

University Budget Committee  
November 16, 2018

Attachments

- FY20 Cost Increase Estimates
- FY20 Tuition Rate Tracking
- HB4141 Excerpts
- Oregon University State Funding
- Tuition Scenario Table (November 11)

**2019-2020 Corvallis Education and General (E&G) Expense Projections**  
**FY19 E&G Projected spending is \$581M**

**Expense Growth Summary:**

	Amount	% of FY19
Growth	3,773,234	0.65%
Inflation	22,661,083	3.90%
New commitments	10,360,000	1.78%
FY19 Shortfall	8,688,339	
<b>Total</b>	<b>45,482,656</b>	<b>7.83%</b>

**Inflation components:**

Salaries	8,589,231
Retirement	7,146,068
Health	2,719,024
Remissions	777,000
Services and supplies	3,429,760
<b>Total</b>	<b>22,661,083</b>

**Revenue example--Scenario C--State Funding \$40M**

Ecampus rate increase	4,314,659	15%
Other rate increase	11,124,078	40%
Ecampus growth	8,218,398	29%
Other growth	171,367	1%
State funding	2,395,037	9%
Other resources	1,836,185	7%
<b>Total:</b>	<b>28,059,724</b>	<b>100%</b>
<b>Gap to close:</b>	<b>(17,422,932)</b>	

**Detail:**

**Growth 3,773,234**

**Inflation**

<b>Salaries</b>		
Unclassified		6,326,648
Classified		1,631,890
Students		630,693
<b>Benefits</b>		
Unclassified		
Health		1,684,481
Retirement		6,153,961
Classified		
Health		686,017
Retirement		992,107
Students		
Health		348,526
Remissions		777,000
S&S		3,429,760

**Strategic commitments**

Capital renewal increment	5,000,000
Foundation increment	1,200,000
Athletics increment	660,000
Revenue bond increase	3,500,000

**Total expense increment 36,794,317**

6.34%

FY19 Expense Projection 580,578,201

**2019-20 OSU Tuition and Fee Rate Recommendations, Corvallis and Cascades campuses**

Rates are shown as annual cost unless indicated, 15 credit hours for undergraduates, 12 credit hours for graduates

