.

<i>in million dollars</i>	<b>FY 2015</b> (Actuals)	<b>FY 2016</b> (Actuals)	<b>FY 2017</b> (Actuals)	<b>FY 2018</b> (Actuals)	<b>FY 2019</b> (Projections)
Resident	\$3.1	\$2.5	\$3.5	\$3.8	\$4.0
Nonresident	\$0.0	\$0.7	\$0.1	\$0.1	\$0.1
<b>Total remissions</b>	<b>\$3.1</b>	<b>\$3.2</b>	<b>\$3.6</b>	<b>\$3.8</b>	<b>\$4.1</b>
<b>Remissions as percent of receipts</b>					
Resident	20.3	16.0	21.9	22.4	22.4
Nonresident	0.0	8.6	0.8	0.8	0.8

**Financial Ratios:**

Table 2 – Financial ratios (FY 2014 – 2018).

	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
Return on net assets	0.6%	12.2%	82.5%	7.0%	7.2%
Return on net revenues	8.5%	-3.2%	-0.1%	-5.0%	-8.1%
Primary reserve <sup>1</sup>	40.5%	42.6%	49.1%	63.0%	57.4%
Viability ratio	27.9%	30.8%	86.7%	121.8%	122.0%
Composite financial index	2.02	2.36	10.26	3.35	2.63

*How financial ratios are calculated.*

The **return on net assets** measures an institution's total economic return during a fiscal year. This ratio answers the question, "Is the institution better off financially than they were a year ago?"

<sup>1</sup> *Primary reserve* =  $\frac{\text{net expendable assets}}{\text{total operating expenses}}$ , where *net expendable assets* is such that *net assets* – *permanently restricted assets* – *capital assets, net* + *long-term liabilities*. (The viability ratio uses the same form of net expendable assets.)

An institution's operating surplus or deficit in a fiscal year is measured by **return on net revenues**, which answers the question, "Did the institution balance operating expenses with available revenue?"

The **primary reserve ratio** measures an institution's financial strength and flexibility by comparing expendable net assets to total non-current liabilities. The primary ratio answers the question, "How long can the institution survive without additional net assets generated by operating revenue?"

An institution's **viability ratio** measures the financial health of the institution by comparing total expendable net assets to total non-current liabilities. The ratio is similar to a coverage ratio used in the private sector to indicate the ability of an organization to cover its long term debt and answers the question, "How much of their debt can the institution pay off with existing resources?"

### Financial Characteristics:

Table 3 – Selected financial characteristics.

	FY 2014	FY 2015	FY 2016	FY 2017	FY2018
Education and general spending per FTE <sup>2</sup>	\$15,600	\$16,100	\$18,100	\$18,400	\$19,700
Administrative cost ratio (%)	13.3%	14.8%	16.5%	16.6%	20.9%
Student share of education and related spending (%)	34.6%	35.3%	33.4%	33.8%	33.7%
Subsidy share of education and related spending (%)	65.4%	64.7%	66.6%	66.2%	66.3%

*How financial characteristics are calculated.*

**Education and general spending per FTE** is the sum of expenditures by functional classification (instruction, research, public service, institution support, etc.) divided by the institution's total enrollment in terms of full-time equivalents.

The administrative burden of an institution's education and general spending is measured by the **administrative cost ratio**, which is the proportion of institutional support to the total education and general spending in a fiscal year.

