

January 15, 2021

Tuition Scenarios for FY22 Updated

This document is accompanied by a spreadsheet detailing the current tuition recommendations for all rates.

The tuition scenario estimates have been updated. The key changes from previous versions include:

- Ecampus projected growth increased to 9% from 5%
- State funding updated to recent projection from HECC
- Revision of debt service growth and new building operating costs saved about \$1M
- Update of expense projection to 40% FY21 actuals and 60% FY21 growth from FY20 actuals (the lower expense scenario is similar to previous expense estimates, the higher expense scenario is about \$2M less than the previous one)
- Updated projections for Corvallis tuition and fees which are improved because of strong winter term enrollment
- The changes show improvement in the surplus/deficit estimates of \$4M to \$8M depending on the scenario.
- Specified that all the scenarios include \$10.8M more in institutional financial aid than was awarded in FY20. The amounts in each scenario box are in addition to that increase.
- These remain projections and a reasonable error bar on all the surplus/deficit estimates is likely \$2M to \$5M. There are just many uncertainties still.

The accompanying tuition workbook notes the current proposals for all tuition rates. Undergraduate rates shown are for new students in fall 2020 or after. Student who matriculated before fall 2020 will have rates slightly lower per credit hour. In the workbook:

- Column G is the percentage increase proposed for the base tuition rate.
- Column H is the proposed increase for any differential or professional tuition rates.
- Columns J and K note the dollar charge per credit hour (rounded to the nearest dollar for tuition)
- Column L shows total annual cost, Columns M and N the specific percentage increase (taking into account the rounding to whole dollars) and the total annual increase in cost for a full-time student.
- In rows 17 and 18 there is a differential charge shown for Cascades resident undergraduates. This is not really a differential but is how much of an additional increase would be needed to align those rates with Corvallis. That total increase is substantial and the impact could be lessened a couple ways:
 - Apply the Corvallis rate only to new students and continue the existing rates for continuing students.
 - Apply the Corvallis rate to all students but provide a scholarship equivalent to the additional increase for all students or to students based on need level.
- Proposed rates for Corvallis Student Health Services (SHS) and Counseling and Psychological Services (CAPS) are shown at 5%. In recent years inflation for health professions in the region has been exceeding the general inflation rate for the university, driven in part by salary and competition for hires. The opinion of the leadership of SHS and CAPS is that preparing a detailed budget analysis and request at the present time would be unrealistic given the time commitment currently required by the pandemic response. The Budget Office has suggested using a 5% increase as a reasonable estimate for next year, reserving the possibility of an out-of-cycle review if that proves much too high or too low in the coming months. SHS and CAPS leaders agreed that would be a safe strategy for next year.

For our meeting on Friday, January 22, we would like to:

- Review the tuition rates and identify those on which there is a consensus.
- Identify rates where the UBC feels there needs to be more discussion or review.
- Consider whether the recommendation should be contingent on a level of state funding (i.e. Scenario A if a better state allocation, Scenario B if at the Governor's recommended budget)
- Discuss strategies for the alignment of Cascades resident undergraduate tuition with Corvallis (particularly the perspective from the Cascades representatives)
- Discuss the proposals for SHS and CAPS including:
 - UBC comfort with the "placeholder" rate approach
 - Alternate strategies if that is a concern
 - If there is time discuss an issue that came up in the ASOSU incidental fee legislative discussions about the services in CAPS supported by part of the Athletics incidental fee

The table on the following page estimates the operating surplus or deficit for Corvallis Education and General operations for 2021-22 given different assumptions about tuition increases and state funding. The Governor's Recommended Budget (GRB) corresponds to the middle row of the table.

Revenue assumptions include:

- Enrollment estimates:
 - Resident undergraduates -1.3%
 - Non-resident undergraduates -4.4%
 - Graduate and professional flat
 - Ecampus up 9%
 - Increase of about \$12M in financial aid over FY21 initial budget
- State revenues as noted in rows
- Other revenues
 - F&A recovery from grants—inflationary increment
 - Interest up 2%
 - Sales and service revenues up 2%

Expense assumptions include:

- Unclassified salary increases of 1.5 % (mid-year raise)
- Classified salary increases of 4.75% as per contract
- Graduate assistant and student increases of 2%
- Benefits increases of 3% to 6% depending on employee group
- Increases in other costs at CPI inflation of about 2%
- Additional mandated cost increases in insurance, building operations and debt service
- Strategic investment in the OSU Foundation, enrollment management and other critical areas

The table shows, for a range of state funding and undergraduate tuition increases, what the percentage increases are (these are calculated from rates for new students in fall, 2020), what the annual dollar increase is, what the estimated increase in tuition and fees is, and the gap between estimated revenues and expenses for two cases. There is one revenue case in each scenario but two expenses cases. The first case (the lower gap between revenues and expenses in each case) assumes that the current year expenses are the base for estimating FY22 expenses. The second case assumes that the expense base rebounds somewhat towards FY20 (last year) expenses (calculated as 60% of FY20 spending inflated to FY21, 40% of FY21 spending). The Budget Office considers the latter case more realistic at this point.

