

## University Budget Committee Meeting

30 November 2018, 2:00-3:30,

President's Conference Room

### Minutes

Questions/Follow Up – Still working on adding in the column for tuition table as requested by Allison.

#### Reviewed Governor's Budget –

- The "base" case is flat funding for the universities and a cut in the Engineering Technology Sustaining Fund (ETSF) which brings about \$7.1M to OSU annually. The "investment" case presumes finding about \$1.9B in new revenues and would provide a \$120M biennial increase to the Public University Support Fund and an increase of about \$34.4M in the ETSF funds.
- Revenue scenario from Governor will most likely be a new tax that would need to be voted on by the people of Oregon. Won't really know if that happens until November 2019. Historically the people have voted against new taxes in Oregon.
- Attachment of impact to OSU.

#### State Funding History Review –

- Provided the write up of the state funding history.
- Large decline in state funding for past 15 years, shifted a larger share of the cost to students. Not the only reason, but a very large portion.
- Provided example of CPI versus our local CPI which is different due to our large labor component. It is difficult to compare to a typical CPI since that is a "basket of goods" and 70% of OSU expenditures are on personnel. We have large retirement and health costs that are not negotiable since we are currently required to participate in the state system.

#### Tuition Rate Discussion –

- Overall cost inflation from FY19 to FY20 is estimated to be 3.9% of FY19 spending plus cost of new commitments of 1.8% for a total of 5.7%. Some components won't grow as fast like interest and indirect cost recovery so an additional .5% increase should be added for those, new total of 6.2%.
- Depending on state's contribution could be even higher, possibly in 9%-9.5% range.
- Won't cover entire expenditure increase with tuition alone, will need to combination of revenue increase and expenditure reduction.
- Provided handout on starting point for tuition discussion.
- Some percentages are already listed for those colleges that committed to no increase (Honors College) and for Deans who have drafted a starting point for the discussion.

#### Discussion/Questions –

- Would it be possible to allocate a certain amount of financial aid to lower income students?
  - Possible not increase low income students tuition during the duration of their schooling?
  - Would this create a disparity for current scholarship system?

- Unfair to other students needing financial aid with reason that are not only low income?
- Is there a specific % or amount of tuition increase, where financial aid starts diminishing?
- Would like to see what types of expenditure reductions. What would that look like? Examples?
- Would like to see amount of dollar associated with each type of tuition. What does a 3%, 4% or 5% increase look like at each level of tuition rates?
- Recommended a starting point of 5% for undergrad resident tuition.
  - Students were concerned about this starting point.
- Discussion around undergrad nonresident rates, should those be higher since we don't get any state funding for nonresidents?
  - We know there are diminishing returns at a certain % for nonresidents.

### **Next UBC Meeting**

December 14, 2018 2:00-3:30

Covell Hall 139

#### Attendees:

Anita Azarenko

Nicole Real

Austin Carsh

Theresa Thurston

Jackie Thorsness

Noah Buckley

Drew Ibarra

Allison Hurst

Ginny Lesser

Raushell Palmer

Paige Phillips

Bob Cowen

Kelly Sparks – via phone

Taylor Graham – via phone