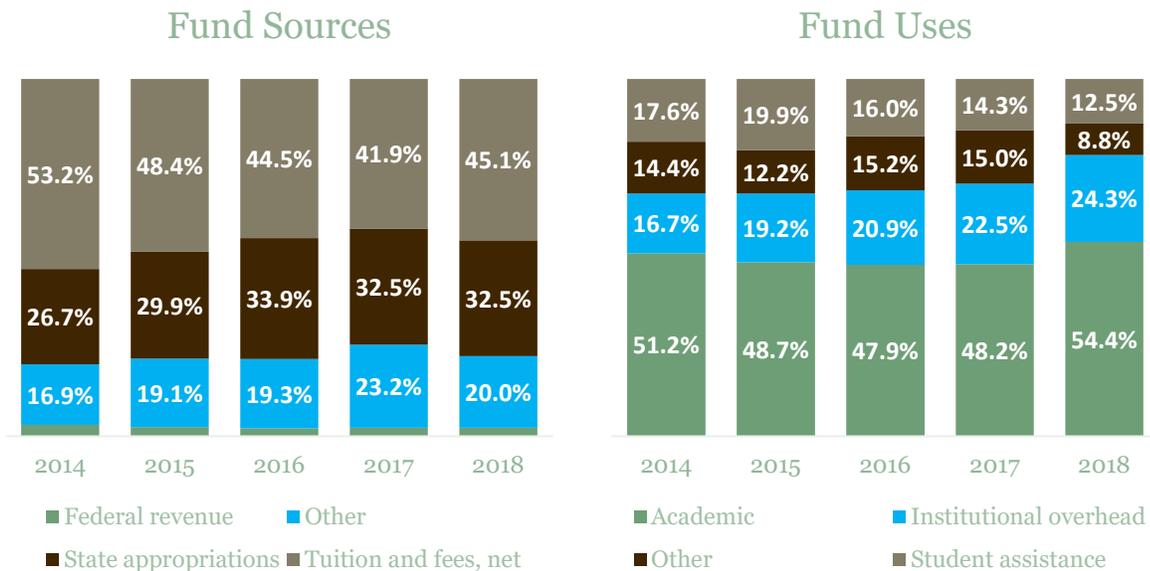
<sup>2</sup> Education and general expenses are those operating expenses as classified under NACUBO functional classifications in the statement of revenue, expenses, and changes in net position.

The **student share** and **state/institution share** measures the responsibility of education and general spending by either the student or institution.

**Docket Item:**

Southern Oregon University – Financial Fact Sheet

**Fund Sources and Uses (operating revenues and expenditures, including state appropriations):**



Institutional overhead includes institution support, foundation provided support and O&M of plant.

**Tuition Revenues (not including state appropriations):**

Table 1a: Resident, nonresident, and unclassified tuition and fees; and other revenues.

<i>in million dollars</i>	FY 2015 (Actuals)	FY 2016 (Actuals)	FY 2017 (Actuals)	FY 2018 (Actuals)	FY 2019 (Projections)	FY 2015 - 2019 Change	
Resident	\$15.8	\$22.6	\$17.5	\$19.6	\$18.2	\$2.5	15.7%
Nonresident	\$11.8	\$13.1	\$15.0	\$16.5	\$14.8	\$3.1	26.0%
Unclassified <sup>1</sup>	\$11.8	\$5.0	\$5.4	\$4.8	\$9.4	-\$2.3	-20.0%
Other <sup>2</sup>	\$1.9	\$2.5	\$4.7	\$4.7	\$3.2	\$1.3	69.6%
<b>Total Revenues</b>	<b>\$41.2</b>	<b>\$43.2</b>	<b>\$42.5</b>	<b>\$45.6</b>	<b>\$45.8</b>	<b>\$4.5</b>	<b>11.0%</b>

1. Unclassified revenues include online and onsite continuing education credit and other fees such as course fees.
2. Other revenues include but are not limited to sales and services, interest, and indirect cost recoveries

Table 1b – Remissions analysis.

<i>in million dollars</i>	<b>FY 2015</b> (Actuals)	<b>FY 2016</b> (Actuals)	<b>FY 2017</b> (Actuals)	<b>FY 2018</b> (Actuals)	<b>FY 2019</b> (Projections)
Resident	\$2.3	\$2.7	\$2.5	\$3.0	\$2.9
Nonresident	\$ .9	\$1.2	\$1.1	\$1.3	\$1.2
<b>Total remissions</b>	<b>\$3.2</b>	<b>\$3.9</b>	<b>\$3.6</b>	<b>\$4.2</b>	<b>\$4.1</b>
<b>Remissions as percent of receipts</b>					
Resident	14.4	12.0	14.4	15.2	15.9
Nonresident	8.0	9.0	7.2	7.7	8.4

**Financial Ratios:**

Table 2 – Financial ratios (FY 2014 – 2018).