FY2021-22 Corvallis Tuition scenario (rate change the same for Cascades)

Tuition Scenario Table (Corvallis campus): 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. Middle column scenario set at estimated overall continuing service level increase. Rates are applied to resident undergraduate (including Ecampus) and non-resident undergraduate tuition rates. **All scenarios add \$10.8M in institutional financial aid over FY20 allocations, in addition to what is noted in each scenario.**

	Scenario A: Resident 2.8%, Non-resident 2.8%	Scenario B: Resident 3.5%, Non-resident 3.5%	Scenario C: Resident 4.1%, Non-resident 4.1%
State funding change year over year: 0%	Resident undergraduate: 2.78% Non-res undergraduate: 2.72% Financial aid increase \$2.3M Surplus or (deficit): \$2.4M to \$(6.3M) \$280 annual increase residents \$830 annual increase non-res	Resident undergraduate: 3.55% Non-res undergraduate: 3.41% Financial aid increase \$2.6M Surplus or (deficit): \$4.5M to \$(4.2M) \$360 annual increase residents \$1035 annual increase non-res	Resident undergraduate: 3.99% Non-res undergraduate: 4.00% Financial aid increase \$3.0M Surplus or (deficit): \$6.3M to \$(2.3M) \$405 annual increase residents \$1215 annual increase non-res
State funding change year over year: -4%	Resident undergraduate: 2.78% Non-res undergraduate: 2.72% Financial aid increase \$2.3M Surplus or (deficit): \$(3.1M) to \$(11.7M) \$280 annual increase residents \$830 annual increase non-res	Resident undergraduate: 3.55% Non-res undergraduate: 3.41% Financial aid increase \$2.6M Surplus or (deficit): \$(1.0M) to \$(9.7M) \$360 annual increase residents \$1035 annual increase non-res	Resident undergraduate: 3.99% Non-res undergraduate: 4.00% Financial aid increase \$3.0M Surplus or (deficit): \$0.9M to \$(7.8M) \$405 annual increase residents \$1215 annual increase non-res
State funding change year over year: -8%	Resident undergraduate: 2.78% Non-res undergraduate: 2.72% Financial aid increase \$2.3M Surplus or (deficit): \$(8.8M) to \$(17.1M) \$280 annual increase residents \$830 annual increase non-res	Resident undergraduate: 3.55% Non-res undergraduate: 3.41% Financial aid increase \$2.6M Surplus or (deficit): \$(6.7M) to \$(15.1M) \$360 annual increase residents \$1035 annual increase non-res	Resident undergraduate: 3.99% Non-res undergraduate: 4.00% Financial aid increase \$3.0M Surplus or (deficit): \$(4.9M) to \$(13.1M) \$405 annual increase residents \$1215 annual increase non-res
	Base resident tuition & fees: 2.90% Average res. tuition & fees: 2.86%	Base resident tuition & fees: 3.57% Average res. tuition & fees: 3.49%	Base resident tuition & fees: 3.94% Average res. tuition & fees: 3.81%

- Graduate tuition 4.5% non-resident, 1.5% resident, professional tuition 2.5% to 3%. Cost estimates include ~2.8% overall inflation this year because of modest increases in benefit costs; costs of growth (about 0.5% for modest growth in Ecampus but declines in Corvallis); and new commitments (this year largely for insurance, investments in research, student affairs and enrollment management; and the OSU Foundation).

FY22 UBC – Student Health Services & Counseling and Psychological Services Budget Proposal

Preface: Given the workload demands both units are facing in responding to the pandemic, this year they are submitting an abbreviated proposal for a baseline continuing service level increase. If this proves insufficient or too large, adjustments can be reviewed later in the year or in the next budget cycle.

Mission: Provide student health, wellness, and mental health counseling services including the provision of primary health care, prevention, advocacy services, consultation, outreach and education to OSU students, faculty, and staff. Enhance student success through holistic and comprehensive strategies to support health and well-being, facilitate mental health and personal development and to promote a culture of positive mental health while at OSU and throughout students’ lives.