Rate	FY18 to FY19 % Rate Change	FY19 Rate	Proposed % Increase	FY20 Proposed Rate	Comments	FY19 Rates		FY20 Proposed	
						Per Credit Charge	Differential or Other	Per Credit Charge	Differential or Other
Building Fee		\$135			Fixed charge per quarter		\$ 45		
Matriculation Fees (once)		\$350			Fixed charge once		\$ 350		
Student Health Services									
Counseling and Psychological Services									
<b>Undergraduate Tuition</b>									
Corvallis resident no differential*	3.97%	\$9,435			Per credit	\$ 203	\$ -		
Cascades resident no differential*	4.11%	\$9,120			Per credit	\$ 196	\$ -		
Non-resident undergraduate*	2.27%	\$28,365			Per credit	\$ 608	\$ -		
Pre-Engineering resident	3.39%	\$10,965			Per credit	\$ 203	\$ 34		
Pre-Engineering non-resident	2.15%	\$29,895			Per credit	\$ 608	\$ 34		
Pro-Engineering resident	3.17%	\$11,730			Per credit	\$ 203	\$ 51		
Pro-Engineering non-resident	2.10%	\$30,660			Per credit	\$ 608	\$ 51		
Forestry resident	3.69%	\$10,110			Per credit	\$ 203	\$ 15		
Forestry non-resident	2.22%	\$29,040			Per credit	\$ 608	\$ 15		
Business resident	3.61%	\$10,335			Per credit	\$ 203	\$ 20		
Business non-resident	2.20%	\$29,265			Per credit	\$ 608	\$ 20		
Honors resident differential	3.40%	\$10,935			Per credit plus differential per qtr	\$ 203	\$ 500		
Honors non-resident	2.15%	\$29,865			Per credit plus differential per qtr	\$ 608	\$ 500		
<b>Graduate Tuition</b>									
Resident graduate	1.75%	\$12,555			plateau 9 to 16 credits	\$ 465			
Non-resident graduate	4.51%	\$23,787			plateau 9 to 16 credits	\$ 881			
PharmD resident	3.99%	\$23,580			plateau 12 credits and over	\$ 655			
PharmD non-resident	3.04%	\$40,284			plateau 12 credits and over	\$ 1,119			
DVM resident	3.00%	\$22,818			fixed charge	\$ -	\$ 22,818		
DVM non-resident	3.01%	\$45,639			fixed charge	\$ -	\$ 45,639		
Engineering resident	1.51%	\$14,535			plateau 9 to 16 except differential	\$ 465	55		
Engineering non-resident	4.15%	\$25,767			plateau 9 to 16 except differential	\$ 881	55		
MPH differential resident	6.60%	\$14,967			plateau 9 to 16, except differential	\$ 465	67		
MPH differential non-resident	8.16%	\$27,567			plateau 9 to 16, except differential	\$ 881	105		
MBA differential resident	2.97%	\$26,172			per credit hour	\$ 727			
MBA differential non-resident	2.92%	\$45,720			per credit hour	\$ 1,270			
Cascades MS Counseling resident	0.00%	\$16,200			per credit hour	\$ 450			
Cascades MS Counseling non-resident	0.00%	\$29,052			per credit hour	\$ 807			
Cascades MAT resident	0.00%	\$16,200			per credit hour	\$ 450			
Cascades MAT non-resident	0.00%	\$29,052			per credit hour	\$ 807			
Cascades MFA resident	0.00%	\$16,200			per credit hour	\$ 450			
Cascades MFA non-resident	0.00%	\$16,200			per credit hour	\$ 450			
<b>Summer (per SCH)*</b>									
Corvallis undergraduate	0.00%	\$201			per credit no non-resident rate	\$ 201			
Cascades undergraduate	0.00%	\$193			per credit no non-resident rate	\$ 193			
Corvallis graduate	0.00%	\$457			per credit no non-resident rate	\$ 457			
Cascades graduate	0.00%	\$457			per credit no non-resident rate	\$ 457			
<b>Ecampus* (per SCH)</b>									
Undergraduate	3.13%	\$297			per credit no non-resident rate	\$ 297			
Computer Science differential	1.88%	\$487			per credit no non-resident rate	\$ 297	190		
Business Students	2.92%	\$317			per credit no non-resident rate	\$ 297	20		
Pre engineering students	2.80%	\$331			per credit no non-resident rate	\$ 297	34		
Prof Engineering students	2.65%	\$348			per credit no non-resident rate	\$ 297	51		
Developmental Math	2.88%	\$214			per credit no non-resident rate	\$ 297	-83		
Graduate	1.89%	\$538			per credit no non-resident rate	\$ 538			
PhD and EdD in CCL	1.80%	\$567			per credit no non-resident rate	\$ 538	29		
PhD and EdD in AHE	1.80%	\$567			per credit no non-resident rate	\$ 538	29		
PhD in Counseling	1.80%	\$567			per credit no non-resident rate	\$ 538	29		
MS in Counseling	1.80%	\$567			per credit no non-resident rate	\$ 538	29		
Grad Certificate Public Health	2.37%	\$605			per credit no non-resident rate	\$ 538	67		
MBA and Business Courses	2.96%	\$800			per credit no non-resident rate	\$ 800			
College of Engineering students	1.72%	\$593			per credit no non-resident rate	\$ 538	55		

\*There is a flat \$100 per SCH for residents and \$335 for non-residents per quarter in addition to the per credit hour charges  
Differential charges are applied to summer term rates and Ecampus rates for applicable majors

	FY19	FY20
Ecampus: Instruction	215	Instruction
Operations	82	Operations
Total	297	Total

Excerpts from the Enrolled version of Oregon House Bill 4141:

Each public university listed in ORS 352.002 shall have an advisory body to advise the president of the university on the president's recommendations to the governing board regarding resident tuition and mandatory enrollment fees for the upcoming academic year.

