



# Budget Forum

## Fiscal Year 2017-2018

March 2, 2017



# Vision that Reflects Pacific's Values

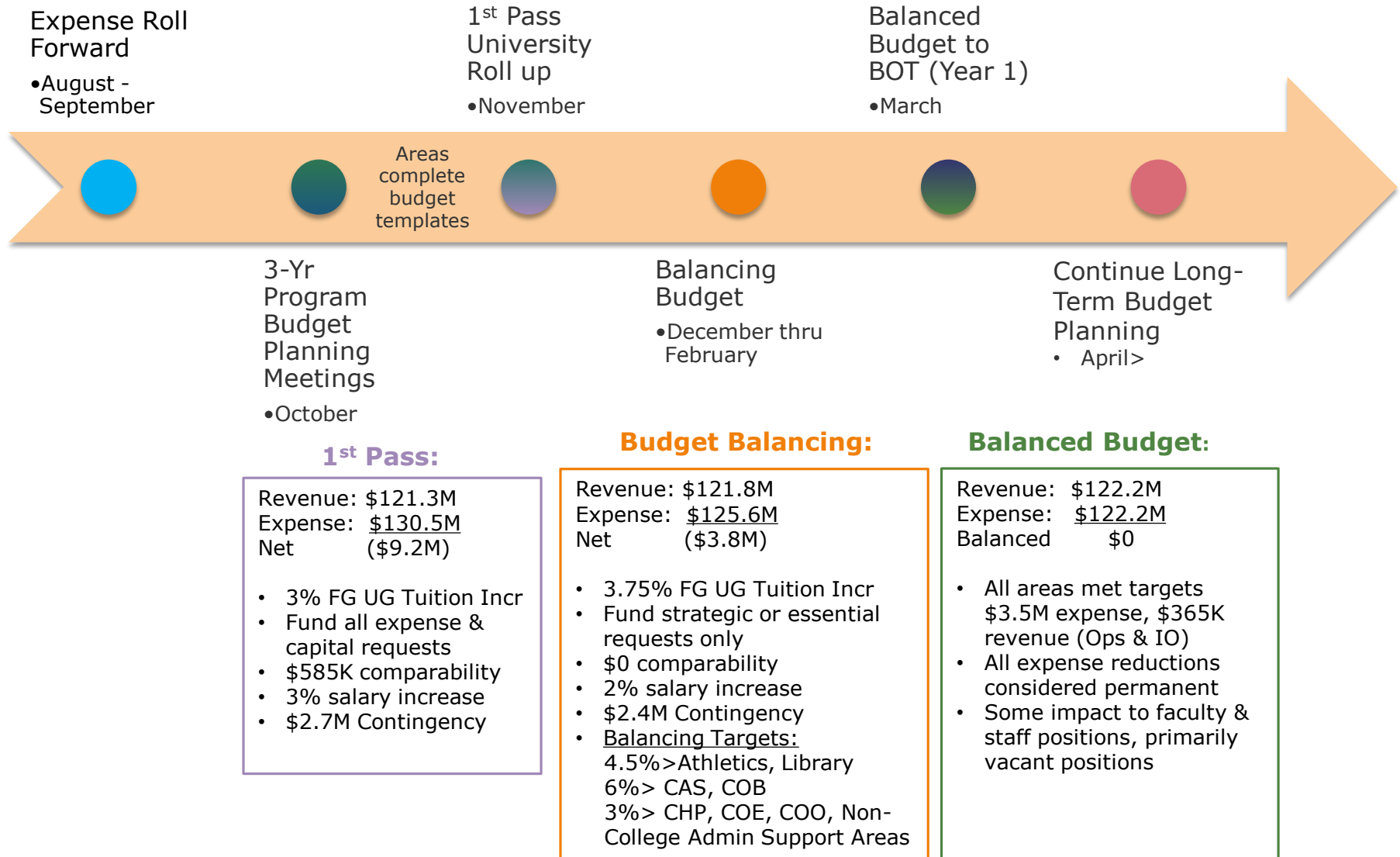
- Discovery is an integral and essential component of the education process.
- The highest quality programs are delivered in a manner that is sustainable economically and environmentally.
- Pacific's missions of education, discovery and service require a rich diversity of ideas, people and cultures.
- Excellence is achieved by supporting the people who deliver and receive the university's programs.
- Graduates are motivated and prepared to contribute to the global community.

# FY 17/18 Proposed Budget

Finance Committee  
March 10, 2017  
*Revision: March 1, 2017*

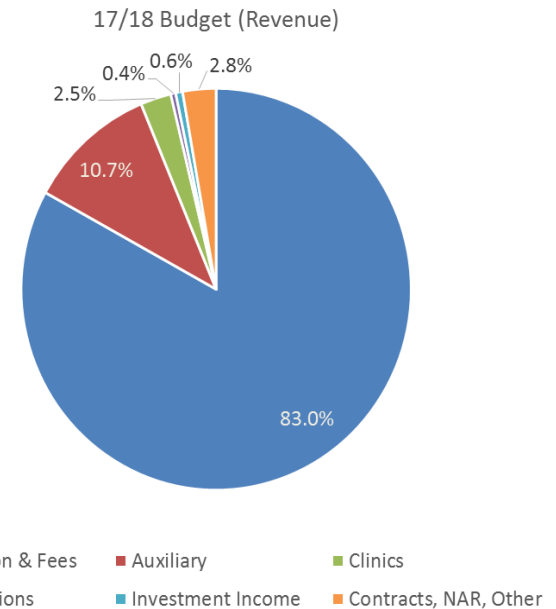
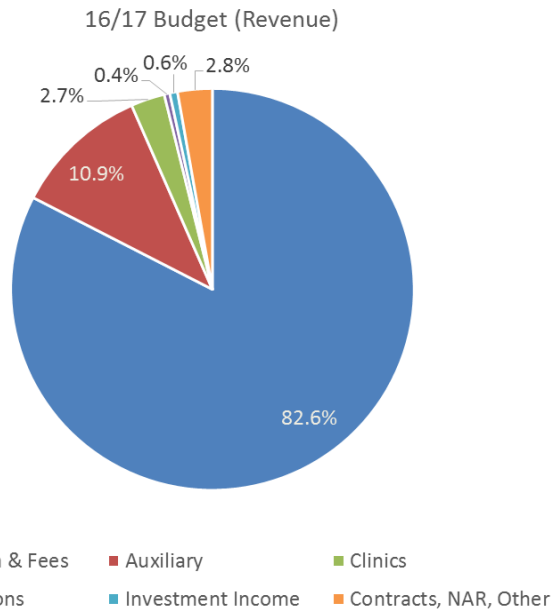


# Operations Budget Process Timeline



**REVENUE**

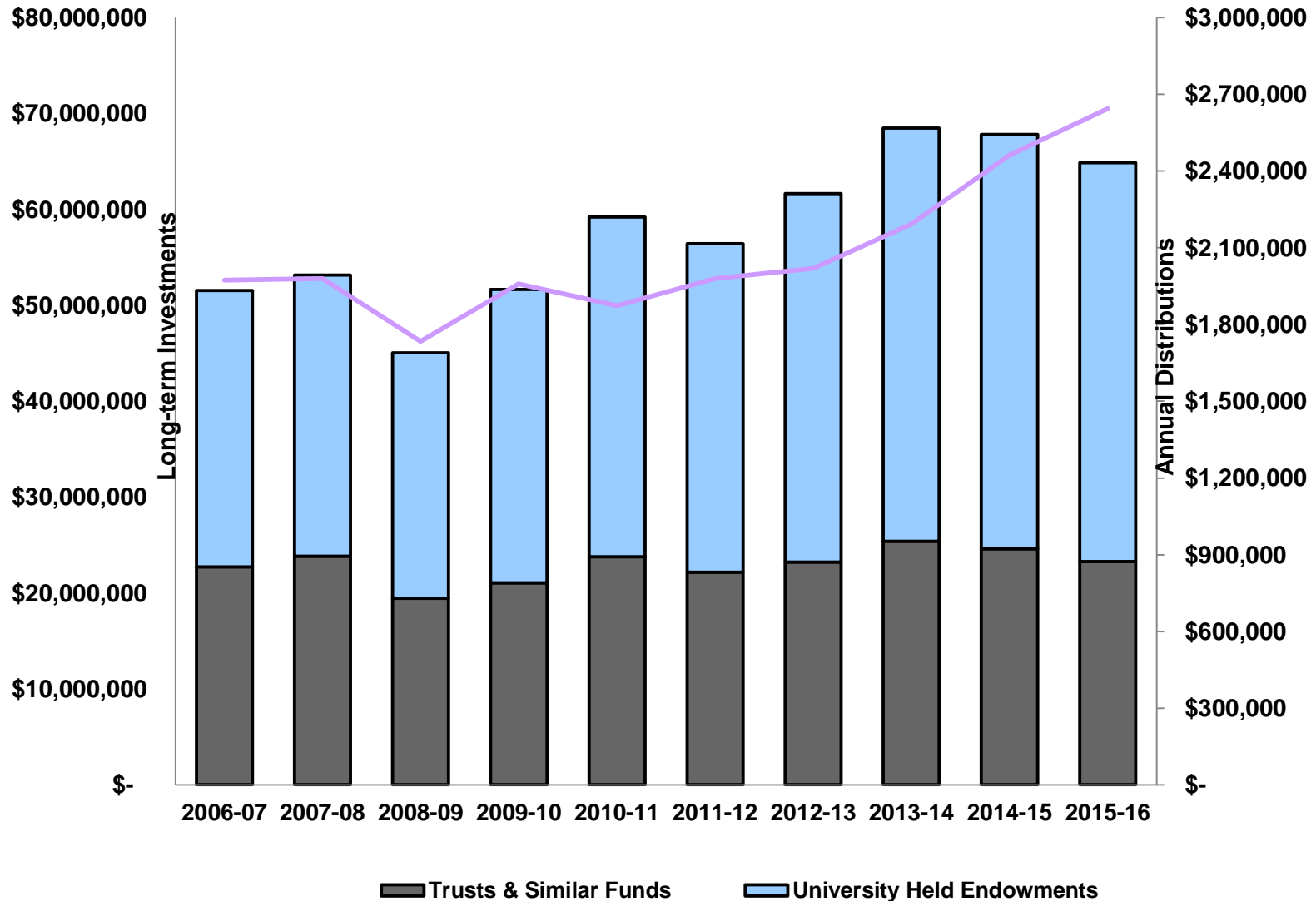
# FY 17/18 Proposed Revenue Budget



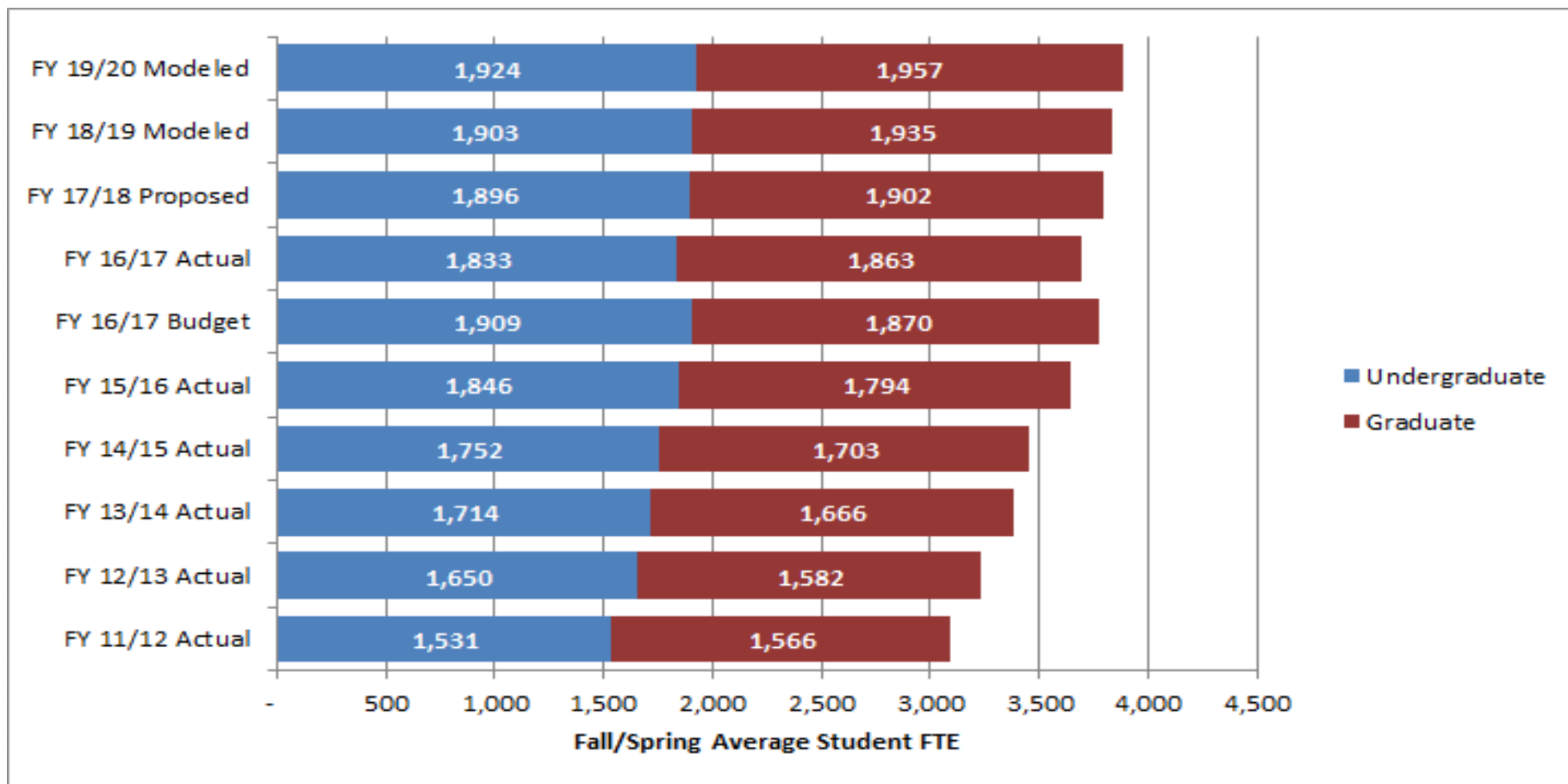
Includes Rolled in Investment Opportunities