Summary: This is the first year that Student Health Services and Counseling and Psychological Services

	FY21 Fee	% Increase	\$ Increase	FY22 Requested Fee
SHS	\$ 135.52	5%	\$ 6.78	\$ 142.30
CAPS	\$ 62.01	5%	\$ 3.10	\$ 65.11
Total Health Services Fee	\$ 197.53			\$ 207.41

are requesting a joint fee increase of 5% over their respective FY21 fees. The requested increase is to maintain current service levels in FY22. Medical inflation nationally hovers around 6.5%.

Background Information:

Student Health Services

Student Health Services (SHS) is fully accredited by the Accreditation Association for Ambulatory Health Care, which is a national standard of the highest quality of care. SHS takes a holistic and ecological view of student well-being, and through numerous partnerships contributes to a safer and healthier campus environment that is conducive to student success. The OSU Health Fee allows for unlimited medical visits at SHS at no charge. The fee also funds essential prevention, wellness and student support services. There are additional charges for certain services, such as lab, x-ray, minor procedures, etc.

Medical services include a full range of medical and nursing care, including primary health care, psychiatry, immunizations, asthma/allergy care, sports medicine, travel medicine, occupational health, women’s health care, full laboratory services, radiology, tobacco cessation, substance use disorder counseling, nutrition, and physical therapy. SHS operates out of three clinical locations: the main Plageman clinic, the Tebeau Hall same-day care clinic, and Dixon Recreation. SHS also provides a number of student support services, including medical referrals, enrollment in state-funded birth control, immunization compliance, and a high-quality student health insurance plan. SHS also houses the Survivor Advocacy Resource Center (SARC), which serves as the primary point of contact and support for survivors of sexual violence in navigating their options.

Like Counseling and Psychological Services, SHS is experiencing an increase in demand for mental health care, as well as management of high-acuity, chronic, and co-occurring medical and mental health conditions. SHS provides mental health services through primary health care visits and specialized care, such as psychiatry and substance use disorder counseling.

Like most areas at OSU, SHS is significantly impacted by flattening enrollment. Medical inflation nationally hovers around 6.5%, and due to the longevity of a number of SHS clinicians, OPE expenses within SHS remain exceptionally high. This inflation creates a challenge as SHS is often not able to

compete with the competitive salaries offered by Samaritan and other community health care entities. This has become a consistent recruitment problem, particularly in attracting specialists, such as internal medicine and psychiatry

Currently, SHS is reliant on the OSU Health Fee to fund approximately 60% of SHS operating expenses. SHS utilizes other revenues to maintain current service levels and manage needed program growth, particularly related to mental health and care for high-acuity health care needs.

Student Health Services considered imposing a small office visit fee, e.g., \$10 per visit to generate needed revenue but rejected this idea after discussion with students and the UBC. Thus, SHS will focus on revenue generation through an insurance billing program.

Counseling and Psychological Services

Across the nation, university counseling centers continue to experience an unprecedented increase in demand for mental health services, and CAPS is no different. Of the many important and essential roles CAPS plays on campus, the most important is the provision of mental health clinical services to OSU students. Over the past five years the number of students seeking clinical services at CAPS has increased over 67%. CAPS is making every effort to keep up with this increased demand for services.

CAPS fundamentally changed its model of clinical service delivery to increase its capacity to serve students. These fundamental changes include building an innovative infrastructure of services, beyond traditional individual therapy, that can serve a greater number of students (e.g., group therapy). Another example of CAPS' commitment to serving more students through innovation is the Single Session Clinic (SSC), which began in fall 2018. The idea for the SSC grew out of an observation that many students didn't necessarily need a series of individual therapy appointments, but could benefit greatly from a one-time meeting that could help them identify solutions to what is bothering them.

Although CAPS is perhaps best known for its provision of clinical services to students, it also fulfills other important roles on campus. CAPS has a very active Mental Health Promotion team, whose purpose is to use public health strategies to create a culture of positive mental health across campus. Our public health efforts have resulted in several major accomplishments, including: raising awareness about mental health issues, creating a mandatory syllabus statement encouraging students to reach out for success when they are struggling (see below), having the CAPS phone number placed on the back of every student ID, and implementing Kognito—an interactive online program that trains faculty, staff, and students to support students who may be experiencing mental health struggles.

If CAPS' staffing had been increasing at the same rate as student utilization (67%) over the past several years, then CAPS would currently have 7 more therapists than it does (for a total of 30, instead of 23^[ND1]). Increases in the fee in FY20 and FY21 allowed CAPS to hire 5 additional counselors as well as 4 clinical fellows.