(2) The public university shall:

(a) Establish a process to ensure that the advisory body required under subsection (1) of this section is composed of no fewer than:

(A) Two administrators of the university;

(B) Two faculty members of the university;

(C) Two students representing the recognized student government of the university; and

(D) Two students representing historically underserved students of the university, as defined by the public university.

(b) Establish a written document describing the role of the advisory body and the relationship of the advisory body to the public university, president of the university and the governing board.

(3) The public university shall ensure that all members of the advisory body are offered training on:

(a) The budget of the public university;

(b) The mechanisms by which moneys are appropriated by the Legislative Assembly to the Higher Education Coordinating Commission for allocation to public universities; and

(c) Historical data regarding the relationship between the amount of resident tuition and mandatory enrollment fees charged by the public university and the amount of state appropriations that the commission allocates to the public university.

(4) In order to assist the advisory body in making its recommendations, the public university shall provide the advisory body with:

(a) A plan for how the governing board and the public university's administration are managing costs on an ongoing basis; and A plan for how resident tuition and mandatory enrollment fees could be decreased if the public university receives more moneys from the state than anticipated.

(5) Before making a recommendation to the president of the university that resident tuition and mandatory enrollment fees should be increased by more than five percent annually, the advisory body must document its consideration of:

(a) The impact of the resident tuition and mandatory enrollment fees that the advisory body intends to recommend to the president of the public university on:

(A) Students at the public university, with an emphasis on historically underserved students, as defined by the public university; and

- (B) The mission of the public university, as described by the mission statement adopted under ORS 352.089; and
- (b) Alternative scenarios that involve smaller increases in resident tuition and mandatory enrollment fees than the advisory body intends to recommend to the president of the public university.

(6) The advisory body shall:

- (a) Provide meaningful opportunities for members of the recognized student government and other students enrolled at the public university to participate in the process and deliberations of the advisory body; and
- (b) At a time established by the public university, provide a written report to the president of the university that sets forth the recommendations, deliberations and observations of the advisory body regarding resident tuition and mandatory enrollment fees for the upcoming academic year. The written report must include any minority report requested by a member of the advisory body and any documents produced or received by the advisory body under subsections (4) and (5) of this section.

(7) Each public university shall ensure that the process of establishing resident tuition and mandatory enrollment fees at the public university is described on the Internet website of the public university. This material must include, but is not limited to:

