

# Public University Budgeting

House Higher Education and  
Workforce Development  
Committee

February 21, 2017



# Public University Budgeting 2017

Today's Presentation Will Cover

- Overview of Student Populations and Economic Impacts
- State Budget History
- Institutional Budget Structure



Oregon TECH

OSU  
Oregon State  
UNIVERSITY



SO  
Southern Oregon  
UNIVERSITY

O  
UNIVERSITY OF  
OREGON

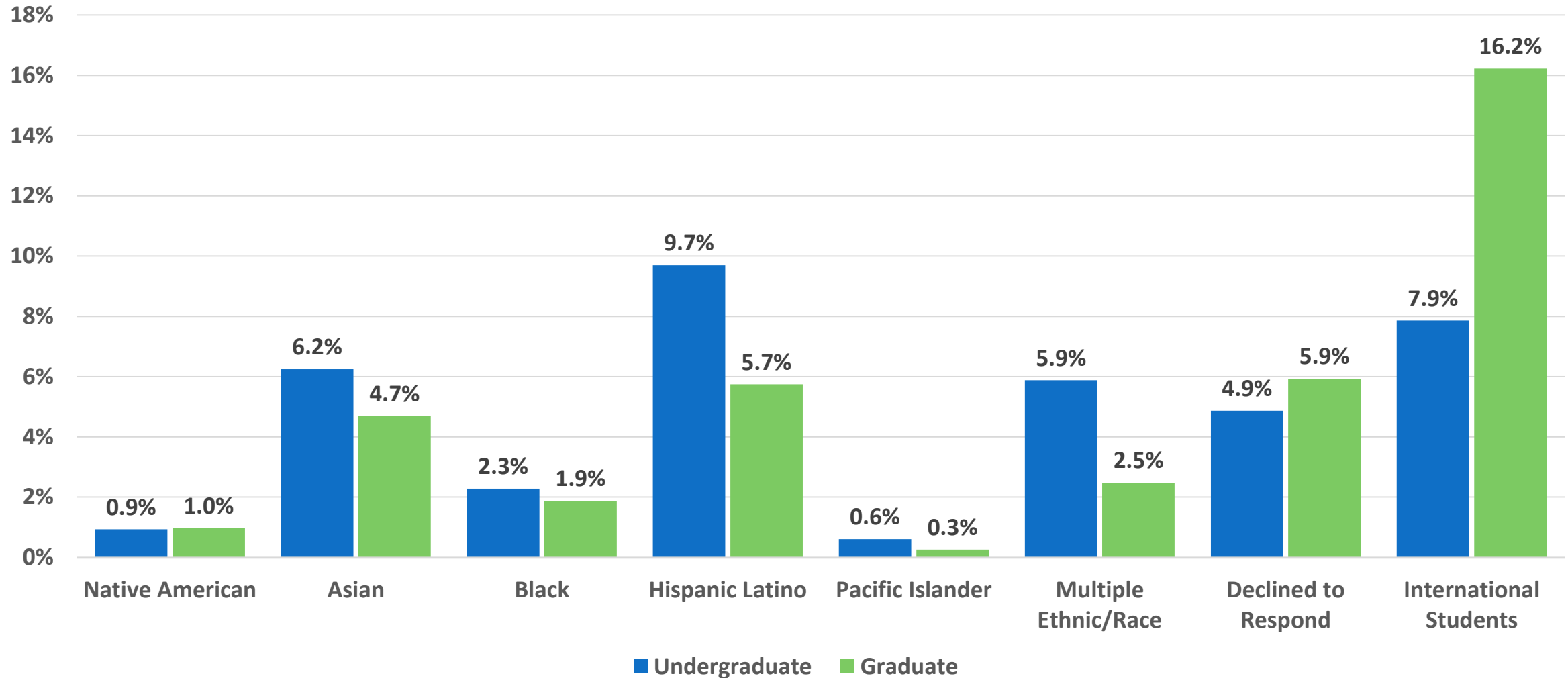


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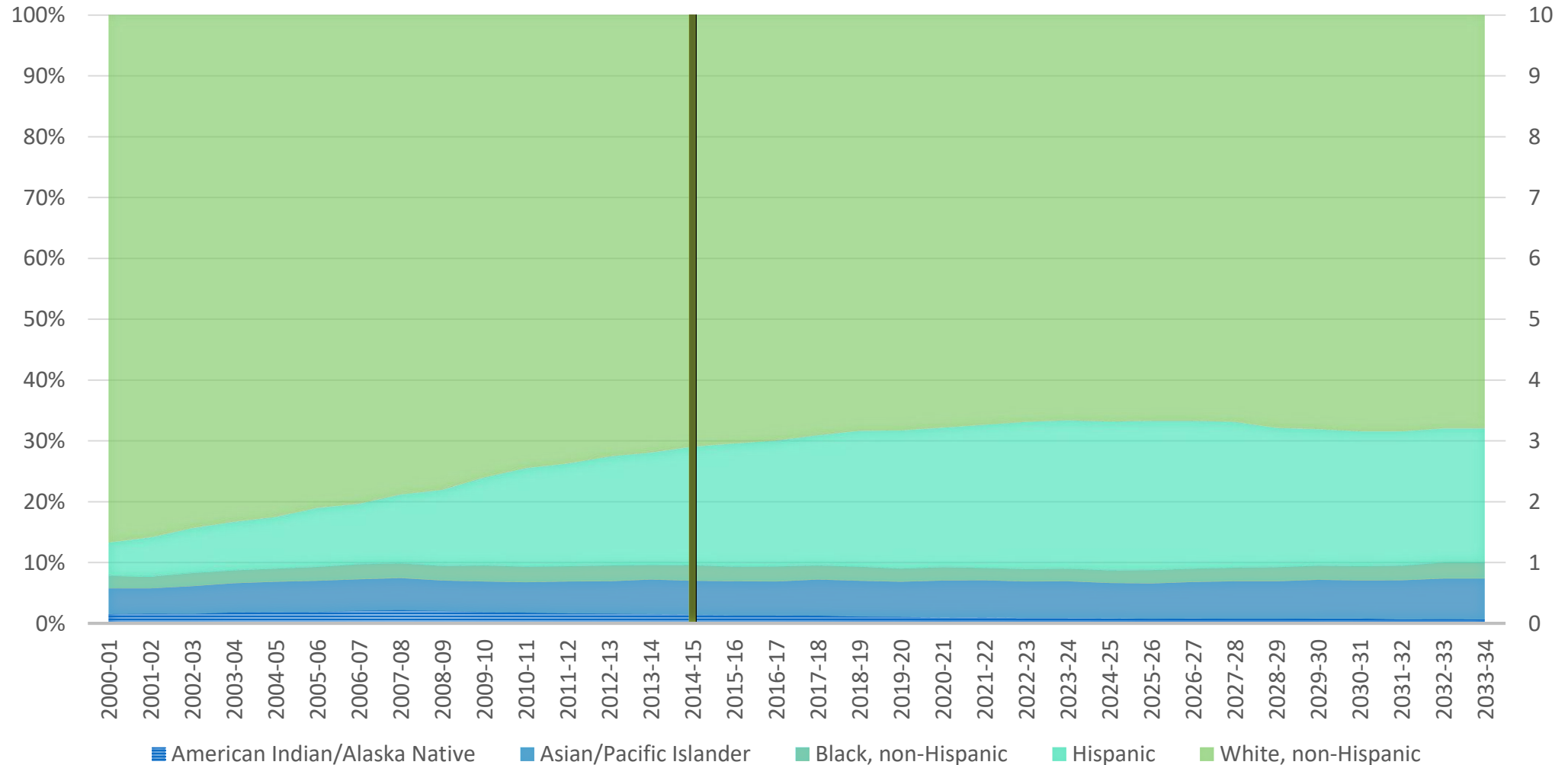
# Public University Budgeting 2017

## Overview of Student Populations and Economic Impacts

# Public University Enrollment by Race/Ethnicity



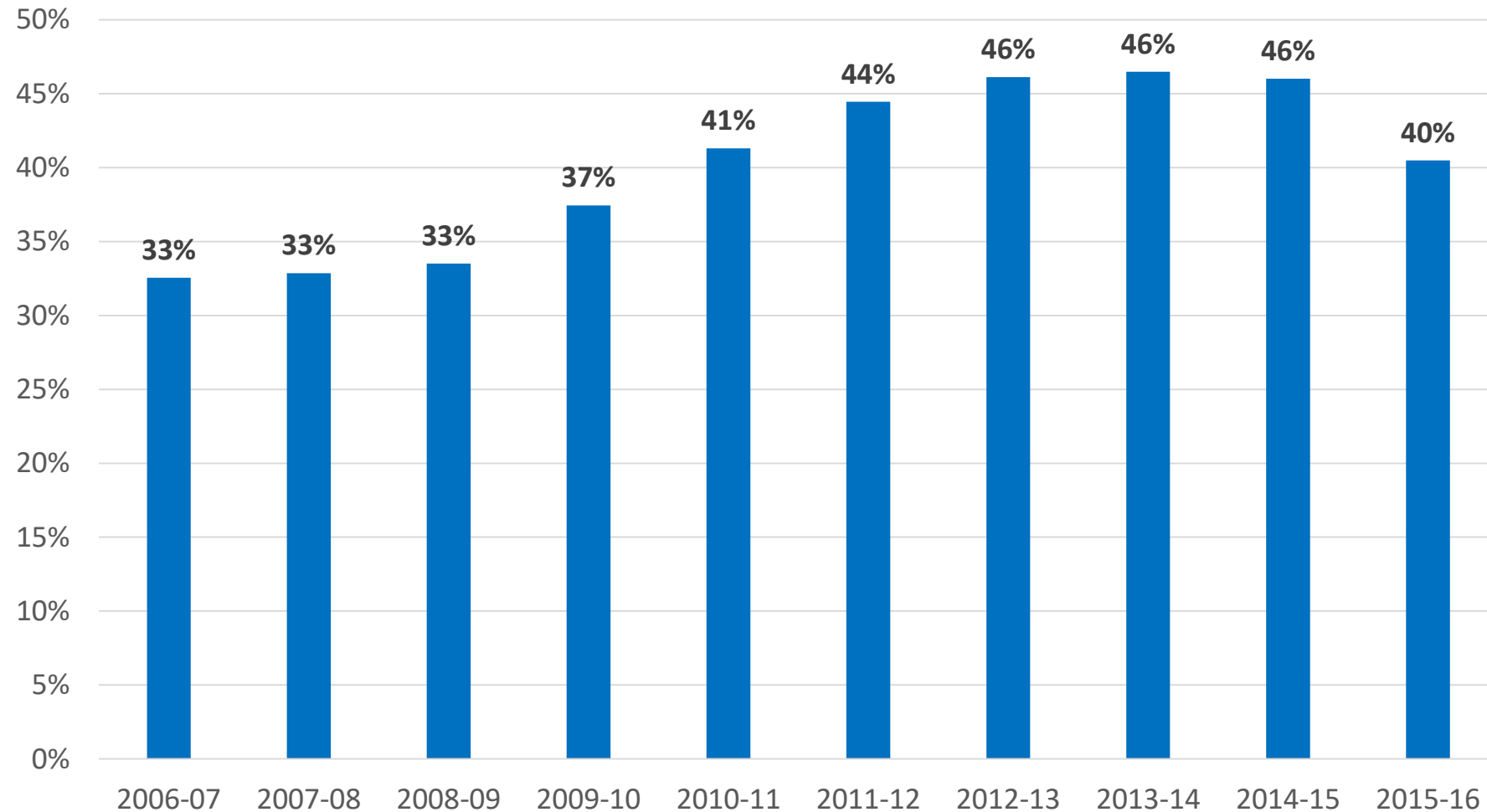
# Future Oregon High School Graduates by Ethnicity



