

## **Tuition & Fee Advisory Committee (TFAC)**

### **Student Survey Background Information**

WOU has two main revenue components to the Education & General fund budget: tuition & fees, which comprise ~45% of total revenues, and state appropriations, which comprise ~48% of total revenues. Other revenues make up the small remainder and include interest earnings, sales and services, and other miscellaneous revenues. On the expense side, Western's major expense is personnel, which not only includes salaries for faculty and staff, but also benefits such as health insurance, retirement, and payroll taxes. The remainder of the expense side of the budget includes services & supplies and transfers. The areas funded include the President's Office, Human Resources, General Counsel, Diversity Equity & Inclusion, Academic Affairs (College of Liberal Arts & Sciences, College of Education, Library, Enrollment Management & Success), Finance & Administration, Student Affairs, Development in Advancement, and Marketing & Communications.

Western continues to face budgetary challenges based on a multitude of factors. Other than Fall 2023, enrollment has been declining for 10+ years; this has a dramatic impact on tuition revenue collected. As far as state appropriations, the other major revenue source, state funding for public universities in Oregon ranks 46th in the nation. We also continue to see rising expenses. This current year, faculty salaries went up 6%, classified staff received several COLAS in addition to the steps they received for an overall impact of ~10%, and unclassified staff received a 3% COLA. Both faculty and classified staff are currently in negotiations for next year. Health insurance also increased 12.5% this year, with another increase expected next year. As an additional point of reference, the Higher Education Price Index (a measure of inflation specific to universities) was 3.6% for FY2025.

Putting numbers to these challenges, the FY26 Adjusted Budget totaled \$73M in revenues, and \$76.6M in expenses and transfers, resulting in a net recurring budget deficit of \$3.5M.

So what does all of this mean for us? The Tuition & Fee Advisory Committee is charged with recommending an increase to resident undergraduate tuition to the President. The tuition increases being considered aim to minimize impact to the cost of attendance for students, while also acknowledging Western's need to increase revenues. The university knows it cannot balance the budget by raising tuition alone, that would take an ~16% increase to tuition, and is also currently reviewing expenses and looking to make reductions, again while trying to minimize the impact to students.