# University Held in Endowment, Trust & Similar Vehicles

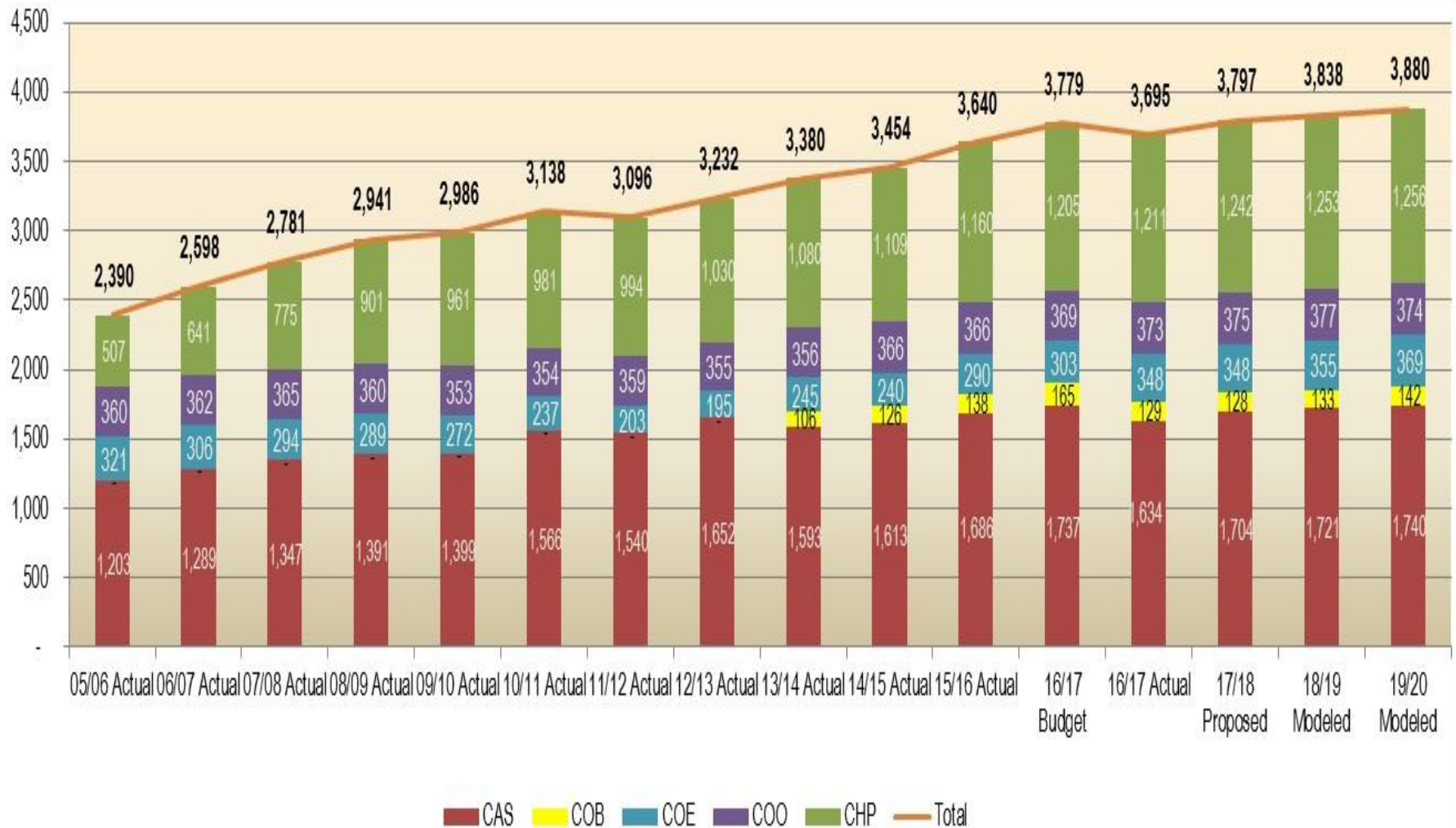


# Graduate & Undergraduate Avg FTE





# Student Average FTE



# Proposed Enrollment (Summary by College)

	Actual Fall/Spring Average				Approved Budget	Actual	Proposed			Modeled	
	FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17 (Avg)	FY 16/17 (Avg)	FY 17/18 (Avg)			FY 18/19 (Avg)	FY 19/20 (Avg)
	FTE	FTE	FTE	FTE	FTE	FTE	FTE	% over PY Budget	FTE over PY Bd Apprvd	FTE	FTE
College of Arts & Sciences (UG FG, MFA, MSW)	1,652	1,593	1,613	1,686	1,737	1,634	1,704	-1.9%	(33)	1,721	1,740
College of Business (UG FG, MSF, MBA)	-	106	126	138	165	129	128	-22.5%	(37)	133	142
College of Education (SLT, SCSD)	195	245	240	290	303	348	348	14.9%	45	355	369
College of Optometry (OD, MS, PhD)	355	356	366	366	369	373	375	1.6%	6	377	374
College of Health Professions	1,030	1,080	1,109	1,160	1,205	1,211	1,242	3.1%	37	1,253	1,256
<b>Total</b>	<b>3,232</b>	<b>3,380</b>	<b>3,454</b>	<b>3,640</b>	<b>3,779</b>	<b>3,695</b>	<b>3,797</b>	<b>0.5%</b>	<b>18</b>	<b>3,838</b>	<b>3,880</b>

Includes Investment Opportunities

% over PY>

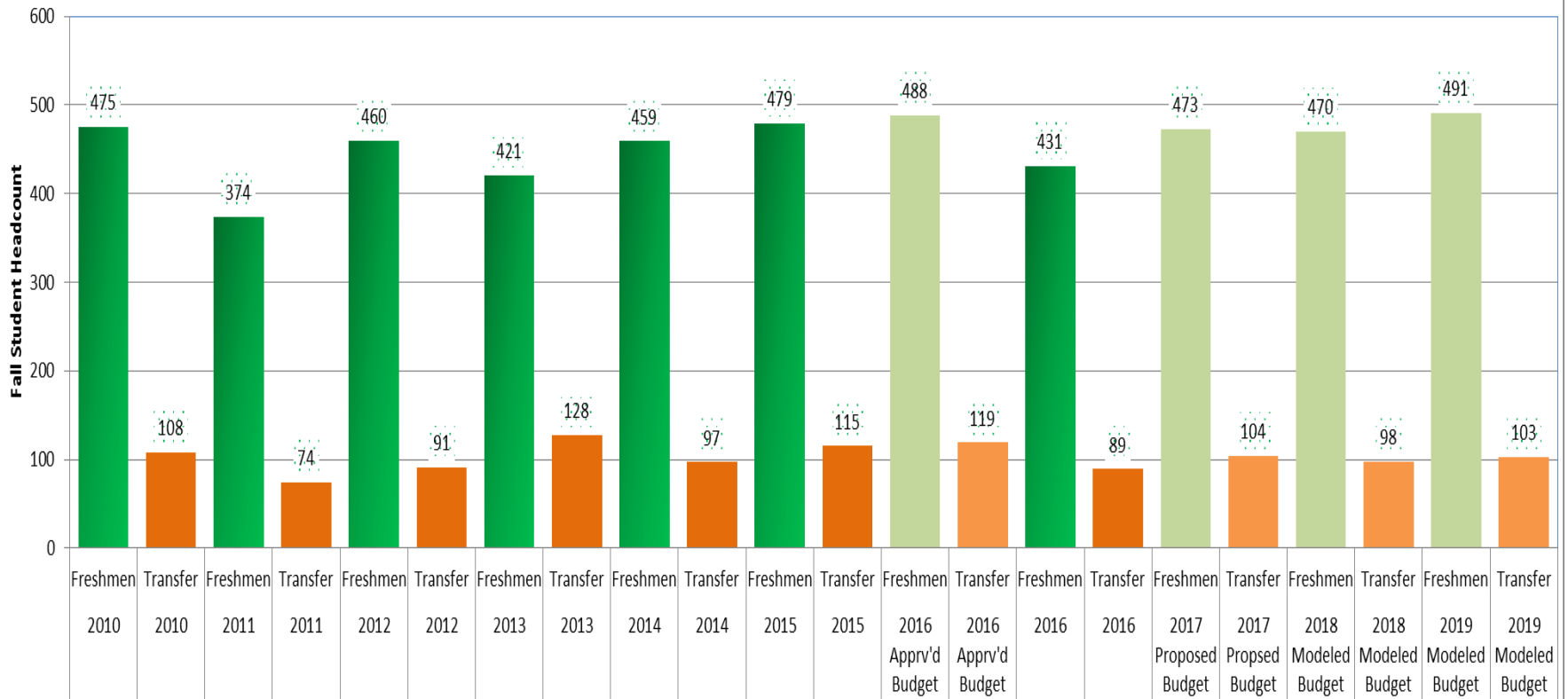
0.5%

1.1%

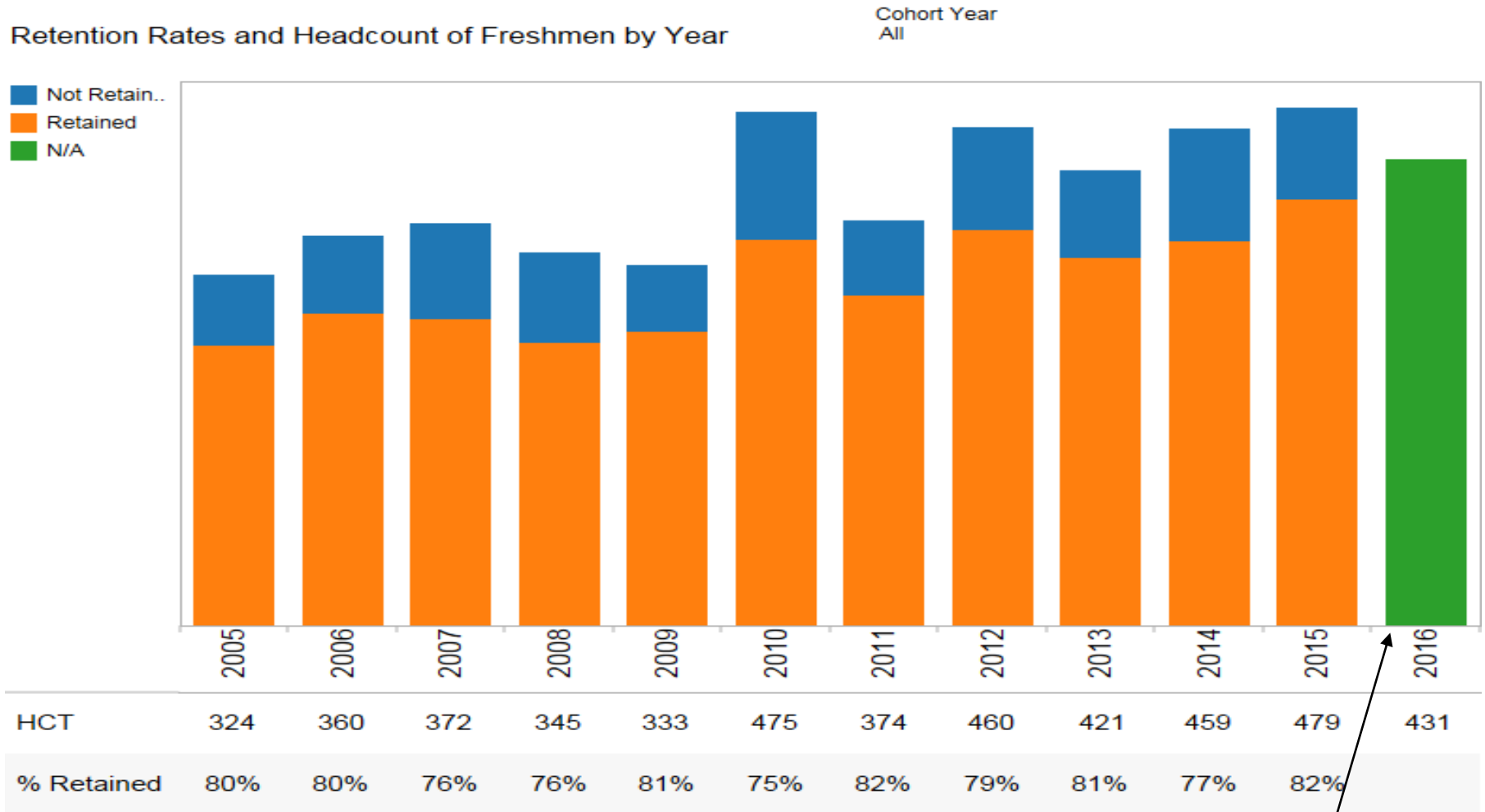
1.1%

Note: Jointly enrolled students are single counted in the primary program. ELI is excluded.