2015 Forecast

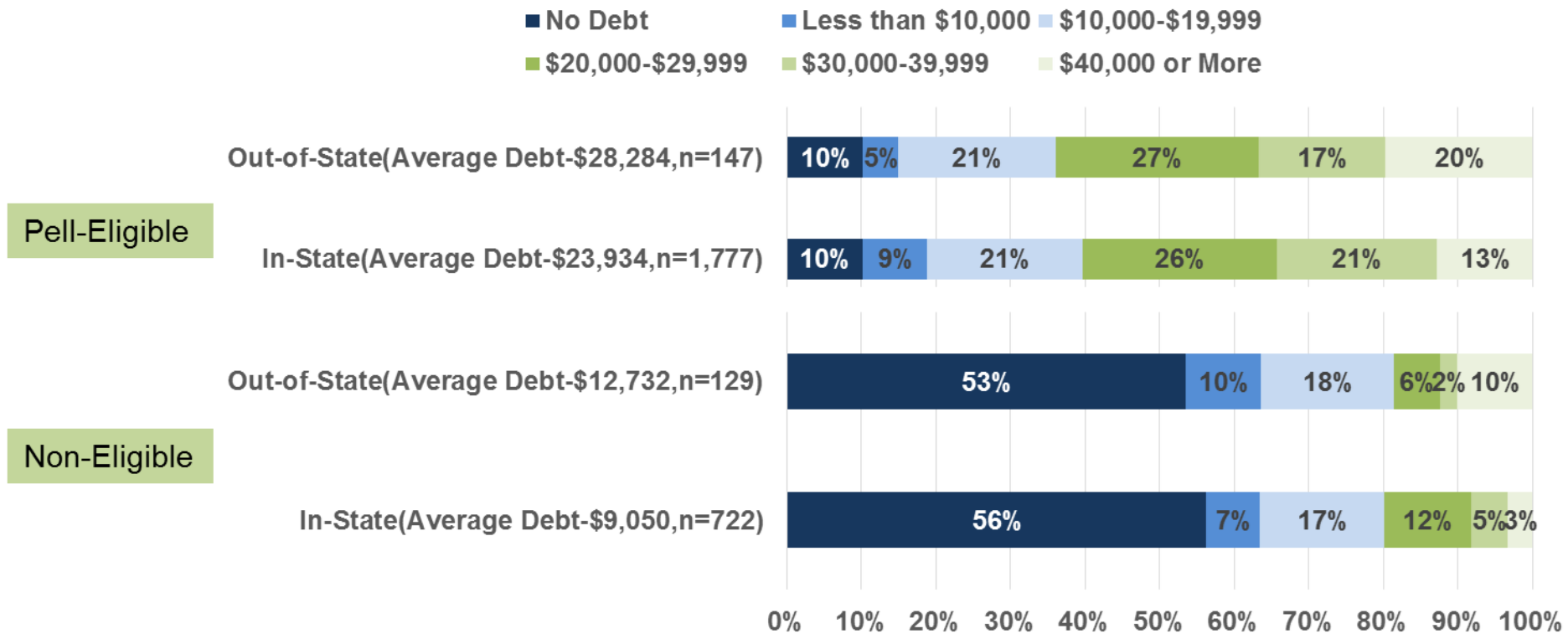
# Pell Eligible Resident Students – all Public Universities

as a % of total resident student FTE



# Student Debt – by Pell Eligibility – Portland State University

Cumulative Debt of 2014-15 Transfer Graduates by Pell Grant Eligible Status



# Portland State University Economic Development



## Top 10 Employers of PSU Alumni:

- Intel Corp.
- Oregon Health & Science University
- Nike
- Portland Community College
- Providence Health & Services
- Portland Public Schools
- State of Oregon
- Multnomah County
- Kaiser Permanente
- City of Portland

The Portland State Business Accelerator won “Best University Accelerator in U.S.” in 2015.



# Eastern Oregon University Economic Impact

- Third-largest employer in Union County
- Over 300 locally employed residents
- \$44 million budget results in \$110 million spent in the local economy
  - Business with vendors in Union, Baker, Umatilla, and Wallowa Counties exceeds \$4.1 million
  - Business with vendors in other counties statewide exceeds \$2.7 million
- Average postgraduate salary: \$37,200
- Operates Eastern Oregon Head Start
- Operates Small Business Development Center that has supported public health and alternative energy companies



## Top 10 Employers in the U.S. (2016)

|                              |     |
|------------------------------|-----|
| Boeing                       | 250 |
| Intel Corporation            | 239 |
| Jeld-Wen                     | 83  |
| Providence Health & Services | 53  |
| Sky Lakes Medical Center     | 52  |
| Kaiser Permanente            | 44  |
| Daimler Trucks North America | 43  |
| IGT                          | 43  |
| Hewlett Packard Enterprise   | 39  |
| Microsoft                    | 37  |

