

MINUTES

Agenda

1. Discuss tuition scenarios
2. Discuss tuition structure and context
3. Other questions / concerns?
4. Adjourn

Council Members Present

Mahal Miles, Dolby Toews, Claire Nelson, Carson Gray, Peter Boyd

1. Discuss Tuition Scenarios (Preliminary)

Nicole Dolan, Director of Budget Development and Sherm Bloomer, Associate Vice President for Budget and Resource Planning gave an overview of the FY2021-22 Corvallis Tuition scenario table found in the Tuition Scenario for FY22 handout¹. The table estimates the operating surplus or deficit for Corvallis Education and General (E&G) operations for 2021-22 given different assumptions about tuition increases and state funding. Each column is a tuition scenario, each row is a different state funding scenario. The Governor's Recommended Budget (GRB) corresponds to the middle row of the table.

Columns –

- Scenario A: 0% tuition freeze
- Scenario B: 3.5% tuition increase
- Scenario C: 4.1% tuition increase

Rows –

- State funding change YOY: 0%
- State funding change YOY: -4%
- State funding change YOY: -8%

Revenue assumptions include:

- Enrollment estimates:
 - Resident undergraduates -1.3%
 - Non-resident undergraduates -4.4%
 - Graduate and professional flat
 - Ecampus up 5%
- State revenues as noted in rows
- Other revenues
 - F&A recovery from grants—inflationary increment
 - Interest up 2%
 - Sales and service revenues up 2%

¹For more information see UBC meeting materials at https://fa.oregonstate.edu/sites/fa.oregonstate.edu/files/ubc-meeting-materials_12042020.pdf

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

SBAC Discussion

The consensus among council members present was agreement with Scenario B understanding the need for a slight annual increase.

Council members wanted to understand how financial aid would be distributed to those students in need – would be on a more targeted need basis. If tuition doesn't increase, that is more of an across the board "aid" and there are some students that can accommodate a modest increase. This way, we can put some additional funds in financial aid and use it in a targeted manner.

After taking the tuition survey, most were in favor of inflationary increases and contractual increases. Not in favor of a tuition increase to cover strategic initiatives believing those should be funded elsewhere.

2. Discuss Tuition Structure and Context Document

The goal in this discussion is to answer questions, identify other information we need, and get a sense of the important issues for the council. This is preparation for the work on tuition pricing policy.

Dolan and Bloomer gave an overview of the Tuition Structure and Context handout. Tuition can be charged in a lot of different ways depending on the program, university, cost, and sometimes legislative direction (see meeting materials for further detail).

Summary of the principal models for charging tuition at OSU:

- A charge per credit hour
- A plateaued charge structure
- A flat charge per quarter or year
- Differential tuition
 - An additional per credit hour charge
 - A charge per quarter
 - An additional charge per credit by course

The three most obvious patterns (at least at first glance) are:

- Non-resident tuition is higher than resident tuition
- Graduate tuition tends to be higher than undergraduate tuition in the same discipline or field and same modality
- Ecampus tuition is higher than resident tuition but lower than non-resident tuition in comparable programs

Bloomer went on to further explain why non-resident tuition is higher. State governments provide funding to the university to support (generally) the education of residents of the state as well as other missions that the state considers important (research, public service).

Bloomer also explained that the state counts any resident student regardless of how we teach them. The difference is that an Ecampus student is more likely to be part time, the number of credits taken per year is lower, and it takes them more years until they are awarded a degree. This makes their contribution to that funding more spread out over time.

3. Other questions / items for discussion?

None

4. Adjournment

Meeting adjourned at 8:30 p.m. Next meeting will be held February 1, 2021 from 7:00 – 8:30 p.m. via Zoom.