# Undergraduate FG New Student Headcount (Proposed Fall 2017)



# UG FG Freshmen to Sophomore Retention

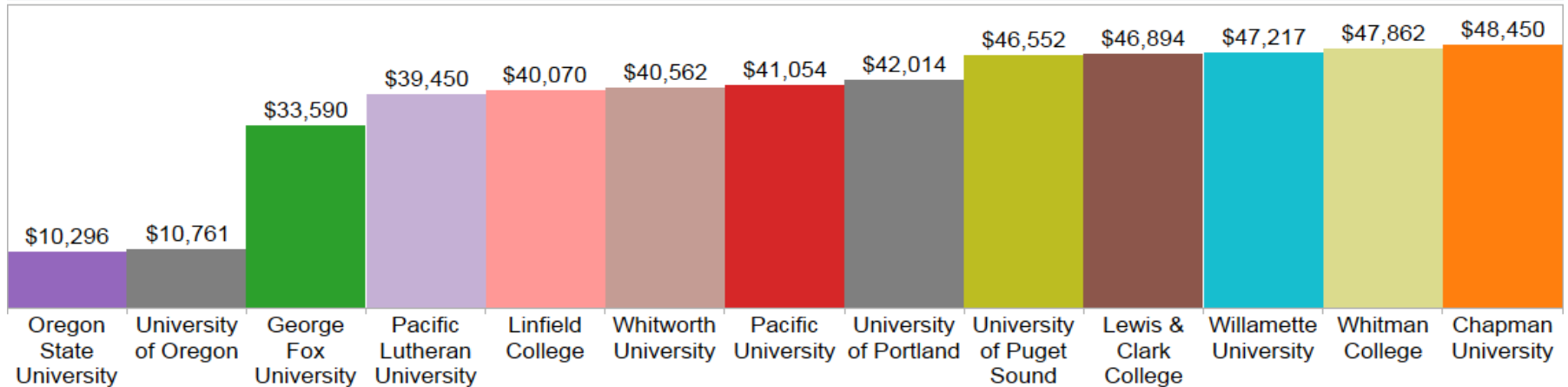


17/18 Proposed Budget assumes 80% retained (345).  
18/19 80%, 19/20 81%

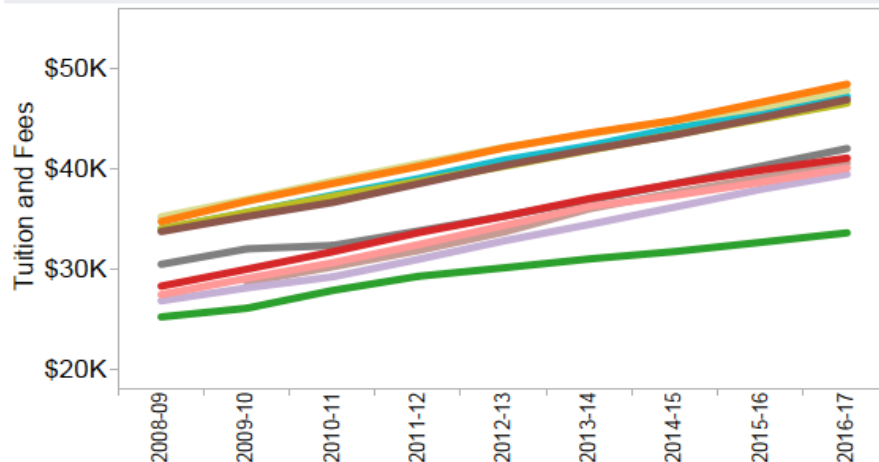
Historical data provided by IR

# Undergraduate Tuition/Fee Comparisons

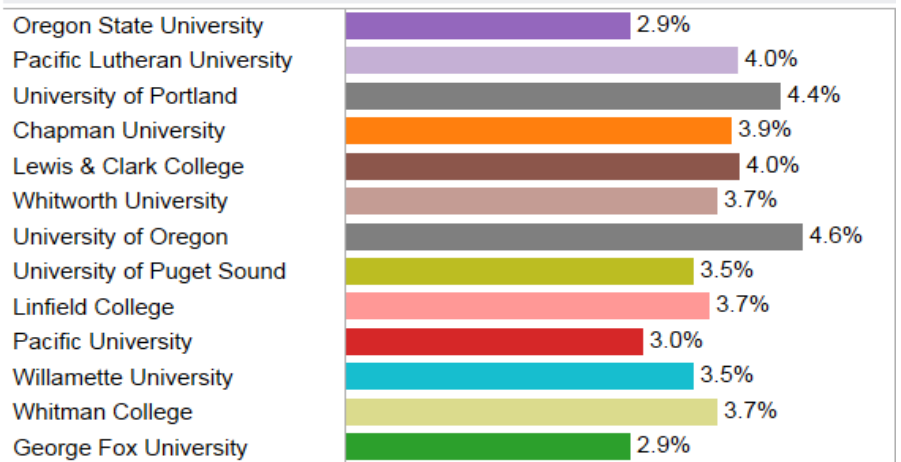
**Tuition and Fees Comparisons 2016-17**



**Tuition and Fees Trends**



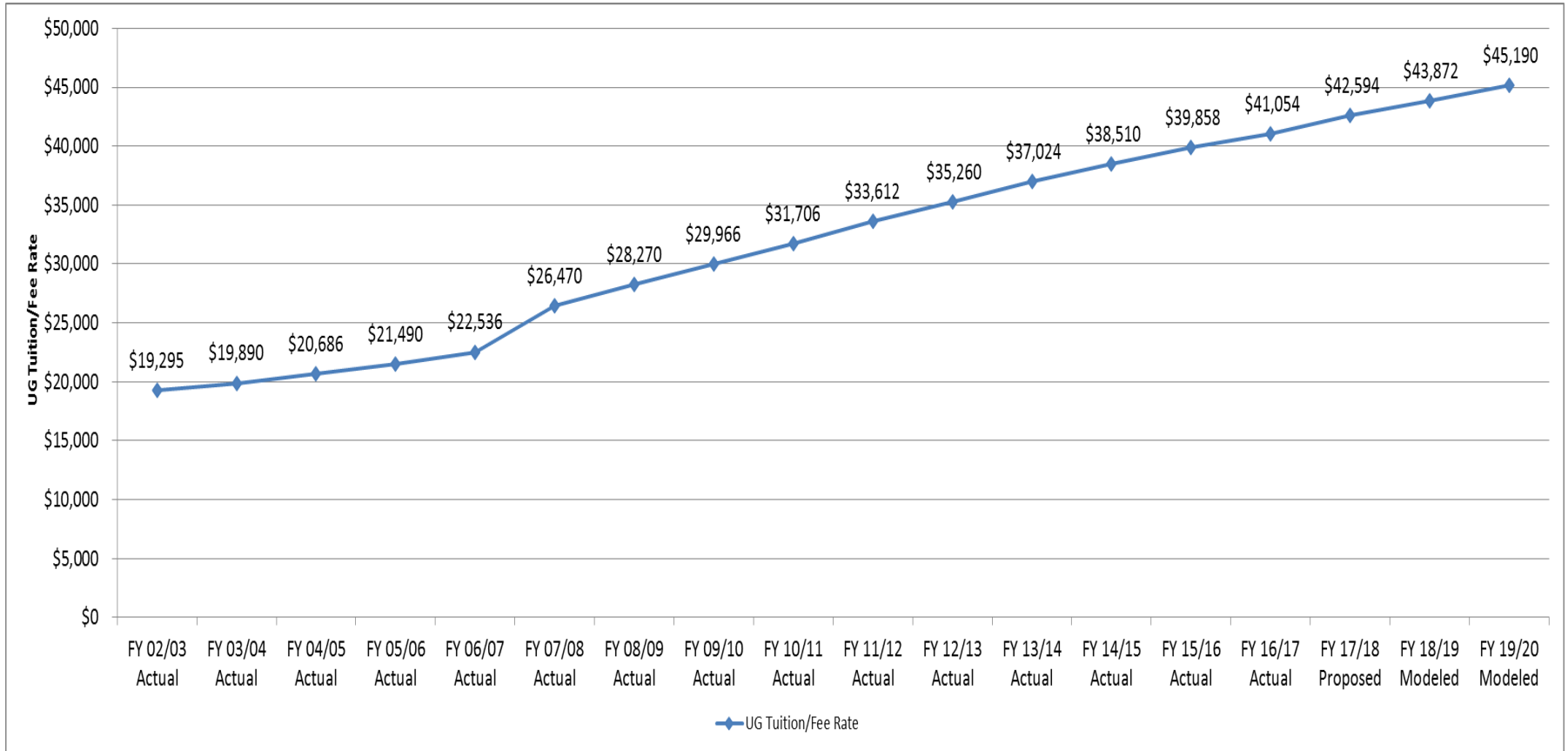
**Current Year Increase over Previous Year**



Data provided by IR

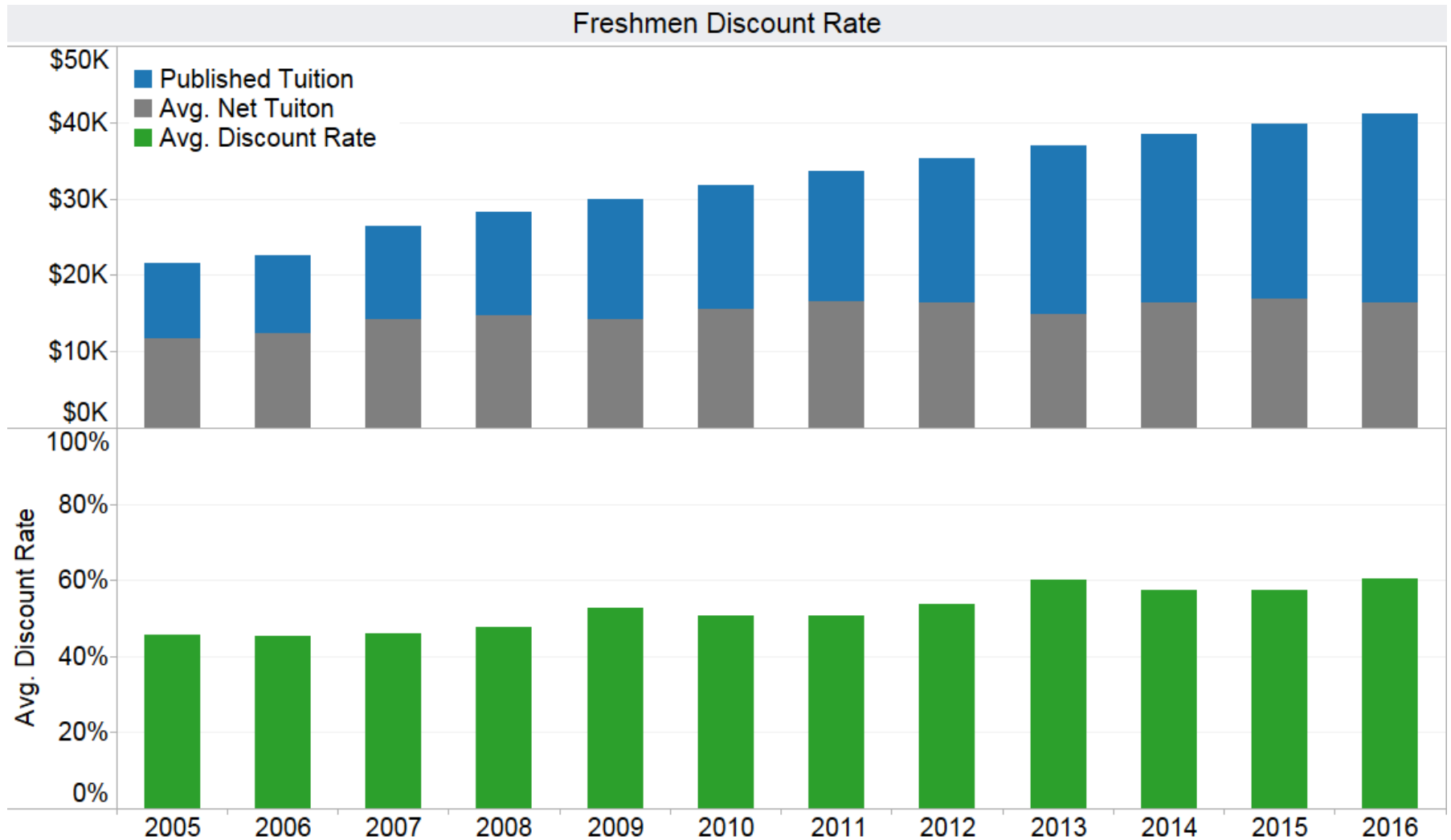


# FG Undergraduate Tuition/Fee (Sticker Price)



	FY 02/03 Actual	FY 03/04 Actual	FY 04/05 Actual	FY 05/06 Actual	FY 06/07 Actual	FY 07/08 Actual	FY 08/09 Actual	FY 09/10 Actual	FY 10/11 Actual	FY 11/12 Actual	FY 12/13 Actual	FY 13/14 Actual	FY 14/15 Actual	FY 15/16 Actual	FY 16/17 Actual	FY 17/18 Proposed	FY 18/19 Modeled	FY 19/20 Modeled	Increase since FY 02/03
UG Tuition/Fee Rate	\$19,295	\$19,890	\$20,686	\$21,490	\$22,536	\$26,470	\$28,270	\$29,966	\$31,706	\$33,612	\$ 35,260	\$ 37,024	\$ 38,510	\$ 39,858	\$ 41,054	\$ 42,594	\$ 43,872	\$ 45,190	
\$ Increase from PY		\$595	\$796	\$804	\$1,046	\$3,934	\$1,800	\$1,696	\$1,738	\$1,908	\$ 1,648	\$ 1,764	\$ 1,486	\$ 1,348	\$ 1,196	\$ 1,540	\$ 1,278	\$ 1,318	\$25,895
% Increase from PY		3.1%	4.0%	3.9%	4.9%	17.5%	6.8%	6.0%	5.8%	6.0%	4.9%	5.0%	4.0%	3.5%	3.0%	3.75%	3.00%	3.0%	134%