	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
Return on net assets	-15.9%	33.5%	73.1%	8.8%	12.7%
Return on net revenues	-16.6%	-1.9%	-14.7%	-5.2%	-2.9%
Primary reserve <sup>1</sup>	13.8%	18.5%	20.2%	38.4%	39.3%
Viability ratio	13.3%	11.3%	43.5%	80.8%	84.6%
Composite financial index	-2.40	3.78	7.07	2.18	2.79

*How financial ratios are calculated.*

The **return on net assets** measures an institution's total economic return during a fiscal year. This ratio answers the question, "Is the institution better off financially than they were a year ago?"

<sup>1</sup>  $Primary\ reserve = \frac{net\ expendable\ assets}{total\ operating\ expenses}$ , where *net expendable assets* is such that *net assets* – *permanently restricted assets* – *capital assets, net* + *long-term liabilities*. (The viability ratio uses the same form of net expendable assets.)

An institution’s operating surplus or deficit in a fiscal year is measured by **return on net revenues**, which answers the question, “Did the institution balance operating expenses with available revenue?”

The **primary reserve ratio** measures an institution’s financial strength and flexibility by comparing expendable net assets to total non-current liabilities. The primary ratio answers the question, “How long can the institution survive without additional net assets generated by operating revenue?”

An institution’s **viability ratio** measures the financial health of the institution by comparing total expendable net assets to total non-current liabilities. The ratio is similar to a coverage ratio used in the private sector to indicate the ability of an organization to cover its long term debt and answers the question, “How much of their debt can the institution pay off with existing resources?”

**Financial Characteristics:**

*Table 3 – Selected financial characteristics.*

	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY2018</b>
Education and general spending per FTE <sup>2</sup>	\$14,500	\$13,400	\$16,500	\$16,400	\$16,400
Administrative cost ratio (%)	11.9%	16.6%	18.1%	19.1%	18.7%
Student share of education and related spending (%)	33.5%	38.2%	27.7%	31.5%	33.1%
Subsidy share of education and related spending (%)	66.5%	61.8%	72.3%	68.5%	66.9%

*How financial characteristics are calculated.*

**Education and general spending per FTE** is the sum of expenditures by functional classification (instruction, research, public service, institution support, etc.) divided by the institution’s total enrollment in terms of full-time equivalents.

The administrative burden of an institution’s education and general spending is measured by the **administrative cost ratio**, which is the proportion of institutional support to the total education and general spending in a fiscal year.

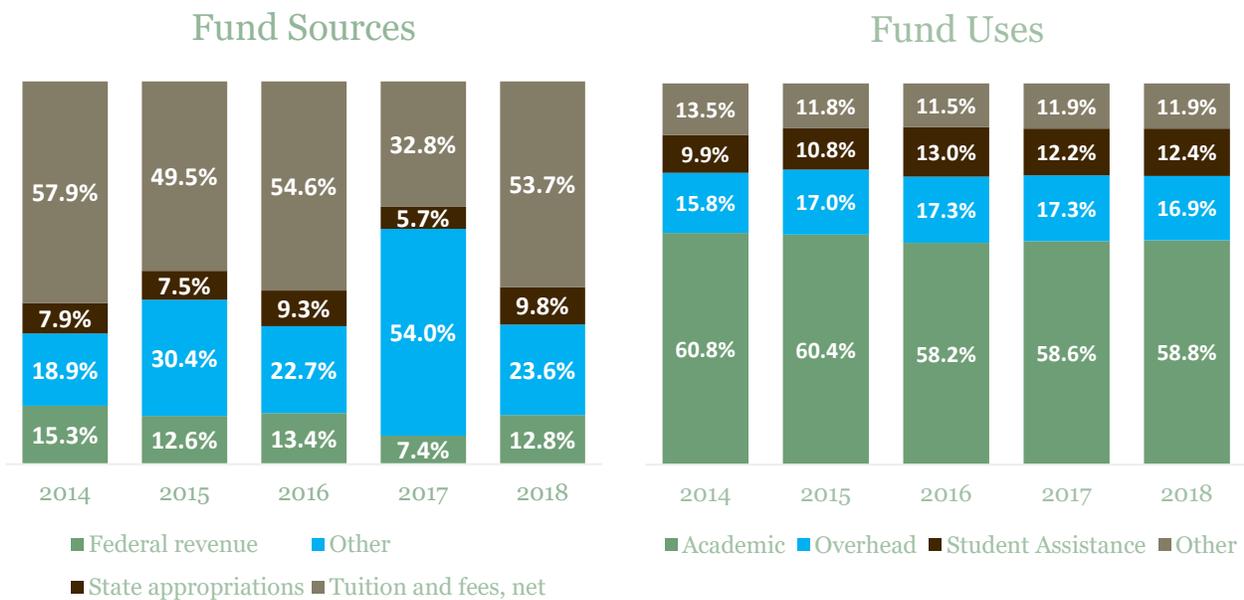
<sup>2</sup> Education and general expenses are those operating expenses as classified under NACUBO functional classifications in the statement of revenue, expenses, and changes in net position.

