

University Budget Committee Meeting
April 14, 2023
Kearney 111C and via Zoom

MINUTES

Agenda

1. Discussion of the work group report on course fees and differential tuition.
2. Discussion of the work group report on the charge-by-campus model for tuition
3. Update on the work on “calibration” of the Corvallis budget model.
4. Other business?

Committee Members Present: Jon Boeckenstedt, Jeff Luck, Xander Robertson, Joe Page, Nicole von Germeten, Jessica DuPont, Terri Libert, Marc Norcross, John Gremmels, Lonni Ivey, Islam Elwefati, Staci Simonich

Committee Members Absent: Lisa Gaines, Mya Kuzmin, Shaun Bromagem, Tim Carroll

University Staff Present: Sherm Bloomer, Kayla Campbell, Mealoha McFadden

- 1) Kayla Campbell presented the work group report on course fees and differential tuition. The goal is to identify the recommendations UBC wishes to forward to the provost.
 - a) Course Fee Recommendations
 - i) Adopt revised course fee guidelines that:
 - (1) Has a narrower scope of when fees are appropriate (PAC, Music, Fieldtrips, services provided by a third party, or items retained by the student)
 - (2) Sets a minimum course fee amount of \$30.
 - (a) Islam E: Have you considered a maximum course fee. Kayla responded with “no” because there must be justification for the cost to cover only what is needed. Higher
 - (3) Moves to a single submission per year but establishes a process for out-of-cycle submissions.
 - (4) Adds faculty and students from UBC to the committee that review submitted proposals.
 - (5) Proposals need to be resubmitted every 3 years.
 - (6) Establishes a quarterly random sample to review actual revenue and expenses of fees.
 - ii) Roll course fees that no longer meet the narrower guidelines (like lab fees) into undergraduate tuition and distribute to colleges through the budget.
 - (1) The specific increase and strategy should be part of the FY25 Tuition Setting Process and Budget Model Review discussions.

- iii) Why have narrower guidelines and establish a 3-year review process?
 - (1) The course fee guidelines are broad. There are over 1,100 proposals in the Fee Book, and some have been there since 2006.
 - (2) Generate less than 1% of initial budget to colleges.
 - (3) Revenue collected \$2.6M in FY19 and \$1.9M in FY22.
 - (4) 75% of the revenue goes to PHHS, Science, and Liberal Arts
 - (5) ~90% of course fees are for Undergrad Corvallis Campus
 - (6) Based on narrower guidelines, the remaining fees (mainly lab fees) could be rolled into tuition. The estimated increase is less than 0.4%
 - iv) Effective – FY25 to allow time for communication.
- b) Differential Tuition Recommendation:
 - i) Differential Tuition is appropriate when the cost of instruction is higher and enhances the student experience.
 - ii) For undergraduate tuition, implement a tiered system where colleges are assigned to one of a limited number of tuition tiers (base costs, higher costs, and highest costs)
 - iii) Next year's UBC should draft guidelines which include:
 - iv) Framework for the proposal submission process of new or continuing differential tuition.
 - v) Include a process to evaluate high-cost programs.
 - vi) Framework to communicate what each differential is used for.
 - vii) Why define when differential is appropriate? The current differential tuition guidelines are broad which could lead to proliferation.
 - viii) Differential is appropriate when:
 - (1) The cost of instruction is higher or enhances the student experience available to students in that program (ex: Honors).
 - (2) High costs might result due to accreditation, specialized services, limited course sizes, additional support activities, or costs that increase the value of the program.
 - (3) At all levels (not just junior or senior) as long as the colleges can justify why differential is applicable to freshman or sophomores.
 - (4) Rather focus on cost factors than the perceived value of the degree which can be subjective.
 - ix) Differential is not appropriate for:
 - (1) Augmenting budgets
 - (2) Supporting general college costs
 - (3) Things not for the student experience
 - (4) Single course costs
 - x) Why have a tiered structure for undergrad tuition?
 - (1) The current structure could lead to an increase of colleges or majors with differential tuition.
 - (a) It can make it confusing and difficult for students to understand.
 - (b) Now imagine the current structure with 6 cohorts!
 - (2) Most of the committee favored assessing differential at the college level for simplicity to students.
 - (3) Some colleges already have similar differential rates.
 - (a) Business \$24, Forestry \$18, Liberal Arts \$23
 - (4) Simpler structure would also be easier to manage.
 - xi) Why develop a framework to communicate what differential tuition is used for?

- (1) It's difficult for AR to explain charges.
 - (2) Improve communication and transparency to students.
- xii) The group reviewed other university/system websites.
 - (1) It was difficult to find when differential is appropriate.
 - (2) Definitions were vague.
 - (3) Themes included: high cost, specialized equipment, job market value, unique to specific to a program, student experience, demand.
- 2) Sherm Bloomer presented the work group report on the charge-by-campus model for tuition. The goal is to identify the recommendations UBC wishes to forward to the provost.
 - a) Charge by Campus Recommendations
 - i) Tuition charges should move to a charge-by-student campus code approach for all students instead of charging by course campus/modality.
 - ii) This should be phased in by undergraduate cohorts (so current students would continue under the current structure but new students would be charged in the new structure). The change for graduate students should be made at the same time as the change for the first undergraduate cohort in the new system.
 - iii) Why?
 - (1) Increasing use of Ecampus by campus students creates unintended cost and revenue issues (more expensive for residents, less expensive for non-residents)
 - (2) Charging by campus distributes costs as intended in the tuition structure and is modestly positive overall.
 - iv) Advantages
 - (1) Removes cost increase when resident campus students want to use an Ecampus course.
 - (2) Appropriately recovers non-resident tuition costs from students taking courses on campus.
 - (3) Addresses the added cost of using Ecampus courses for graduate students in programs with a tuition plateau.
 - v) Disadvantages—increases costs for non-resident students on campus who use Ecampus as part of their programs.
 - vi) Caveats
 - (1) Establish clear criteria for the use of campus-based courses by DSC coded students. This could be a limit on the number of courses or credits per time period or per total credit hours or by advisor override approvals. A commitment to resources necessary to monitor any such criteria will be necessary.
 - (2) Short, clear communications should be made for students on how to change campuses and the consequences of such a change. A similar communication should be crafted for advisors to explain why this change is being made and when it is appropriate for a student to make such a campus change.
 - (3) Summer session (which does not have a resident/non-resident tuition distinction and is typically part-time study) would continue to be charged by course campus as it is now. Summer charges would not change for any courses (Corvallis, Cascades, or Ecampus).
 - (4) Discussions on implementation needs and consequences should include Financial Aid, General Counsel, Enrollment Management, Academic Affairs, Bursar's Office, Registrar's Office, head advisors, and ASOSU and ASCC.
 - (5) A small workgroup should be charged to lead these discussions on implementation and prepare communication materials about this change.

- b) The change would be effective for Fall 2024 (FY2025).
- 3) Update on the work on “calibration” of the Corvallis budget model.
 - a) Peer review---complete and not a robust approach
 - b) Contribution margin analysis—are units being asked to contribute too much to the general good from the revenues they generate (after their direct and indirect costs)?
 - c) Model budget allocation based on standard measures (so many faculty per credit hours, advisors per headcount, staff per faculty, supplies costs per credit hour, etc.) and see how it compares to current budgets.
- 4) No other business.