



FY2023 Tuition Rates, Mandatory Fees & Student Incidental Fees, including FY23 Operating Budget Outlook

**Finance & Administration Committee
April 7, 2022**



Overview

- Process
- Budget context for FY2023
- Tuition recommendations
- Key issues in rate recommendations
- Feedback from university community
- FY2023 budget planning
- Recommendation

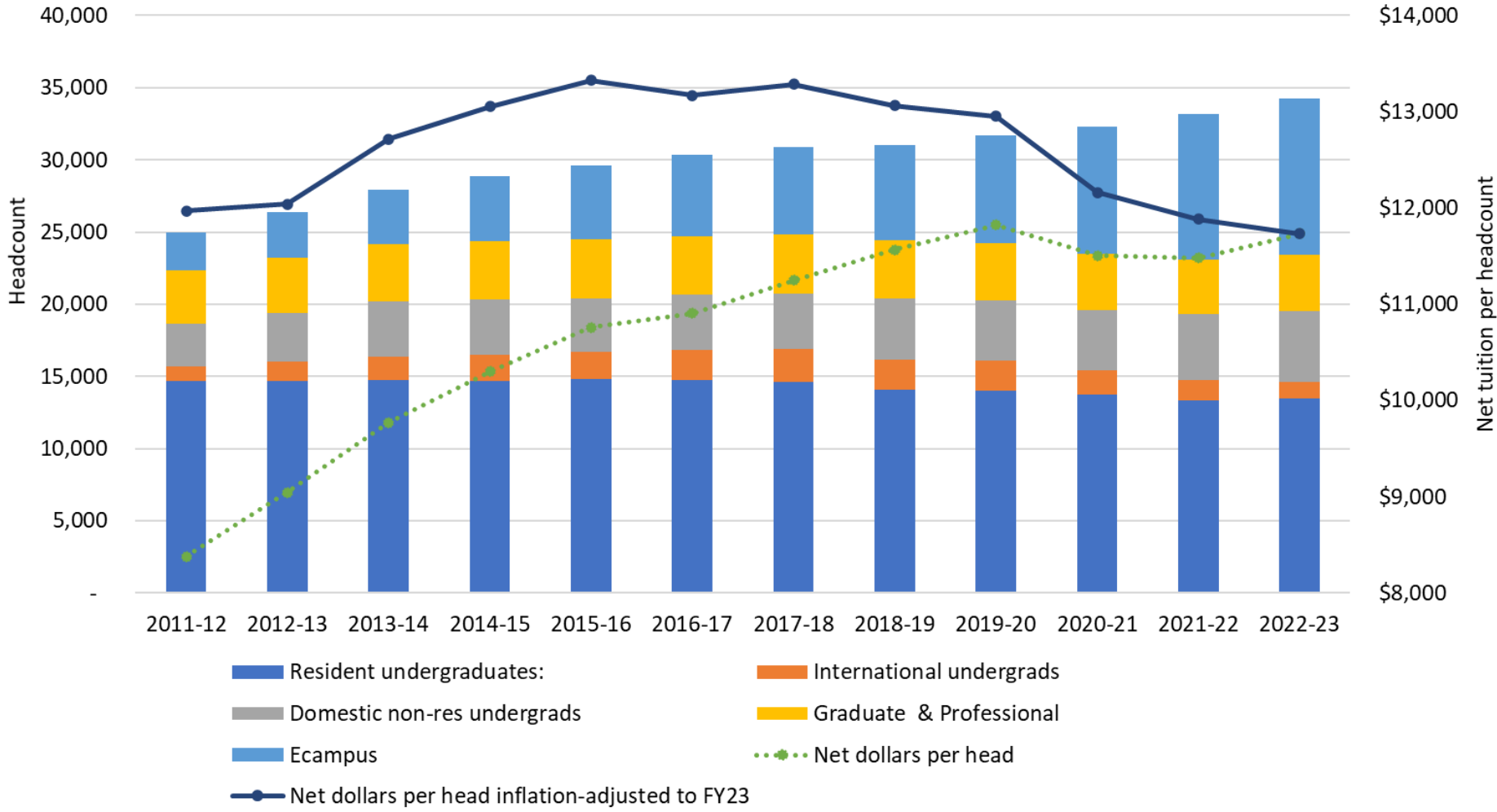
Process

October 2021 to April 2022

- **October:** University Budget Committee convenes
- **Fall/Winter:** Budget office prepares projections with different assumptions
- **November to February:** Committees consider scenarios and make recommendations to Interim President in February
- **Fall and Winter:** In parallel, student committees review and recommend student incidental fee rates
- **Winter:** University stakeholder conversations
- **March:** Interim President makes recommendation to the Board
- **April:** Board discussion and approval of FY2023 rates

