

*Resolution in Attachment 1 annotated in red text
to reflect the March 16, 2017 Finance & Administration Committee recommendation*

FY2018 Tuition Rates, Mandatory Fees and Student Incidental Fees and Operating Budget Outlook

The tuition and fee recommendations discussed here are part of a long-term financial strategy for the university that includes decreases in expenses through efficiencies in management and administrative costs at all levels, redirection of budget to the highest strategic priorities, modest increases in tuition and fee rates, and strategic enrollment growth in programs on and off the physical campuses of the university.

The ten-year business forecast recognized that long-term, predictable increases in state support are unlikely and that large tuition increases cannot sustain the mission of the university, much less its financial health and strategic priorities. Strategies for new enrollment growth and innovative efficiencies in delivering programs and services will be a necessary part of planning for some time. The tuition and budget recommendations discussed here are consistent with that ten-year forecast.

SUMMARY OF RECOMMENDED CHANGES IN TUITION AND FEES FOR 2017-18

Under the Tuition and Fee Process adopted by the Board, the university considers a number of factors in developing tuition and fee recommendations for the Board. These include:

- Affordability for all students
- Access to a high-quality education
- Maintaining strong degree programs
- Undergraduate financial aid need and allocations to assist students with highest need
- Projected cost and revenue changes for FY2018, including projections for flat state funding in the 2017-19 biennium, important strategic commitments, and existing commitments
- Fall 2016 enrollments and enrollment targets for Fall 2017
- Comparisons of tuition rates with strategic plan peers
- Impact of tuition increases on enrollment for undergraduate students
- Any constraints from the legislature on setting tuition and mandatory fees

The principal recommendations for tuition changes include the following (rates apply to both Corvallis and Cascades campuses unless specifically noted):

<u>Undergraduate Tuition Category:</u>	<u>Proposed Change:</u>
Corvallis resident undergraduate	Scenarios included for discussion, up to 8%
Cascades resident undergraduate	Same as Corvallis increase up to 6%
Corvallis non-resident undergraduate ¹	1.99% or \$12/Student Credit Hour (SCH)
Cascades non-resident undergraduate ¹	1.99% or \$12/SCH
Honors College differential tuition.....	\$69 per term (to total of \$500 per term)

¹ This is the change in per credit hour rate; tuition includes a flat charge of \$100 for residents and \$335 for non-residents that will not change. Rate recommendations are in whole percentage points, actual charges are rounded to the nearest dollar. For example, the recommended rate increase for non-resident undergraduates is 2%; the aggregate rate increase for a student taking 15 credit hours would be 1.99%.

Other per credit differential charges ²	No increase
Ecampus undergraduate	Same as resident Corvallis increase up to 5%
Corvallis summer undergraduate	Same as resident Corvallis increase up to 8%
Cascades summer undergraduate	Same as resident Corvallis increase up to 6%

<u>Graduate Tuition Category:</u>	<u>Proposed Change:</u>
Resident graduate.....	1.56% or \$7/SCH
Non-resident graduate	4.46% or \$36/SCH
Doctor of Pharmacy	3.0% (all terms including summer)
Doctor of Veterinary Medicine	3.0% (all terms including summer)
MBA ³	Transition to SCH pricing from plateau pricing
Cascades MS in Counseling ³	Transition to SCH pricing from plateau pricing
Cascades MAT ³	Transition to SCH pricing from plateau pricing
Cascades MFA ³	Transition to SCH pricing from plateau pricing
Other per credit differential charges	No increase
Graduate Ecampus	1.59% or \$7/SCH
Graduate summer	1.56% or \$7/SCH

<u>Mandatory Enrollment Fees:</u>	<u>Proposed Change:</u>
Corvallis, academic year	4.29% or \$23.59 per term
Cascades, academic year	49.5% or \$97 per term
Corvallis, summer	2.96% or \$11.75 per term
Cascades, summer	0.0% or \$0 per term

The following corrections are also recommended:

- Graduate rates for Cascades summer tuition tables for 2017 should be the same as for Corvallis.
- The Doctor of Veterinary Medicine tuition tables for summer 2017 rates were incorrectly calculated.
- The rates for graduate degrees in Medical Physics can be dropped as that program is now managed entirely by Oregon Health & Science University (OHSU).⁴

Recommendations from the University Budget Committee (UBC)

The UBC, which is charged with making formal tuition recommendations to the Provost, considered a number of tuition scenarios. Every scenario considered (Table 1) leaves a significant gap between projected expenses and projected revenues. The UBC could not reach consensus on undergraduate rates because of the complex relationships when considering loss in program quality when expense reductions are necessary, enrollment loss with increased tuition, the need for increased financial aid, and the individual costs to students. In the end, a

² Charges for per credit hour differential tuition are added to base tuition rates. Students in a program like Engineering, which has a \$51/SCH differential tuition for professional students, will see an increase in their tuition rates because of the increase in base tuition, even though the differential charge will not increase.

³ These are professional degrees. Proposed changes are made after consideration of local expense escalation and national norms for similar professional schools. The changes would be phased in for the three Cascades degree, with a plateau at 12-15 credits for FY2018 (from 9-16 credits now) and no plateau in FY2019.

⁴ OSU still offers the program but it has moved the management to OHSU as most of the curriculum is delivered there and the number of students enrolled is small. OSU's costs are covered in an agreement with OHSU.