University Budget Committee
Tuition Structure Conversations
May 3, 2021

Recommendations/principles

- The goals of reviewing and considering changes to OSU's tuition structure are to:
    - Effectively communicate and explain tuition to stakeholders
    - Make the value of an OSU education clear and attractive
- Identifying a tuition strategy requires a discussion of OSU's near- and long-term enrollment goals, including:
    - What are enrollment goals by campus and modality and student level?
    - How do those goals map to college and program levels?
    - Given those goals, what is the "right" tuition level for each program in each area in terms of list price, discounting, market and so on?
- Segmenting tuition to identify a common instructional component, a component specific to support/development costs unique to Ecampus, and a component recognizing the costs of physical campus infrastructure for non-resident students who commit to a campus made sense (Table 1 middle). Some questions in that:
    - The idea was raised that resident Oregon students anywhere should pay the same tuition regardless of modality or location. That could be done by:
        - Charging campus students by campus rather than modality and providing a scholarship to distance resident Ecampus students equal to the Ecampus fee (roughly $2.5M cost). This would create parity with Corvallis students using Ecampus but doesn't recognize the unique costs of Ecampus infrastructure and wouldn't necessarily change enrollment.
        - Doing away with the Ecampus "fee" component by spreading it across all credits on the argument the infrastructure is now a ubiquitous part of OSU and contributes to programs for all students. This provides a relatively clean solution but results in a large increase in rate for students on the Corvallis or Bend campuses (Table 1 bottom). It could conceivably be done over a couple of years.
        - Clarify why the tuition charge for Ecampus includes the Ecampus infrastructure charge and why it is appropriate despite creating cost differences.
    - There was support in UBC and SBAC for the idea of a campus or infrastructure charge for non-resident students who choose to attend a physical campus (i.e. charging by campus and residency more than by modality). Some questions there:
        - This would be about twice the instructional charge (Table 1) and reflects operating, maintenance, debt, and the original investment of the state for campus facilities.
        - It raises the question that in circumstances like the present, why is the charge still there? It is because the campus still exists to support students in space, offices, labs, libraries, etc. that must be maintained

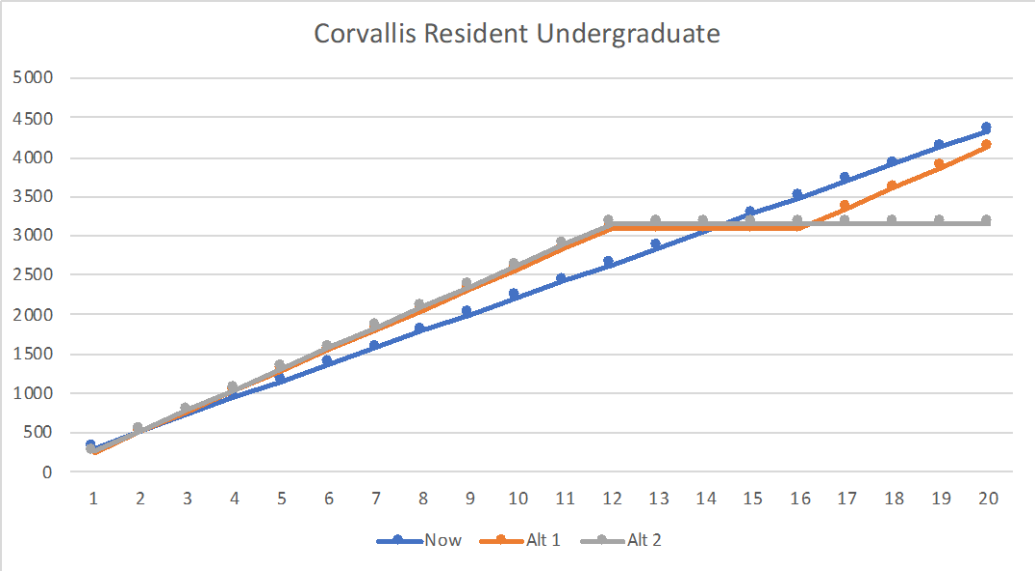
and kept operating even if a majority of instruction is remote. That can be difficult to communicate. It is similar to what the UC campuses do.
        - A concern is whether this would discourage students mixing course modalities if it was a good choice for them. It is possible to think of the infrastructure charge as being assessed independently of the specific credit hours taken so it is decoupled from the specific mix of course modalities.
- It is worth assessing the results of OSU's change from an undergraduate tuition plateau to per credit hour charges in 2016. Some questions to consider:
    - Has it been more equitable in not subsidizing students who are able to take larger loads because of resources or individual circumstances?
    - Has it damaged student's incentives to pursue physical activity classes, research or reading and conference classes, or other enrichment and experiential activities that can contribute to graduation?
    - Has it resulted in a decrease in the average per term credit hour load? It is clear that extending the time to degree greatly increases the cost of that degree, largely because of the additional living costs (to say nothing of the lost opportunity costs of employment) in the extra quarters (Figure 1). Does a plateau structure meaningfully contribute to more rapid completion for most students?
    - If a plateau were restored it would add tuition costs in lower credit hour ranges (Figure 1) and reduce costs in upper credit hour ranges (assuming the goal is to retain the same amount of overall revenue). Which students would be most impacted by that change and how could those impacts be reduced if the benefits were judged to be worth it?