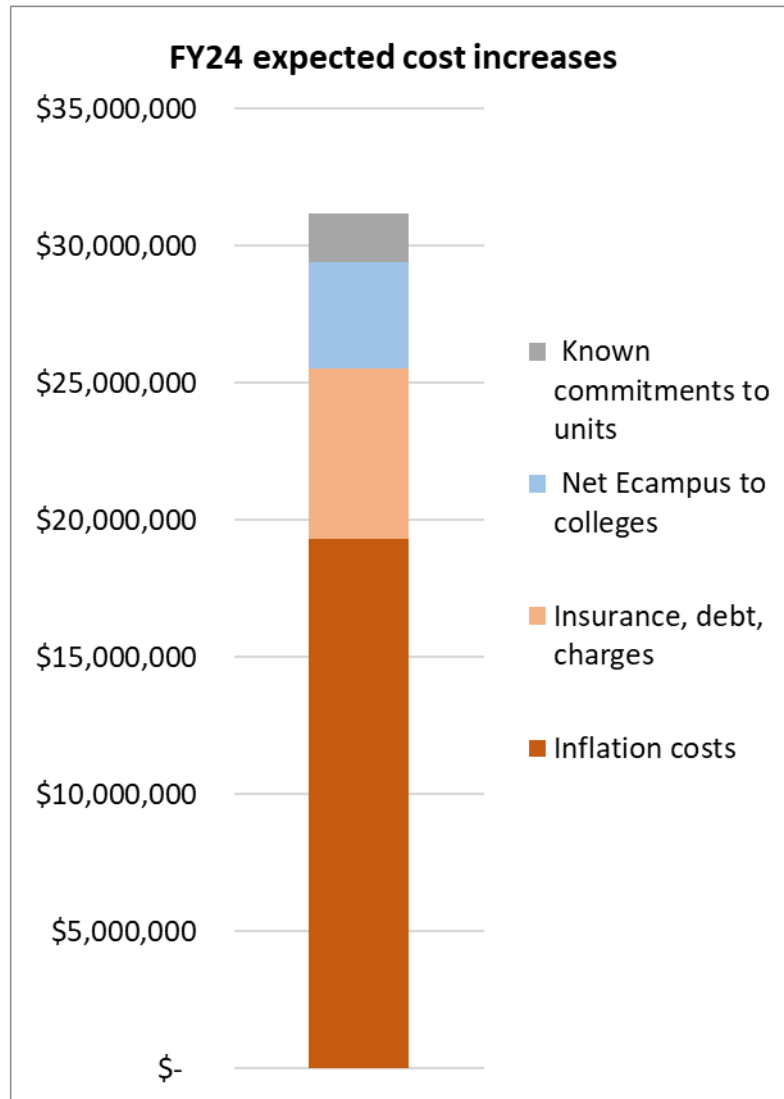
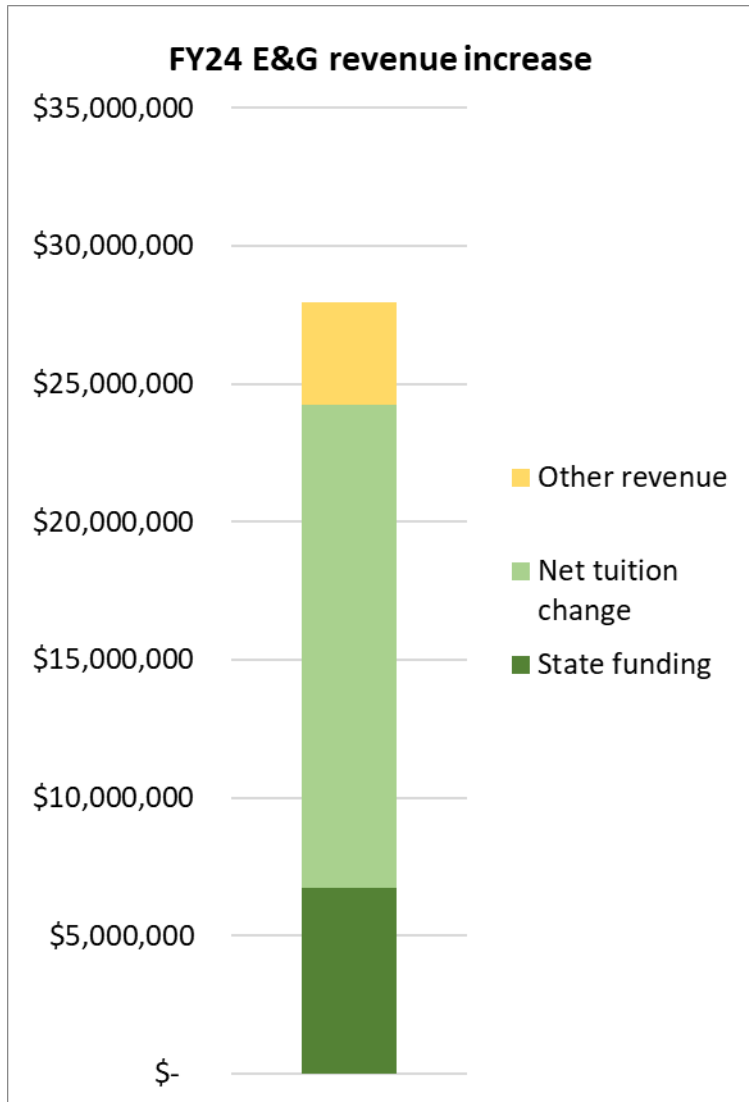
FY23 budget outlook-enrollment trends

