

University Budget Committee Meeting

22 February 2019, 2:00-3:30,
President's Conference Room

Minutes

Topic: Review recommendations for tuition and mandatory fee rates for 2019-2020

Discussion:

- Recommendations to be submitted to the Board in April.
- The Board is scheduled to make decisions on tuition and mandatory fee rates in April.
- Resident graduate tuition increase of 3%; non-resident graduate tuition increase of 5%.
- Professional tuition increases of 2.3% to 6.6% depending on peer tuition, cost increases, and market demand.
- Increase in undergraduate Business differential tuition from \$20 per credit to \$21 per credit.
- Proposal for fine arts programs – new differential charge of \$200 per quarter for majors.
- Add language on Engineering pro-school change.
- Ecampus undergraduate base tuition per credit increased to 4.2% and graduate base tuition per credit increased 4%.
- Summer per credit charges increased to match academic year resident per credit tuition charges for both undergraduates and graduates.
- No increase in the mandatory building fee or matriculation fee.
- Undergraduate base tuition for resident and non-resident scenarios range between 4% and 7%.
- The Committee recommends a 4.5% tuition increase for both resident and non-resident undergraduate tuition and recommends planning to the \$40M state funding level.
- Projection of a \$12M gap between revenues and expenses.
- Summer tuition rates for undergraduate and graduate students are recommended to match academic year resident per credit hour rates.
- As costs increase for Student Health Services, the Committee recommends using some fund balance and complete a review of expenses and fee-for-service structure.
- At the recommended undergraduate tuition rate increase of 4.5%, the base tuition and mandatory fee increase for resident undergraduate students would be 4.43% in Corvallis and approximately the same at Cascades.

- Corvallis incidental fees will increase 4.51% and Cascades incidental fees will increase approximately 10%.
- Cut consequences of recommended scenario and recognition of the limit to how long OSU can pursue this strategy without compromising the quality of programs.
- Generating more interest through Student Budget Advisory Council tuition forums.
- Review conditions of House Bill 4141.
- House Bill 4141 requires the written report include any documents produced or received by the advisory body under subsections (4) and (5).
- Board of Trustees
 - Annual approval of budgets for all funds
 - The Board reviews overall expenditures, projected fund balance, and strategies for cost reductions
 - Quarterly management reports assessing trajectories of actual revenues and expenses to budget
 - Review of a 10-year business forecast
 - Periodic assessment of PERS
 - Reduce and manage expenses in expectation that the annual tuition rate increases will be between 2 and 5 percent

Decisions:

- The Committee in attendance was unanimous in the recommendation for the 4.5% (Scenario B) recommendation.
- The Committee agrees the 4.5% increase accurately reflects appropriate inflation.
- Include language in recommendation regarding restoring cuts to strategically important programs.
- The Committee in attendance unanimously endorses the report.

Questions:

- Q. Proposal for fine arts programs – How will minors be charged and whether or not course fees will be phased out over the next two years?
- A. The Committee recommends phasing the charge in over two years.
- Q. Should the Committee provide some explanation and recognize \$12M gap in the recommendation report?

A. UBC recognizes the difficulty of this decision and respects the 5% upper boundary in the Board's tuition policy. Belinda Batten, Anita Azarenko, Paige Phillips and Raushell Palmer volunteered to help add language to the report.

Q. No tuition rate outlined for non-resident, non-degree students. Students currently charged resident tuition rates?

A. The Committee will revisit this subject. Noah Buckley volunteered to do further research.

Q. Where will the \$12M cut come from?

A. It is unclear where the cut will come from. The Committee will need to perform 5-year cost study.

Q. Are there expectations of the Committee in relation to budget cuts?

A. Yes. Follow-up discussions needed. May need to perform a zero-based budget exercise which may be at minimum a year-long endeavor.

Q. With \$20M in expense reductions and an additional \$7M – taking on another \$12M can we sustain this trend?

A. No. We have to take a look at ways to close the gap.

- o Where can we make reasonable reductions
- o In what ways can we close the gap

Next Steps:

- Committee will review revised report
- Absent committee members will review recommendations, recommend edits and vote
- Revisit non-degree, non-resident student tuition rates

Next UBC Meeting

March 8, 2019 2:00-3:30

President's Conference Room

Attending:

Sherman Bloomer

Anita Azarenko

Austin Carsh

Allison Hurst

Noah Buckley

Jackie Thorsness

Dan Edge

Raushell Palmer

Paige Phillips

Halli Barios

Belinda Batten

Taylor Graham – via phone

Absences:

Javier Nieto

Virginia Lesser

Andrew Ibarra

Kelly Sparks

Robert Cowen

Nicole Real

Theresa Thurston

Kayla Campbell