The **student share** and **state/institution share** measures the responsibility of education and general spending by either the student or institution.

**Docket Item:**

University of Oregon – Financial Fact Sheet

**Fund Sources and Uses (operating revenues and expenditures, including state appropriations):**



Institutional overhead includes institution support, foundation provided support and O&M of plant.

**Tuition Revenues (not including state appropriations):**

Table 1a: Resident, nonresident, and unclassified tuition and fees; and other revenues.

<i>in million dollars</i>	FY 2015 (Actuals)	FY 2016 (Actuals)	FY 2017 (Actuals)	FY 2018 (Actuals)	FY 2019 (Projections)	FY 2015 - 2019 Change	
Resident	\$107.0	\$132.7	\$133.8	\$142.2	\$146.5	\$39.5	37.0%
Nonresident	\$249.4	\$299.0	\$305.8	\$313.7	\$321.8	\$72.4	29.0%
Unclassified <sup>1</sup>	\$50.6	\$19.7	\$38.8	\$36.0	\$34.5	-\$16.1	-31.7%
Other <sup>2</sup>	\$29.9	\$29.5	\$43.7	\$40.1	\$39.9	\$9.9	33.1%
<b>Total Revenues</b>	<b>\$436.9</b>	<b>\$481.0</b>	<b>\$522.1</b>	<b>\$532.0</b>	<b>\$542.7</b>	<b>\$105.8</b>	<b>24.2%</b>

1. Unclassified revenues include online and onsite continuing education credit and other fees such as course fees.
2. Other revenues include but are not limited to sales and services, interest, and indirect cost recoveries.

Table 1b – Remissions analysis.

<i>in million dollars</i>	<b>FY 2015</b> (Actuals)	<b>FY 2016</b> (Actuals)	<b>FY 2017</b> (Actuals)	<b>FY 2018</b> (Actuals)	<b>FY 2019</b> (Projections)
Resident	\$21.2	\$41.1	\$47.0	\$43.1	\$44.9
Nonresident	\$12.6	\$22.8	\$21.7	\$20.2	\$21.0
<b>Total remissions</b>	<b>\$33.8</b>	<b>\$63.9</b>	<b>\$68.7</b>	<b>\$63.4</b>	<b>\$65.9</b>
<b>Remissions as percent of receipts</b>					
Resident	19.8	31	35.1	30.3	30.6
Nonresident	5.0	7.6	7.1	6.5	6.5

**Financial Ratios:**

Table 2 – Financial ratios (FY 2014 – 2018).

	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
Return on net assets	11.00%	9.50%	-1.30%	29.20%	2.40%
Return on net revenues	-2.0%	1.4%	-9.3%	-2.9%	-4.6%
Primary reserve <sup>1</sup>	68.3%	72.3%	52.4%	70.1%	69.3%
Viability ratio	80.5%	98.4%	71.4%	100.0%	97.9%
Composite financial index	3.43	3.79	1.13	5.40	2.53

*How financial ratios are calculated.*

The **return on net assets** measures an institution's total economic return during a fiscal year. This ratio answers the question, "Is the institution better off financially than they were a year ago?"

