

MINUTES

Agenda

Talk through tuition structure issues

Committee Members Present

Sherm Bloomer, Alison Johnston, Joanna DeMeyer, Amy Bourne, Jon Boeckenstedt, Javier Nieto, Staci Simonich, Mak Khan, Jackie Thorsness, Jessica DuPont

Committee Members Absent

Allison Hurst, Lisa Gaines, Michaela Canete, John Gremmels, Kelly Sparks, Mackenzie Thibault, Taha Elewfati, Edgar Rodriguez, Deja Preusser

Other University Staff Present

Nicole Dolan, Laurie Henry

Tuition Structure Issues

Sherm Bloomer, Associate Vice President for Budget and Resource Planning gave an overview of the Tuition Structure Issues handout¹. Over the last few meetings this year, UBC will explore pros and cons to different tuition structures and provide the Provost feedback and any recommendations on OSU's tuition approach and charges.

Four main areas to consider –

1. Rationale or structure to how tuition is charged across modalities that would be helpful in considering tuition in the future and/or communicating about tuition to students and stakeholders.
2. How charges should be determined within that structure (e.g. modality, location).
3. Within a particular modality, what should be the design of charges with credit hour load (i.e. per credit, plateau or fixed-price)?
4. Is it time to consider OSU's tuition and discounting policy and what the enrollment mix of students should be?

From a student perspective, there are currently four basic tuition categories (see Tuition Structure Issues handout for FY22 rate explanation):

- Ecampus
- Resident undergraduate Corvallis
- Resident undergraduate Cascades
- Non-resident undergraduate

¹ Tuition Structure Issues – April 23, 2021

https://fa.oregonstate.edu/sites/fa.oregonstate.edu/files/ubc_tuition_structure_issues_4-22-21.pdf

Tuition charges across modalities and locations

Bloomer outlined an approach based on modality and location including an instructional charge per credit hour, a distance education infrastructure charge for Ecampus courses, and a non-resident campus charge.

In this approach the intent is:

- The instruction fee covers most of the costs of instruction (faculty salaries, materials, faculty support services, office space and so on).
- The distance education infrastructure charge supports costs uniquely associated with that modality (Ecampus operations, course developers, space costs, technology, advisors, transfer articulation, etc.).
- The non-resident campus charge recognizes the costs of maintaining the physical campuses and operations, that have been developed by the State of Oregon and for which the state provides annual allocations for operations, debt service, and building repair on behalf of resident students. Non-resident students who chose a traditional campus enrollment commit to sharing the costs of maintaining that campus.

Committee discussion/feedback

- In higher education it is difficult to capture actual cost to educate specific students (i.e. non-resident, resident, Ecampus). Costs of delivery are not the same for all programs.
- Is there rationale to charge an infrastructure fee to Ecampus students and how does this allocate across resident and non-resident students?
 - The State of Oregon provides annual allocations for operations, debt service, and building repair on behalf of resident students. Non-resident students who chose a traditional campus enrollment commit to sharing the costs of maintaining that campus. The majority of distance students are truly non-residents.
- What is the goal to restructuring tuition?
 - The biggest goal is to be able to effectively communicate and explain tuition to stakeholders.
- Can we break down the instruction fee into fixed costs and direct (program) costs?
 - There are cost studies available but it is challenging to determine direct costs at the college level.
- How is credit revenue allocated back to the colleges? Ecampus versus on campus is considered but does that amount also vary across colleges and programs or is it fixed?
 - For Ecampus it is the same across programs based on year-to-year actuals whereas on campus varies because it is based on a 3-year average. On campus also recognizes cost of instruction based on national data.

Basis of charge—modality of instruction or primary campus

Bloomer discussed with the committee advantages and disadvantages to basis of charging tuition (i.e. modality vs. primary campus). UBC has discussed at length the use of Ecampus courses by students who are primarily physically at the Corvallis or Bend campuses. Tuition is currently charged by the mode of delivery (through Ecampus, at Corvallis, at Cascades) rather than by the primary campus.

Committee discussion/feedback

- For Ecampus everyone is charged the same regardless of residency but when a resident student takes an Ecampus course they pay more than if they took the same course in-person. Ecampus was originally crafted to serve truly distanced students so there is a higher cost to resident students who take Ecampus courses.
 - It is difficult to make a meaningful designation of which student is a Corvallis student or an Ecampus student. Students who take a blend of modalities makes it more difficult to understand the net cost.
- It will be difficult to predict what the behaviors would be like if students could choose their modality based on the tuition rate. What would students choose and what would be the impact to on-campus enrollment?
- OSU receives some state money for credit hours and degrees awarded to Ecampus resident students which is based on 2/3 degrees awarded and 1/3 credit hours delivered.
- Ecampus tuition was determined by way of pricing studies nationally and for students who are exclusively distanced where 75% of exclusively distanced students are out of state. Ecampus tuition is currently the same for resident and non-residents.
 - There are two separate audiences to consider (i.e. campus students and exclusively distanced students). OSU ranks average in affordability while providing high quality education.
- One suggestion is to maintain the current rate for non-resident Ecampus tuition because raising it could impact the ability to attract students but lower resident Ecampus resident tuition down to the current on-campus resident rate. Questions to consider – (1) What happens to revenue? (2) What happens to staffing and capacity if this proves to be a popular proposition?
- Truly distanced Ecampus student tuition needs to be set by the rate of market. However, what is the consequence to having a different rate for Oregon residents taking Ecampus versus an in-person modality while being mindful to not “break” something that has proven to work.

Structure of charges in relation to credit hours

Bloomer gave an overview of various models used among PAC-12 institutions (in-person tuition). There are a variety of models for the relationship of credit hour load to tuition charges where fixed price models over some threshold (a tuition plateau) are common.

Committee discussion/feedback

- OSU used to offer a tuition plateau. The argument against this type of tuition structure is that students who are able to take a lot of credits are receiving a subsidy whereas students who are unable to take a lot of credits due to external factors (e.g. work) are paying a higher rate for credit hours. Is there reason to rethink how OSU charges tuition in relation to credit hour load?
 - For financial aid, this structure does help simplify the process in awarding the right amount of aid.
 - Student demographics are shifting and are more non-traditional. The plateau structure seems to primarily benefit full-time on campus students.

Adjournment

Meeting adjourned at 3:26 p.m. by Sherm Bloomer. Next meeting will be held May 7, 2021 from 2:00 – 3:30 p.m. via Zoom.