

MINUTES

Agenda

1. Identify rates where the UBC feels there needs to be more discussion or review.
2. 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).
3. Discuss strategies for the alignment of Cascades resident undergraduate tuition with Corvallis (particularly the perspective from the Cascades representatives).
4. Discuss the proposals for SHS and CAPS including:
 - a. UBC comfort with the "placeholder" rate approach
 - b. Alternate strategies if that is a concern
 - c. 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.

Committee Members Present

Allison Hurst, Sherm Bloomer, Jackie Thorsness, Alison Johnston, Deja Preusser, Joanna DeMeyer, Lisa Gaines, Amy Bourne, Michaela Canete, Jessica Dupont, Kelly Sparks, Jon Boeckenstedt, Javier Nieto, John Gremmels, Davis Park, Mackenzie Thibault

Committee Members Absent

Staci Simonich, Taha Elewfati, Edgar Rodriguez

University Staff Present

Nicole Dolan, Laurie Henry

1. Identify rates needing further discussion or review

Sherm Bloomer, Associate Vice President for Budget and Resource Planning gave an overview of the updated tuition scenarios for FY22¹. The tuition scenario estimates have been updated. 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.

¹ Meeting materials including updated Tuition Scenarios for FY22 can be found at <https://fa.oregonstate.edu/budget/university-budget-committee/ubc-meeting-schedule>.

- 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.

Allison Hurst, UBC Chair directed consensus on which scenario the committee felt in favor of. There was a minority consensus among committee members in favor of scenario B.

Michaela Canete, Associated Students of OSU and Student Budget Advisory Council, requested a recap on expenses. Current 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

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.

2. Tuition Recommendation and State Funding

Bloomer gave a brief overview of FY2021-22 Corvallis Tuition scenario. The governors recommended budget is the State funding change year over year: -4% (middle row of table). Committee members are encouraged to add to minority report if they feel strongly about specific issues. The minority report will accompany recommendation to the President.

Action item: Bloomer will write up a draft of the formal recommendation which would go to the President and present that to the committee for review.

3. Strategies for Alignment of OSU-Cascades Undergraduate Tuition with Corvallis

Bloomer discussed proposed undergraduate and graduate tuition and fee rate recommendations. Certain undergraduate programs (i.e. Engineering, Forestry, Business, CLA and Honors) have an additional differential rate. We generally apply the same rate and round to whole dollars unless the college specifically requests to hold the rate flat, these programs simply fall behind inflation and require an additional increase to keep pace with inflation. The Honors program is different in that it is a per quarter charge. Graduate programs (i.e. Engineering, Public Health and MBA/MS Business) include an additional differential.

Kelly Sparks, Associate Vice President, Finance and Strategic Planning, OSU-Cascades briefed the committee on Cascades plan for undergraduate tuition. Due to the current climate and hardships students have endured the proposed increase is too high and it is recommended to keep Cascades undergraduate tuition at 3.48% with no additional differential.



4. Proposal for SHS and CAPS

Bloomer went over the proposed increases for SHS and CAPS. Current rates are set at 5.00%, as a placeholder. This is higher than “normal” inflation but lower than industry inflation and is mostly made up of salary pressure. Students voiced concerns that there are not enough counselors to support the mental health needs on campus and do not think 5% is enough to address this. Last year, the UBC had come back and recommended a higher increase to address increased demand and in turn CAPS has hired 5 counselors in 2020, and 4 clinic fellows in 2021.

5. Adjournment

Meeting adjourned at 3:08 p.m. by Sherm Bloomer. Next meeting will be held February 5, 2021 from 2:00 – 3:30 p.m. via Zoom.