

MINUTES

Agenda

1. Discuss tuition scenarios (see meeting materials). These estimate the cost to students and the gap between revenues and expenses (for Corvallis Education and General) for different tuition rates and levels of state funding. The goal is to identify a preferred tuition scenario at this stage. Note these are preliminary.
2. Discuss the tuition context document shared before the last meeting (see meeting materials). The goal in this discussion is to answer questions, identify other information we need, and get a sense of the important issues for the committee. This is preparation for the work on tuition pricing policy.
3. Other questions or business.
4. Adjourn

Committee Members Present

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

Committee Members Absent

David Park, Taha Elewfati, Edgar Rodriguez, John Gremmels

University Staff Present

Nicole Dolan, Laurie Henry

1. Tuition Scenarios

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%

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

- 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%

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

Joanna DeMeyer, Student-at-Large inquired if the possibility of delayed resumption plans until FY22 has an impact on the outlined assumptions. Bloomer responded that it does and it depends on the outcome and delivery of a vaccine. It is assumed that operations will not be fully back to normal by fall term. Due to this, expenses will remain lower than normal which is included in the assumption.

Allison Hurst, UBC Chair and Associate Professor with the School of Public Policy inquired if we know how low income students are being affected and if there are ways to help offset any potential tuition increases. Bloomer added that an additional \$10M was committed to financial aid this year and beyond to help enrollment. Jon Boeckenstedt, Vice Provost of Enrollment Management further explained that if you do not raise tuition then you forego the revenue from students who are willing and able to pay. However, if you do a modest inflation adjustment you can address the needs of the students with the greatest need at the same time.

Follow up: Boeckenstedt suggested looking at having a macro discussion possibly next year regarding OSU tuition levels.

Michaela Canete, Associated Students of OSU and Student Budget Advisory Council spoke on behalf of students regarding looking at a tuition rate increase between Scenario A and Scenario B because there are students struggling to keep up with their finances to pay tuition. When presenting this scenario to increase enrollment it would also show that the administration and OSU really care about their students and their finances.

Action item: Bloomer will refine the estimates and build out an alternate scenario A for the committee to review during the next meeting. Also, a write up on the Financial Aid changes that have been made over the last year and going into next year.

DeMeyer inquired on if it is a generally accepted practice for international students to pay non-resident fees. Bloomer stated there is not a standard practice but that OSU charges a fee. OSU recruits with INTO and this is a competitive market which is an important dynamic.

Action item: Bloomer to follow up with INTO to see what their current experiences have been and whether that has been detrimental or neutral in terms of recruitment.

2. Tuition Context

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).

Canete asked if state support funding also applied to Ecampus. Bloomer 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.

Action item: Bloomer to work up another percent on grad non-resident tuition and what that would generate in dollars to review during the next scheduled meeting.

Action plan: (1) Tuition scenarios – Bloomer will bring a revised template to the next meeting for the committee to discuss what next year’s tuition rate recommendations are going to be. Finalizing towards the end of January or early February. (2) Long-term tuition strategy – As we go forward after January, we will look at smaller work groups to discuss.

3. Other Questions or Business

No additional questions or business.

4. Adjournment

Meeting adjourned at 3:29 p.m. by Sherm Bloomer. Next meeting will be held January 8, 2021 from 2:00 – 3:30 p.m. via Zoom.