Corvallis headcount and net tuition per headcount inflation adjusted to FY23 \$



- Decline in international
- Growth in Ecampus
- Growth in domestic non-residents
- Stopped decline in residents
- Flat graduate & professional
- Declining net revenue per student, increasing overall revenue

FY22 Corvallis E&G budget outlook



- About \$28M of revenue growth (mostly Ecampus)
- About \$26M of inflation and cost escalation
- Revenue sharing and new commitments will use some reserves to start
- Annual cycle needs to include cost containment and reduction strategies

FY22 tuition—tuition strategy recommendation

- Board policy of increases between 2% to 5% continues.
- Continuing students increase at local inflation or less.
- New students increase a percentage point or less above that.
- Differential tuition change at the rate for continuing students
- Increases monitored for market and stakeholder needs.
- Graduate and professional tuition on a program-by-program basis.
- Summer tuition at one rate equal to resident rates for incoming students.

FY22 tuition—UBC discussions


Staff recommendation is for Scenario C

	Scenario A: Continuing Resident 2.5%, Non-resident 2.5% New Resident 3.5%, Non-resident 3.5%	Scenario B: Continuing Resident 3.0%, Non-resident 3.0% New Resident 4.0%, Non-resident 4.0%	Scenario C: Continuing Resident 3.5%, Non-resident 3.5% New Resident 4.5%, Non-resident 4.5%
State funding at current levels	Resident undergraduate (annual): Before 2020: 2.2%, \$225 Entered FY21: 2.6%, \$270 Entered FY 22: 2.6%, \$270 New FY23: 3.4%, \$360	Resident undergraduate: Before 2020: 3.1%, \$315 Entered FY21: 3.0%, \$315 Entered FY 22: 3.0%, \$315 New FY23: 3.8%, \$405	Resident undergraduate: Before 2020: 3.6%, \$360 Entered FY21: 3.5%, \$360 Entered FY 22: 3.4%, \$360 New FY23: 4.3%, \$450
	Non-res undergraduate (annual): Before 2020: 2.4%, \$720 Entered FY21: 2.5%, \$765 Entered FY 22: 2.4%, \$765 New FY23: 3.4%, \$1080	Non-res undergraduate: Before 2020: 2.8%, \$855 Entered FY21: 2.9%, \$900 Entered FY 22: 2.9%, \$900 New FY23: 3.9%, \$1215	Non-res undergraduate: Before 2020: 3.4%, \$1035 Entered FY21: 3.3%, \$1035 Entered FY 22: 3.4%, \$1080 New FY23: 4.4%, \$1395
	Surplus or (deficit): \$(7.9M), -1.2%	Surplus or (deficit): \$(5.9M), -0.9%	Surplus or (deficit): \$(3.9M), -0.6%
		Average resident tuition: 3.48% Average res. tuition & fees: 3.56%	

