

University Budget Committee Meeting

19 April 2019, 2:00-3:30,

Kerr Administration 502

Minutes

Topics:

- Board decisions and discussion on tuition
- Ecampus tuition
- Corvallis budget model
- Balancing the budget in May

Discussion:

Board decisions and discussion on tuition—the committee received a summary of the discussions at the March Board of Trustees meeting:

- Board received recommendations from President Ray which aligned with UBC recommendations; with the exception of nonresident increases which were recommended at a 4% increase versus the 4.5% increase.
- No concern raised on differential tuition charge.
- Discussion on long-term strategy; no obvious answer but we cannot go forward cutting 2-4% every year.
- How can we get more students engaged in discussions; Follow-up needed with Leadership and ASOSU to discuss further on improving student engagement.

Ecampus tuition—the committee discussed whether a review of Ecampus tuition rates would be appropriate for next year’s agenda. Some of the issues considered included:

- Not a decision for this year but a discussion when looking at next year’s tuition.
- Initial thought for Ecampus was to reach out to students unable to come to Corvallis.
 - Significant use by Corvallis students.
 - Ecampus credit hour use by Corvallis students is an increasing percentage of credit hours taught on campus (face-to-face hours).
 - Ecampus tuition does not differentiate between resident and non-resident.
 - Significant revenue consequences.

- The rate of usage by non-resident students of Ecampus is increasing somewhat faster than use by resident students.
 - Should we change the model? – This has both positive and negative effects.
 - Ecampus internally has a tuition component and fee component.
 - From student point-of-view they are combined on the tuition table.
- Required courses not offered on-campus consistently and in conjunction with Ecampus option. It is still a rule that if a course is a requirement for a degree then it must be offered at least periodically on-campus.
- The Committee concluded a review of Ecampus tuition structures would be useful as a topic for next year

Corvallis budget model

- FY19 OSU-Corvallis E&G Budget Model Revision.
 - Fully moved budget distribution to the academic colleges based on credit hours and degrees awarded.
- Overall budget challenge: revenue growth not keeping pace with expenses.
- Individual colleges are seeing significant and continuing enrollment declines in face-to-face credit hours.
- Budget allocation becomes more difficult when in a decline.
 - All colleges are keenly focused on enrollment and student success.
 - There is a limit to how fast it can change whether it is a gain or loss.
- Tax structure
 - Certain monies in the budget are earmarked – everyone gets earmarked funds; what is left is then taxed.
 - Earmarked money varies by college – some earmark money and some do not.
 - This disproportionately taxes colleges that do not have earmarked money.
 - If taxed in the beginning, everything is taxed which includes Ecampus.
 - All earmarked money is charged at 7%.
- To what degree does the UBC want to see and/or discuss big or small changes in the budget model?
 - Creation of subcommittee to help in collecting issues about the model and how we might change them.
 - Subcommittee to include a few UBC members.

Balancing the budget in May

- Budget balancing strategies
 - Things to consider
 - The University is not growing as fast as it once was.
 - Expenses and revenues have been growing every year.
 - Revenues are not keeping up with expense growth.
 - Expenses have been reduced approximately 4.8%.
 - How do we identify the \$12M? What are the consequences?
 - If this is a continuing trend, strategically the thought process might need to be adjusted. Some version of this is going to occur over the next few biennia.

Questions:

Q: Do other universities have a more simple structure for resident versus non-resident tuition whether on or off campus?

A: Yes, Florida is an example but it poses challenges in revenue loss and lack of competitiveness.

Q: Would UBC representatives for Cascades be in favor of making a change to on-campus tuition rates?

A: Yes, there is full support in making a change.

Q: From the graduate student perspective, would it be in favor of making a change to on-campus tuition and fee rates?

A: The added cost would be problematic for the graduate students. Although, we should take the long-term view at enrollment. Be aware of decisions made now and the future impact on growth.

Q: Would a unified or standardized fee structure be considered?

A: This could be considered in terms of a pricing strategy moving forward.

Q: What does the pure RCM model look like?

A: Allocate 100% of revenue initially to colleges, then dependent on complexity, tax by function.

Q: Will reductions be equal among all colleges?

A: The budget will be allocated affectively the same as the budget model.

Q: What is the logic behind what gets cut?

A: The logic of the last cut, at the beginning of 2018, was not aimed towards specific things but more towards kinds of things. To cut academic enterprise less than administrative enterprise. A lot of authority is left with the Deans and Vice Provost – ultimately the colleges are left to decide.

Next Steps:

- Sherm to follow up with Ecampus, billing, colleges (i.e. Liberal Arts, Agricultural Sciences, Science), financial aid, ASOSU, and provost.
- Sherm to follow up on creation of subcommittee of UBC.
- Discuss what the UBC would like to know or understand about the expense reductions executed in FY18 and FY19 and those likely to be necessary for FY20.
- Sherm to discuss future budget strategies with Belinda Batten before next UBC meeting.

Next UBC Meeting:

May 3, 2019 2:00-3:30

KEC 1007

Attending:

Sherman Bloomer

Jackie Thorsness

Austin Carsh

Allison Hurst

Theresa Thurston

Dan Edge

Kelly Sparks – *Cascades via phone*

Robert Cowen – *via phone*

Paige Phillips

Absences:

Nicole Real

Virginia Lesser

Javier Nieto

Robert Cowen

Raushell Palmer

Noah Buckley

Anita Azarenko

Halli Barios

Andrew Ibarra

Belinda Batten

Taylor Graham