

UBC Meeting: November 19th 2021

UBC Materials Include:

- DRAFT OSU Tuition Proposals 2022
- Course Fee Guidance 11-2018
- OSU Differential Tuition Guidance 11-2018
- Budget Model Overview May 20 update

OSU Tuition Strategy 2022-23

Summary:

In 2020-21 and 2021-22 OSU moved to a cohort tuition model where tuition rates for continuing undergraduate students increased at the estimated rate of inflation or less and rates for incoming students increasing somewhat more to provide resources for program improvements while those students were at OSU. The result is that undergraduate students now have tuition rates that vary by their year of matriculation. The approach creates more predictability for continuing students but allows sufficient flexibility to address growth in university costs and program development. The proposal is to make this the default approach for setting undergraduate tuition at OSU.

The proposed approach would assume that:

- The Board policy of expecting tuition increases in the range of 2% to 5%, barring extreme financial change, would continue.
- Continuing students (for all campuses, residencies and modalities) would have tuition increased at no more than the estimated rate of inflation based on a weighted average across spending categories.
- Students matriculating in the next academic year would have tuition increased at no more than the rate of inflation plus one percentage point (so if inflation was 3.0% tuition for incoming students would increase by no more than 4.0%).
- Ecampus rates would be increased at the same rates as for campus-based students.
- Rates would comprise an instructional charge for all students, a distance education fee for Ecampus courses, and a campus charge for non-resident students. Differential tuition for particular programs may be charged.
- Differential tuition charges above base tuition and the distance education fee would be increased at the rate for continuing students (unless a unit asks for no change) so that the charges are the same across all cohorts. Only base tuition charges would vary by cohorts.
- The additional increase for incoming students would be monitored to make sure rates were appropriate and competitive relative to peer institutions.
- Graduate and professional tuition will be charged on a program by program basis consistent with program costs, peer comparisons, and market analyses. Rates would vary by residency and program.
- This approach to setting tuition is not contingent on the change to charging by campus instead of course modality.

The goals of these changes are to:

- Provide more predictability in tuition rates for students who have committed to OSU.
- Make the structure of tuition clearer for students.
- Align tuition and fee charges with the campus students are primarily using.
- Make the annual tuition-setting process more transparent and simpler to reduce the time spent on the issue each year and allow more time for campus discussion.
- Provide sufficient flexibility for OSU to continue to improve academic and support services and to manage through unexpected financial downturns.

This approach would require that OSU adjust some budget and planning practices including:

- The approach sets an expectation that tuition increases will cover the tuition share of the costs of inflation in annual operating budgets. These include salary increases for faculty and staff

(many of them agreed on in union negotiations), increases in benefit costs (retirement and health care rates set by the state), and inflationary costs on goods, services, and contracts. Tuition is about 65% of net revenues so would cover only that share of inflationary costs.

- If other revenues sources (state funding, sales and interest revenues, etc.) do not keep pace with inflation, OSU would have to adjust expense accordingly or find additional revenues.
- Inflation on operating costs is the largest cost increase the university manages each year, but there are usually two other categories of cost increase. One is mandatory costs increases outside inflation (debt service on new construction, large increments in insurance bills, etc.). The other is commitment to new spending to provide an improved service for faculty, staff, or students (including from enrollment management to student affairs to business services to academic program)¹. This tuition approach requires that other mandatory cost increases are covered by revenue growth (as through enrollment), expense reductions or reallocation of budget from one area to another. Decisions to commit to new expenses will have to be covered by the small, additional increment on new students, enrollment growth, expense reductions, or reallocation of budget.
- The focus in budgeting would shift to one focused on defining reasonable rate increases and then budgeting to available revenues (i.e. making budget decisions within projected revenues) rather than letting projected expenses solely drive rate decisions.

If this is the strategy used for tuition recommendations this year, the preliminary outcomes (intended as a starting point for discussion) would be:

- Undergraduate base tuition for continuing students (all campuses, including Ecampus) would increase 3.5% (the current estimate of inflation).
- Undergraduate base tuition for new students would increase 4.5% (the inflation rate plus one percentage point). There would be four undergraduate cohorts.
- Undergraduate differential tuition (rates on top of base tuition) would increase 3.5% unless a college requested no increase. Differential tuition would be the same for all cohorts.
- Resident base graduate tuition would increase less than inflation if the strategy of the last few years is followed to move it to a more competitive level with peers (Appendix B).
- Non-resident base graduate tuition is now in the range of peers and could be increased at the rate of inflation (3.5%).
- Differential graduate tuition (Business, Engineering, Public Health) would increase no more than the rate of inflation on the request of the college.
- Professional tuition (Veterinary Medicine and Pharmacy) would increase no more than the rate of inflation, based on requests from the colleges.
- Undergraduate tuition at Cascades could, in addition, be moved closer to Corvallis tuition (it is \$4 per credit less right now) if the long term goal is to align those rates.
- Health fee increases will be based on discussion of proposals from Student Health Services and Counseling and Psychological Services to UBC. The rate of inflation in health services is likely to be higher than 3.5% because of wage costs.
- There is no request for an increase in the matriculation fee. The student building loan/debt fee has not been raised in over 15 years and a small increase over the next four years might be appropriate to help address deferred maintenance in some of the buildings managed by fee-funded units.

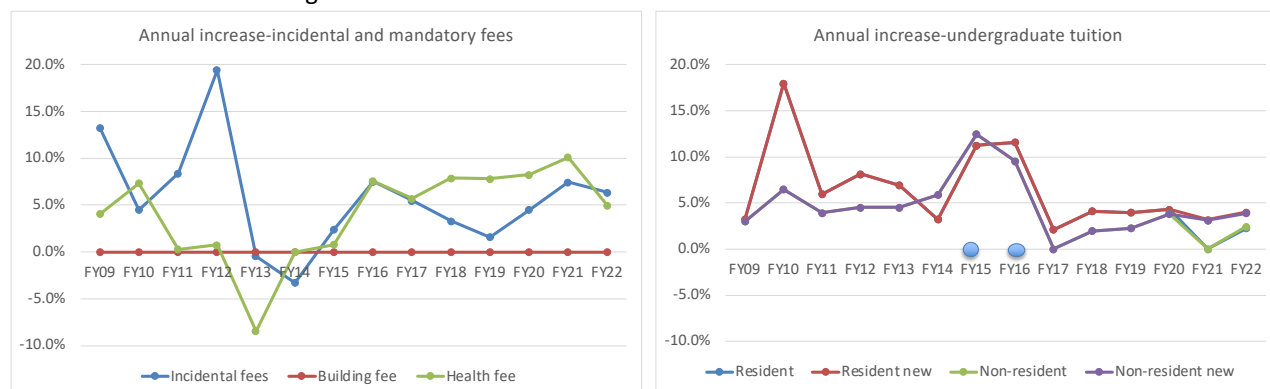
¹ This year mandatory increases are estimated to include \$1M for new building operations, \$1.5M for insurance and \$4.0M for debt service and capital renewal. New commitments include \$0.7M for enrollment management, \$1.0M for information technology, and \$1.1M for initiatives in other areas.