Other tuition recommendations

- Undergraduate differential
 - Differentials increase 3.5% for all except Honors differential
- Graduate and Professional
 - PharmD, DVM, DPT 3.5%, Cascades MAT, MFA, MCoun, 0%
 - Resident graduate 0%, non-resident 3.5%
- OSU-Cascades and Summer
 - Summer aligned to incoming cohort at resident rates for most programs
 - Cascades incoming undergraduate rates aligned with Corvallis incoming rates
- Mandatory fees (health, building)
 - Health fees 5% Corvallis, 67.8% Cascades
- Student incidental fees (recommended by student committees)
 - 5.7% Corvallis, 15.4% Cascades

Tuition information format

 **Oregon State University**

Tuition Calculator

When did you matriculate to OSU?

Number of Credits

Campus

Type of degree

Resident? Yes No

College

Honors? Yes No

Year 2021 - 2022

Summer Term

Tuition	\$3120.00
College Differential	General Engineering = \$36.00
Building Fee	\$34.00
Incidental	\$235.10
Health Services	\$185.52
Matriculation Fee	\$350.00
Honors College Fee	\$500.00
Total	\$3992.62

Fall Term

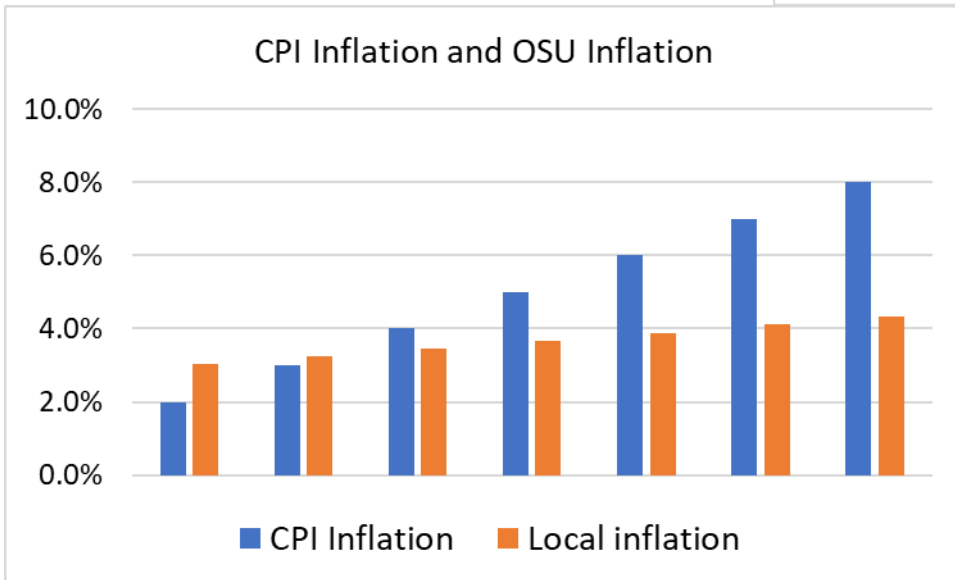
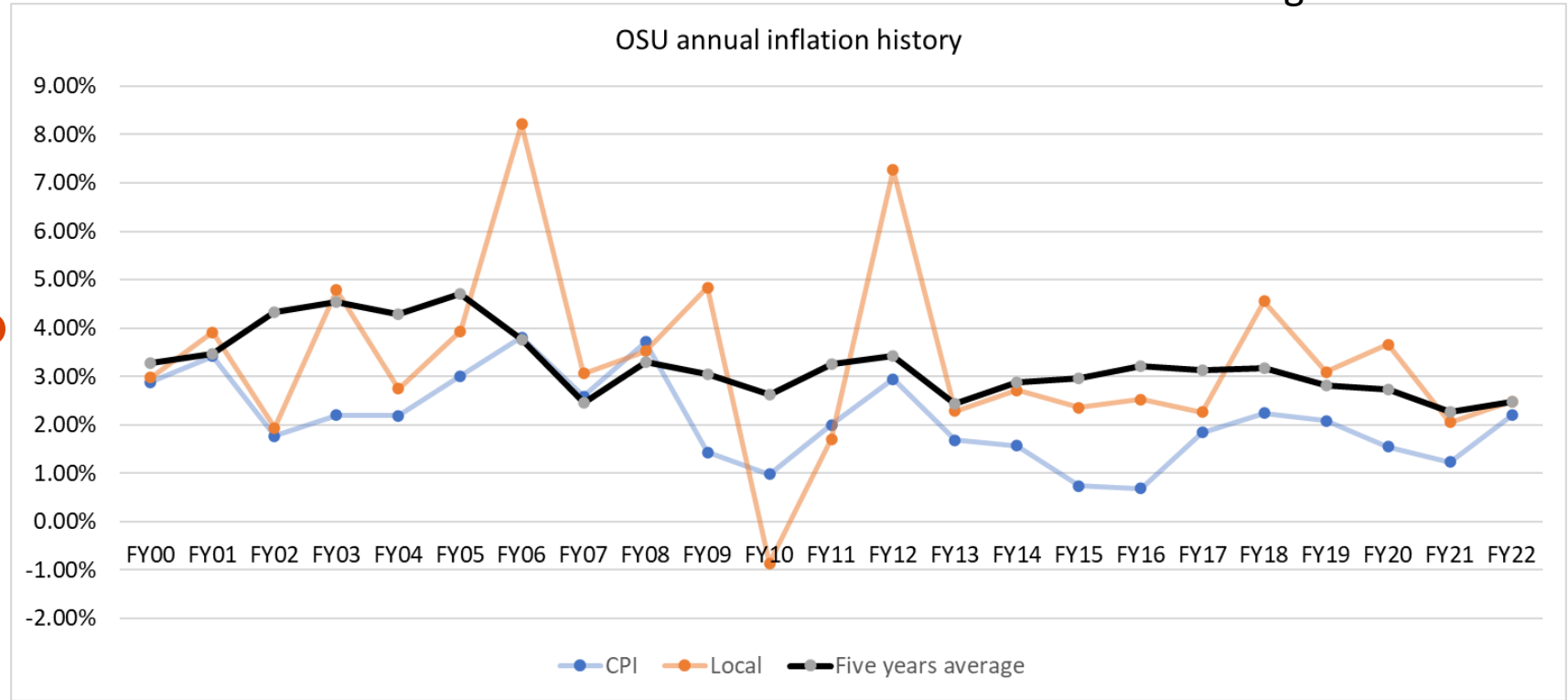
Tuition	\$3220.00
College Differential	General Engineering = \$36.00
Building Fee	\$47.00
Incidental	\$455.31
Health Services	\$207.40
Honors College Fee	\$500.00
Total	\$3997.71