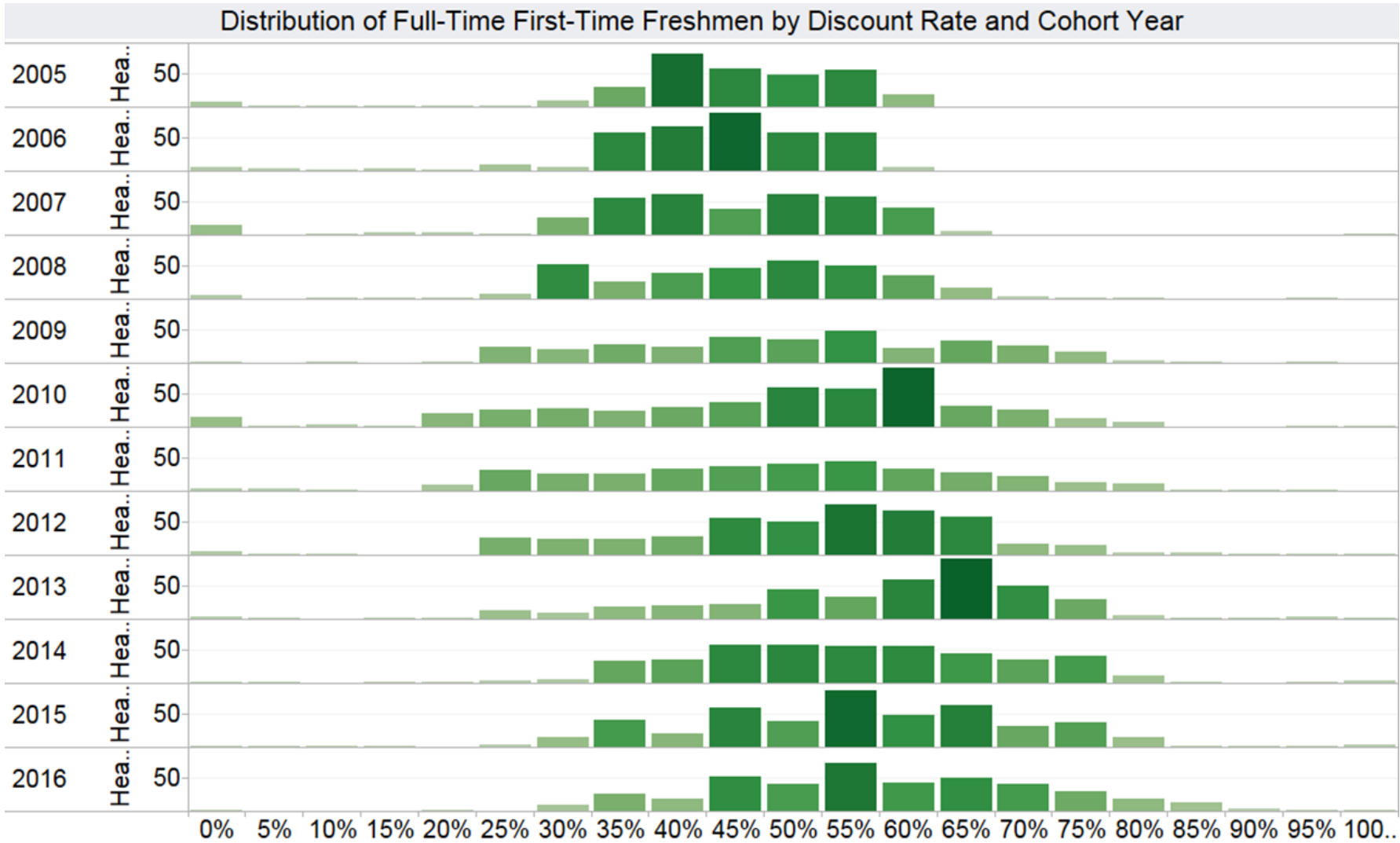
# UG Freshmen Tuition Discount Trend



Excludes tuition benefit students.

Data provided by IR

# UG Freshmen Tuition Discount Distributions



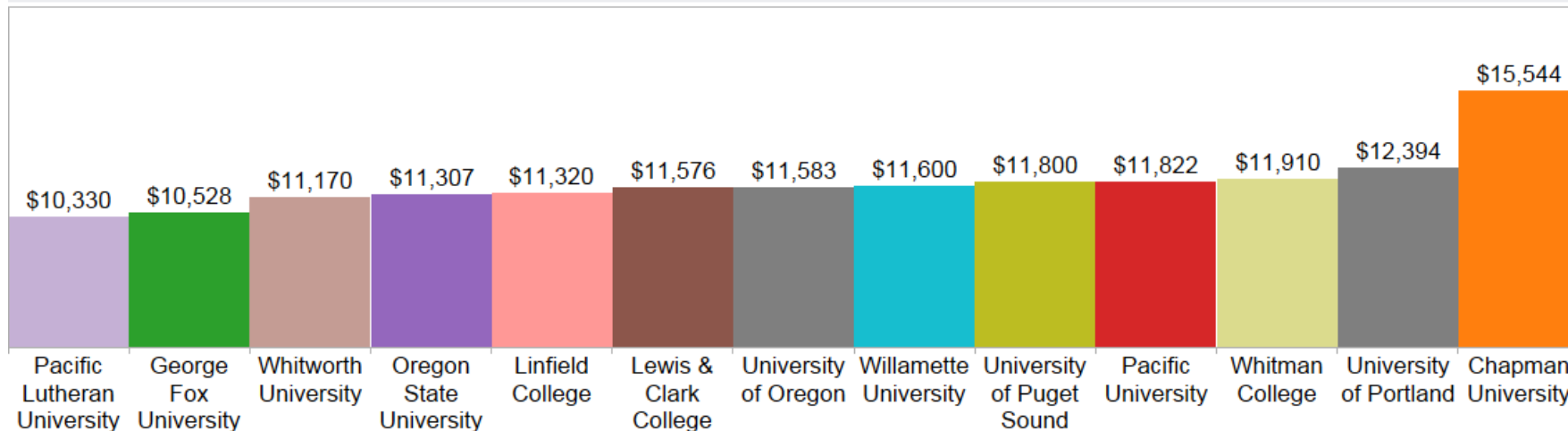
# Proposed Tuition/Fee Rates

	Actual Tuition/Fee Rate								Proposed	Modeled	Modeled	
	FY 13/14		FY 14/15		FY 15/16		FY 16/17		FY 17/18	FY 18/19	FY 19/20	
Forest Grove Undergraduate (CAS, COE, COB)	\$ 37,024	5.0%	\$ 38,510	4.0%	\$ 39,858	3.5%	\$ 41,054	3.0%	\$ 42,594	3.75%	\$ 45,190	3.00%
Masters of Social Work (2 yr program)	\$ -		\$ 21,760		\$ 21,760	0.0%	\$ 21,760	0.0%	\$ 21,978	1.00%	\$ 22,527	2.50%
Masters of Social Work (Advanced Standing)	\$ -		\$ -		\$ 22,440		\$ 22,440		\$ 22,664	1.00%	\$ 23,231	2.50%
Masters of Fine Arts in Writing ~ includes Room Fee	\$ 17,478	2.7%	\$ 17,948	2.7%	\$ 18,432	2.7%	\$ 18,932	2.7%	\$ 19,446	2.71%	\$ 19,975	2.72%
College of Business (MBA) ~ Credit Hour	\$ -		\$ 630		\$ 788	25.1%	\$ 718	-8.9%	\$ 788	9.75%	\$ 812	3.00%
Education ~SLT Graduate per credit (all campuses)	\$ 660	3.0%	\$ 680	3.1%	\$ 680	0.0%	\$ 688	1.2%	\$ 688	0.00%	\$ 709	3.00%
Education ~ SLT Eugene & WB Undergraduate	\$ 660	3.0%	\$ 680	3.1%	\$ 680	0.0%	\$ 375	-44.9%	\$ 386	2.93%	\$ 398	3.11%
Education Speech-Language Pathology	\$ 29,850	3.0%	\$ 30,746	3.0%	\$ 31,822	3.5%	\$ 32,936	3.5%	\$ 33,924	3.00%	\$ 34,942	3.00%
Education ~ CSD Post Baccalaureate	\$ 660	3.0%	\$ 680	3.1%	\$ 680	0.0%	\$ 375	-44.9%	\$ 385	2.67%	\$ 398	3.38%
Optometry (OD)	\$ 34,572	4.0%	\$ 35,784	3.5%	\$ 37,212	4.0%	\$ 38,520	3.5%	\$ 39,684	3.02%	\$ 40,875	3.00%
CHP												
Audiology (AUD)	\$ 29,730	2.5%	\$ 30,474	2.5%	\$ 31,236	2.5%	\$ 32,175	3.0%	\$ 33,141	3.00%	\$ 34,135	3.00%
Dental Hygiene Studies (BS)	\$ 28,745	5.0%	\$ 28,745	0.0%	\$ 29,320	2.0%	\$ 29,320	0.0%	\$ 29,906	2.00%	\$ 30,504	2.00%
Gerontology (Certificate) ~ Credit Hour	\$ 496	20.4%	\$ 596	20.2%	\$ 742	24.5%	\$ 764	3.0%	\$ 788	3.08%	\$ 812	3.13%
Health Science (BS) ~ Credit Hour	\$ 675		\$ 675	0.0%	\$ 450	-33.3%	\$ 455	1.0%	\$ 459	1.00%	\$ 473	3.00%
Healthcare Administration (Masters) ~ Credit Hour	\$ 822	6.0%	\$ 872	6.1%	\$ 742	-14.9%	\$ 764	3.0%	\$ 788	3.08%	\$ 812	3.13%
Occupational Therapy (OTD)	\$ 32,134	3.5%	\$ 32,942	2.5%	\$ 33,273	1.0%	\$ 34,271	3.0%	\$ 34,271	0.00%	\$ 34,271	0.00%
Pharmacy (PharmD)	\$ 42,960	2.5%	\$ 43,908	2.2%	\$ 43,908	0.0%	\$ 43,908	0.0%	\$ 45,222	2.99%	\$ 46,126	2.00%
Pharmacy (PhD/MS Joint) ~ Credit Hour	\$ -		\$ -		\$ -		\$ -		\$ 929		\$ 957	3.01%
Physical Therapy (DPT)	\$ 30,752	5.3%	\$ 31,982	4.0%	\$ 32,942	3.0%	\$ 33,930	3.0%	\$ 34,948	3.00%	\$ 35,996	3.00%
PT Athletic Training (Masters)	\$ 24,000		\$ 24,960	4.0%	\$ 24,960	0.0%	\$ 25,460	2.0%	\$ 25,970	2.00%	\$ 26,489	2.00%
Physician Assistants (MS)	\$ 33,018	5.0%	\$ 34,671	5.0%	\$ 36,405	5.0%	\$ 38,589	6.0%	\$ 39,747	3.00%	\$ 40,939	3.00%
Professional Psychology (PsyD & PhD)	\$ 30,468	2.0%	\$ 30,927	1.5%	\$ 31,857	3.0%	\$ 32,814	3.0%	\$ 33,963	3.50%	\$ 34,982	3.00%
Professional Psychology (MA/MS)	\$ 22,512	3.0%	\$ 22,962	2.0%	\$ 23,652	3.0%	\$ 24,363	3.0%	\$ 25,215	3.50%	\$ 25,971	3.00%

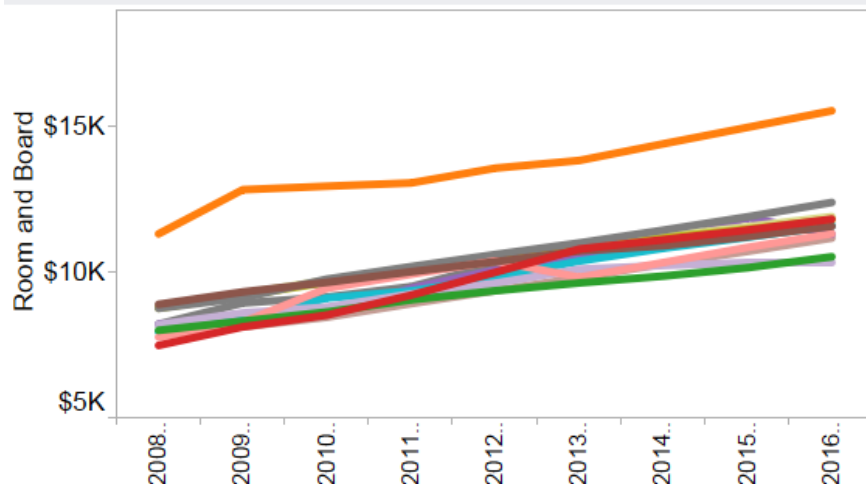
Note: Fees included above are University fees, some of which are rolled into tuition. Not included are program specific fees.

