

MINUTES

Agenda

1. Where does a tuition dollar go?
2. What should be the focus of setting tuition rates?
3. Planning materials for the FY22 tuition and budget planning process
4. Other issues or concerns

Committee Members Present

Allison Hurst, Sherm Bloomer, Jackie Thorsness, Jon Boeckenstedt, Edgar Rodriguez, Staci Simonich, Alison Johnston, John Gremmels, Javier Nieto, Deja Preusser, Mackenzie Thibault, Joanna DeMeyer, Lisa Gaines, Amy Bourne

Committee Members Absent

Kelly Sparks, David Park, Jessica Dupont, Taha Elewfati, Michaela Canete

University Staff Present

Nicole Dolan

1. Where does a tuition dollar go?

Sherm Bloomer, Associate Vice President for Budget and Resource Planning gave an overview on how tuition is distributed on average.¹

Distribution of tuition dollars to functional units include:

- Facilities operations and energy
- Information technology
- Administration (President, Provost, Research, Admin, Faculty Affairs)
- Athletics
- Outside contracts, debt, reserves (Insurance, Foundation, etc.)
- Academic programs (Colleges, centers, departments, schools)
- Library
- Building renewal and repair
- Student services (Student Affairs, Financial Aid, Registrar, Graduate School, Undergraduate Education)
- Business operations (Payroll, budget, accounts, billing, business centers, risk, health & safety, human resources)

Javier Nieto, Dean at the College of Public Health and Human Sciences clarified that funds allocated to colleges also include substantial administrative costs in some cases.

Nicole Dolan, Director of Capital Budgeting explained that the ABC Insight's review is an activity based review, not an FTE model. Labor dollars is the only component that is considered in their review.

¹ For more information on "Where does a tuition dollar go?" see meeting materials at: https://fa.oregonstate.edu/sites/fa.oregonstate.edu/files/ubc-materials_06nov20.pdf

2. What should be the focus of setting tuition rates? (Tuition development focus.pdf)

Bloomer discussed the tuition development focus and the role of state funding and the impact on decisions regarding past tuition increases.

Driving factors:

- Inflation
- Required expense increments (insurance, debt)
- Strategic incremental expenses (IT system, fundraising, student retention support, etc.)
- Next year expense estimate
- Project enrollment for next year by student tuition category and level
- Estimate tuition rate changes, institutional financial aid and net tuition revenue
- Estimate state funding or state funding scenarios
- Estimate other revenues—sale income, indirect costs paid by grants, interest, etc.
- Total next year revenue estimate(s)
- Operating balance outcome

Bloomer posed the question, do we shift the tuition discussion towards “what does a tuition increase pay for?” from “how much revenue does a tuition increase generate?”

Allison Hurst, Associate Professor at the School of Public Policy suggested looking at connecting how much the tuition is paying for and where tuition revenue is going compared to other sources of revenue and where those revenue dollars are going to help make decisions regarding how much we want tuition to help pay for certain strategic costs versus other revenues.

Follow up: Explore creating a visual to show earmarked money versus discretionary relative to tuition percentage funding versus funding from other sources to help provide additional context for making decisions regarding tuition rate recommendations.

3. Planning materials for the FY22 tuition and budget planning process

Bloomer went over the tuition drivers tab in FY22 Tuition & Budget Planning spreadsheet.² The committee discussed how OSU compares to peer universities. Committee brainstormed thoughts and ideas around how to keep tuition charges affordable for most while also keeping in mind driving factors such as inflation.

Jon Boeckenstedt, Vice Provost of Enrollment Management explained the advantages and disadvantages of guaranteed tuition. The advantage is the first year provides a nice cash bump; however, the disadvantage is that it is very hard to get out of and it could be costly negating the initial cash bump.

Bloomer and Boeckenstedt addressed question regarding OSU tuition compared to other land grant or Pac-12 peer universities.

² Tuition drivers, *FY22 Tuition & Budget Planning*
<https://oregonstate.app.box.com/s/99d3x0igfwvn1c028xkj53gny81euoqz>

Action item: Explore creating an anonymous Qualtrics poll to obtain feedback on tuition rates to discuss further in future meetings.

Follow up: Questions for the committee to explore further:

- What should undergraduate tuition pay for? What seems reasonable and fair?
- For undergraduate tuition, what is a reasonable and appropriate tuition rate recommendation? Why?

Bloomer and Hurst suggested the committee take a look at the FY22 Tuition & Budget Planning excel workbook (i.e. scenarios tab and tuition drivers tab) in preparation for the next UBC meeting.

4. Adjournment

Meeting adjourned at 3:20 p.m. by Sherm Bloomer. Next meeting will be held November 20, 2020 from 2:00 – 3:30 p.m. via Zoom.