- Staff are developing an online tuition calculator to show students tuition by year, program and student type

Why these tuition recommendations?

- Align rates for continuing undergraduate students with approximate annual inflationary costs
- Include some additional increase in new student rates for investment
- Align rate increases for undergraduates across modalities
- Adjust professional and graduate rates to recognize inflation and market costs
- Recognize that investments or shortfalls in state and other revenues will require enrollment growth, expense reductions and efficiencies, or redirection of existing budget

Why these tuition recommendations?



- Local inflation has averaged about 3.1% over the last ten years
- Using increases around this for continuing students provides some certainty for planning
- National markets for higher education require benchmarking nationally
- OSU inflation driven largely by personnel costs

Tuition recommendations

Themes from university stakeholder conversations

- Recognition of the impact of annual inflation on costs
- Consensus that tuition increases covering inflationary costs were reasonable
- Frustration that paying costs has shifted from state support to students and families
- Shift out of pandemic is taxing on students and staff
- Engagement in the conversations was limited

Next steps in budget planning?

- Update enrollment projections near the end of May
- Identify FY23 budget priorities
- Discuss preliminary budget plans with campus leadership through April
- Identify one-time funds or redirection of funds to allow funding for critical initiatives
- Review with the Board a proposal for an FY2022-23 budget at the May meeting

FY2023 recommendation

The interim president recommends that the Finance and Administration Committee recommend to the Board that it approve the resolution in Attachment 1 establishing the academic year 2022-23 and summer 2022 tuition and mandatory fees, at the rates documented in Attachment 1, Exhibit A. The principal recommendation is for a 3.5% increase for continuing undergraduates (Corvallis, OSU-Cascades, and Ecampus) and a 4.5% increase for new undergraduate students (Corvallis, OSU-Cascades, and Ecampus).

Discussion and questions?