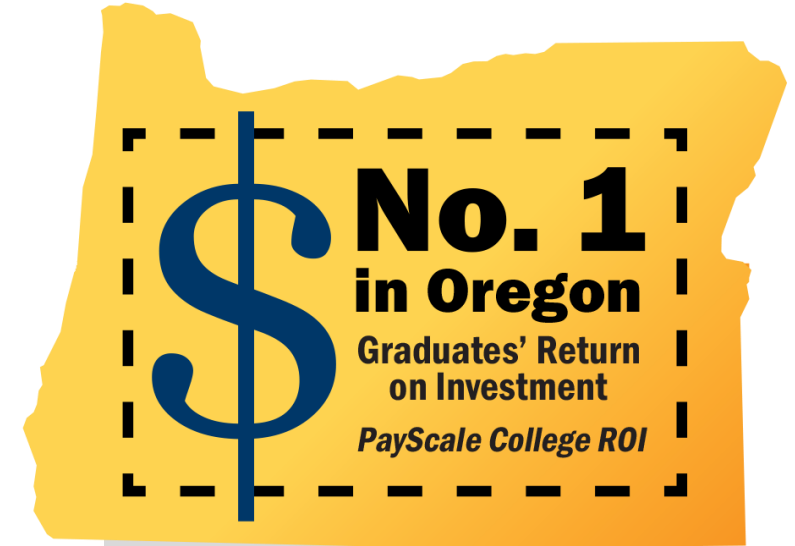
# Oregon TECH

## ROI

### Economic Impact:

(EcoNW 2016)

- \$75 million annually and ~700 jobs in Klamath County
- \$32 million annually and ~ 300 jobs in Portland Metro



Average graduate  
starting salaries of  
**\$54,000/year**

**90% employed** or  
enrolled in graduate  
school within 6 months  
after graduating



# Oregon State University's economic impact

**\$2.232 billion** – 2014 Oregon economic impact; 15% increase since 2011

- **Statewide 2014 economic impact:**

- \$1.334 billion in Benton and Linn counties
- \$898 million throughout the rest of Oregon\*

*(\*\$402 million in Portland region)*

- **31,660 jobs** – Created in 2014 by OSU activities
- **\$336 million** – FY16 OSU grant-funded research
- **\$750 million** – FY16 annual impact of OSU research
- **OSU-Cascades' statewide economic impact**

**In 2024:**

- \$197.8 million
- \$72.7 million in wages
- 2,083 jobs
- \$3.4 million/OR income taxes

**In 2034:**

- \$273.7 million
- \$98.6 million in wages
- 3,662 jobs
- 3,662 jobs

# Southern Oregon University Economic Impact



- **85%** of graduates **employed** one year after graduating
- **78%** employed in **Oregon** and **2/3** in rural **Jackson/ Josephine Counties**
- **91% (\$95 Million)** SOU's expenditures **spent in Jackson/Josephine** county
- **\$195.4 Million/year** overall economic activity generated for Southern Oregon
- **1,767 Jobs** created directly and indirectly
- **\$26.3 Million** brought into the local economy from out of state
- **\$2.05 multiplier/** \$2.05 dollars created in local GDP for every \$1 spent by SOU

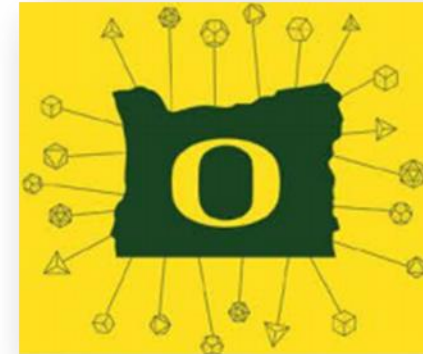
# Western Oregon University Economic Impact



- Completed four major construction projects since 2010 at a cost of approximately **\$80 million**, creating nearly **640 new jobs**
- 2016 salaries and benefits approximately **\$68 million**
- Paid to approximately **2,300** employees
- Approximately **2,200**, or 97%, of WOU employees live in Polk County and the surrounding region
- WOU generated **134 licensed teachers** in the 2015-2016 academic year, and is on track to generate **169 licensed teachers** in 2016-17

# University of Oregon Economic Impact

- **10,270** people employed by UO
- **22,852** total jobs created by UO activities
- **\$52.1** millions spent by visitors
- **\$462.7** millions in revenue generated from outside the state
- **\$9.1** million in licensing revenue created by UO in FY14
- **\$117** million in sponsored research projects
- **26** UO affiliated start-up companies