# Room & Meal Plan Comparisons

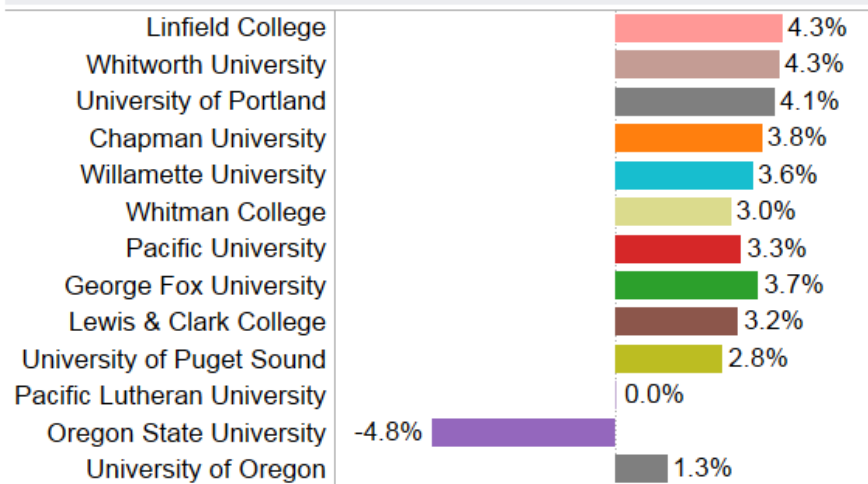
Room and Board Comparisons 2016-17



Room and Board Trends



Current Year Increase over Previous Year





# FY 17/18 Room/Meal Plan Rates & Revenue

	FY 13/14 Actual	FY 14/15 Actual	FY 15/16 Actual	FY 16/17 Actual	FY 17/18 Proposed Budget	FY 18/19 Modeled	FY 19/20 Modeled
Student cost for double room/meal plan	\$10,792 8.0%	\$11,116 3.0%	\$11,448 3.0%	\$11,822 3.3%	\$12,164 2.9%	\$12,406 2.0%	\$12,682 2.2%

17/18: Room + 2.8%, Meal Plan 3%

Occupancy:	FY 13/14 Actual Avg*	FY 14/15 Actual Avg*	FY 15/16 Actual Avg*	FY 16/17 Budget (Avg)	FY 16/17 Actual Avg*	FY 17/18 Proposed Budget (Avg)	FY 18/19 Modeled Budget (Avg)	FY 19/20 Modeled Budget (Avg)
Total Beds Available	1,096	1,107	1,146	1,146	1,147	1,149	1,149	1,149
Total Beds Occupied (Average)*	983	1,014	1,084	1,056	1,064	1,063	1,063	1,071
Avg Occupancy Rate	89.7%	91.6%	94.5%	92.1%	92.7%	92.5%	92.5%	93.2%
Attrition Rate 8/31>1/31	-5%	-6%	-7%	-5%	-7%	-5%	-5%	-5%

\* Average of 8/31 & 1/31

Cascade Hall 14/15>

\$ in thousands	Actual	Actual	Actual	Budget	Proposed	Modeled	Modeled
	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20
TOTAL ROOM	\$ 6,174 6.6%	\$ 6,540 5.9%	\$ 7,413 13.4%	\$ 7,584 16.0%	\$ 7,824 3.2%	\$ 8,043 2.8%	\$ 8,360 3.9%
TOTAL BOARD (Meal Plan/Rebate)	\$ 3,334 -3.0%	\$ 3,614 8.4%	\$ 3,867 7.0%	\$ 3,652 1.1%	\$ 3,742 2.4%	\$ 3,764 0.6%	\$ 3,821 1.5%
TOTAL ROOM/BOARD	\$ 9,507 3.1%	\$10,154 6.8%	\$11,280 11.1%	\$11,236 10.7%	\$11,566 2.9%	\$11,808 2.1%	\$12,180 3.2%

% over  
PY  
Budget

% over  
PY  
Budget

% over  
PY  
Budget

**Note: Room rate varies on room type/configuration**

# Proposed and Modeled Investment Opportunities

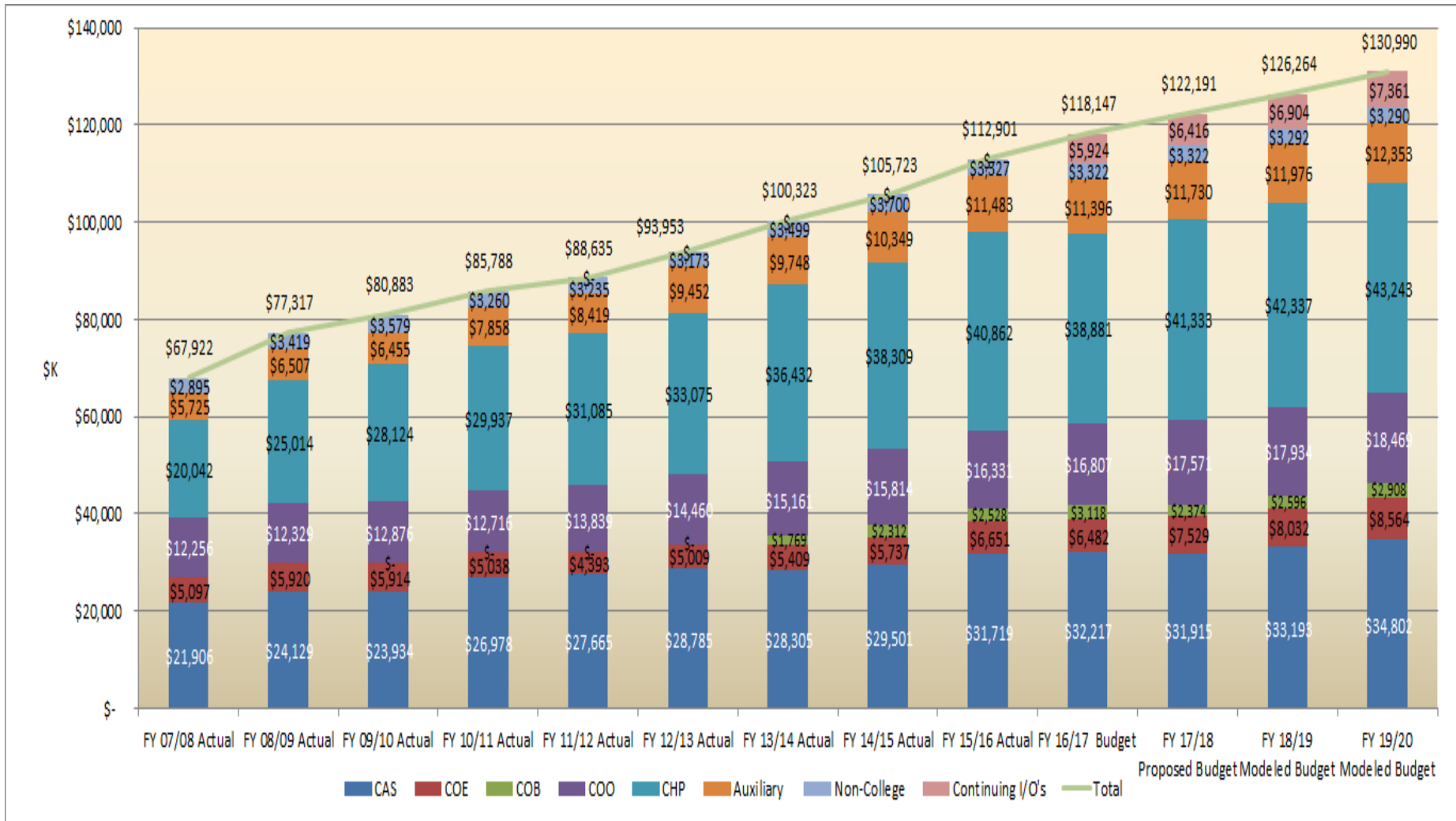
		Approved IO Board Budget FY 16/17				Proposed IO Board Budget FY 17/18			
FY Start of Enrollment	New and Continuing I.O.'s	Stdnt FTE	Rev \$	Exp \$	Net \$	Stdnt FTE	Rev \$	Exp \$	Net \$
	<b>New:</b>								
2017/18	Pharmacy PhD/MS joint degree - CHP (SOP)	-	\$ -	\$ -	\$ -	0	\$ 2,364	\$ 14,100	\$ (11,736)
2016/17	Vision Science PhD - COO	3	\$ 54,527	\$ 45,584	\$ 8,943	(Moved into Operations)			\$ -
	<b>Sub-total</b>	3	\$ 54,527	\$ 45,584	\$ 8,943	0	\$ 2,364	\$ 14,100	\$ (11,736)
	<b>Continuing:</b>								
2013/14	Athletic Training - CHP (PT)	21	\$ 519,023	\$ 431,168	\$ 87,855	30	\$ 774,822	\$ 457,890	\$ 316,931
2012/13	Audiology Doctorate - CHP	70	\$ 2,526,172	\$ 2,377,679	\$ 148,494	75	\$ 2,554,032	\$ 2,455,251	\$ 98,781
2013/14	Clinical Psychology - PhD - CHP (SPP)	32	\$ 1,045,492	\$ 754,599	\$ 290,892	34	\$ 1,125,613	\$ 830,703	\$ 294,911
2012/13	Continuing Education - CHP	-	\$ 136,503	\$ 118,051	\$ 18,452	-	\$ 125,644	\$ 109,353	\$ 16,291
2015/16	Criminal Justice, Law & Society CAS (SS) (Students and revenues in CAS)	-	\$ -	\$ 111,262	\$ (111,262)	-	\$ -	\$ 112,211	\$ (112,211)
2014/15	Health Science - B.S. - CHP (HAL)	20	\$ 348,782	\$ 340,529	\$ 8,253	26	\$ 440,001	\$ 403,846	\$ 36,155
2013/14	MHA Online Compliance with Grad Certificate - CHP (HAL)	5	\$ 110,016	\$ 140,052	\$ (30,036)	-	\$ -	\$ -	\$ -
2014/15	Music Therapy - Bachelor - CAS (AH) (Students and revenues in CAS)	-	\$ -	\$ 177,160	\$ (177,160)	-	\$ -	\$ 141,621	\$ (141,621)
2014/15	Social Work - Master - CAS (SS)	30	\$ 643,005	\$ 886,115	\$ (243,110)	37	\$ 796,388	\$ 853,999	\$ (57,611)
2015/16	Women's Rowing - Athletics; moved into Operations for FY 17/18 (Students and revenues in CAS)	-	\$ -	\$ 137,202	\$ (137,202)	(Moved into Operations)			\$ -
2012/13	STEM MAT - COE (Woodburn) (Science, Technology, Engineering, Math)	29	\$ 540,556	\$ 451,313	\$ 89,243	26	\$ 597,256	\$ 475,628	\$ 121,628
	<b>Sub-total</b>	207	\$ 5,869,549	\$ 5,925,130	\$ (55,581)	228	\$ 6,413,756	\$ 5,840,502	\$ 573,254
	Contingency		\$ -	\$ 100,000	\$ (100,000)		\$ -	\$ 100,000	\$ (100,000)
	<b>Grand Totals</b>	<b>210</b>	<b>\$ 5,924,076</b>	<b>\$ 6,070,714</b>	<b>\$ (146,638)</b>	<b>228</b>	<b>\$ 6,416,120</b>	<b>\$ 5,954,602</b>	<b>\$ 461,518</b>
	<b>Note:</b> 1. Enrollment and corresponding revenue for the Criminal Justice, Law, & Society program, Music Therapy program, and the Women's Rowing team are included in the College of Arts and Sciences' total enrollment and Operating revenues.								