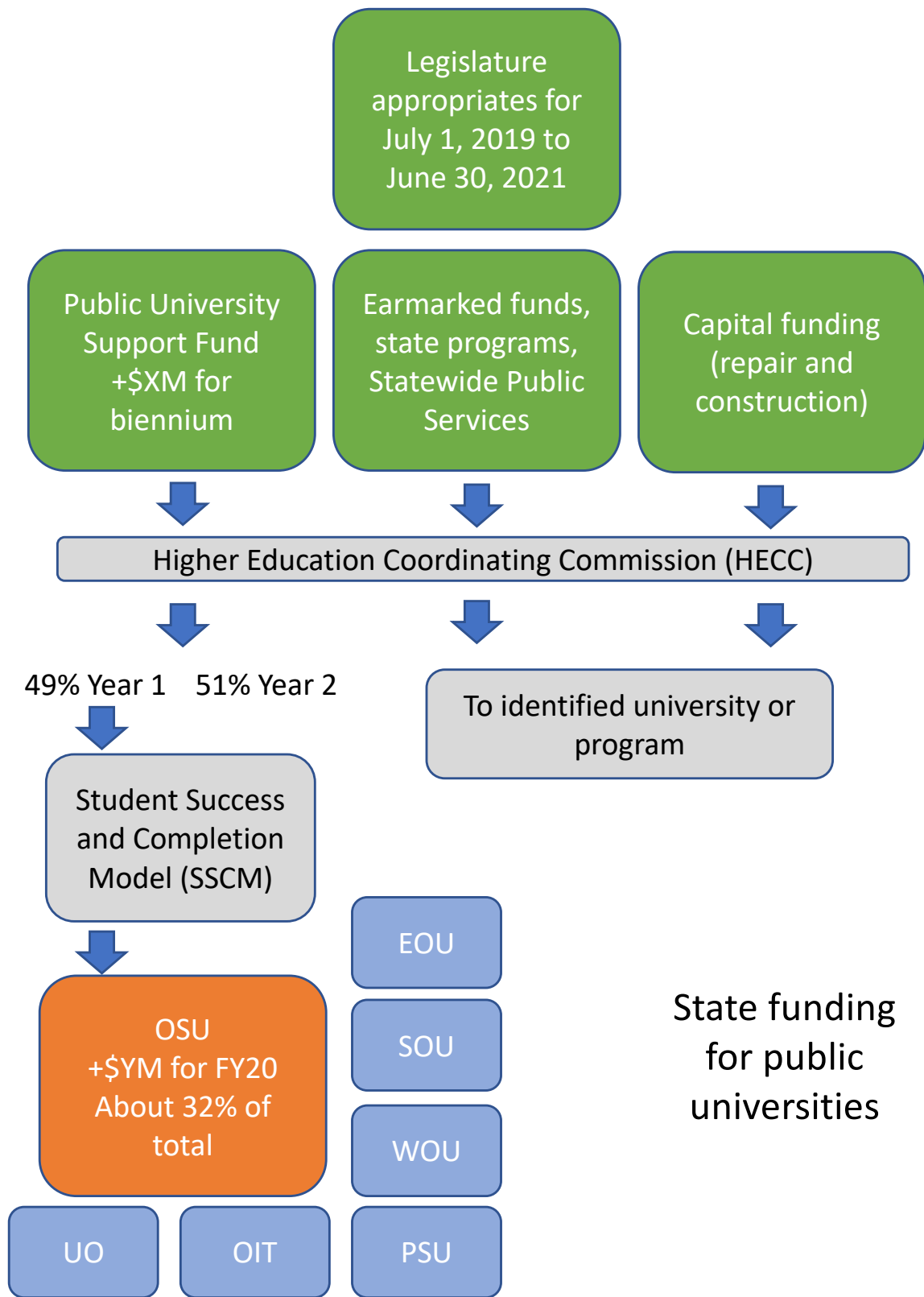
- (a) The written document produced by the public university under subsection (2)(b) of this section; and
- (b) All relevant documents, agendas and data that are considered by the advisory body during its deliberations.

(8) As used in this section, “resident tuition and mandatory enrollment fees” means the tuition and mandatory enrollment fees for undergraduate students who are enrolled in a degree program and have established residency in Oregon

.....

(2) The governing board shall establish a process for determining tuition and mandatory enrollment fees. The process must [*provide for participation of enrolled students and the recognized student government of the university.*]:

- (a) Include the use of an advisory body in the manner set forth in section 2 of this 2018 Act; and
  - (b) Ensure that the governing board receives and considers all written reports and minority reports, including all recommendations, deliberations and observations of the advisory body that are provided to the president of the university under section 2 of this 2018 Act
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DRAFT FOR ILLUSTRATION ONLY AT FIRST MEETING OF SBAC AND UBC

Tuition Scenario Table (Corvallis campus):

The pressures on tuition come from inflation (3.9% to 4.2% this year because of large increases in benefit costs (about \$10M total), mostly in retirement rates); costs of growth (about 0.8% for modest growth in Ecampus but small declines in Corvallis); and new commitments (this year largely for capital renewal and repair, athletics, and the OSU Foundation).