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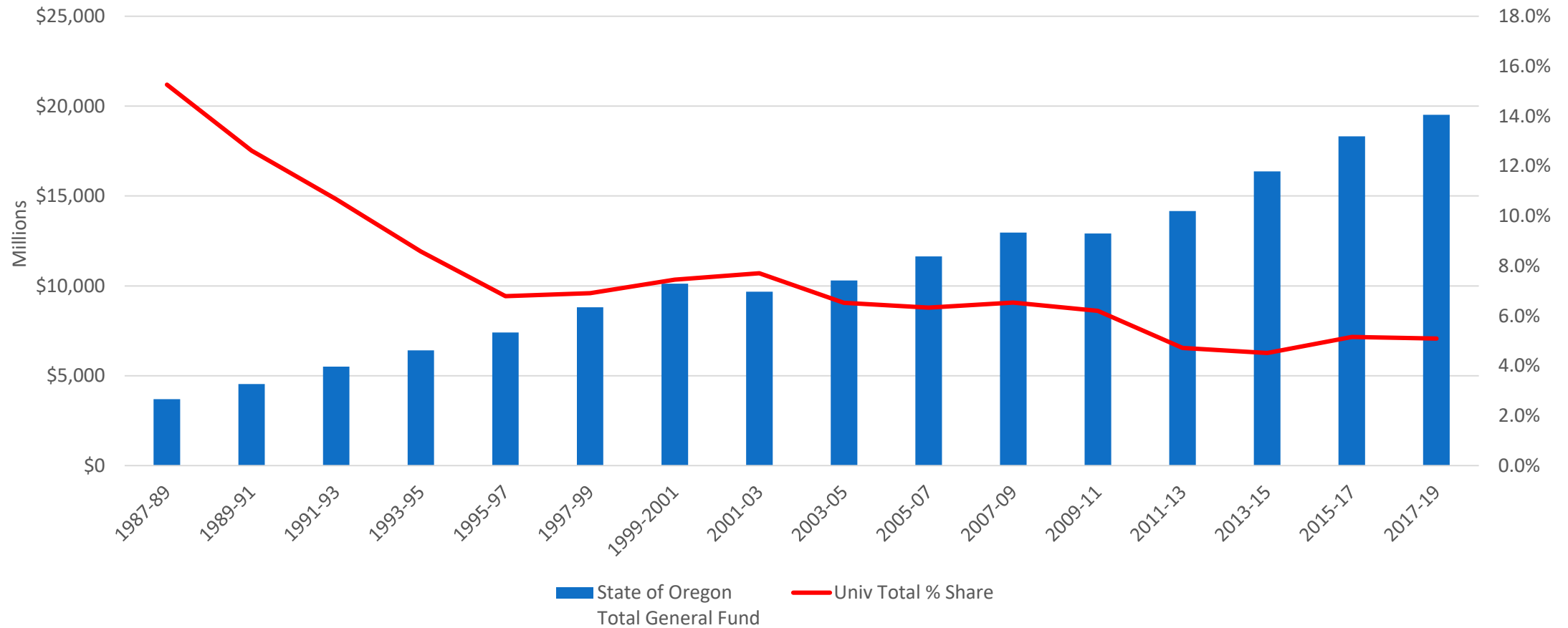


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# Public University Budgeting 2017

## State Budget History

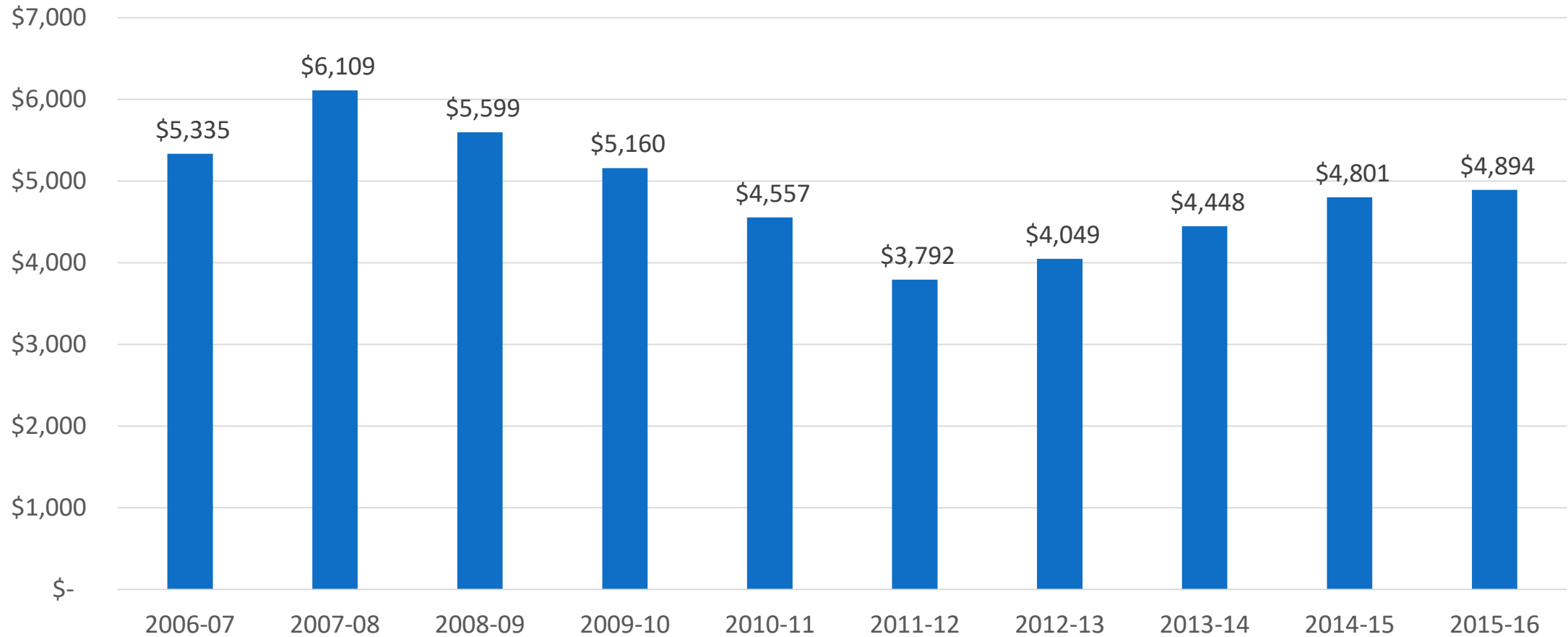
# Public University Funding<sup>1</sup> as % of State Budget



<sup>1</sup>Public University state funding includes total state general fund support.



