

Summary – Major FY2020 E&G Fund Cost Drivers

Cost Driver	FY20 Cost	Notes
Faculty, Staff and GE Salary and Wages	\$10.6 million	E&G employee increases per existing collective bargaining agreement for approximately 1,402 faculty. Also includes estimates of increases for 665 classified staff, 1,272 graduate employees, and approximately 1,034 unrepresented staff. Figures are for employees paid with E&G funds only.
Medical Costs	\$1.9 million	Assumed annual increase of 3.7%
Retirement Costs	\$7.1 million	Based on new PERS rates released by PERS board in fall 2018
Institutional Expenses	\$1.0 million	Increases related to utilities, insurance, debt for academic buildings, assessments, and leases
Strategic Investments	\$2.0 million	Allocated via strategic investment process
Minimum Wage Increase	\$1.0 million	Increases per State of Oregon minimum wage increase to \$11.25/hour
Total Projected Cost Increases	\$23.6 million	



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Cost Driver	FY19 Base	FY20 Cost Increase	FY20 % increase
Faculty, Staff and GE Salary and Wages	\$422.3 million	\$10.6 million	2.5%
Medical Costs	\$51.0 million	\$1.9 million	3.7%
Retirement Costs	\$54.4 million	\$7.1 million	13.0%
Institutional Expenses	\$36.6 million	\$1.0 million	2.7%
Strategic Investments	\$541.1 million	\$2.0 million	0.4%
Minimum Wage Increase	\$429.2 million	\$1.0 million	0.2%
Totals	\$541.1 million	\$23.6 million	4.36%



Cost Drivers – PERS Costs

Projected Annual Increases	FY18	FY19	FY20	FY21	FY22
E & G Fund	\$7.1M	\$0	\$7.1M	\$0	\$7.1M
Other	\$3.4M	\$0	\$3.0M	\$0	\$3.0M
Total	\$10.5M	\$0	\$10.1M	\$0	\$10.1M

Projected Cumulative Increases	FY18	FY19	FY20	FY21	FY22
E & G Fund	\$7.1M	\$7.1M	\$14.2M	\$14.2M	\$21.3M
Other	\$3.4M	\$3.4M	\$6.4M	\$6.4M	\$9.4M
Total	\$10.5M	\$10.5M	\$20.6M	\$20.6M	\$30.7M

If PERS unfunded liabilities continue to grow, charges to the University of Oregon could grow significantly in future years.