# FY 17/18 Proposed Revenue Budget

	BOT Approved Budget FISCAL YEAR 2016/17			Proposed Budget FISCAL YEAR 2017/18			DIFFERENCE	
	Academic Operations	Support Services	Fiscal Year Total	Academic Operations	Support Services	Fiscal Year Total	\$ DIFF	% DIFF
<b>REVENUES</b>								
Tuition	129,881,292	-	129,881,292	134,305,648	(168,200)	134,137,448	4,256,156	3.3%
Financial Aid	(39,855,010)	-	(39,855,010)	(41,152,741)	-	(41,152,741)	(1,297,730)	3.3%
Net Tuition	90,026,282	-	90,026,282	93,152,907	(168,200)	92,984,707	2,958,426	3.3%
Fees	1,629,711	259,750	1,889,461	1,814,796	300,795	2,115,591	226,131	12.0%
Contributions	70,000	460,000	530,000	75,000	430,000	505,000	(25,000)	-4.7%
Contracts/Exchanges	502,700	935,472	1,438,172	588,634	996,818	1,585,452	147,280	10.2%
Investment Income	-	735,455	735,455	-	701,745	701,745	(33,710)	-4.6%
Clinics	2,904,367	-	2,904,367	3,004,900	-	3,004,900	100,533	3.5%
Auxiliary Enterprises	656,675	12,198,575	12,855,250	647,943	12,442,585	13,090,528	235,279	1.8%
Net Assets Released/Transfer	1,179,973	-	1,179,973	1,135,689	-	1,135,689	(44,284)	-3.8%
Other	568,364	96,000	664,364	548,241	103,000	651,241	(13,123)	-2.0%
Sub-Total Net Revenues	97,538,071	14,685,252	112,223,323	100,968,111	14,806,743	115,774,854	3,551,530	3.2%
Investment Opportunity Revenues***	5,924,076	-	5,924,076	6,416,120	-	6,416,120	492,044	8.3%
Total Net Revenues	103,462,147	14,685,252	118,147,399	107,384,231	14,806,743	122,190,974	4,043,574	3.4%

\*\*\* Women's Rowing transitioned from an Investment Opportunity to Operations from FY 16/17> 17/18

# Revenue Trend & FY 17/18 Proposed Budget



Actual Revenue includes all revenue; operations & strategic/investment opportunity

College includes: Tuition, Financial Aid, Fees, Clinics

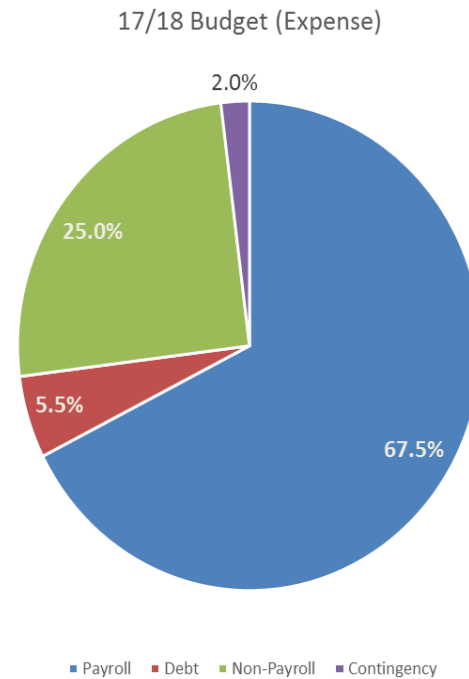
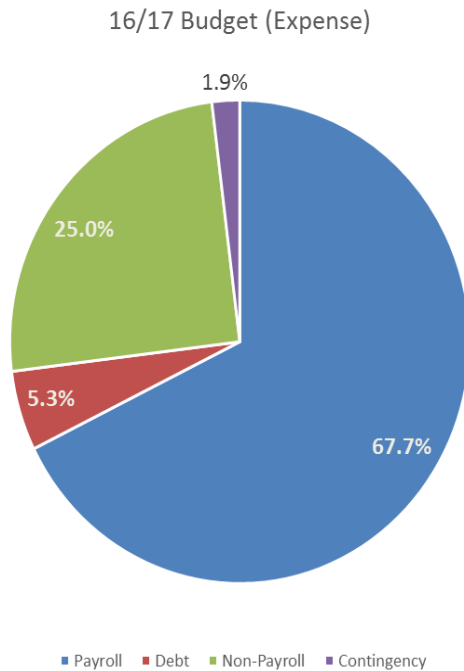
Non-College includes: Eli, Athletics, Library, Student Life/Health Center, Advancement, Conferences, Endowment, Study Abroad

FY 12/13: FG UG Net Tuition Allocations to COE. FY 13/14> FG UG Net Tuition/Fee Allocations to COE & COB

**EXPENSE**



# FY 17/18 Proposed Expense Budget



Includes Rolled in Investment Opportunities

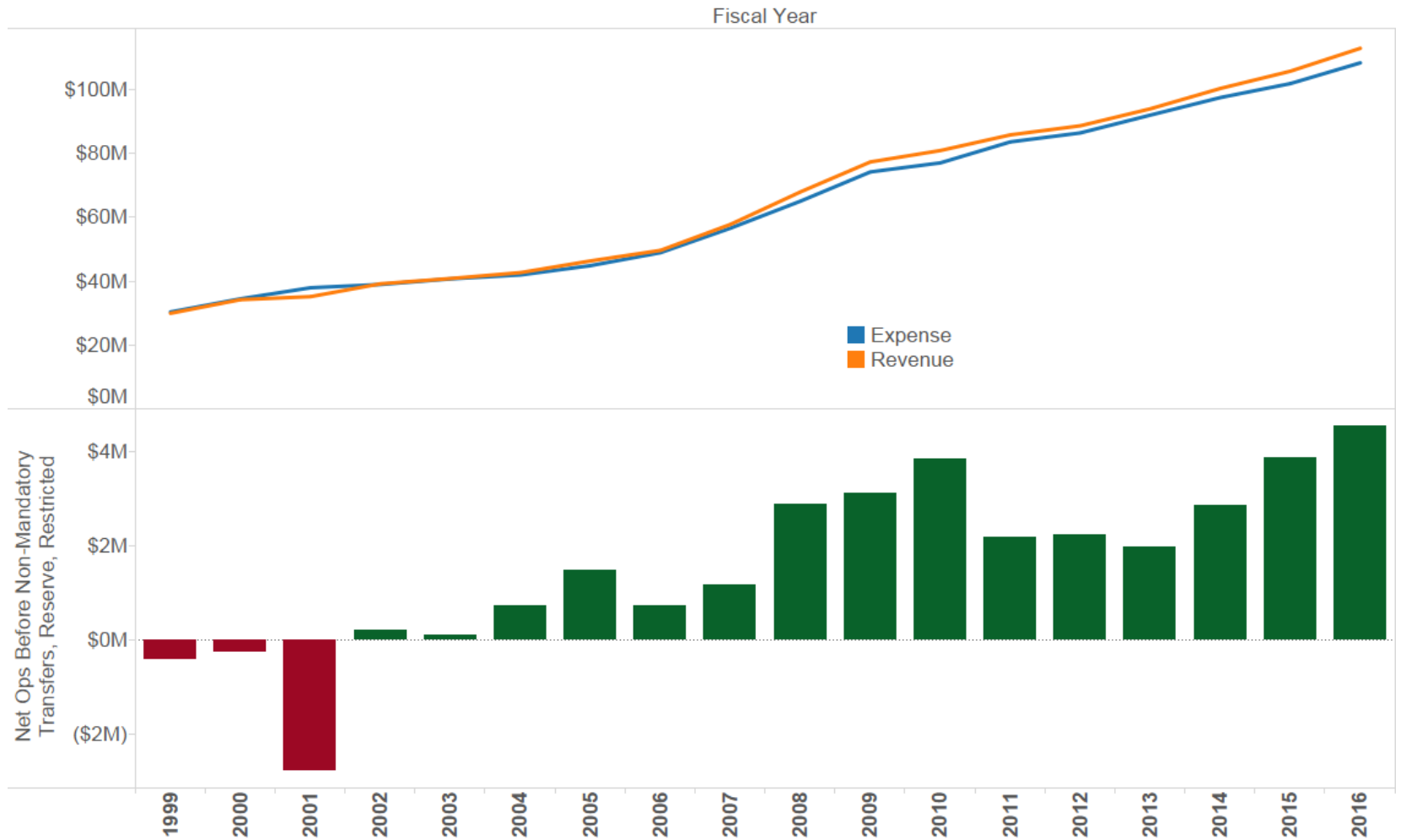


# FY 17/18 Proposed Expense Budget

	BOT Approved Budget FISCAL YEAR 2016/17			Proposed Budget FISCAL YEAR 2017/18			DIFFERENCE	
	Academic Operations	Support Services	Fiscal Year Total	Academic Operations	Support Services	Fiscal Year Total	\$ DIFF	% DIFF
<b>EXPENSES</b>								
Payroll	55,836,340	19,142,237	74,978,576	56,278,194	20,136,673	76,414,867	1,436,291	1.9%
General & Admin (non-payroll)	10,559,641	16,535,541	27,095,182	10,929,062	16,962,869	27,891,931	796,750	2.9%
Capital: Equipment, Improvements & Maint	302,353	596,654	899,007	184,374	935,279	1,119,653	220,646	24.5%
Debt Service (principal and interest)	-	6,317,790	6,317,790	436,279	6,225,049	6,661,328	343,538	5.4%
<b>Sub-total</b>	66,698,334	42,592,221	109,290,555	67,827,909	44,259,870	112,087,779	2,797,224	2.6%
Financial Aid Matching Awards	-	340,000	340,000	-	340,000	340,000	-	0.0%
<b>Other Adjustments:</b>								
Residual Salary Pool & Cabinet Fund	-	246,131	246,131	-	150,000	150,000	(96,131)	-39.1%
17/18 Salary Pool (Market + Faculty Promos)	-	-	-	-	1,337,349	1,337,349	1,337,349	
Contingency	-	2,200,000	2,200,000	-	2,321,244	2,321,244	121,244	5.5%
<b>Sub-total Expenses</b>	66,698,334	45,378,352	112,076,685	67,827,909	48,408,463	116,236,372	4,159,686	3.7%
Investment Opportunity Expenses***	5,970,714	100,000	6,070,714	5,854,602	100,000	5,954,602	(116,112)	-1.9%
<b>Total Expenses</b>	<b>72,669,048</b>	<b>45,478,352</b>	<b>118,147,399</b>	<b>73,682,511</b>	<b>48,508,463</b>	<b>122,190,974</b>	<b>4,043,575</b>	<b>3.4%</b>
<b>Net Revenues &amp; Expenses</b>			<b>0</b>			<b>(0)</b>		

\*\*\* Women's Rowing transitioned from an Investment Opportunity to Operations from FY 16/17> 17/18

# Net Operations Trend



# 17/18 Budget: College & Non-College

**16/17 Expense  
Budget**

	16/17 Expense Budget (1)
College of Arts & Sciences	\$ 17,927,056
College of Education	\$ 5,643,544
College of Business	\$ 1,995,017
College of Optometry	\$ 9,927,287
College of Health Professions	\$ 27,117,727
<b>Total College</b>	<b>\$ 62,610,630</b>
President's Office	\$ 1,120,287
Provost Office	\$ 2,283,996
Athletics	\$ 4,209,061
Library	\$ 2,894,742
VP Enrollment Management & Student Affairs	\$ 15,431,898
VP University Advancement	\$ 4,401,003
VP F&A, UIS, Central, Diversity	\$ 22,309,653
<b>Total Non-College</b>	<b>\$ 52,650,638</b>
<b>Total Operations</b>	<b>\$ 115,261,269</b>

**17/18 Proposed Expense Budget (with modeled 2% pay increase)**

17/18 Starting Expense (2)	Funded Expense & Capital Items	Budget Balancing Adjustments (3)	Modeled 2% Pay Increase (4)	17/18 Modeled Expense with 2% Pay Increase	16/17 to 17/18 Modeled %
\$ 18,518,781	\$ 443,050	\$ (1,137,306)	\$ 263,751	\$ 18,088,276	0.9%
\$ 5,697,509	\$ 107,512	\$ (107,317)	\$ 79,110	\$ 5,776,813	2.4%
\$ 2,454,266	\$ -	\$ (166,019)	\$ 34,406	\$ 2,322,653	16.4%
\$ 10,269,087	\$ 562,422	\$ (311,857)	\$ 146,884	\$ 10,666,536	7.4%
\$ 27,575,449	\$ 773,932	\$ (687,142)	\$ 378,204	\$ 28,040,442	3.4%
<b>\$ 64,515,091</b>	<b>\$ 1,886,915</b>	<b>\$ (2,409,641)</b>	<b>\$ 902,355</b>	<b>\$ 64,894,719</b>	<b>3.6%</b>
\$ 1,166,287	\$ -	\$ (35,000)	\$ 15,069	\$ 1,146,356	2.3%
\$ 2,228,115	\$ 138,040	\$ (65,312)	\$ 36,427	\$ 2,337,270	2.3%
\$ 4,312,269	\$ 113,268	\$ (201,312)	\$ 51,897	\$ 4,276,122	1.6%
\$ 3,030,451	\$ 52,616	\$ (138,738)	\$ 31,116	\$ 2,975,444	2.8%
\$ 15,523,723	\$ 112,429	\$ (122,405)	\$ 116,600	\$ 15,630,347	1.3%
\$ 4,535,141	\$ 108,050	\$ (60,001)	\$ 69,926	\$ 4,653,115	5.7%
\$ 22,431,202	\$ 1,229,735	\$ (408,540)	\$ (8,890)	\$ 23,243,506	4.2%
<b>\$ 53,227,187</b>	<b>\$ 1,754,139</b>	<b>\$ (1,031,308)</b>	<b>\$ 312,144</b>	<b>\$ 54,262,160</b>	<b>3.1%</b>
<b>\$ 117,742,278</b>	<b>\$ 3,641,054</b>	<b>\$ (3,440,949)</b>	<b>\$ 1,214,498</b>	<b>\$ 119,156,880</b>	<b>3.4%</b>

17/18 Salary Pool	\$ 246,131
Contingency (w/IO), Aid Match	\$ 2,640,000
<b>Total University Central</b>	<b>\$ 2,886,131</b>

\$ 2,679,508	\$ (1,192,159)	\$ -	\$ (1,214,498)	\$ 272,851	10.9%
\$ 3,040,000	\$ (400,000)	\$ 121,244	\$ -	\$ 2,761,244	4.6%
<b>\$ 5,719,508</b>	<b>\$ (1,592,159)</b>	<b>\$ 121,244</b>	<b>\$ (1,214,498)</b>	<b>\$ 3,034,095</b>	<b>5.1%</b>