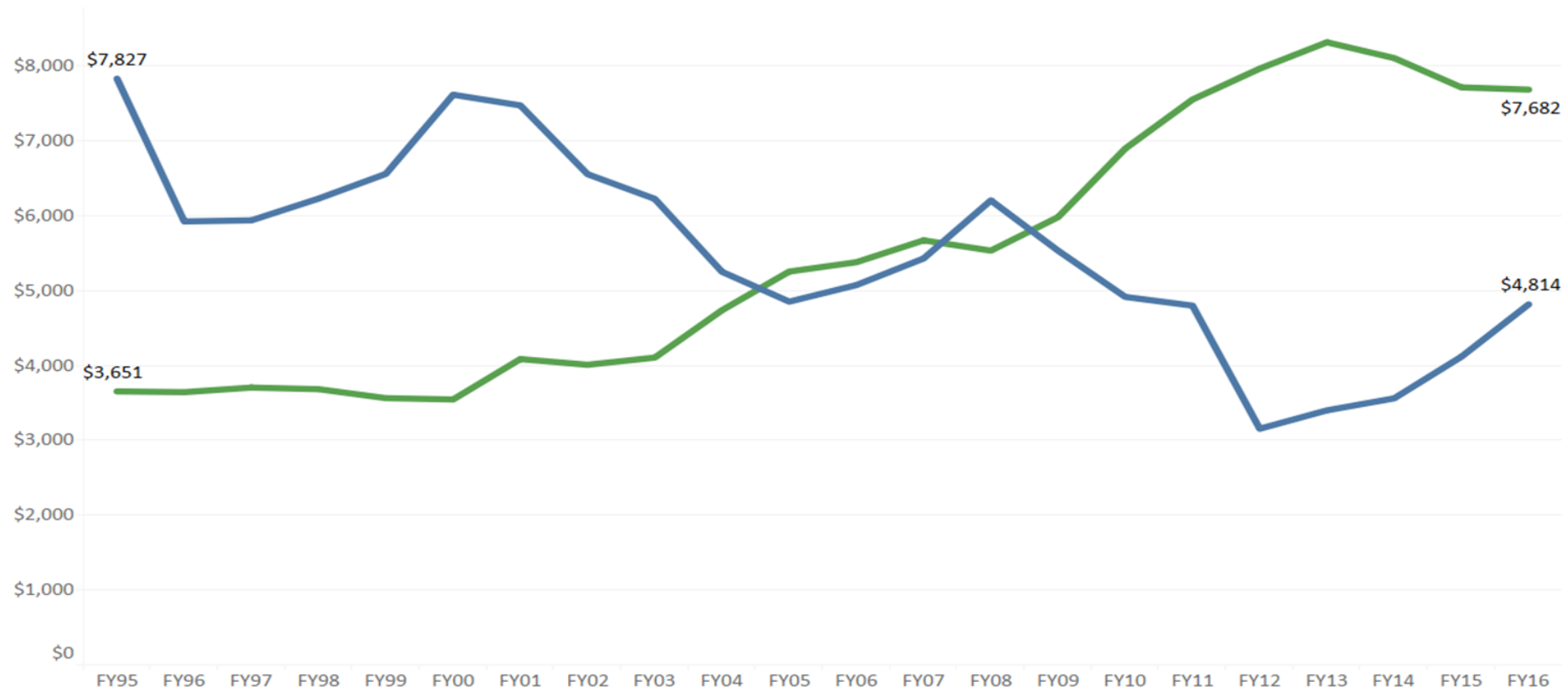
# Education & General State Appropriations<sup>1</sup> per Student FTE



<sup>1</sup>Education & General state appropriations includes PUSF and State Programs. Debt service, capital construction and statewide public services are not included.

## State Appropriation and Resident Tuition Revenue per Resident Student FTE

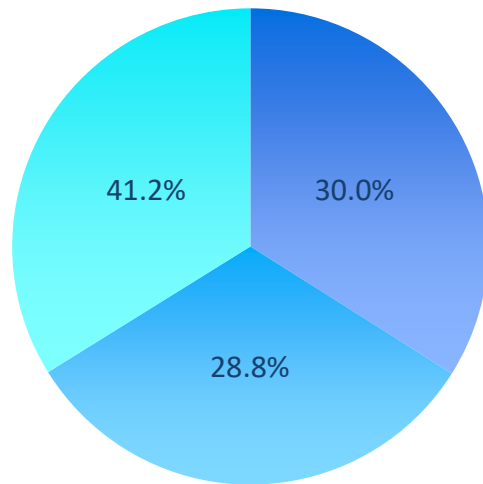
■ State Appropriation per FTE  
 ■ Tuition Revenue per FTE



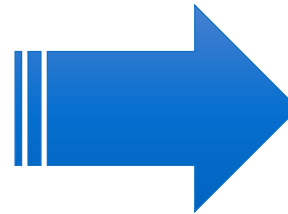
The chart compares state appropriation and resident tuition revenue on a per student FTE basis. Figures are expressed in CPI-adjusted 2016 dollars.  
 Source: UO Office of Institutional Research.

