

Background

The seven public universities in Oregon are not considered state agencies. However, under Oregon Revised Statute (ORS) 352.033, they are considered governmental entities. The state's comprehensive annual financial report notes they are "public bodies legally separate from the state." They are complex organizations with their own housing, food service, healthcare services, and often their own police force responsible for over eighteen million square feet of space in over 800 buildings serving all 36 Oregon counties. They are eligible for state backed bonds for capital construction.

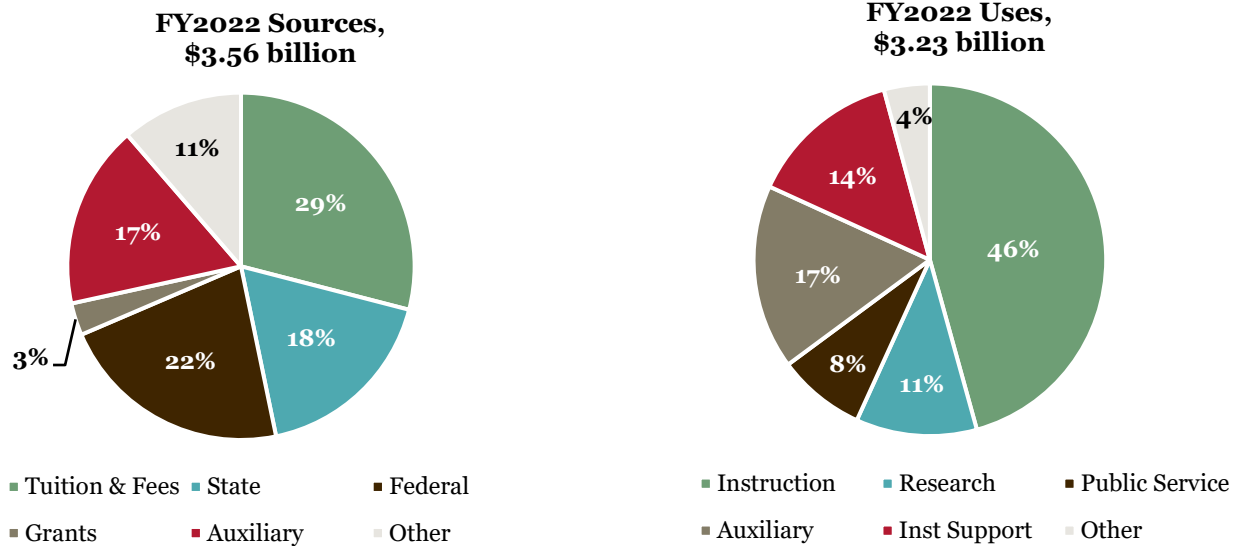
Each university has an independent governing board with members appointed by the Governor. The board has the ultimate authority over institutional finances including the viability, sufficiency, and sustainability of the institution across all funding sources. Donations are received by affiliated nonprofit foundations. The foundations are included as a component unit within the university's annual financial report. The universities are required to publish an annual financial report that has been externally audited.

	Commercial Enterprise	Public University
Purpose	Increasing shareholder value	Service objectives
Operations	Resources obtained through market competition	Resources obtained with restrictions
Accountability	Shareholders or owners	Partners and resource providers
Funding Restrictions	Few, if any	<ul style="list-style-type: none"> • Resource providers direct use • Purpose and time restrictions • Separately monitored

The universities use a system called fund accounting, which is commonly used to track activity by legal requirement or intended purpose. Each fund is a separate set of self-balancing accounts. Fund accounting helps facilitate accountability and required reporting. Although not exhaustive, the most common funds include:

- **General Fund** – this is sometimes called the Education & General (E&G) fund. This includes activities for instruction, research, and public service functions.
- **Restricted Fund(s)** – used to track grant funding which is often research related but could include grants from other sources.
- **Auxiliary Fund** – related to food service, housing, athletics, and retail operations.
- **Plant Fund** – related to physical plant (buildings) and other capital activity.

Sources and Uses of Funding



When considering all funds, the largest source of revenue, at 29% of the total, is tuition and fees with students contributing more than \$1 billion in revenue during FY2022. Non-resident rates are higher since state funding is based on residency. Tuition and fees are often discounted with the average discount rate being 14% or about \$2,400 per student. Tuition setting is complex with ORS 352.103 laying out requirements for an annual process.

Collectively, the universities are more dependent upon tuition and fee revenue than in years past. When looking only at the general fund, tuition and fee revenue makes up about 65% with state appropriations comprising 26%. The state provided a larger share in previous decades.

The largest expense is instruction and related academic support. The largest expense by natural classification is personnel costs including wages and benefits which make up about 80% of all spending. Some expenses are outside the control of the university like PERS rates.

Federal Funding

The federal government is an important funding partner. The funding flows directly to the universities with much of it used for student financial aid (48%) and research (31%) as shown below. The universities collected a total of \$1.2 billion in federal revenue during FY2022 included above.

Student Aid Loans	Student Aid Grants	Research	Pandemic	Other	Total, FY2022
451,438,952	115,206,220	369,349,803	173,338,913	68,782,118	\$1,178,116,006
38%	10%	31%	15%	6%	