

**Attendance:** Trevor Ross, Sherm, Karren, Jasmine Marez, Sami Searles, Dom Miller, Regina Aaron and Krystal Lemhouse

### **Summary of Tuition Discussions with the Board of Trustees**

- On Wednesday, January 18, 2017, the Board of Trustees, Finance & Administration Committee held a special session, which included discussion and public comment about tuition at OSU for 2017-2018.
- The Board of Trustees' meeting on Friday, January 20, also had discussion and a public comment period about the tuition. A few students did testify about the plight of students, cutting tuition and reducing administrative bloat.
- The BOT acknowledged tuition increases and expenditure cuts are difficult conversations and decisions, as access and affordability for students is important. They were intrigued with the SBAC's suggestion that 1% of a tuition increase be dedicated to needs-based funding.
- The BOT will not focus on a single year solution, which ultimately affects future years.
- The University Budget Committee (UBC) with input from the SBAC will modify and refine the current scenarios for presentation to the Provost by February 14.
- From mid-February through mid-March, the scenarios will be shared with the OSU community for discussion and feedback. Sherm and Susie Brubaker-Cole are collaborating on commitment to widespread communication. Sherm hopes to meet with as many student groups and student employee groups as possible during this period.
- One scenario: No increase in 2017-2018 tuition rates must be included.
- The finalized scenarios will be included in the BOT Docket for the March meeting.
- The 10-year financial forecast was shared with the BOT. The one apparent budget area in need is the funding of repairs and maintenance (R&M) of the University buildings and property. In the accounting world, this is known as Depreciation, and until the dissolution of the Oregon University System, OSU did not fund depreciation. For fiscal year 2018, it is recommended \$5M be set aside for R&M.
- State of Oregon 2017-2019 Budget from the Legislative Co-Chairs: The co-chairs have prepared an existing resources budget, which reallocates more funding for higher education but without new revenue. Budget for higher education is redirected from the budgets for health care, human services and k-12 education. The Legislature convenes February 1, 2017.
- The BOT wants to make timely decisions about tuition and the budget for FY2018.
- OSU-Cascades is asking for a tuition increase with a minimum of 2.5% and a maximum of 4%.

### **Budget Scenarios and Considerations**

- There is a proposal to increase graduate tuition about 1% for resident students and 4% for non-resident students. The increase in non-resident rates will have OSU more closely aligned with peer institutions for out of state students. The increase has an impact on the overall budget but not like revenues received from Undergraduates.
- College of Business is proposing charging by the credit hour for the MBA program, bypassing the graduate plateau.
- Scenarios with modifications as of the end of February will be included in the March BOT Docket. Comments received after that date will be included in the discussion during the BOT meeting. A suggestion for a three-hour block in the schedule be available for tuition and fees discussion and testimony.
- All scenarios will reflect cuts in the budget. The challenges remain as to what specifically should be cut for FY2018. What are the specific budget reduction strategies for FY2018? A communication plan will be identified once the scenarios are preliminarily approved.
- The difference between the Pharmacy resident and non-resident rates. Concern expressed for significant increases to Pharm-D for non-residents, who attend OSU because the non-resident tuition rate is lower than their home-state program rates. Fear for OSU pricing the program too high, discouraging non-residents to attend OSU.

- Currently, OSU's Pharm-D tuition rate for non-residents is significantly lower than peer institutions. There is a recommendation to increase the rate for closer alignment with peer rates.
- For the meeting next week (Feb. 2) Sherm will bring the tuition rate charts with the changes.
- Any FY2018 Ecampus rate adjustment will coincide with the resident rate.

### Specific ideas & priorities for expense reduction

- Thoughts on scenarios – What to cut?
  - What specifically should we cut from the FY2018 budget? There are commitments to colleges, which are non-negotiable and not eligible for elimination. For example, a two-year commitment made to the College of Engineering Dean for Pro School. FY2018 payment is year two of this commitment.
  - Administrative positions added over the last couple of years, are these new positions slated for elimination? Not likely as they were established for a specific purpose, i.e. Chief Diversity Officer, Board Secretary, Compliance Office, Audit Office are examples of OSU mission and regulatory hires. Another example is the addition of staff to oversee Title IX rules.
  - What are the resources or activities we can/would take away within university administration and the colleges' administration?
  - What are the administrative departments that are going to be cut first?
  - Some possible budget line items easily adjusted include the \$5M contingency fund, cut 50%; Salary increases, reduction to the percentage increase or elimination for FY2018; what functions (people) can be reduced or eliminated?; increases in Supplies & Services budgets has exceeded inflation, with extra funding being used for repairs, professional development (often includes travel, conference fees), etc. These are the easy budget changes but what to cut next becomes difficult quickly, gets down to reviewing individual offices' operations very quickly.
- **Student ideas...sense of what has value in the institution for students.**

### Discussion regarding elements of the documents distributed

- Expected Family Contribution tables for undergraduates: Reflect 4% increase for residents/2.5% increase for non-residents discussion
- Are the priorities of the UBC the university's profit margin or the students?
  - The UBC does consider student issues and needs.
  - They tend to focus on how good their programs are by hiring the best faculty, limiting course size, quality of student services, etc. Changes or improvements tend to be dominate. The 9% increase in original scenarios proposal brought about an immediate reaction that it is not possible, "we can't do that [to our students]".
  - There is a variety of perspectives within the UBC membership with additional concern for issues of compliance; substructure support; compensation structure for senior administrators.
- What administrative functions do we not have to have?
- Summary of Salary Growth (summary section), what is under *Other*, as it reflects the highest increase? Principally the addition of the Ombuds Office.
- What is included in *Direct Academic Support*: Faculty support, Writing intensive program, graduate school units, Libraries, Research Administration-Compliance, IRB, Tech Transfer (direct faculty research support)
- The question we need to explore over the next year is *what exactly is Administration (expense)?* Which functions or roles included in the category.
- Short-term solution: Floating percentage reduction to college and administration unit budgets.
- Longer-term solutions: Identification of larger reductions (\$5M/\$10M); programs. Ask why it initially added. Is it still valuable/relevant enough to keep doing? What do we give up by stopping? This is a difficult institutional conversation.
- Prior to 2012, what percentages of increases were for the departments? Any normal trending?

- There was significant growth between 2008-2012, in students and salaries (people)
- Data is quite prolific at OSU going back a number of years.

**Closing – Sherm’s Questions/Comments to the SBAC**

- Am I in the right place with these scenarios? Please share with your peers for feedback.
- For students, is there a balance between cuts and tuition increase? If so, what is it?
- What matters the most (programs and services) to keep and retain?
- What are the priorities for you as students?

**Ideas for Campus Communications Strategies**

- Meetings with campus student groups between mid-February and the BOT meeting in March. Who and where are these groups? Looking to meet with student clubs, student employee groups. Please send Karren the group name and the key contact’s information. If you know the meeting dates/times, include this information, too.

**Next Meeting: Thursday, February 2, 2017, 6 pm – 212 Memorial Union, MLK Room**