# Reduced (per student) State Support = Greater Dependency on Tuition Revenue

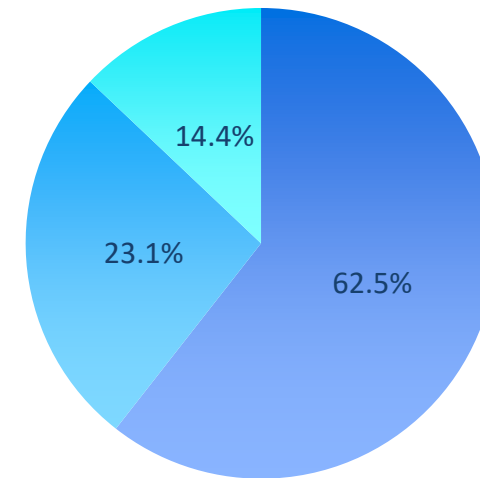
**FY2004 – Revenue Breakdown**



- Nonresident Tuition as % of Total Three sources
- Resident Tuition as % of Total Three sources
- State Appropriation as % of Total Three sources



**FY2016 – Revenue Breakdown**



- Non-Resident Tuition as % of Total Three Sources
- Resident Tuition as % of Total Three Sources
- State Appropriation as % of Total Three Sources



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# Public University Budgeting 2017

## Institutional Budget Structure

# How Public University Budgets Work

## Education & General Fund (E&G)

- Tuition revenue
- State appropriation
- \*Facilities & Administration (F&A) return
- Overhead revenue
- Fee revenue and interest earnings

School & college budgets

Central admin. budgets

Institutional expenses (debt, assessments, utilities, leases)

## Other Funds

- Grants and contracts revenue
- Auxiliary revenue (housing, food service, athletics, etc.)
- Service Center revenue
- Designated operations revenue
- Restricted gifts

Grants and contracts

Plant funds

Restricted gifts

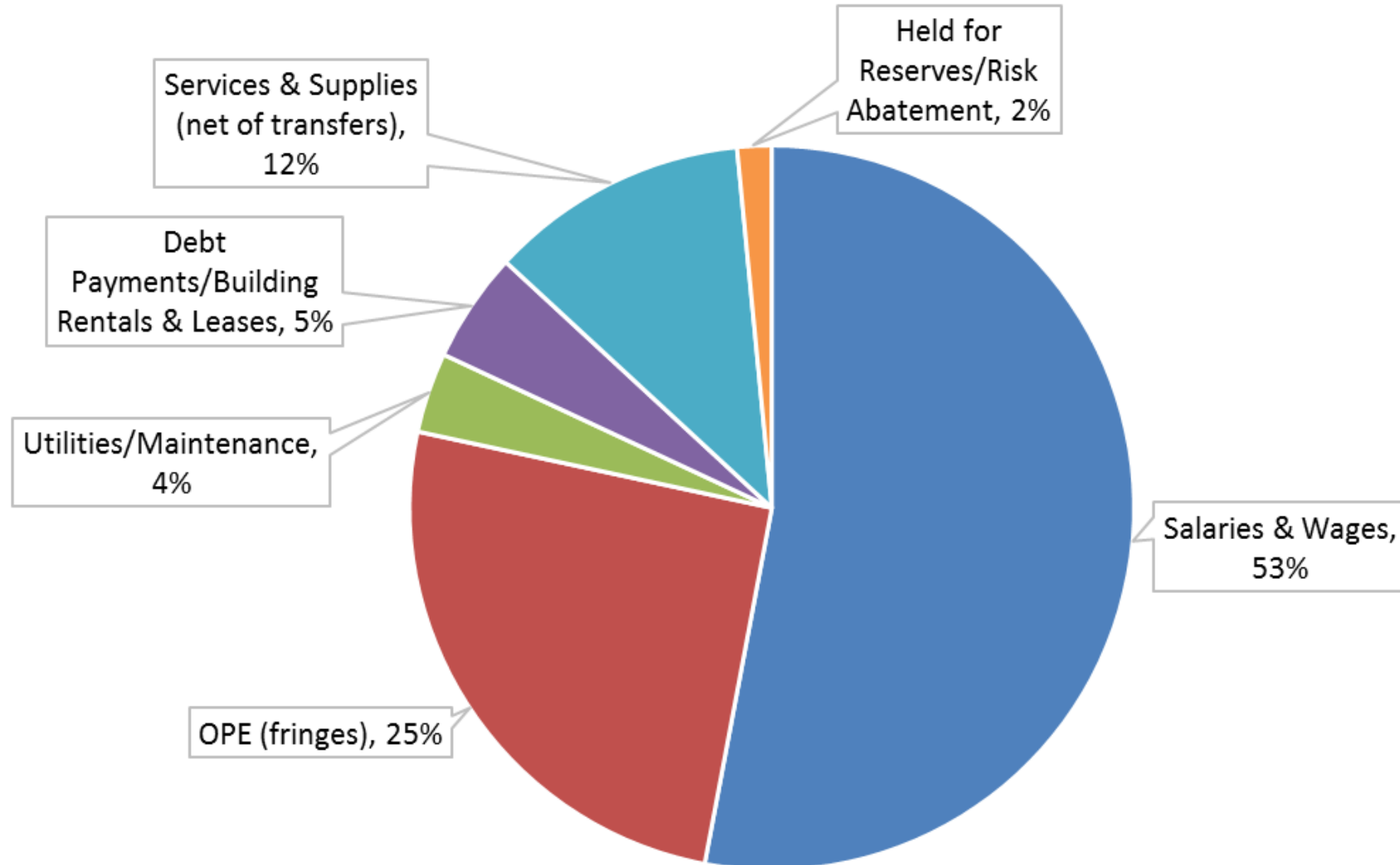
Auxiliary, service centers, & designated ops funds

\*A F&A rate is the federally approved rate for reimbursement of facilities and administrative costs on sponsored projects.