Background Information and Discussion of Details of the Tuition Proposal

Tuition and fee rate increase history

Tuition and fee rate increases (Figure 1) have varied greatly over the last 13 years. The Board's statement expecting increases in the 2% to 5% range has helped provide more consistency to those increases. The tuition framework proposed here would continue that effort.

Figure 1: Percentage increases in fees (left) and undergraduate tuition (right). The large FY12 increase in incidental fees was a new fee for facilities improvements. The large tuition increases in FY15 and FY16 were the change to per credit hour charges, which had a 0% increase for students taking 12 credits (blue dots) or less but increases over 10% for students taking 15 credits or more.



The building debt service fee (for student services and student life buildings) has not increased in many years. A small increase there could help support the costs of building repair and renewal.

Components of tuition

Table 1: Tuition components for new undergraduate students. There is a “zero-credit hour” flat charge that is included in the calculation of annual tuition.

Average per credit hour charge--Ecampus infrastructure fee, non-resident supplemental tuition					
	Zero credit hour charge	Instruction fee	Distance education infrastructure	Non-resident campus charge	Total tuition
Ecampus		241.00	90.00	-	331.00
Resident undergraduate Corvallis		228.00	-	-	228.00
Resident undergraduate Cascades		224.00	-	-	224.00
Non-resident undergraduate		228.00	-	450.00	678.00
Annual at 15 credits per quarter--restructured					
	Zero credit hour charge	Instruction	Distance education infrastructure	Non-resident campus charge	Total tuition
Ecampus	-	10,845.00	4,050.00	-	14,895.00
Resident undergraduate Corvallis	100.00	10,360.00	-	-	10,660.00
Resident undergraduate Cascades	100.00	10,180.00	-	-	10,480.00
Non-resident undergraduate	335.00	10,595.00	-	20,250.00	31,850.00

The University Budget Committee discussed, in 2020-21, how to better describe the components of undergraduate tuition and their relationship to residency, campus, and course modality. The suggestion was to identify three principal components: an instructional fee (ideally similar across groups

and modalities), a distance education fee specific to tuition for delivering distance degree programs, and a campus fee charged to non-resident students who study at one of OSU's two physical campuses. Table 1 shows what those are for new students in fall 2021.

The instruction fee portion is not yet aligned across campuses and modalities. That will be changed slowly over the next cycles of tuition setting and in revisions of the University Budget Model.

Current tuition charges

OSU implemented a cohort pricing model for undergraduate students for the 2020-21 fiscal year. This provided an opportunity to differentiate tuition changes for continuing students and for new students. There are now three tuition cohorts. Table 2 shows the current distribution of those tuition components across the three cohorts.

Table 2: Current cohort tuition charges

	Zero credit hour flat charge	Instruction fee per credit	Distance education infrastructure per SCH	Non-resident campus charge per SCH	Total tuition per credit	Annual total at 15 credits per term
Resident Corvallis						
Matriculated prior to fall 2020	100	217			217	10,065
Matriculated fall 2020	100	224			224	10,380
Matriculated fall 2021	100	228			228	10,560
Matriculated fall 2022	100				-	300
Resident Cascades						
Matriculated prior to fall 2020	100	210			210	9,750
Matriculated fall 2020	100	220			220	10,200
Matriculated fall 2021	100	224			224	10,380
Matriculated fall 2022	100				-	300
Non-resident						
Matriculated prior to fall 2020	335	217		431	648	30,165
Matriculated fall 2020	335	224		444	668	31,065
Matriculated fall 2021	335	228		450	678	31,515
Matriculated fall 2022	335				-	1,005
Ecampus						
Matriculated prior to fall 2020	-	236	90		326	14,670
Matriculated fall 2020	-	236	90		326	14,670
Matriculated fall 2021	-	241	90		331	14,895
Matriculated fall 2022	-				-	-

Projection of institutional inflation

The tuition proposal is to increment tuition for continuing students by no more than the rate of institutional inflation projected for the next fiscal year. This estimate comes from a weighted average of the increases expected for different categories of expenditures. The estimate for FY23 is shown in Table 3, based on current information. The expected inflation rate for OSU

expenses is an aggregate 3.5%, driven principally by increases in the costs of salaries and benefits and the larger than usual rate of CPI inflation on services and supplies.

Table 3: Components of the institutional inflation calculation. For FY23 these yield an expected increase of 3.5%.

FY22 to FY23						
Cost Category:	average % of total spend	Rate Change	Change due to salary increases	Total Change	Weight contribution to total	Comments/Method
Unclassified Salary & Pay	38.0%	3.50%		3.50%	1.33%	3.5% effective July 1, 2022
Unclassified OPE	19.2%	1.25%	2.59%	3.87%	0.74%	1.67% on base plus 34% of salary raise dollars
Classified Salary & Pay	7.1%	4.50%		4.50%	0.32%	4.5% average increases, raise plus steps
Classified OPE	4.6%	1.76%	2.36%	4.16%	0.19%	2.35% on base plus 34% of salary raise dollars
Graduate & Student Pay	5.1%	2.00%		2.00%	0.10%	2% base increase (GA increase, minimum wage)
Graduate Fee Remissions	2.9%	2.00%		2.00%	0.06%	2.0% resident tuition increase
Graduate & Student OPE	0.9%	4.00%		4.00%	0.04%	4% general increase (health insurance)
Other Salary Costs	0.7%	2.00%		2.00%	0.01%	2% general increase
Services & Supplies	20.3%	3.50%		3.50%	0.71%	3.5% CPI for academic year
Capital Outlay	0.8%	3.00%		3.00%	0.02%	3% inflation for academic year
Student Aid	0.3%	2.00%		2.00%	0.01%	local assistance this is outside major financial aid
Service Credits		3.50%		3.50%	0.00%	same as S&S rate
Totals	100.0%				3.54%	

FY23 tuition rates in this model

If a 3.5% increase on continuing students (a bit less than the calculated inflation rate) and a 4.5% increase on new students (one percentage point more than the continuing student rate) is assumed, Table 4 shows what the cohort tuition structure would be. Table 5 shows some variations on tuition scenarios.

Differential rates above base tuition would increase at the rate for continuing students (unless the college or program specifically asked to leave the rate constant. The distance education fee component of Ecampus tuition would be adjusted to be constant across cohorts. Graduate and professional tuition would be reviewed based on inflation estimates, peer rates, and costs of delivering specialty programs.