<sup>1</sup>  $Primary\ reserve = \frac{net\ expendable\ assets}{total\ operating\ expenses}$ , where *net expendable assets* is such that *net assets* – *permanently restricted assets* – *capital assets, net* + *long-term liabilities*. (The viability ratio uses the same form of net expendable assets.)

An institution’s operating surplus or deficit in a fiscal year is measured by **return on net revenues**, which answers the question, “Did the institution balance operating expenses with available revenue?”

The **primary reserve ratio** measures an institution’s financial strength and flexibility by comparing expendable net assets to total non-current liabilities. The primary ratio answers the question, “How long can the institution survive without additional net assets generated by operating revenue?”

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**Financial Characteristics:**

*Table 3 – Selected financial characteristics.*

	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY2018</b>
Education and general spending per FTE <sup>2</sup>	\$23,400	\$25,900	\$26,700	\$27,400	\$29,100
Administrative cost ratio (%)	13.2%	14.3%	14.4%	15.1%	15.1%
Student share of education and related spending (%)	82.0%	77.9%	77.7%	77.8%	77.2%
Subsidy share of education and related spending (%)	18.0%	22.1%	22.3%	22.2%	22.8%

*How financial characteristics are calculated.*

**Education and general spending per FTE** is the sum of expenditures by functional classification (instruction, research, public service, institution support, etc.) divided by the institution’s total enrollment in terms of full-time equivalents.

The administrative burden of an institution’s education and general spending is measured by the **administrative cost ratio**, which is the proportion of institutional support to the total education and general spending in a fiscal year.

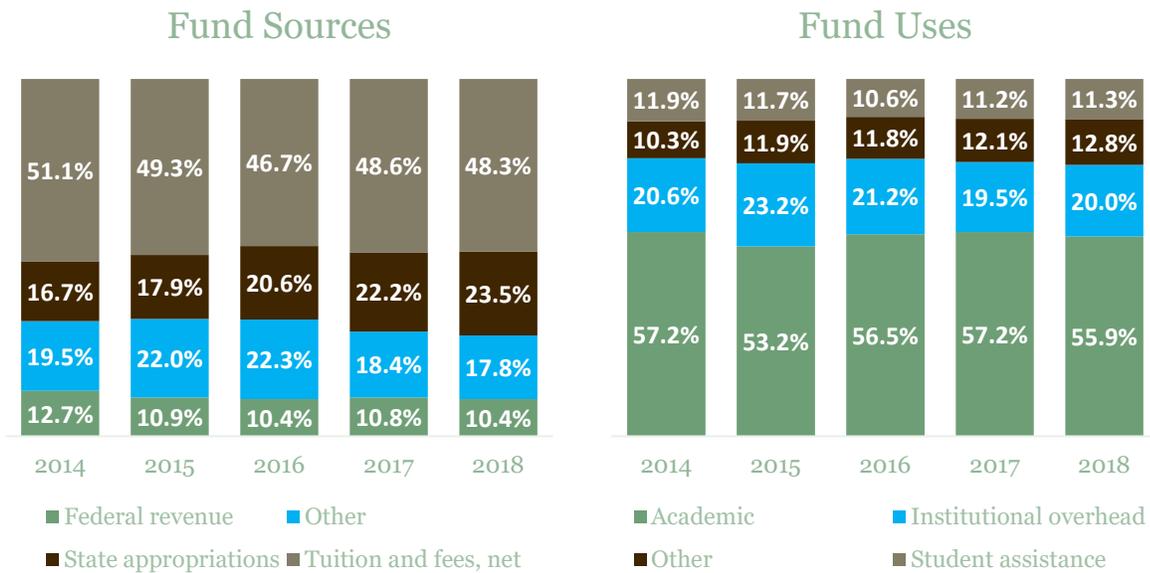
<sup>2</sup> Education and general expenses are those operating expenses as classified under NACUBO functional classifications in the statement of revenue, expenses, and changes in net position.

