

University Budget Committee  
December 3<sup>rd</sup> meeting  
Covell Hall 118 and via Zoom

**Workplan:** Preliminary tuition rate decisions, identify key question areas; identify questions about charge by campus change, concern areas, communication issues; get a copy of the preliminary budget model review outcomes

## Agenda

1. Preliminary tuition rate discussion (30-40 minutes)
  - a. Rate summary and updates
  - b. Budget projections with assumptions
  - c. Student costs and discussion
  - d. Key questions? Uncertainties?
2. Charge by campus instead of course delivery mode change (40 minutes)
  - a. Summary of proposal
  - b. Financial assessment
  - c. Concerns and questions to consider (this is just a start):
    - i. Can it be phased in?
    - ii. Can students switch campuses (Corvallis to DSC for example)
    - iii. What about Oregon residents using Ecampus?
    - iv. What impact on athletics?
    - v. What is non-resident enrollment impact?
    - vi.
3. Budget Model review update and other business

### Scenario planning for tuition recommendations

Tuition Scenario Table (Corvallis campus): The right-hand column shows the increases at the inflation/inflation plus 1% scenario. The goal is to show both the impact on individual students and on overall institutional balances in a succinct format. Rates are applied to resident undergraduate and non-resident undergraduate tuition rates (including Ecampus). All scenarios include an assumption of an increase of about \$11M in institutional financial aid (continuing a four-year initiative to reenter the Western Undergraduate Exchange and to regain enrollment of Pell eligible students. Note these estimates for overall Corvallis E&G surplus or deficit are probably plus/minus \$1M to \$3M given uncertainties.

	<b>Scenario A: Continuing Resident 2.5%, Non-resident 2.5% New Resident 3.5%, Non-resident 3.5%</b>	<b>Scenario B: Continuing Resident 3.0%, Non-resident 3.0% New Resident 4.0%, Non-resident 4.0%</b>	<b>Scenario C: Continuing Resident 3.5%, Non-resident 3.5% New Resident 4.5%, Non-resident 4.5%</b>
<b>State funding at current levels</b>	Resident undergraduate (annual): Before 2020: 2.5%, \$252 Entered FY21: 2.5%, \$260 Entered FY 22: 2.5%, \$264 New FY23: 3.5%, \$370  Non-res undergraduate (annual): Before 2020: 2.5%, \$754 Entered FY21: 2.5%, \$777 Entered FY 22: 2.5%, \$788 New FY23: 3.5%, \$1103  Surplus or (deficit): <b>\$(0.5M), -0.1%</b> of revenue	Resident undergraduate: Before 2020: 3.0%, \$302 Entered FY21: 3.0%, \$311 Entered FY 22: 3.0%, \$317 New FY23: 4.0%, \$422  Non-res undergraduate: Before 2020: 3.0%, \$905 Entered FY21: 3.0%, \$932 Entered FY 22: 3.0%, \$945 New FY23: 4.0%, \$1261  Surplus or (deficit): \$1.7M, 0.3% of revenue	Resident undergraduate: Before 2020: 3.5%, \$352 Entered FY21: 3.5%, \$363 Entered FY 22: 3.5%, \$370 New FY23: 4.5%, \$475  Non-res undergraduate: Before 2020: 3.5%, \$1056 Entered FY21: 3.5%, \$1087 Entered FY 22: 3.5%, \$1103 New FY23: 4.5%, \$1418  Surplus or (deficit): \$3.9M, 0.6% of revenue
	Base resident tuition & fees: % Average res. tuition & fees: %	Base resident tuition & fees: % Average res. tuition & fees: %	Base resident tuition & fees: % Average res. tuition & fees: %

Graduate tuition (0% residents and Ecampus, 3.5% non-residents), professional tuition (3.5%), differential tuition (3.5%). Cost estimates include ~3.5% overall inflation this year because of modest increases in benefit costs ; costs of growth (about 1% for modest growth in Ecampus and post-pandemic adjustments in Corvallis); and new commitments as noted in the projection on the next page.

Table 2: Corvallis Education and General budget projection for 2022-23 at the assumptions in Scenario C above.

