University Budget Committee Meeting Minutes  
Friday, February 9, 2024  
B011 Kerr Admin. Bldg. and Zoom

MINUTES

Committee Members Present: Nicole von Germeten, Jon Boeckenstedt, Shaun Bromagem, Tim Carroll, Bob Cowen, Thomas DeLuca, Thomas Gonzales, Steve Hoelscher, Terri Libert, Jeff Luck, Marc Norcross, Carissa O’Donnell, Joe Page, Matteo Paola, Tania Davis

Committee Members Absent: Jessica Dupont, John Gremmels, Noe Alvarez

University Staff Present: Nicole Dolan, Kayla Campbell, Mealoha McFadden, Brent Gustafson

1. Differential Tuition Revision Request – College of Engineering – Scott Ashford
   a. Proposal
      i. Eliminate the $38/SCH fee for general engineering (formerly pre-engineering) majors and charge one differential fee of $59/SCH for all majors (formerly pro-engineering majors) which is the rate currently assigned to declared engineering majors.
      ii. In fall of 2019, pre and pro school barrier removed, College of Engineering significantly invested in first- and second-year students.
      iii. Engineering has a large FY25 SRBM reduction. Equalizing the differential tuition would only make up for a small portion of the SRBM cut. However, it won’t provide any additional service to students.
      iv. Nets $1M extra for engineering, is this money needed to support current services or are there new services being offered? This would help maintain the current service level. Changes in allocation mean this might make up 25% of current services.
      v. Changing their practice by allowing first year students to declare a major in the first year. Only about 300 remain a general engineering student
      vi. Doesn’t affect post-bacc differential will be no increase this year because that differential is at-market price.
   b. Student feedback
      i. Met with the Engineering Student Council, who support the proposed rate increase and making the rate consistent across majors.
      ii. The students want us to continue to work on ways to reduce the overall cost of education.
      iii. The students feel it will be important to communicate any tuition changes to impacted students in a timely fashion.
   c. Discussion
i. Nicci – Asks the college to communicate what the differential tuition is for.
ii. Jeff Luck – Good
iii. Jessica – for simplicity and consistency, back end manual processes
iv. Shaun – it’ll make the rates at parity for programs
v. Terri – supports clarity and equity
vi. Tommy Gonzales – Nothing to add.
 vii. Bob Cowen – approve, likes simplifying and standardizing
viii. Tim – simplification/equity is good but it is a disguised tuition hike so wants this noted.
ix. Tom – supports the change for simplification and towards Jon’s recommendation; Clear that it is indeed an additional burden on students in early students
x. Marc – make sure that we recognize a means to maintain current service levels due to budget reduction from SRBM.
xi. Steve – Better understands that it preserves current resources rather than diminishing services to students. Supports
d. UBC recommendation: Eliminate the $39 general engineering differential

2. Review/Discuss/Recommendations Mandatory Fees & Tuition
   a. Tuition increases of 7.05/7.55% would be needed for the university to cover CSL expenses that are still unknown due to bargaining with employee groups.
   b. Expenditure impact
      i. Services & Supplies, Capital Outlay, and Service Credits (offset of S&S) increased at 3.95% plus 10% growth in known contractual obligations and new building O&M and debt service.
      ii. Student Aid increased at 3.5% based on historical trending, this is not the same as university financial aid which is seen as a reduction of revenue (see Waivers in the Revenue section). This is aid provided by colleges to students.
      iii. Transfers In = these are transfers primarily from the Royalty fund ($2.6M), plant fund terminations ($500k), Athletics support for band ($228K), and grants funding for space in the Jefferson St. Bldg ($132k) and is estimated to increase in 2025 specific to Royalty funds.
      iv. Transfers Out = funding to plant funds for E&G funded CIR projects based on Capital Forecast - $19.3M and to athletics - $8.7M.
   c. Revenue Impact based on CSL
      i. Revenue at 7.05% - $781M
   d. Scenario planning
      i. The CSL is shown in Scenario 2 at 7.05% for continuing students and .50% higher for new students at 7.55%.
      ii. Scenario 1 is 4.55% and provides an increase below the HECC threshold of 5%. In this estimate, the building fee is phased in over a 3-year period or $16 increase in FY25.
      iii. Scenario 3 shows an increase in tuition of 2% higher than CSL. This shows the change in credit hours for 45 credits annually by student matriculation. Waivers are the same in all 3 scenarios at 12% over FY24 or $106,400,000. (FY24 = $95k).
e. Considerations
   i. Salary – 3 contract negotiations
   ii. Prosperity Widely Shared
   iii. PAC12 realignment
f. Discussion
   i. Tuition increase proposal range
      1. Corvallis - 4.98% - 9.03%
      2. Cascades – 3.32% - 6.50%
   ii. Mandatory Fee Proposals
      1. Student Health Services – Cascades and Corvallis
      2. Student Building Fee – Cascades and Corvallis
   iii. Tuition Forums
   iv. Recommendation of a range of rate increases to president and then with her leadership advisors, she can choose which scenario to pursue and whether to go to the HECC for approval
   v. Jeff – midpoint scenario with rev $2M, does that include the 3-year ramp up of the building fee. The % increase is accounted for by HECC but revenues from building fees are not listed in the charts.
   vi. What is the break-even point? 7% range.
   vii. Unknowns: Labor negotiations and Pac12. CGE and Faculty union don’t open negotiations until June. SEIU are in current negotiations.
   viii. Jessica – can’t go higher than 5% for graduate rates or will outprice the market, Tim agrees with grad programs
   ix. Range for the sake of the range doesn’t seem helpful, staying at the 5% threshold gives us a deficit and 9% doesn’t seem feasible.
   x. Steve: When will the HECC process start and what does that look like?
   xi. Jan: During the legislature, additional visibility that might influence the HECC.
   xii. Safe assumption in competitive set that there will be increases. Benchmarked from FY23
   xiii. Matteo – From ASOSU would like to see more than 5% to help with student minimum pay. Would like to see the $16.65 minimum pay modeled.
   xiv. Bob – If we went with scenario 1, what services would we lose since it’d create a deficit?
   xv. Dispersed to all the colleges and administrative units. So can’t determine now as the adjustments would be done by those units.
   xvi. Not just a deficit this year but a structural deficit that will continue to future years so either need to increase revenue or permanently decrease services.
   xvii. Tom – Can Jon talk about how tuition at OSU is high compared to our local competitors and what risk do we run in terms of enrollment? Is there a threshold that would work against enrollment?
   xviii. Jon – flocking towards brand name institutions instead of regional institutions regardless of cost of tuition and quality of education.
   xix. Follow up: Send out enrollment updates to committee members
       https://public.tableau.com/app/profile/jonboeckenstedt/viz/Marketshar
eforblog/Top-level
xx. Tania: I think scenario 2 will be more feasible for students. It is still a little high but the best one out of all of them.
xxi. Model 5-6-7-8%
xxii. Mandatory and building fees only affect the weighted average to go to the HECC.