The **student share** and **state/institution share** measures the responsibility of education and general spending by either the student or institution.

**Docket Item:**

Portland State University – Financial Fact Sheet

**Fund Sources and Uses (operating revenues and expenditures, including state appropriations):**



Institutional overhead includes institution support, foundation provided support and O&M of plant.

**Tuition Revenues (not including state appropriations):**

Table 1a: Resident, nonresident, and unclassified tuition and fees; and other revenues.

<i>in million dollars</i>	FY 2015 (Actuals)	FY 2016 (Actuals)	FY 2017 (Actuals)	FY 2018 (Actuals)	FY 2019 (Projections)	FY 2015 - 2019 Change	
Resident	\$125.5	\$128.6	\$133.2	\$134.1	\$139.8	\$14.3	11.4%
Nonresident	\$68.4	\$74.4	\$76.5	\$80.9	\$78.5	\$10.1	14.7%
Unclassified <sup>1</sup>	\$30.0	\$28.2	\$26.4	\$27.8	\$27.1	-\$2.9	-9.6%
Other <sup>2</sup>	\$22.7	\$24.3	\$25.2	\$23.9	\$24.4	\$1.7	7.6%
<b>Total Revenues</b>	<b>\$246.6</b>	<b>\$255.5</b>	<b>\$261.3</b>	<b>\$266.7</b>	<b>\$269.8</b>	<b>\$23.2</b>	<b>9.4%</b>

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Table 1b – Remissions analysis.

<i>in million dollars</i>	<b>FY 2015</b> (Actuals)	<b>FY 2016</b> (Actuals)	<b>FY 2017</b> (Actuals)	<b>FY 2018</b> (Actuals)	<b>FY 2019</b> (Projections)
Resident	\$9.0	\$9.0	\$9.8	\$12.2	\$12.5
Nonresident	\$8.5	\$9.6	\$10.8	\$10.5	\$10.8
<b>Total remissions</b>	<b>\$17.5</b>	<b>\$18.6</b>	<b>\$20.5</b>	<b>\$22.7</b>	<b>\$23.3</b>
<b>Remissions as percent of receipts</b>					
Resident	7.2	7.0	7.3	9.1	9.0
Nonresident	12.4	12.9	14.1	13.0	13.7

**Financial Ratios:**

Table 2 – Financial ratios (FY 2014 – 2018).

	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
Return on net assets	3.8%	56.6%	2.9%	12.4%	1.3%
Return on net revenues	-6.6%	3.5%	-4.6%	-1.6%	-5.1%
Primary reserve <sup>1</sup>	19.1%	17.7%	23.1%	43.5%	39.8%
Viability ratio	24.7%	35.7%	49.4%	93.9%	96.6%
Composite financial index	0.58	6.69	0.96	3.06	1.59

*How financial ratios are calculated.*

<sup>1</sup>  $Primary\ reserve = \frac{net\ expendable\ assets}{total\ operating\ expenses}$ , where *net expendable assets* is such that *net assets* – *permanently restricted assets* – *capital assets, net* + *long-term liabilities*. (The viability ratio uses the same form of net expendable assets.)

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**Financial Characteristics:**

*Table 3 – Selected financial characteristics.*

	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY2018</b>
Education and general spending per FTE <sup>2</sup>	\$16,500	\$16,000	\$19,600	\$19,100	\$20,200
Administrative cost ratio (%)	15.8%	17.6%	18.6%	18.1%	18.4%
Student share of education and related spending (%)	52.8%	58.5%	47.0%	50.7%	47.7%
Subsidy share of education and related spending (%)	47.2%	41.5%	53.0%	49.3%	52.3%

*How financial characteristics are calculated.*

**Education and general spending per FTE** is the sum of expenditures by functional classification (instruction, research, public service, institution support, etc.) divided by the institution’s total enrollment in terms of full-time equivalents.

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