<b>Overall Total</b>	<b>\$ 118,147,399</b>
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<b>\$ 123,461,786</b>	<b>\$ 2,048,895</b>	<b>\$ (3,319,705)</b>	<b>\$ -</b>	<b>\$ 122,190,974</b>	<b>3.4%</b>
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- (1) For purposes of comparing budget to budget, 16/17 budget \$'s have been adjusted to reflect planned 7/1/17 (FY 17/18) department reporting restructures
- (2) 17/18 starting expense includes 16/17 budget adjusted for 16/17 1x funded and reduced budget items .
- (3) Some areas contributed revenue to meet balancing targets (COE, CHP, Student Affairs, Advancement). These are excluded above since this is an expense analysis.
- (4) This includes an addition for 2% modeled pay/fringe increase. The final methodology to distribute the 2% salary pool is TBD. Central includes credit for difference between 17% & 35% (\$187K) for fringe chargeback difference.
- All #'s include Investment Opportunities*

# FY 17/18 Proposed Compensation

July 1, 2017:

- ✓ 2% salary increase pool
  - Distribution methodology TBD
- ✓ Comparability
  - Budget does not include any \$'s for comparability in FY 17/18
- ✓ 30 Faculty Promotion Candidates
  - ✓ 15 Assistant to Associate Professor Candidates (\$3,000/promotion)
  - ✓ 15 Associate to Full Professor Candidates (\$4,000/promotion)
- ✓ 9% 403B (Retirement) Contribution ~ no change



# FY 17/18 Benefits Cost

## Pioneer Education Health Trust Plan (Regence):

- 7.49% increase in Medical (42% of Tier 1 Enrolled Employees\*)
  - Deductibles:
    - » Decrease participating from \$1,500 per claimant to \$1,000
    - » Out of Network \$3,000 (no change)
  - Out of Pocket Maximum
    - » Participating \$4,000 (no change)
    - » Non participating \$8,000 (no change)
  - Co-pay
    - » Specialized Office Visit \$50 (no change)
- 7.24% increase in Dental

## Kaiser Plan:

- 1.3% Increase in Medical (58% of Tier 1 Enrolled Employees\*)
  - No Change to Benefits
- 3% increase in Dental

## Willamette Dental

- 0% Increase

## Tier 1 Medical Cost Sharing (no change)

- Employee Only Election: 85/15
- Employee + Spouse or Employee + Children Election: 75/25
- Employee + Family Election: 70/30

\*Enrolled Tier 1 Employees as of Dec 2016 (excludes waivers, Tier 2)

# Achievements of Proposed FY 2017/18 Budget

- ✓ First year of 3 year budget process. Budget template focus on program contribution margin (direct revenue less direct expense); first use of overhead allocation model
- ✓ Minimized tuition/fee rate increases. Range of 0-3.75% (MBA 9.75% but that was to reset closer to market)
- ✓ Continued growth in undergraduate and graduate enrollment with some reset in FG UG enrollment budget
- ✓ Support for continuing Investment Opportunities
- ✓ \$2.3M Contingency (\$2.2M Operations, \$100K Invest. Oppty)
- ✓ Support of faculty sabbatical replacements

# Achievements of Proposed FY 2017/18 Budget

- ✓ Restructure and enhancement of Equity, Diversity, and Inclusion Office
- ✓ Accounts for employer cost increases in medical and dental plans
- ✓ Funded expected increase in utilities and central costs (insurance, leases, meal plan contract costs)
- ✓ Modest increase in research support office because of increased extramural funding
- ✓ Balanced budget from \$9.4M gap in December. Accomplished by re-evaluating revenue assumptions and reducing expense request and base budget levels

# Impacts of Budget Balancing

## (Support Areas)

- ✓ Negotiation of lower medical rates (9% to 7.49% PEHT, Kaiser 3% to 1.3% while reducing the deductible)
- ✓ Reduction in non-payroll operating funds across most areas
- ✓ Increase Meal plan from 1% to 3% increase
- ✓ Reflect/Refine Utility expense – LED project and updated increase assumptions
- ✓ Reduction of marketing budget
- ✓ Delay of projects – IT and Registrar
- ✓ Re-negotiation of student mass transit pass plan with TriMet (no negative impact to students)
- ✓ Postpone Track and Field Initiative – recruiting cycle timing
- ✓ Reduction of Library collection budget

# Impact of Budget Balancing (Program Areas)

- ✓ Close of Healthcare Compliance Certificate Program (CHP)
- ✓ Suspend MSF Program (COB)
- ✓ Delay of equipment replacement –high impact to clinical and equipment intensive programs
- ✓ Delay of filling vacant staff and faculty positions in college and non-college areas
  - ✓ Sensitive to accreditation cycles – cannot jeopardize
- ✓ Some increase in class size where feasible
- ✓ Modify sabbatical coverage plan (fewer, more part-time)
- ✓ Minor additional increases in enrollment, tuition, fees (CHP, COE)
- ✓ Expense reductions targeted programs with low contribution margins

# Identified Risks in Proposed FY 2017/18 Budget

- ✓ Undergraduate Net Revenue ~ meet budget goals of:
  - ✓ Enrollment: 473 Freshmen, 104 New Transfer
  - ✓ Freshmen/Sophomore Retention 80.1% (82.3% PY actual)
  - ✓ Financial Aid: Freshman Average Discount 58%, New Transfer 50%
- ✓ Room & Meal Plan:
  - ✓ Achieve occupancy 95% fall 2017, average 17/18 92.5%
- ✓ Graduate Program Enrollment Pools:
  - ✓ Most programs still strong but need to continue to watch usage of wait lists, student quality, student success (stop outs)
- ✓ College of Education SLT:
  - ✓ Graduate enrollment budget needs to be watched closely
- ✓ College of Business MBA meet enrollment goals of:
  - ✓ MBA fall 2017 new student budget = 15 (should be conservative)



# Identified Risks in Proposed FY 2017/18 Budget

- ✓ Investment Opportunity Budgets:
  - ✓ Risk in achieving budgeted enrollment (should be ok, most programs well underway)
- ✓ Expense budgets ~ impact of budget reductions to be monitored
- ✓ Capital Project Funding (primarily from year end surplus)
- ✓ Continue long-term planning and roadmap of academic and non- academic vision:
  - Program Restructure
  - Efficiencies
  - Revenue enhancements

# Voluntary Termination of Services

- Announcement by mid-March (email to all eligible faculty)
- For tenured and extended term faculty who, by the date of retirement, will be 60+ with at least 15 years of service
- 25% of salary for 15 years of service, prorated up to 50% for 30 years of service
- May retire this year or next
- Positions generally will be relinquished; exceptions may be requested from the Cabinet for essential functions (e.g. accreditation requirement)
- Indicate commitment by May 1, 2017 for this year, September 1, 2017 for next



# **Allocation Model**

## **FY 16/17 BOT Approved Budget**



# FY 16/17 BOT Approved Budget

## (Budget with modeled Overhead Allocations)

Includes Investment Opportunity Revenue & Expense	College of Arts & Sciences	College of Education	College of Business	College of Optometry	College of Health Professions	Total College
<b>Direct College Revenue</b>						
<b>Tuition</b>	\$ 66,611,654	\$ 7,501,175	\$ 5,481,058	\$ 14,158,488	\$ 41,806,169	\$ 135,558,544
<b>Gross Financial Aid</b>	\$ (36,009,252)	\$ (1,021,639)	\$ (2,402,294)	\$ (149,692)	\$ (315,098)	\$ (39,897,975)
<b>Net Tuition</b>	\$ 30,602,402	\$ 6,479,536	\$ 3,078,764	\$ 14,008,796	\$ 41,491,071	\$ 95,660,569
<b>Fees, Clinics, Scholarship Funding, Other Revenue</b>	\$ 2,257,658	\$ 542,590	\$ 43,765	\$ 2,853,185	\$ 2,075,981	\$ 7,773,178
<b>Total Direct College Revenue</b>	\$ 32,860,060	\$ 7,022,126	\$ 3,122,529	\$ 16,861,981	\$ 43,567,052	\$ 103,433,747
<b>Direct College Expenses</b>						
<b>Payroll</b>	\$ 14,980,028	\$ 4,910,467	\$ 1,884,049	\$ 8,251,999	\$ 23,630,030	\$ 53,656,572
<b>Non-Payroll</b>	\$ 2,947,028	\$ 733,077	\$ 110,968	\$ 1,675,289	\$ 3,487,697	\$ 8,954,059
<b>Total Direct Expense</b>	\$ 17,927,056	\$ 5,643,544	\$ 1,995,017	\$ 9,927,287	\$ 27,117,727	\$ 62,610,630
<b>Direct Contribution Margin (College Only)</b>	\$ 14,933,004	\$ 1,378,582	\$ 1,127,512	\$ 6,934,693	\$ 16,449,325	\$ 40,823,117

### Non-College, Support, Central Modeled Allocations (Net = Revenue - Expense):

Major Category	Allocation Method						
1 FG UG Support* (recorded in CAS)	B	\$ 109,513	\$ (30,788)	\$ (78,725)			\$ -
2 Room & Meal Plan ~ FG Campus Aux (Net)	B	\$ 2,538,332	\$ 65,883	\$ 168,461			\$ 2,772,676
3 Athletics (Net)	B	\$ (3,670,952)	\$ (95,280)	\$ (243,630)			\$ (4,009,861)
4 Lincoln Park (Maint, Debt, Utilities)	B	\$ (971,325)	\$ (25,211)	\$ (64,464)			\$ (1,061,000)
5 FG Campus General Bond Debt	B	\$ (456,885)	\$ (23,494)	\$ (30,322)			\$ (510,701)
6 Study Abroad, International , ELI (Net)	B	\$ (744,243)	\$ (19,317)	\$ (49,393)			\$ (812,953)
7 FG Campus: Utilities, Insurance, UC Debt	C	\$ (842,780)	\$ (147,014)	\$ (80,057)	\$ (179,036)		\$ (1,248,887)
8 Strain/Price Bond Debt	A	\$ (191,801)					\$ (191,801)
9 Building Leases & Lease Operating	A	\$ (85,729)	\$ (102,175)	\$ -	\$ (391,928)	\$ (140,772)	\$ (720,604)
10 Hillsboro Campus Debt	A					\$ (3,097,256)	\$ (3,097,256)
11 Hillsboro Campus Utilities, Health Center, Contracts (Net~ income from VGMHC)	A					\$ (264,815)	\$ (264,815)
12 Support Areas (Net)	D	\$ (13,503,424)	\$ (2,355,520)	\$ (1,282,709)	\$ (2,868,603)	\$ (9,367,660)	\$ (29,377,915)
<b>Total Allocated Non-College, Support, Central</b>		\$ (17,819,293)	\$ (2,732,916)	\$ (1,660,838)	\$ (3,439,567)	\$ (12,870,503)	\$ (38,523,117)
<b>Net Margin with Modeled Allocations</b>		\$ (2,886,289)	\$ (1,354,334)	\$ (533,325)	\$ 3,495,126	\$ 3,578,823	\$ 2,300,000

Represents budgeted contingency (operations \$2.2M + investment opportunity \$100K)

# FY 16/17 Overhead Allocation Methodology (Based on approved budget)

**Method A = Expense is specific to program or college**

**Method B = Expense is specific primarily to FG UG Students>>> Use FG UG Student Credit Hours:**

	CAS	COE	COB
FG UG Credit Hours (budgeted)	50,703	1,316	3,365
% of expense shared	91.55%	2.38%	6.08%

Total  
55,384

Note: Based on budgeted instructed credit hours, not majors

**Method C = Expense is specific to FG Campus>>> Use Avg fall/spring student FTE for colleges who have students primarily on the FG campus:**

	CAS	COE	COB	COO	CHP
Avg college fall/spring student FTE (budgeted)	1,737	303	165	369	No students in FG
% of expense shared	67.48%	11.77%	6.41%	14.34%	

Total  
2,574

Note: COE and COB fall/spring student FTE #'s include an allocation of FG UG students based on budgeted FG UG Credit hours instructed (not majors)

**Method D = Remaining Unallocated Non-College, Support, Central Expense (net)>>> Use Avg fall/spring student FTE:**

	CAS	COE	COB	COO	CHP
Avg college fall/spring student FTE (budgeted)	1,737	303	165	369	1,205
% of expense shared	45.96%	8.02%	4.37%	9.76%	31.89%

Total  
3,779

Note: COE and COB fall/spring student FTE #'s include an allocation of FG UG students based on budgeted FG UG Credit hours instructed (not majors)

# FY 16/17 Overhead Allocation Methodology

## (Based on approved budget)

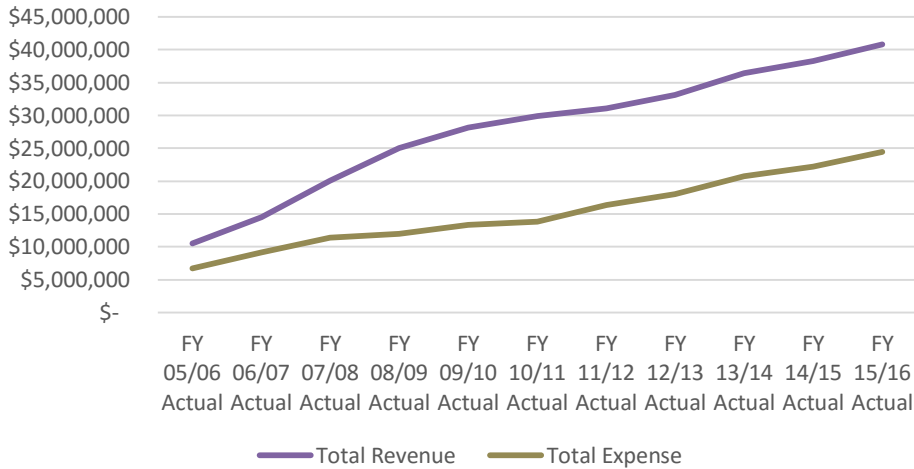
### Detail of Remaining Unallocated Non-College, Support, Central Expense (net):