Increments for new students

If tuition for continuing students is raised by the rate of inflation, that means revenues will just keep up with cost growth (assuming state funding and other sources also grow). There are many places where student services, academic programs, and facilities repair would benefit from additional investment. The idea of adding a small increment to tuition for incoming students is to build a modest pool over time to contribute to program and service improvements that will benefit those students while they are at OSU.

Table 4: Projected increases in base tuition with an assumption of a 3.3% increase for continuing students and a 4.3% increase for continuing students.

	Zero credit hour charge	Instruction fee	Distance education infrastructure	Non-resident campus charge	Total tuition per credit	Annual total at 15 credits
Resident Corvallis						
Matriculated prior to fall 2020	100	224			224	10,380
Matriculated fall 2020	100	231			231	10,695
Matriculated fall 2021	100	236			236	10,920
Matriculated fall 2022	100	238			238	11,010
Resident Cascades						
Matriculated prior to fall 2020	100	217			217	10,065
Matriculated fall 2020	100	227			227	10,515
Matriculated fall 2021	100	231			231	10,695
Matriculated fall 2022	100	234			234	10,830
Non-resident						
Matriculated prior to fall 2020	335	224		445	669	31,110
Matriculated fall 2020	335	231		459	690	32,055
Matriculated fall 2021	335	236		464	700	32,505
Matriculated fall 2022	335	238		469	707	32,820
Ecampus						
Matriculated prior to fall 2020	-	244	93		337	15,165
Matriculated fall 2020	-	244	93		337	15,165
Matriculated fall 2021	-	249	93		342	15,390
Matriculated fall 2022	-	252	93		345	15,535

Figure 2: Projected increases in gross tuition revenues with assumptions of a 3.0% increase for continuing students and varying additional increments for new students.

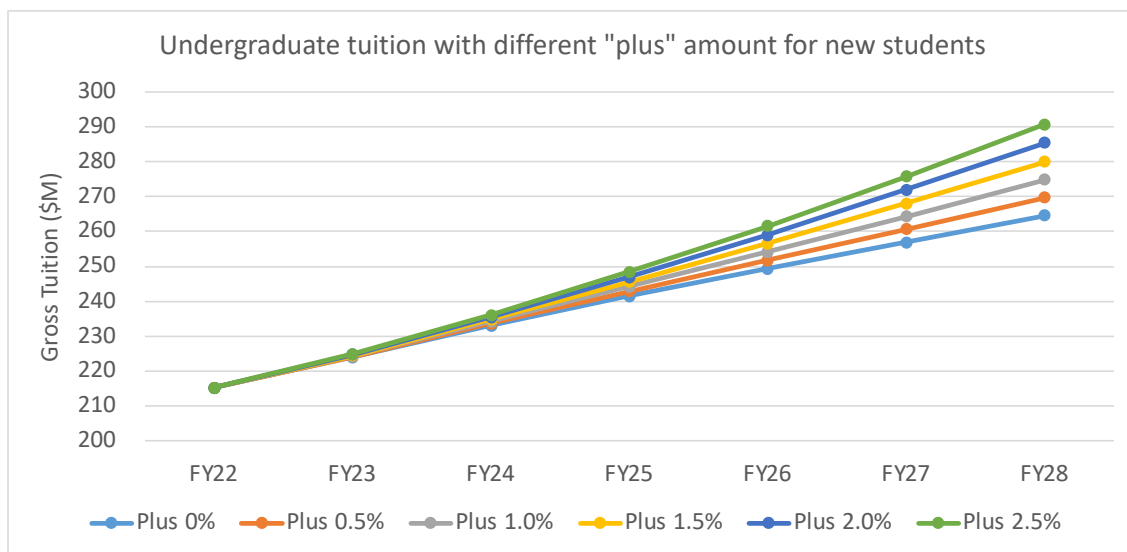


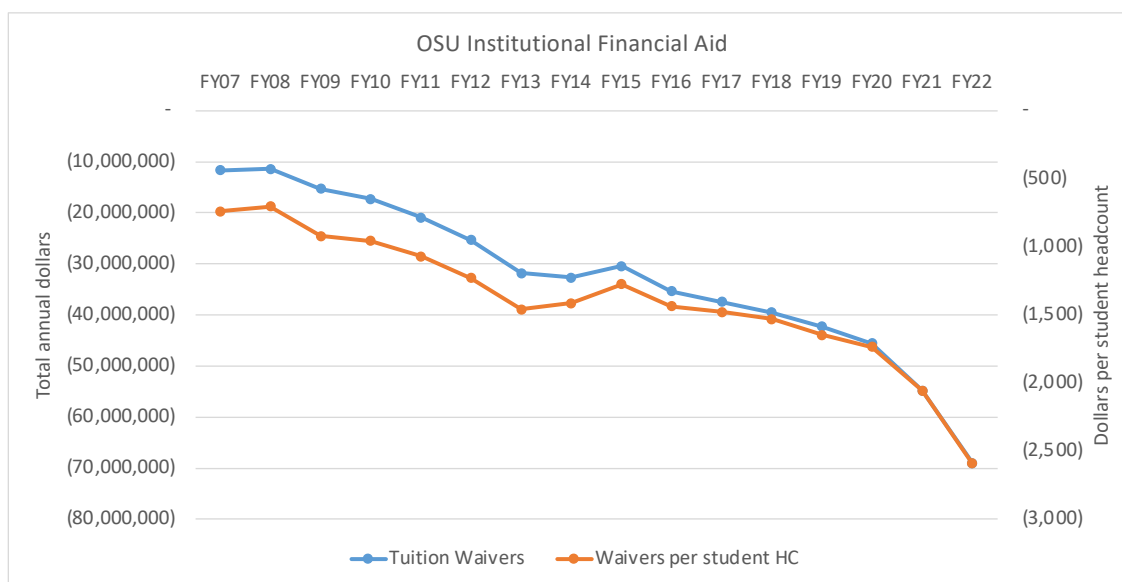
Figure 2 shows an example of how different increments on top of an inflationary increase for new students impacts gross tuition revenues², assuming class sizes remain the same as at present. This calculation is just for undergraduate, Corvallis tuition.

Projections suggest that likely costs for building and equipment renewal and desired new services will exceed the incremental revenue in Figure 2. This approach also assumes that the university will also work to develop new revenues through enrollment growth (particularly in Ecampus and in new programs in Corvallis) and will continually review and reallocate budget from existing programs as new priorities warrant.

