

Attending: Sami Searles, August Peterson, Austin Carsh, Isai Garcia, Steven Miller, Lisa Lin, Ben Johnson, Kennedy Hedges, Sherman Bloomer, Nicole Real and Karren Cholewinski. Absent: Jasen Phillips Dom Miller.

### Updates & Information (Sherm)

- Short review of the Budget Primer discussed at the last meeting and quick overview of the FY2019 Budget workbook
- Reviewed the *2018-2019 Budget & Tuition Planning Guide* (items answering the following questions)  
“What drives cost increases from year-to-year?” (FY2018 expenditures percentages)
  1. Inflation drivers: Salaries, benefits, supplies & services (2.8%)
  2. Growth drivers: Salary/benefits and services/supplies increases for new enrollment (1.5%)
  3. Improvement or repair drivers: Depreciation & repair, student success initiative, enrollment initiatives, space change & improvements, net of others (2.6%)→ **Total cost increase projection: \$36.9M (6.8% of FY2018 expenditures)**

#### “What happens in the long term?”

- Accumulated operating balance for tuition scenarios. Percentage changes, whether too high or too low, compound over time. (over 5 years, by 2025)
  - 1% decrease (-1.0%): Declining balance; projected accumulated balance loss, ~\$425M
  - 0% flat (no change): Declining balance; projected accumulated balance loss, ~\$375M
  - 2% increase (+2.0%): Declining balance; projected accumulated balance loss, ~\$160M
  - 3% increase (+3.0%): Declining balance; projected balance loss, ~\$55M
  - 4% increase (+4.0%): Balance growth; projected accumulated balance increase, ~\$25M
- The changes are large, so alternative revenue sources need to be substantial, and in some cases may be practically impossible to achieve.
- Enrollment projections do not demonstrate sufficient enough growth to keep pace with OSU’s inflationary expense projections.

### Brainstorm Exercise – What are the priorities? (Sherm)

- Education & General Fund – priorities brainstorming
  - What are the critical budget needs on the Corvallis campus that will justify a 1% increase?
  - What are some things that should be cut, reduced, dropped to avoid a 1% increase in tuition?
  - Responses combined and available at the next meeting

### 2018-19 Tuition Scenarios – Preliminary Discussion (Sherm)

- Undergraduate Resident, Undergraduate Non-Resident & Ecampus Tuition: \$100M each/annually
- Graduate Non Resident rates will continue to increase during next two years (when compared to peers, Non-Resident rates historically low; Resident rates too high-tuition, increases are moderate to low)
- Begin tuition process by determining Resident/Non-Resident Undergraduate rates
  - Ecampus tuition rate is driven by Undergraduate Resident Tuition Rate
  - Scenarios are driven by the projected state allocation to OSU
- Options
  - Long-term view: Plan/establish tuition rates 4 to 5 years in advance, move away from the annual tuition rate setting process (Other Institutional Models: *Cohort Tuition, Guaranteed Tuition*). Benefit to students – 4 years, tuition cost knowledge.

- Fixed price degrees
- How to reduce tuition? Increase investments and reductions

**Assignments (next steps)**

- Tuition Scenarios
  - What information do you want the OSU Board of Trustees to consider? How should the conversation be framed?
  - What should we illustrate to the OSU community about the tuition process?
  - Where should the conversation begin?

**Next Meeting:** Monday, November 20, 2017, 7:00 pm – Valley Library, Willamette Room East