Provost Office, OSSP, Inst Research, Registrar, Berglund Center	\$ (2,320,461)
Library	\$ (2,886,742)
President Office, Board of Trustee Support	\$ (1,120,287)
University Information Systems (Technology, Help Desk)	\$ (3,902,940)
VP Office, Student Life, Enrollment Management, Admissions, LSS	\$ (5,528,097)
VP Finance Office, H/R, Legal, Facilities, Business Office, Budget Office, Purchasing, CPS, Custodial, Financial Aid, Central	\$ (10,199,386)
VP University Advancement, Development, Marketing, Alumni Relations, Conferences & Events	\$ (3,420,003)
Total of Remaining Unallocated Non-College, Support, Central Expense (budgeted net):	\$ (29,377,915)

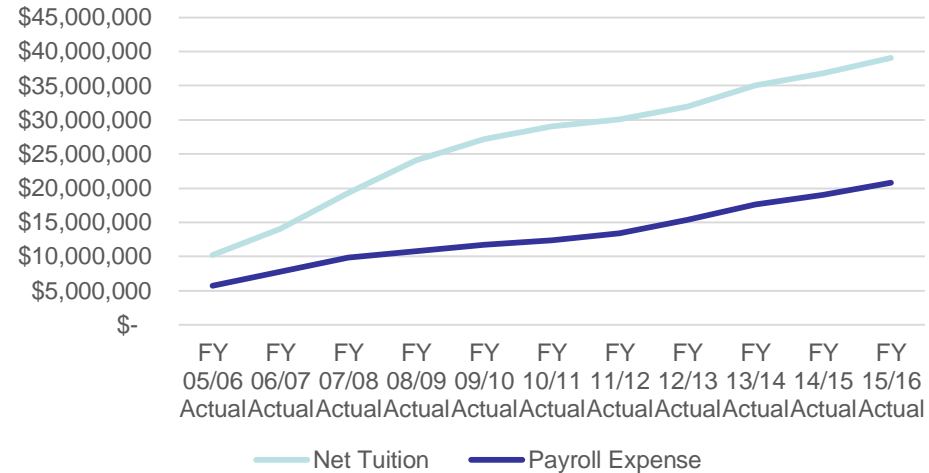


# College of Health Professions (all programs) (no overhead allocation)

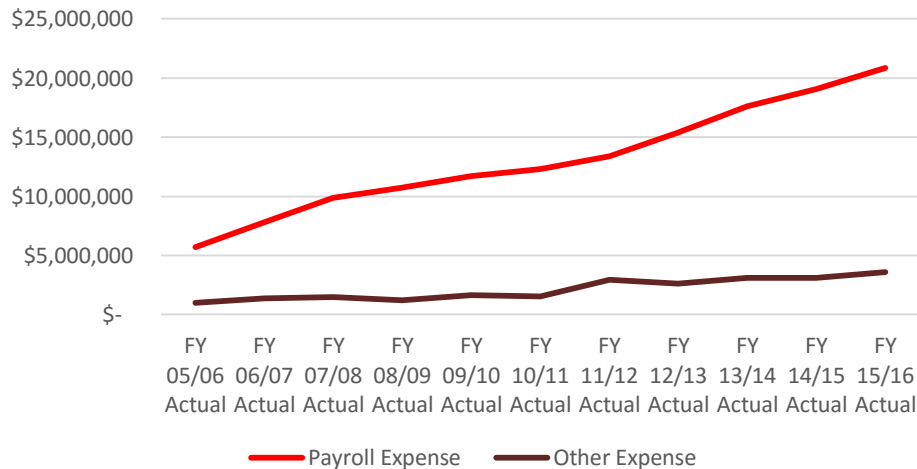
College of Health Professions



College of Health Professions

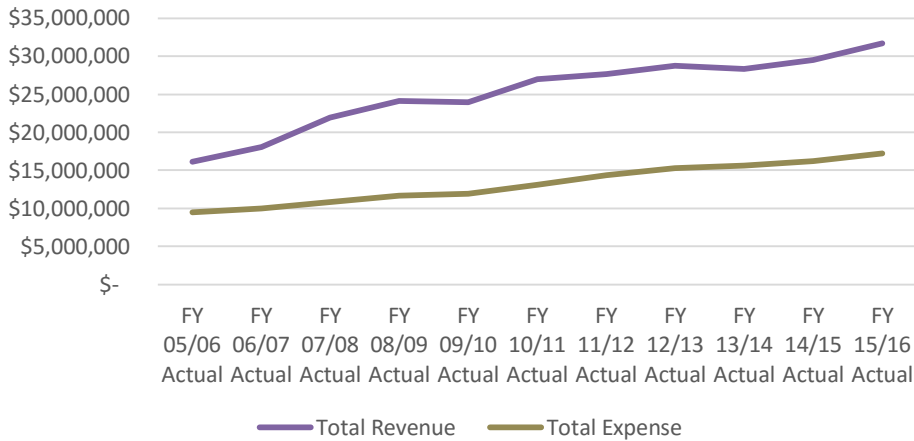


College of Health Professions

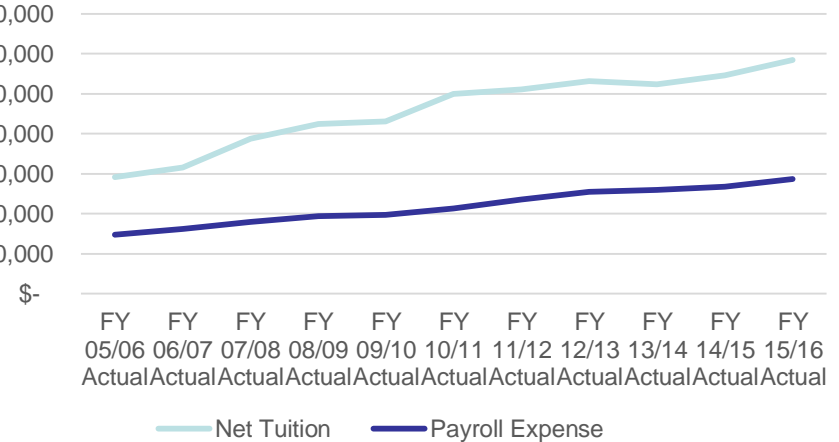


# College of Arts & Sciences (all programs) (no overhead allocation)

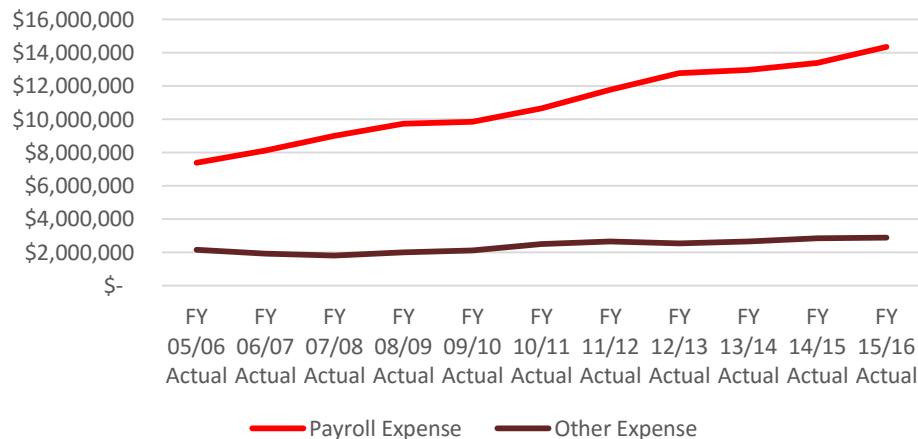
College of A&S  
FG UG, MFA, MSW



College of A&S  
FG UG, MFA, MSW



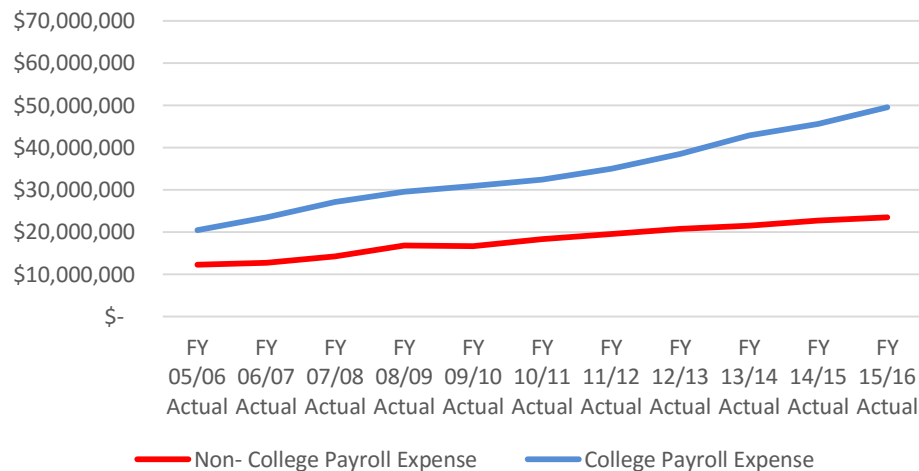
College of A&S  
FG UG, MFA, MSW



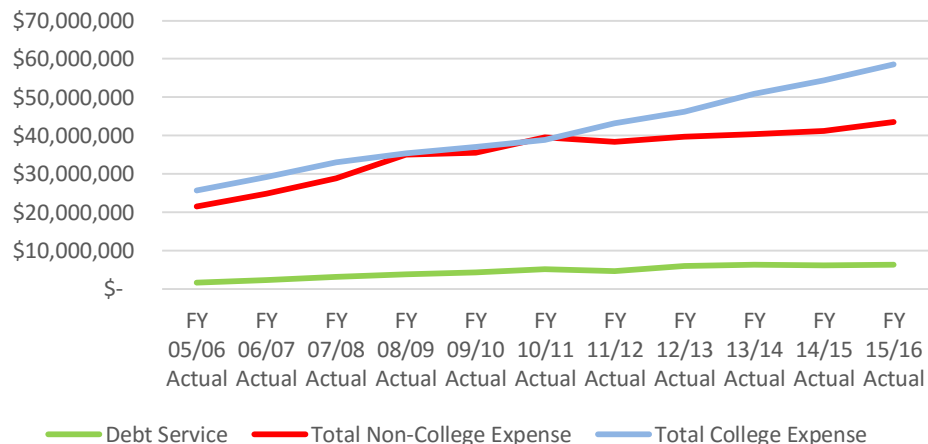
FY 05/06 to FY 12/13 included UG Business

# College & Non-College Expense Trends

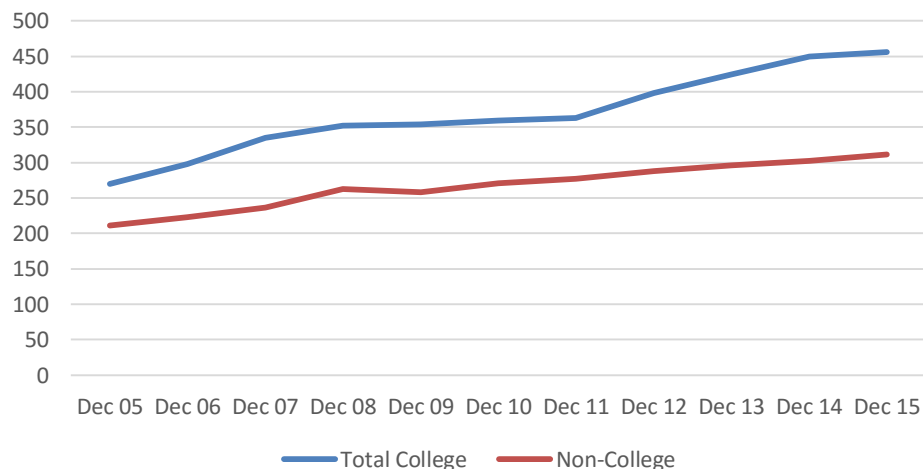
## College & Non-College Payroll Expense



## College & Non-College Total Expense (non-college includes Central Ops)



## Benefit Eligible Headcount (Dec Snapshot\*)



Non-College Includes: Library, Athletics, Auxiliary (Room & Meal), Provost, Information Systems, Student Life/Enrollment, Advancement, Finance, President Office, Central Operations

\* Headcount (not FTE) based on home department. Does not include vacant positions. College includes both faculty & staff whose home department is a College.

# Next Steps

- Board Approval or Modification
- Communicate Budget Implications
- Work with Cabinet and Provost's Council to establish an inclusive process to affirm a university-wide vision
  - Establish priorities and net revenue targets for subsequent years
  - Reset, if necessary, years 2 and 3 (short term)
  - Establish working groups where needed to build a (medium term) plan that will achieve targeted net revenue
  - Implement budget process that promotes investment in Pacific's future

# Thank You

- Questions or Suggestions?