Institutional financial aid

Financial aid has three major components: federal and state aid (Pell Grants, Oregon Opportunity Grants), scholarships from private gifts, and institutional aid. The last one is scholarship aid that OSU funds out of its own revenue (so it is a reduction in revenue). Through the pandemic, the university has committed to a significant increase in financial aid to both resident and non-resident students. The growth of that aid budget is shown in Figure 3 (we measure it as negative dollars because it is a reduction in tuition revenues, so more negative is more scholarships and lower costs to students).

Figure 3: Change in institutional financial aid shown as total annual dollars (blue, left axis) and dollars per student headcount (red, right axis).



² Gross tuition means before institutional financial aid for students is taken out of that amount.

Table 5: Scenario planning for tuition recommendations

Tuition Scenario Table (Corvallis campus): The right-hand column shows the increases at the inflation/inflation plus 1% scenario. Precise percentage increases in each box are different than the nominal increases in per credit hour charges at the top because there is a fixed zero-credit hour charge that is part of undergraduate tuition and rates are rounded to the nearest whole dollar. The goal is to show both the impact on individual students and on overall E&G balances in a succinct format. Rates are applied to resident undergraduate (including Ecampus) and non-resident undergraduate tuition rates. 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.

	Scenario A: Continuing Resident 2.5%, Non-resident 2.5% New Resident 3.5%, Non-resident 3.5%	Scenario B: Continuing Resident 3.0%, Non-resident 3.0% New Resident 4.0%, Non-resident 4.0%	Scenario C: Continuing Resident 3.5%, Non-resident 3.5% New Resident 4.5%, Non-resident 4.5%
State funding at current levels	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): \$0.0M, 0.0% 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): \$2.3M, 0.4% 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): \$4.5M, 0.7% 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, professional tuition, differential tuition and Ecampus at rates discussed elsewhere. 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 (this year largely for capital renewal and repair, insurance, debt service, investments in information technology, enrollment management and other critical support services TBD). Those total new commitments total \$9.3M this year.

Appendix A: Comparison of undergraduate base tuition rates with peers

Comparison of OSU Undergraduate Tuition and Fees to Strategic Peers and PAC-12								
Rates are reported for 2018-19, some campuses may be subject to change								
Comparison of OSU Undergraduate Tuition and Fees to Strategic Peers and PAC-12								
Rates are reported for 2020-21, some campuses may be subject to change								
All calculated at 15-credit hour load								
		Annual Tuition			Annual Tuition and Fees			Per term fees*
		Resident	Non-resident		Resident	Non-resident		
Strategic Plan Peers								
	Oregon State	10,560	31,515	Q	12,683	33,638		708
Strategic Plan Peers Tier 1	Ohio State University	11,018	34,100	S	11,936	35,018		459
	Penn State University	20,092	37,980	S	20,622	38,510		265
	Purdue University	9,208	28,010	S	9,992	28,794		392
	UC at Davis	11,442	41,196	Q	14,646	44,400		1,068
	University of Florida	4,477	26,754	S	6,381	28,658		952
	University of Illinois	12,254	29,704	S	15,442	32,892		1,594
	University of Wisconsin	9,273	37,161	S	10,720	38,608		723
Strategic Plan Peers, Tier 2	Colorado State University	9,709	28,991	S	12,331	31,613		1,311
	Iowa State University	8,324	24,136	S	9,634	25,446		655
	NC State University	6,535	27,320	S	9,131	29,916		1,298
	UC at Riverside	11,442	41,196	Q	13,742	43,496		767
	University of Tennessee	11,332	29,732	S	13,244	31,644		956
	Washington State University	10,996	26,312	S	12,416	27,732		710
Other Comparator Institutions								
Other Major Land Grant Universities	Michigan State University	15,922	40,384	S	16,088	40,550		83
	Texas A&M University	11,053	38,394	S	11,053	38,394		-
	Virginia Tech University	11,751	31,432	S	14,175	33,856		1,212
	Louisiana State University	10,251	26,935	S	11,960	28,644		855
	Kansas State University	9,489	25,560	S	10,420	26,491		465
	University of Arizona	11,938	33,739	S	13,352	35,153		707
	University Of Georgia	9,790	28,830	S	10,976	30,016		593
Other Public Pac-12 Universities	Arizona St.University	10,710	28,800	S	11,348	29,438		319
	University of Utah	8,679	30,388	S	9,867	31,576		594
	University of Colorado	10,728	36,546	S	12,496	38,314		884
	UCLA	11,442	41,196	Q	13,582	43,336		713
	UC Berkeley	11,442	41,196	S	14,226	43,980		1,392
	University of Oregon	11,974	38,017	Q	14,421	40,465		816
	University of Washington	10,293	38,121	Q	12,078	39,906		595
*less mandatory health insurance								
	Average Strategic Peers	10,469	31,738		12,326	33,594		858
	Average All Land Grants here	10,815	31,893		12,413	33,492		753
	Average Public Pac-12	10,753	36,323		12,574	38,145		759
	Median Strategic Peers	10,996	29,704		12,331	31,644		767
	Median All Land Grants here	11,007	29,718		12,145	32,268		717
	Median Public Pac-12	10,728	38,017		12,496	39,906		713

Appendix B: Comparison of graduate base tuition rates with peers.

Comparison of OSU Graduate Tuition and Fees to Strategic Peers and PAC-12								
Rates are reported for 2020-21, some campuses may be subject to change							less health insurance	
All calculated at 12-credit hour load								
		Annual Tuition			Annual Tuition and Fees			Per term fees
		Resident	Non-resident		Resident	Non-resident		
Strategic Plan Peers								
	Oregon State	13,446	27,297		15,569	29,420		708
Strategic Plan Peers Tier 1	Ohio State University	11,560	37,512	S	12,478	38,430		459
	Penn State University	23,082	39,248	S	23,612	39,778		265
	Purdue University	9,208	28,010	S	9,992	28,794		392
	UC at Davis	11,442	26,544	Q	13,608	28,710		722
	University of Florida	10,770	28,163	S	12,737	30,130		984
	University of Illinois	13,176	28,464	S	16,364	31,652		1,594
	University of Wisconsin	10,728	24,054	S	12,174	25,501		723
Strategic Plan Peers, Tier 2	Colorado State University	10,834	26,564	S	13,313	29,044		1,240
	Iowa State University	10,140	25,684	S	11,404	26,948		632
	NC State University	9,095	27,082	S	11,703	29,690		1,304
	UC at Riverside	11,442	26,544	Q	13,467	28,569		675
	University of Tennessee	11,468	29,886	S	13,380	31,798		956
	Washington State University	12,616	27,066	S	13,740	28,190		562
Other Comparator Institutions								
Other Major Land Grant Universities	Michigan State University	19,614	38,538	S	19,758	38,682		72
	Texas A&M University	10,153	22,426	S	10,153	22,426		-
	Virginia Tech University	14,098	29,018	S	16,522	31,442		1,212
	Louisiana State University	11,701	28,659	S	13,422	30,380		861
	Kansas State University	10,294	23,018	S	11,225	23,949		465
	University of Arizona	12,106	32,290	S	13,460	33,644		677
	University Of Georgia	8,878	25,186	S	10,023	26,331		573
Other Public Pac-12 Universities	Arizona St. University	11,720	23,544	S	12,608	24,432		444
	University of Utah	8,679	30,624	S	9,840	31,785		580
	University of Colorado	10,058	29,516	S	11,826	31,284		884
	UCLA	11,442	26,544	Q	13,035	28,137		531
	UC Berkeley	11,442	26,544	S	14,160	29,262		1,359
	University of Oregon	15,714	28,161	Q	18,121	30,568		802
	University of Washington	16,107	29,265	Q	17,754	30,912		549
Average Strategic Peers		11,966	28,832		13,690	30,556		808
Average All Land Grants here		12,120	28,698		13,627	30,204		718
Average Public Pac-12		12,166	27,743		13,906	29,483		736
Median Strategic Peers		11,442	27,082		13,313	29,044		722
Median All Land Grants here		11,442	27,546		13,347	29,367		676
Median Public Pac-12		11,442	28,161		13,035	30,568		580

