

Tuition and the Tuition Setting Process

Tuition provides approximately 65% of Educational and General funding and more than 80% of tuition is from undergraduate instruction. Resident undergraduate, non-resident undergraduate, and Ecampus tuition are 27%, 30% and 26% of tuition revenues, respectively, that total about \$400M.

OSU is a special type of university. There are around 4,050 higher education institutions in the U.S. of which 680 are public, four-year universities. Of those, 71 are Land Grants (excluding the tribal colleges), 80 are Research 1 or R1 universities (very high research doctoral institutions), and only 34 are both Land Grants and R1 universities. OSU is one of those R1 Land Grants.

Table 1: Tuition comparisons 2018-19

Tuition comparisons to OSU peer institutions:		
Undergraduate (academic year)	Annual Tuition	
	Resident	Non-resident
Oregon State	9,075	27,735
Median Strategic Peers	9,530	28,156
Median Peer Land Grants	9,635	28,215
Median Public Pac-12	9,909	34,382
Graduate (academic year)	Annual Tuition	
	Resident	Non-resident
Oregon State	12,339	22,761
Median Strategic Peers	11,224	26,604
Median Peer Land Grants	10,997	26,529
Median Public Pac-12	11,220	27,837
Online (per credit, semester basis)	Credit hour cost	
	Undergrad	Graduate
Oregon State	432	792
Median all programs	440	627
Median peer institutions	476	606
Median other online	378	637

Tuition only sets the list price for attendance. For many students, the actual cost is reduced by awards of financial aid. Grant aid (that students do not have to pay back) comes from three sources: university aid (paid for out of tuition revenues), governmental grants (mostly Federal), and privately funded scholarships. Loan can come from government-sponsored programs or private sources.

OSU's tuition is similar to our peers among those public R1 institutions (Table 1)¹. Academic year tuition is for 15 credits per term for undergraduates and 12 credits per term for graduates.

Tuition is only one part of the cost for students. Students also have costs for fees, room and board, books, transportation, and incidentals. Every university provides a cost of attendance estimate annually (Table 2).

Table 2: Cost of Attendance comparisons

2017-18 Cost of Attendance estimates:		
	Resident	Non-resident
OSU	26,046	44,707
Average Strategic Peers	27,839	47,523
Average Peer Land Grants	27,680	47,697
Average Public Pac-12	28,747	51,960
Median Strategic Peers	27,036	46,834
Median Peer Land Grants	27,168	47,085
Median Public Pac-12	27,884	51,469

¹ Strategic peers include Ohio State, Penn State, UC Davis, Purdue, Florida, Illinois, Wisconsin, Colorado State, NC State, UC Riverside, Tennessee and Washington State. Other land grants used include Michigan State, Texas A&M, Virginia Tech, Louisiana State, Kansas State, Arizona, and Georgia. Online comparisons include Penn State, Florida, Colorado State, Washington State and a number of other online programs ranked highly by U.S. News and World Report.

Tuition rates are set by the Board of Trustees. The Board's policy on the Tuition and Fee Process states that:

“Tuition and mandatory enrollment fees are established annually by the Board, generally at the Board's meeting in March or April prior to the applicable academic year. When setting tuition and fees, the Board considers a number of factors, including the desire to provide access to degree programs, create a diverse student body, maintain strong degree programs at every level, and develop and maintain the human and physical infrastructure necessary to support Oregon's educational outcome goals. The Board's commitment to maintaining the long-term quality of the university's programs for students and for the state requires a deliberate approach to managing costs, planning for inflationary increases in costs, and considering new strategic investments. The Board, based on its commitment and fiduciary duties, including managing anticipated inflationary cost increases, establishes the expectation that annual tuition rate increases will be between 2 and 5 percent. Changes outside this range will be considered when necessitated by external factors such as changes in state funding, costs of state-provided benefits, or reductions in program scope or costs. “

The policy recognizes that there are annual increases to costs largely outside the control of the institution. These include salary increases (recently 2% to 4% annually, depending on employee group), increases for health insurance and retirement plans (2% to 10% annually depending on rates for the state's retirement plan), and inflation on the costs of goods and services (about 2.5% this year). The aggregate cost increase is usually between 2% to 5% and, because tuition is over 60% of revenues, this places annual pressure on tuition rates. Those rate increases occur every year and can be offset some years, in part, by reductions in programs or personnel if the university chooses that path. Repeated cost reductions can, over time, harm the quality of the academic and other services the university provides students, faculty, and staff.

The President recommends tuition rate increases to the Board based on advice from the Tuition Advisory Council (TAC) of the University Budget Committee². The TAC includes student government representatives, students at large, faculty, and administrators and begins their work in fall. They review the overall budget of the institution, historical tuition and fee trends, comparative data for peer institutions, the University's budget and projected costs, anticipated state appropriation levels, and advice from the Student Budget Advisory Council (a volunteer group of students from across campus). Cost projections include the inflation components noted above, costs for any expected enrollment growth (faculty and advisors for new Ecampus growth, for example) and any new initiatives or investments (such as additional money for building repairs). Over several meetings, the TAC considers these factors and makes recommendations to the Provost and President for all tuition rates (undergraduate, graduate, differential, etc.) as well as student health fees and matriculation fee. Meeting notes and materials are posted online for the university community. The recommendations are made by the end of February and the TAC then convenes a series of forums, meetings with student groups, and solicitations for public comment through March. The President shares the feedback from those discussions with the Board, including any minority reports from the TAC.

Student incidental fees (supporting things like Rec Sports, the MU, Cultural Centers, etc.) are developed by the Student Fee Committee of ASOSU and ASCC. These groups make recommendations of fee rates to the President. With the President's approval, those recommendations are forwarded to the Board for final approval.

² This usually includes the whole University Budget Committee and was established to comply with ORS 352.102 that defines some particular aspects of the tuition advisory process.