- What's missing in my list to here????

Table 1. Ways to think about undergraduate base tuition charges. Top table is now. Middle table is calling out infrastructure charges for Ecampus and non-resident students. Bottom table shows collapsing the Ecampus fee proportionately across all credit hours (with the constraint of capturing the same total revenue).

Average per credit hour charge-current tuition structure						
	Instruction	Distance education infrastructure	Non-resident campus charge	Total tuiton	Mandatory Fees	Total
Ecampus	326.00	-	-	326.00	-	326.00
Resident undergraduate Corvallis	230.67	-	-	230.67	47.18	277.85
Resident undergraduate Cascades	226.67	-	-	226.67	28.60	255.27
Non-resident undergraduate	690.33	-	-	690.33	47.18	737.51
Average per credit hour charge-Ecampus infrastructure fee, non-resident campus fee						
	Instruction fee	Distance education infrastructure	Non-resident campus charge	Total tuiton	Mandatory Fees	Total
Ecampus	233.00	88.00	-	321.00	-	321.00
Resident undergraduate Corvallis	233.00	-	-	233.00	47.18	280.18
Resident undergraduate Cascades	233.00	-	-	233.00	28.60	261.60
Non-resident undergraduate	233.00	-	458.00	691.00	47.18	738.18
Average per credit hour charge--distributed Ecampus fee over instruction fee for all categories						
	Instruction fee	Distance education infrastructure	Non-resident campus charge	Total tuiton	Mandatory Fees	Total
Ecampus	257.00		-	257.00	-	257.00
Resident undergraduate Corvallis	257.00	-	-	257.00	47.18	304.18
Resident undergraduate Cascades	257.00	-	-	257.00	28.60	285.60
Non-resident undergraduate	257.00	-	458.00	715.00	47.18	762.18

Figure 2. Top, graph of what two versions of a tuition plateau could look like compared to current undergraduate resident charges (blue line). The calculations yield the same gross revenues (very roughly). Lower left table shows the percentage tuition changes at each credit hour load for the two alternative plateaus. Lower right table shows the costs to complete 180 credits for a degree (assuming no summer classes) looking at just tuition (top) and at tuition plus living costs (bottom).



SCH Load	Now	Alt 1	Alt 2
1		-17.3%	-15.7%
2		-1.5%	0.4%
3		5.2%	7.2%
4		8.9%	11.0%
5		11.2%	13.4%
6		12.8%	15.0%
7		14.0%	16.2%
8		14.9%	17.1%
9		15.6%	17.9%
10		16.2%	18.5%
11		16.7%	19.0%
12		17.1%	19.4%
13		8.4%	10.5%
14		0.9%	2.9%
15		-5.6%	-3.8%
16		-11.3%	-9.6%
17		-9.4%	-14.8%
18		-7.8%	-19.4%
19		-6.3%	-23.5%
20		-4.9%	-27.3%

Tuition cost to get to 180 credits				
	Quarters	**Now**	**Alt1**	**Alt2**
9 credits	20.0	40,160	46,440	47,340
12 credits	15.0	39,660	38,700	39,450
13 credits	13.8	39,545	39,295	40,057
14 credits	12.9	39,446	39,806	40,577
15 credits	12.0	39,360	37,152	37,872
16 credits	11.3	39,285	34,830	35,505
Plus cost of living ($4400 room/board, 722 personal, 192 transportation)				
9 credits	20.0	146,440	152,720	153,620
12 credits	15.0	119,370	118,410	119,160
13 credits	13.8	113,123	112,874	113,635
14 credits	12.9	107,769	108,129	108,900
15 credits	12.0	103,128	100,920	101,640
16 credits	11.3	99,068	94,613	95,288

Table 2. If you're curious. This is the distribution of headcount for how many students took what course load over fall-winter-spring terms in 2019-20.