Course Fee Guidance¹

Course² fees are charged to support activities in a particular instructional course, laboratory or studio section. Course fees are approved only for instructional activities that provide an educational experience of particular benefit to the student and which cost more than a typical course of similar type in the same academic college. Course fees must be charged to all students in the particular course and must be expended only for materials or activities in that course. Course fees must benefit all students in a course equally.

Departments should be aware that the added costs of course fees are not always captured in financial aid awards. Course fees can be an unexpected cost to students and units should be confident that an additional charge for a particular course is warranted.

Course fees requests are limited to costs documented for:

- Field trips off campus as part of the instructional program. Costs may include transportation and admissions charges. Costs for food, lodging, and incidentals, which are usually considered personal expenses, may only be included in the charges if they are incurred directly as part of the trip and if provision as a group results in a substantial reduction in cost to the student or provides necessary logistic or safety efficiencies.
- Services or activities provided by a third-party or a self-support unit at the university as part of instruction. Examples include ski lift tickets, admission to plays, or charges for laboratory analyses by service centers or private providers. In some cases, this can include charges for spaces or facilities not managed by the offering unit (rental of a field for example).
- Private lessons, modeling, or professional services provided by staff not normally part of the academic unit.
- Materials for projects that yield a tangible product retained by the student or equipment retained by the student, if that equipment has value outside of the specific course activities (for example a standard make of camera required for a photography course).
- Specialized consumable materials or services for laboratory sections in lower-division service courses³ (usually those with more than 50% of enrollments from non-majors). Examples of such materials or services include gloves, pipettes, reagents, Petri dishes, lab coat cleaning service, glassware, molecular biology kits, human cadavers, preserved or live material (e.g., microbial cultures, fungi, animals, plants) for use in observations, experiments and/or dissections.

Course fees may not be charged or used for:

- Costs for faculty of any rank or graduate teaching assistants, except as noted above.

¹ This document draws on ideas and language in the course fee policy for the University of Illinois at Urbana-Champaign (<http://www.provost.illinois.edu/programs/cps/coursefees.html>)

² Course as used here denotes any lecture, laboratory, studio or other scheduled instruction activity

³ While there are upper-division courses that are primarily service courses, the UBC recommends that those be weighted by disciplinary cost in the budget model, so the higher cost is recognized. Lower-division courses are not weighted by discipline, to discourage cross-college "poaching" so course fees may be appropriate in limited circumstances.

- Use or maintenance of equipment, specimens, licenses, or other materials retained by the department or college. Units may charge a reasonable deposit for equipment assigned to a student during a course to insure return in working order.
- Materials, licenses, and equipment required for completion of the assigned instructional activities in a course except as noted above.⁴ An exception to this may be made if laboratory or other exercises for an online section of a course requires that materials be packaged and provided to a student for completion of the exercises at a site other than an OSU campus.
- Health and safety equipment required for carrying out assigned class activities, as this equipment is unlikely to have any useful value after the course. These kinds of equipment are normally considered a personal expense and students may be required to buy specific equipment from the bookstore or a third party retailer. An exception may be made if the equipment can be provided to the students by the department at a substantial savings compared to the market price available to students or if there are particularly restrictive requirements on the type of equipment necessary to adequately meet a safety or health standard.
- Regular instructional materials or equipment (syllabi, text books, test books, class handouts, blackboards, projection equipment, etc.).
- Renovation or repair of instructional facilities or equipment.

Course fees must be approved by the Provost or their designated representative after review and recommendation by a Course Fee committee established by the Provost. The Course Fee Committee will establish a process for submission, documentation, and review of course fee proposals, including approval by department chairs and deans. Course Fees must be published in the University's Catalog or the Schedule of Classes and made visible to students when they register.

Requests for new course fees or increases in existing fees will normally be reviewed once per year in winter term for implementation the following fall quarter. The course fee committee will establish a process for "out-of-cycle" approvals to accommodate new programs or rapidly growing programs, as at OSU-Cascades. Existing course fees will be reviewed at least once every three years to confirm the appropriateness of the charge.

Units that charge differential tuition are expected to have few, if any, additional course fee charges. Such charges must be clearly documented as outside the scope of what differential tuition charges were approved to support.

NOTE: The University Budget Committee recommends that Enrollment Management, in consultation with the Provost's Council of Deans, consider providing an avenue for additional financial aid to address cases where the cost of a course fee creates a barrier to a student taking a particular course. The existing Assistance Fund may be a model for such support. The UBC did not have enough information to suggest specific mechanisms or amounts for providing students with the opportunity to ask for additional aid that also met requirements for Federal reporting and management of Financial Aid.

⁴ The committee recognizes that this is a change in policy and will require that the revenues currently received from course fees for some charges that would be disallowed under this revised policy will have to be made up for the units affected.

Appendix A: Summary of the various course fee charges in fiscal year 2015 by unit and by type for reference.