	<b>Scenario A</b>	<b>Scenario B</b>	<b>Scenario C</b>	<b>Scenario D</b>
<b>Tuition Proposal State \$0M -\$4.5M FY20 to OSU</b>	Resident undergraduate: 2% Non-res undergraduate: 2% Financial aid increase \$0.7M Budget surplus or (deficit): \$(28.1M) \$189 annual increase residents \$567 annual increase non-res	Resident undergraduate: 4% Non-res undergraduate: 3% Financial aid increase \$0.9M Budget surplus or (deficit): \$(25.0M) \$377 annual increase residents \$851 annual increase non-res	Resident undergraduate: 5% Non-res undergraduate: 3.5% Financial aid increase \$1.0M Budget surplus or (deficit): \$(23.4M) \$472 annual increase residents \$993 annual increase non-res	Resident undergraduate: 7% Non-res undergraduate: 4.9% Financial aid increase \$1.3M Budget surplus or (deficit): \$(19.8M) \$660 annual increase residents \$1390 annual increase non-res
<b>Tuition Proposal State +\$40M +\$2.0M FY20 to OSU</b>	Resident undergraduate: 2% Non-res undergraduate: 2% Financial aid increase \$0.7M Budget surplus or (deficit): \$(21.5M) \$189 annual increase residents \$567 annual increase non-res	Resident undergraduate: 4% Non-res undergraduate: 3% Financial aid increase \$0.9M Budget surplus or (deficit): \$(18.4M) \$377 annual increase residents \$851 annual increase non-res	Resident undergraduate: 5% Non-res undergraduate: 3.5% Financial aid increase \$1.0M Budget surplus or (deficit): \$(16.8M) \$472 annual increase residents \$993 annual increase non-res	Resident undergraduate: 7% Non-res undergraduate: 4.9% Financial aid increase \$1.3M Budget surplus or (deficit): \$(13.2M) \$660 annual increase residents \$1390 annual increase non-res
<b>Tuition Proposal State +\$74M +\$7.0M FY20 to OSU</b>	Resident undergraduate: 2% Non-res undergraduate: 2% Financial aid increase \$0.7M Budget surplus or (deficit): \$(16.7M) \$189 annual increase residents \$567 annual increase non-res	Resident undergraduate: 4% Non-res undergraduate: 3% Financial aid increase \$0.9M Budget surplus or (deficit): \$(13.6M) \$377 annual increase residents \$851 annual increase non-res	Resident undergraduate: 5% Non-res undergraduate: 3.5% Financial aid increase \$1.0M Budget surplus or (deficit): \$(12.0M) \$472 annual increase residents \$993 annual increase non-res	Resident undergraduate: 7% Non-res undergraduate: 4.9% Financial aid increase \$1.3M Budget surplus or (deficit): \$(8.4M) \$660 annual increase residents \$1390 annual increase non-res

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<b>Tuition Proposal State +\$111M +\$12.7M FY20 to OSU</b>	Resident undergraduate: 2%	Resident undergraduate: 4%	Resident undergraduate: 5%	Resident undergraduate: 7%
	Non-res undergraduate: 2%	Non-res undergraduate: 3%	Non-res undergraduate: 3.5%	Non-res undergraduate: 4.9%
	Financial aid increase \$0.7M	Financial aid increase \$0.9M	Financial aid increase \$1.0M	Financial aid increase \$1.3M
	Budget surplus or (deficit): \$(10.9M)	Budget surplus or (deficit): \$(7.8M)	Budget surplus or (deficit): \$(6.2M)	Budget surplus or (deficit): \$(2.6M)
	\$189 annual increase residents	\$377 annual increase residents	\$472 annual increase residents	\$660 annual increase residents
	\$567 annual increase non-res	\$851 annual increase non-res	\$993 annual increase non-res	\$1390 annual increase non-res

These are not adjusted for enrollment sensitivity yet, but do assume a 2% decline in resident undergraduates.

Graduate resident tuition, professional tuition, and Ecampus up at local rate of inflation (3.5-4.2%)

Non-resident graduate tuition up about 5% (long-term adjustment to get closer to peers)

Most differential tuition charges flat, though some adjustments in Engineering and Business may be necessary