FY20	Degree seeking	Three term totals		Graduate excludes professional programs in DVM and PharmD									
	Corvallis Resident		Corvallis Non resident		Ecampus Resident		Ecampus Non resident		Cascades Resident		Cascades Non resident	
	Undergraduate	Graduate	Undergraduate	Graduate	Undergraduate	Graduate	Undergraduate	Graduate	Undergraduate	Graduate	Undergraduate	Graduate
1	0.4%	0.0%	0.1%	0.0%	1.1%	0.3%	0.4%	1.4%	0.6%	0.3%	0.0%	0.0%
2	0.2%	0.0%	0.1%	0.0%	0.4%	0.2%	0.4%	0.8%	0.8%	0.0%	0.4%	0.0%
3	1.1%	10.5%	0.6%	3.8%	4.5%	26.1%	5.2%	27.1%	2.6%	2.6%	1.8%	0.0%
4	1.5%	2.4%	0.9%	0.6%	7.3%	9.3%	7.4%	16.1%	6.3%	1.0%	2.1%	1.0%
5	0.4%	1.9%	0.4%	1.1%	2.6%	6.1%	2.2%	7.6%	1.7%	2.2%	2.1%	3.1%
6	1.6%	4.2%	1.0%	0.8%	5.5%	30.9%	8.3%	20.3%	3.6%	8.0%	3.2%	10.3%
7	1.9%	2.2%	1.4%	0.2%	9.8%	6.4%	12.1%	11.2%	4.6%	1.9%	5.0%	1.0%
8	2.4%	1.3%	1.7%	0.4%	10.6%	11.4%	11.2%	8.1%	7.1%	0.0%	5.0%	0.0%
9	1.9%	5.1%	1.4%	7.2%	6.3%	4.9%	5.9%	4.5%	3.4%	20.8%	3.2%	24.7%
10	2.0%	1.9%	1.4%	2.9%	4.8%	2.0%	5.8%	1.3%	3.1%	3.5%	3.2%	5.2%
11	2.6%	1.2%	1.6%	1.5%	5.2%	0.5%	5.5%	0.5%	5.6%	4.2%	3.9%	3.1%
12	14.0%	41.4%	12.5%	49.8%	20.5%	1.0%	18.1%	0.5%	17.5%	27.6%	15.3%	33.0%
13	12.0%	6.7%	12.4%	6.8%	7.9%	0.5%	7.6%	0.4%	10.0%	10.6%	8.5%	5.2%
14	13.3%	2.9%	13.5%	3.0%	4.4%	0.1%	5.1%	0.1%	8.6%	3.8%	10.7%	3.1%
15	17.5%	4.9%	17.9%	4.7%	4.3%	0.1%	0.0%	0.0%	10.0%	0.0%	15.7%	10.3%
16	14.7%	12.9%	17.4%	16.5%	3.1%	0.3%	0.2%	0.1%	7.3%	10.6%	10.3%	0.0%
17	6.6%	0.1%	7.8%	0.2%	0.7%	0.0%	2.8%	0.0%	2.9%	1.3%	2.8%	0.0%
18	3.1%	0.1%	3.6%	0.1%	0.3%	0.0%	0.8%	0.1%	2.3%	0.6%	4.3%	0.0%
19	2.0%	0.1%	3.2%	0.1%	0.5%	0.0%	0.6%	0.0%	1.0%	0.6%	1.4%	0.0%
20	0.4%	0.0%	0.5%	0.1%	0.0%	0.0%	0.4%	0.0%	0.6%	0.3%	0.4%	0.0%
>20	0.5%	0.1%	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%	0.0%	0.7%	0.0%