Oregon State University
Student Fees (acct begins w/017)
Fiscal Year 2015

Sorted for Course Fees Only

	Type	Amounts
Summer Session Instr		
	Field Trip	3,029.00
Academic Affairs		
	Special Exam	10,498.75
Grad School		
	Field Trip	1,652.00
	Conference & Short Course	3,000.00
Research Ctrs & Inst		
	Field Trip	4,331.00
	Auth Course Fees	2,952.00
	Auth Lab Fees	300.00
Honors		
	Field Trip	
Cascades		
	Field Trip	24,809.75
	Conference & Short Course	3,900.00
	Auth Course Fees	2,688.95
	Auth Lab fees	3,105.00
Ag Science		
	Auth Course Fees	60,335.50
	Field Trip	39,738.75
	Auth Lab Fees	11,857.75
Vet Med		
	Auth Course Fees	140.00
Forestry		
	Field Trip	30,798.00
	Auth Course Fees	2,520.00
Liberal Arts		
	Music Fee	725,634.17
	Auth Lab Fees	41,475.88
	Field Trip	26,599.18
	Auth Course Fees	10,049.75
Science		
	Auth Lab Fees	489,226.50
	Auth Course Fees	110,642.25
	Field Trip	4,098.00
CEOAS		
	Field Trip	43,271.05
	Auth Lab Fees	24,612.00
	Auth Course Fees	16,625.00
	Miscellaneous	15,550.00
Business		
	Miscellaneous	117,380.00
	Auth Lab Fees	(25.00)
Engineering		
	Auth Course Fees	130,958.00
	Field Trip	9,284.00
	Auth Lab Fees	8,480.00
Education		
	Auth Course Fees	39,200.00
	Miscellaneous	16,045.00
PHHS		
	Auth Course Fees	1,106,907.00
	Auth Lab Fees	7,142.00
Pharmacy		
	Auth Lab Fees	30,950.00
	Auth Course Fees	8,850.00
	Miscellaneous	5,650.00

Sum of Amounts	
Row Labels	Total
Auth Course Fees	1,491,868
Auth Lab Fees	617,124
Conference & Short Course	6,900
Field Trip	187,611
Miscellaneous	154,625
Music Fee	725,634
Special Exam	10,499
(blank)	
Grand Total	3,194,261

OSU Differential Tuition Guidance

Differential tuition may be approved in certain programs that meet the requirements noted below and that are approved by the Board of Trustees as part of setting tuition and fees. The use of differential tuition charges by an academic program must be consistent with the purposes described in the proposal for the charges and should be reviewed periodically with the students in the program.

Differential tuition may be considered for a program if:

- The costs for delivering the program (as documented by national norms) are significantly higher than for other majors at OSU (approximately 20% above the median program cost). There should be documented comparisons to similar programs nationally in establishing those costs (see Table 1 and Figure 1 for reference).
- The program has national norms that require accreditation, specialized services, limited course sizes, or additional support activities that increase the value of the program to students and that may create additional costs appropriately shared by students.
- There are external markets that define nationally recognized cost and value for certain degrees or credentials. This most often would apply to degrees or certificates in graduate or professionally certified fields.
- The OSU program provides an educational opportunity that significantly enhances a student's experience (as in the Honors College) or the program provides access to facilities or educational experiences unusual for programs in similar disciplines nationally.

In general, differential tuition charges¹:

- Must meet at least one of the criteria noted above, and preferably more than one.
- Provide services and experiences to majors in the program clearly distinct from those offered to students outside those programs.
- Are established at as broad a level as is appropriate (for example at the College or School level rather than individual majors if all majors meet similar criteria).
- Are charged only to students with junior standing and above, unless a significant part of the experiences supported by the charges take place in the freshmen and sophomore years (as for the Honors College)².

¹ Existing differential charges which do not meet these guidelines Fall, 2017 will be continued but every effort will be made to align those charges with the guidelines over time without damaging the academic quality of the existing program. It is expected that this policy, if approved, will be implemented for Fall term, 2017.

² This is most appropriately done by establishing a professional school model. Students would then be charged the differential tuition when they are admitted to the professional school.

- Are established by major rather than course designator.
- Are set as a per credit hour charge in addition to base tuition or as a flat charge per term (programs that allow part-time study may pro-rate a flat charge appropriately).
- Assessed 10% of gross revenues to augment the need-based institutional financial aid pool.

Proposals for new differential tuition charges or increases in existing charges will be reviewed annually as part of the university's process for recommending tuition and fee changes to the Board of Trustees. Proposals for new differential tuition charges should address:

- How the proposed charge meets the criteria described in this policy. References to cost, student demand, career earnings, and market demand should include documentation to national norms for similar programs or disciplines.
- How the differential tuition charges will substantially increase the quality of the learning experience for students and provide the basis for opportunities that would not be possible without the differential revenues.
- Description of the specific activities, services, and opportunities to be supported by the proposed charges and how they differ from what is normally available to students in other programs. Note that high faculty salary costs are not an appropriate criterion.
- Evidence of student consultation and a summary of student opinion. All differential tuition plans must show evidence of thorough consultation with students who will be affected.

Proposals to increase established differential tuition rates are not required to comply with the complete process outlined above if those increases do not exceed the corresponding rate increases recommended for base tuition rounded to the nearest whole dollar.

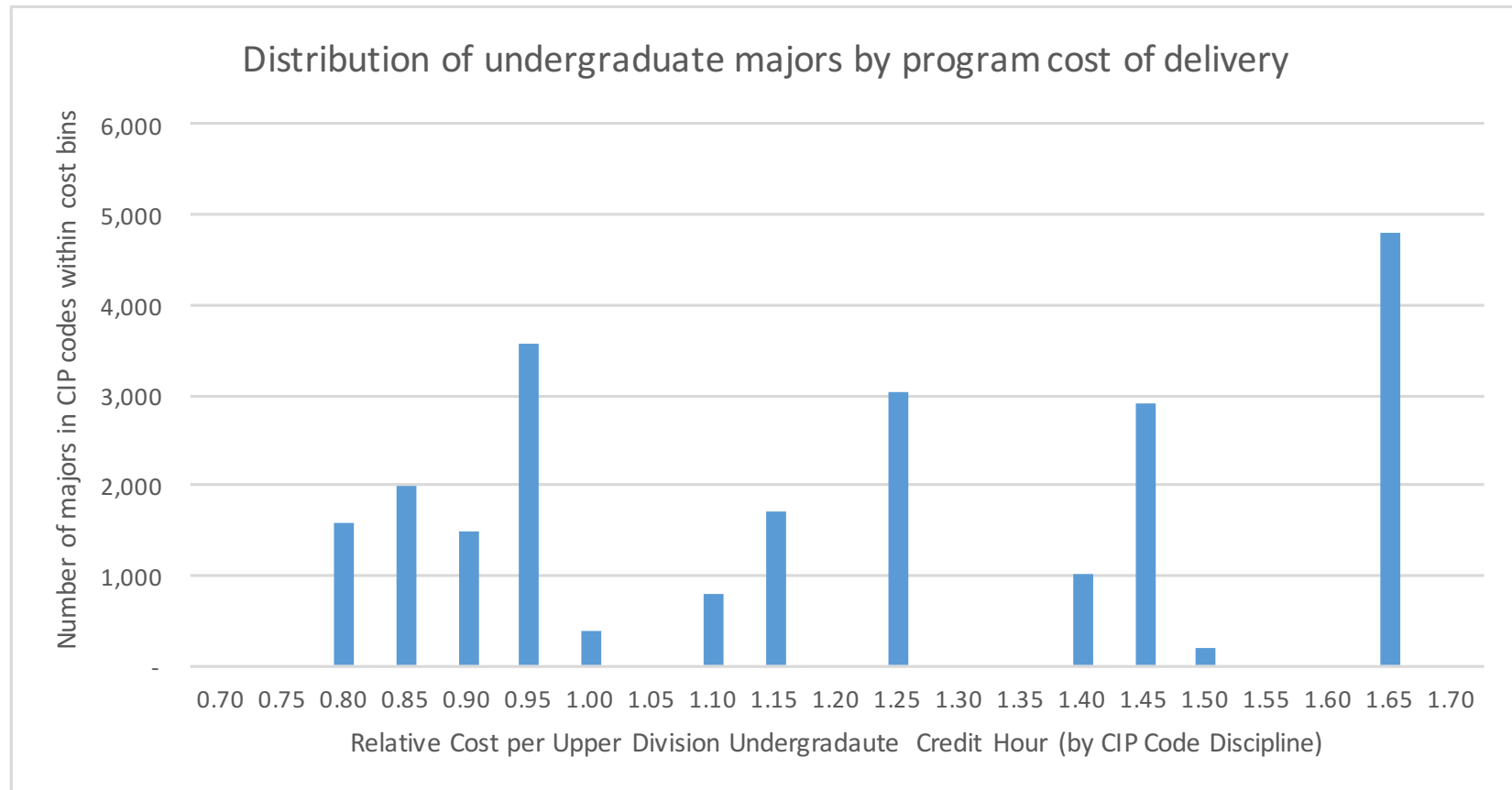
Proposals for new differential charges or for increases in existing charges are reviewed by the University Budget Committee for recommendation to the Provost. Proposals are due by November 1st for changes to take effect in fall term of the next academic year. Proposals should be submitted to the Chair of the University Budget Committee or the Director of Budget and Fiscal Planning