Corvallis Education and General Budget Scenarios for 2022-23				11/27/21	
Projected Costs	576,190,922	615,818,380			649,895,102
Projected Revenues	624,155,447	620,549,852			653,797,918
Balance	47,964,525	4,731,472			3,902,816
Balance as percentage					0.6%
	FY21 Actuals	FY22 Q1	Inflation/ Rate Change	Growth	FY23 Preliminary Projection
<b>Cost Projections:</b>					
Faculty and Staff Salaries	266,362,902	279,768,257	3.7%	0.8%	292,137,162
Faculty and staff benefits	136,376,272	145,688,145	2.9%	0.4%	150,978,567
Grad assistant & student salary	29,930,077	31,196,791	2.0%	1.5%	32,298,038
Grad assistant & student benefits	24,043,389	23,063,070	2.5%	1.5%	23,903,428
Supplies, services, other:	112,074,295	130,682,739	3.5%	0.5%	135,858,529
Total Direct Expenditures:	568,786,935	610,399,002			635,175,724
Net transfers out:	7,403,987	5,419,378			5,419,378
Total Expenditures	<b>576,190,922</b>	<b>615,818,380</b>			<b>640,595,102</b>
<b>Revenue Projections</b>					
Tuition					
Undergraduate	221,137,170	220,116,905	4.1%	1.2%	233,814,517
Graduate and Professional	64,202,181	62,479,022	2.5%	0.4%	63,760,266
Ecampus	144,359,481	164,844,387	4.1%	8.4%	186,053,397
Other tuition and fees	18,547,594	18,980,600	3.5%	-0.8%	19,337,644
Tuition waivers	(58,447,333)	(69,000,000)		16.0%	(80,040,000)
State funding	153,061,508	148,349,951		4.1%	154,355,441
Indirect cost recovery	43,295,958	41,472,000		2.0%	42,301,440
Other	37,998,888	33,306,987		2.0%	34,215,212
Total Revenues	<b>624,155,447</b>	<b>620,549,852</b>			<b>653,797,918</b>
<b>New commitments:</b>					
New building operations					1,000,000
Insurance increment					1,500,000
Incremental capital renewal funding					1,500,000
Incremental debt service					2,500,000
Enrollment management					700,000
Information technology					1,000,000
Initiative 2					500,000
Initiative 3					600,000

Table 3: Updated estimate of institutional financial impacts of a change to charge-by-campus models. The net would be modestly positive if summer session continues to be charged by modality. If Oregon residents who are true Ecampus students were charged Corvallis resident rates, it would reduce revenues about \$3.5M.

Academic Year FY21					
		Gross res. change	Gross NR change	Enrollmnet loss non-res 15%	Net
Undergrad	Cascades	(534,900)	256,000	217,600	(317,300)
	Corvallis	(7,848,700)	17,017,300	14,464,700	6,616,000
					-
Graduate	Cascades	(15,700)	(1,700)		(17,400)
	Corvallis	(1,064,000)	(2,054,100)		(3,118,100)
<b>Total without summer</b>		<b>(9,463,300)</b>	<b>15,217,500</b>	<b>14,682,300</b>	<b>3,163,200</b>
*changing summer would add a loss of \$4.6M for a net of minus \$1.5M					
Academic Year FY20					
		Gross res. change	Gross NR change	Discounted positive Non-res 15%	Net
Undergraduate	Cascades	(481,700)	189,600	161,200	(320,500)
	Corvallis	(7,539,800)	14,508,200	12,332,000	4,792,200
					(479,220)
Graduate	Cascades	(1,700)	(7,300)		(9,000)
	Corvallis	(115,300)	(1,354,600)		(1,469,900)
<b>Total without summer</b>		<b>(8,138,500)</b>	<b>13,335,900</b>	<b>12,493,200</b>	<b>2,513,580</b>
*changing summer would add a loss of \$3.47M for a net of minus \$0.5M					

Table 4: On average, 14% of credit hours taken by a Corvallis student annually are through Ecampus, or about 6.3 credits a year. This table shows how a resident and non-resident undergraduate's cost would change at different numbers of Ecampus credits (out of an annual total of 45 credits). Note that this is not a tuition rate change, but the removal of what is effectively a subsidy for non-resident students and an extra charge for resident students in Corvallis. Financial aid awards are made on residency and campus (unless there are specific requests otherwise as I understand it) so this change would not impact the current aid awards to most of these students. While resident Oregonians who are Ecampus students would pay a higher rate than Corvallis resident students, they do use services specific to Ecampus students that are supported for Corvallis students through other revenues (advising for example).

Annual credits	Resident	Non-resident
3	(318)	912
6	(636)	1,824
<b>6.3</b>	<b>(668)</b>	<b>1,915</b>
9	(954)	2,736