# State Funding in PSU's Budget

|                                  | <b>FY 2016-17</b>   |
|----------------------------------|---|
| All-Funds Budget                 | \$568.8 million   |
| Education & General Funds Budget | \$325.5 million   |
| State Funding to PSU             | <b>\$88.8 million</b><br>27% of E&G<br>15.6% of All-Funds |

# PSU's 2016-17 E&G Budget - Uses



# PSU: FY2018 Current Service Level (CSL) Cost Drivers

| COST DRIVER                     |                       |
|---------------------------------|-----------------------|
| Salary and Wages                | \$4.1 million         |
| Minimum Wage                    | \$680 thousand        |
| Health Care (PEBB)              | \$447 thousand        |
| Retirement (PERS)               | \$5.2 million         |
| Other Payroll Expenses (Taxes)  | \$1 million           |
| Services and Supplies Inflation | \$1.1 million         |
| <b>Total</b>                    | <b>\$12.5 million</b> |

CSL for FY2018 is budget +4.2%





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# Investments in Student Success and Safety



Oregon **TECH**

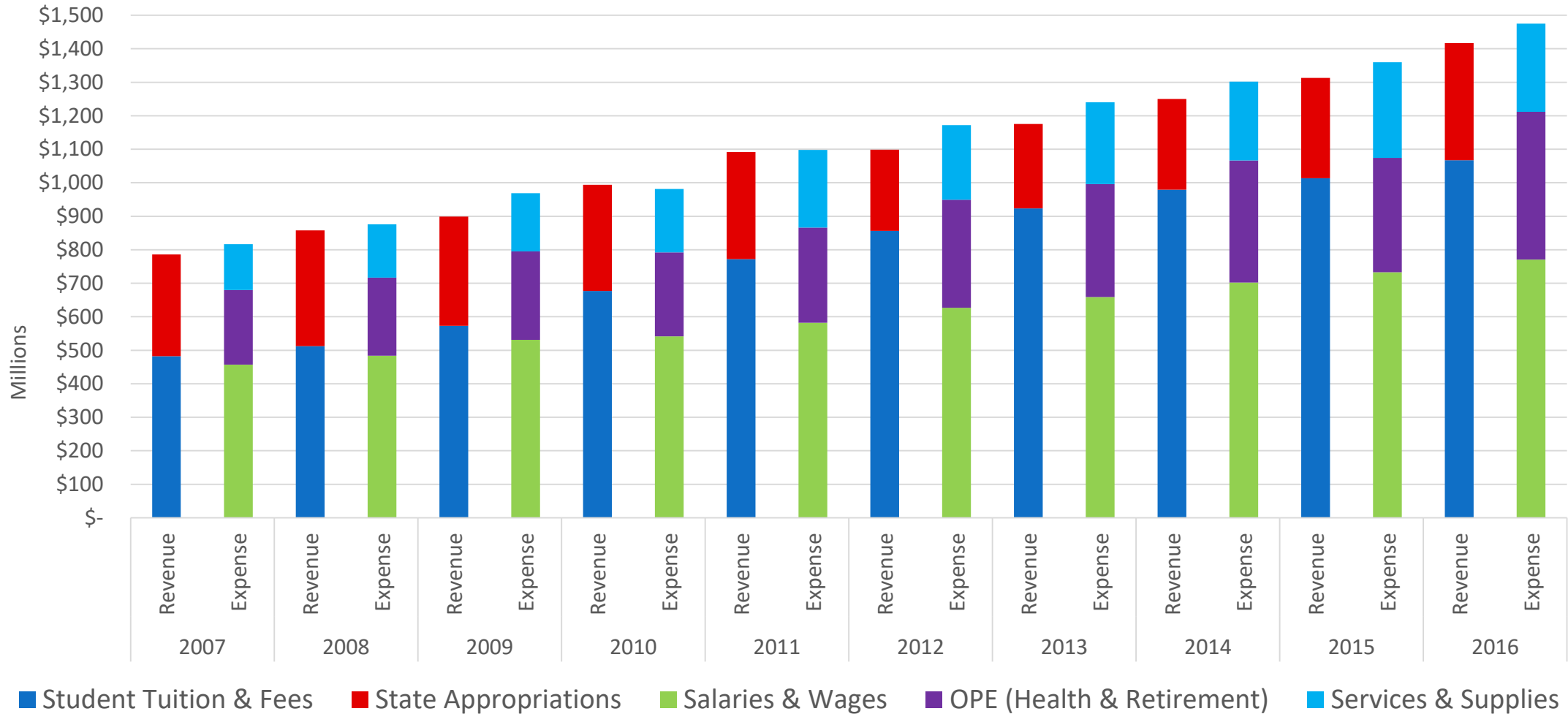
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# Conclusion

# Public University Education & General Expenses to Revenues



# Public University Budgeting 2017

| State Appropriations for Public University Operations & Student Support (in millions) | Public University Support Fund | State Programs <sup>1</sup> | Total Education and General |
|---|--------------------------------|-----------------------------|-----------------------------|
| <b>2007-09 Legislatively Adopted</b>  |                                |                             | \$692.3                     |
| <b>2013-15 Legislatively Approved</b>   | \$522.0                        | \$40.6                      | \$562.6                     |
| <b>2015-17 Legislatively Approved</b>   | \$667.3                        | \$39.1                      | \$706.4                     |
| <b>2017-19 Governor's Budget</b>  | \$667.3                        | \$39.1                      | \$706.4                     |
| <b>2017-19 Public Universities Request</b>  | \$765.0                        | \$41.3                      | \$806.3                     |

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<sup>1</sup> State Programs include distinct institutes and centers across public universities, including engineering technology sustaining funds; Statewide Public Services at OSU (Ag Experiment Station, Extension Service, Forest Research Lab) are excluded.