All differential tuition charges will be reviewed at least once every five years to insure that they continue to meet the criteria described here.

Table 1: comparison of relative costs per credit hour for disciplines at OSU, based on several national studies of cost by discipline and level. The costs per credit hour are ratios to an average of eight common upper division disciplines. The average relative cost of an upper division credit hour comes out to 1.017 in this approach. The upper-division relative costs are the ones relevant to undergraduate differential tuition. The weights for Veterinary Medicine and Pharmacy professional programs are not well constrained and are excluded here.

CIP Levels		LOWER	UPPER	GRAD I	GRAD II	Total
	Average Across All Disciplines if Given	0.705	1.017	2.049	2.868	1.101
01	Agricultural Business	0.773	1.419	2.901	3.094	1.541
02	Agricultural Sciences					
03	Conservation	0.654	1.401	2.524	2.547	1.310
04	Architecture	0.906	1.418	2.165	2.287	1.505
05	Area, Ethnic, Cultural Studies	0.705	1.235	3.065	4.231	1.167
09	Communications	0.656	0.921	2.324	2.729	0.908
10	Communications Technologies					
11	Computer and Information Science	0.655	1.215	1.995	2.917	1.171
13	Education	0.806	0.952	1.477	2.562	1.160
14	Engineering	1.039	1.649	2.732	3.121	1.848
15	Engineering-related Technology	1.092	1.286	1.917	2.229	1.249
16	Foreign Languages and Literature	0.722	0.942	2.125	2.463	0.896
19	Home Economics	0.495	0.756	2.865	3.088	0.782
22	Law and Legal Studies	1.315	0.869	2.093	3.861	1.856
23	English Language and Literature	0.779	0.902	2.205	2.169	0.890
24	Liberal Arts and Sciences, Humanities	1.154	1.473	2.516	1.871	1.358
25	Library Science	0.897	1.999	1.306	2.000	1.315
26	Biological Sciences, Life Sciences	0.760	1.132	2.977	2.923	1.158
27	Mathematics	0.612	0.925	2.358	3.083	0.778
28	Reserve Officers Training Corps					
29	Military Technologies					
30	Multi/Interdisciplinary Studies	0.856	1.082	2.964	4.243	1.138
31	Parks, Rec, Leisure, Fitness Studies	0.607	0.829	1.670	2.539	0.797
32	Basic Skills					
34	Health Related Knowledge/Skill					
38	Philosophy and Religion	0.630	0.867	2.906	2.806	0.822
40	Physical Sciences	0.838	1.394	3.399	2.978	1.170
41	Science Technologies					
42	Psychology	0.439	0.810	2.293	2.950	0.857
43	Protective Services	0.535	0.671	1.605	4.339	0.733
44	Public Administration and Services	0.850	1.040	1.443	3.173	1.276
45	Social Sciences and History	0.518	0.860	2.337	3.116	0.794
50	Visual and Performing Arts	0.902	1.382	2.849	2.907	1.308
51	Health Professions, Related Sciences	0.793	1.238	2.251	3.204	1.747
51.20	Pharmacy					
51.24	Veterinary Medicine (DVM)					
52	Business Mgmt, Administrative Services	0.611	0.947	1.683	4.933	0.954
54	History	0.541	0.878	2.388	2.954	0.795
9999	Unknown					

Figure 1: The distribution of numbers of undergraduate majors binned by the relative cost of that major using the upper-division relative costs in Table 1. For example, there are about 4,800 undergraduate engineering majors and the relative upper-division cost is 1.649, so the bar at the right represents 4,800 majors in the 1.60 to 1.65 cost bin. The point of the plot is to show where majors are distributed in higher vs. lower-cost programs.



Overview of the Corvallis Education and General budget model

- Budget Model Review Forum
- Tuesday, June 1st, 2021
- Goals:
 - Identify where the model has supported unit goals and where it has not
 - Gather questions and suggestions about the model and process
 - Understand the model's impact on units
 - Capture how the model is used in unit budget processes

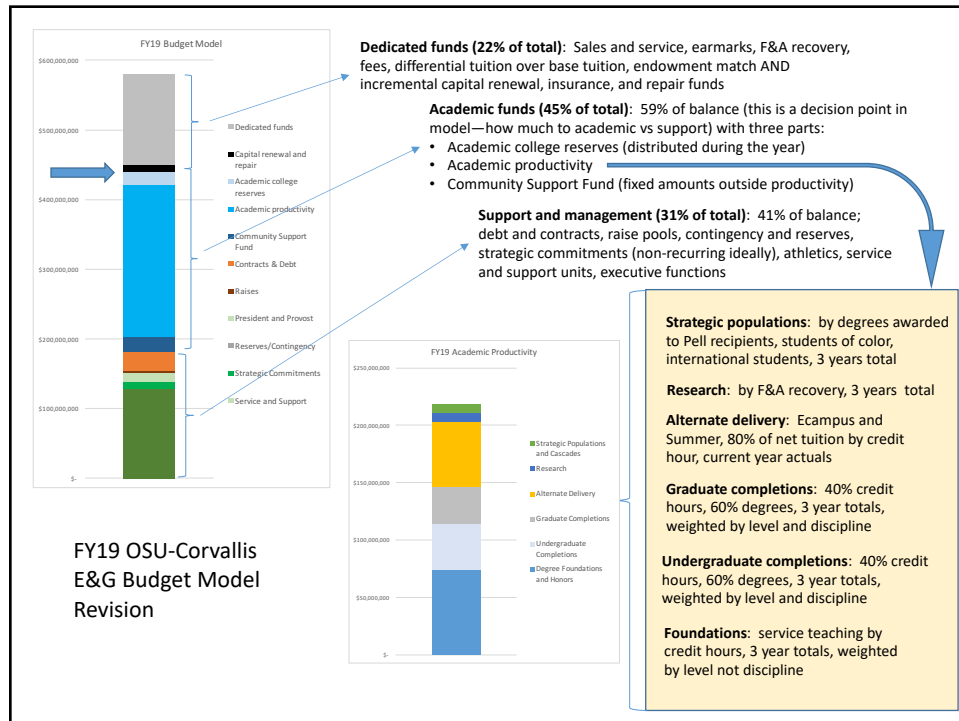
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Types of university budgeting

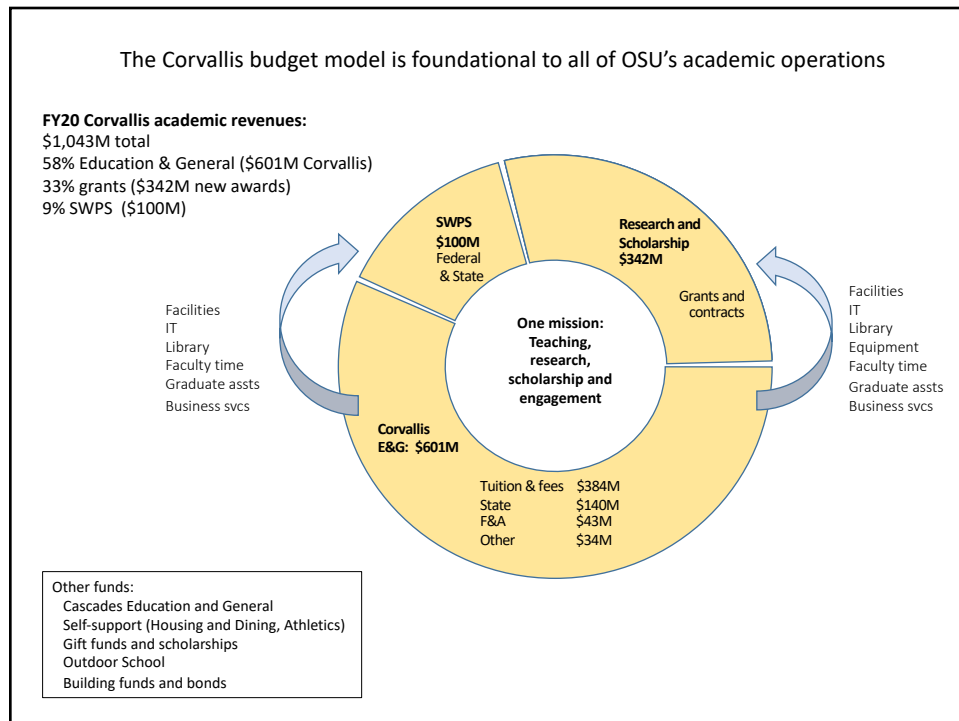
- **Incremental:** History plus or minus
- **Activity-based:** Ecampus tuition per SCH
- **Outcomes-based:** Allocation per degree
- **Responsibility centered management (RCM):** all revenue goes to creators then is "taxed" for services
- **Zero-based:** All budget zeroed out each year and units advocate for need and use for new budget.

The OSU model uses a hybrid approach and incorporates elements of incremental, activity-based, outcomes-based, and RCM budget processes.

2



3



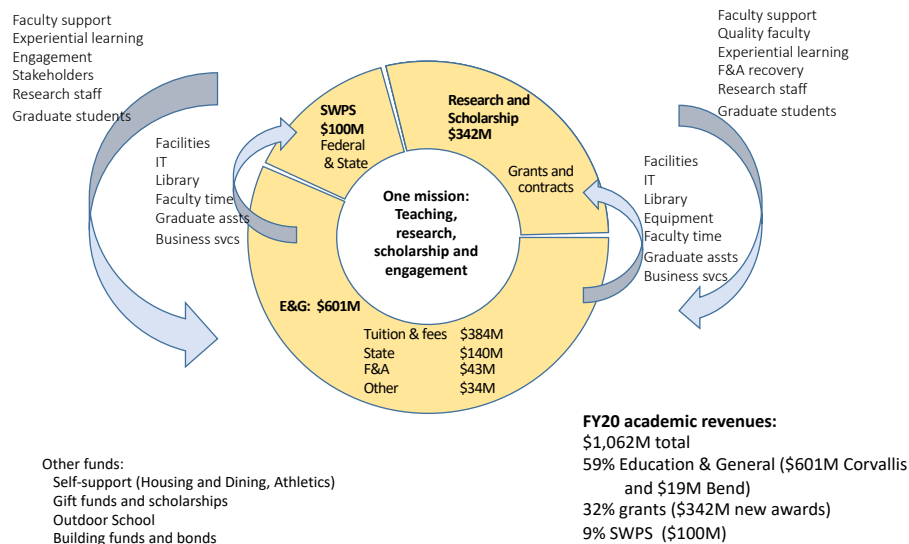
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Questions we've been asking:

- What questions do you have about the “nuts and bolts” of the budget model?
- Do you know how the model is used within your college?
- Are there goals for your unit’s mission, including the university’s commitment to becoming an antiracist institution, where the SRBM has incentivized progress? Are there areas where the model has incentivized investments or behaviors that are contrary to these goals?
- How have the SRBM and associated processes helped you introduce or expand programs in line with your unit’s goals and the university’s mission?
- Do you think CHANGES in funding prioritization or resource commitments over the last three years are helping or hurting your unit’s ability to deliver on the unit/university’s mission overall? Why or why not? (These could be impacts on your unit or on support units that your unit relies on like the Research Office or Human Resources).

5

The Corvallis budget model is foundational to all of OSU’s academic operations



6