

## FY2024 Tuition Rates, Mandatory Fees and Student Incidental Fees and Operating Budget Overview

### BACKGROUND

The tuition and fee recommendations presented here are part of OSU's long-term financial strategy in support of OSU's values and its mission to provide access to a high quality and affordable higher education for all qualified learners. OSU's Ten-Year Business Forecast includes the assumptions that long-term, predictable increases in state support are unlikely, and that large tuition increases are not consistent with the mission of the university or the limited financial means of many students and families. The Board's policy on the tuition and fee process reinforces this in stating the expectation that "annual tuition rate increases will be between 2 and 5 percent." As a result, strategies for new enrollment growth and innovative efficiencies in administration, program and service delivery will be a foundational part of the university's operations and priorities for the foreseeable future.

### SUMMARY OF RECOMMENDED CHANGES IN TUITION AND FEES FOR 2023-24

Under the [Tuition and Fee Process](#) adopted by the Board, the university considers a number of factors in developing tuition and fee recommendations. These include:

- Providing access to degree programs for students from all circumstances and recognizing challenges students and families face in today's environment.
- Creating a diverse student body.
- Maintaining strong degree programs at every level.
- Supporting world-class research, scholarship, and engagement aligned with the goals of the university's strategic plan.
- Maintaining the human and physical infrastructure necessary to support Oregon's educational outcome goals.
- Projected cost and revenue changes for FY2024, including inflationary cost increases, important strategic commitments and existing commitments.
- Undergraduate financial aid need and allocations to assist students with highest need.
- Fall 2022 enrollments and enrollment targets for fall 2023.
- Comparisons of tuition rates with strategic plan peers.
- Impact of tuition increases on enrollment for undergraduate students.
- Any constraints from the Legislature on setting tuition and mandatory fees.

In 2020-21 and 2021-22, OSU moved to a cohort tuition model, with tuition rates for continuing undergraduate students increasing at the estimated rate of inflation (or less) and rates for incoming students increasing somewhat more in line with market comparators and to provide resources for program improvements while those students are at OSU. The result is that undergraduate students now have tuition rates that vary by their year of matriculation. The approach creates more predictability for continuing students but allows sufficient flexibility to address growth in university costs and program development and adjust to the competitive landscape for students. The University Budget Committee (UBC) followed this approach in making its recommendations.

The UBC constitutes the tuition advisory body required by ORS 352.102. The UBC recommended rate changes in tuition and mandatory fees for 2023-24 to President Murthy in mid-February (a copy of that report is included in Attachment 2, as required by statute). After review, the president has endorsed those recommendations which include the following principal rate changes:

<b>Rate category</b>	<b>Recommendation</b>	<b>Notes</b>
Continuing resident and non-resident undergraduate, Corvallis and Cascades	3.9%	3.0% to 3.9% <sup>1</sup> increase scenarios (see Table 1) are provided for discussion
New resident and non-resident undergraduate, Corvallis and Cascades	4.4%	3.5% to 4.9% <sup>1</sup> increase scenarios (see Table 1) are provided for discussion
Continuing Ecampus undergraduates	3.9% oldest cohort, 1.2% most recent	Maintains Ecampus rates at competitive level with peers; brings all cohorts to \$350/SCH
New Ecampus undergraduates	1.2%	Maintains Ecampus rates at competitive level with peers; aligns rates at \$350/SCH
Resident and Ecampus graduate	0.0%	Maintain competitive position, avoids cost increases on grant funded positions
Non-resident graduate	3.9%	At estimated inflation rate
Professional tuition increases	3.9%	Physical Therapy at Cascades, Pharmacy, Vet Med
Differential tuition undergraduate	\$1 to \$2 per SCH	Inflationary increases in Business, Engineering, Forestry, Liberal Arts (Arts, Music, Theatre only); no increase Honors
Differential tuition graduate	\$0 per SCH	No increases
Differential tuition graduate for Public Health programs	-100%	Public Health recommends removing differential charges from their programs
Summer undergraduate tuition	4.4%	Matches new student campus tuition rates
Mandatory matriculation fees	0%	No increases
Mandatory building debt fee	4.3% (\$2/SCH)	Plan for long term increase to support renewal of student services buildings \$2 in FY24
Student Health Services-Cascades	10.1%	Adding new services, \$10 increase per quarter
Student Health Services-Corvallis	6.4%	To address increasing costs of medical staffing and maintain services
Counseling and Psychological Services-Corvallis	1.95%	To maintain current service levels; some vacancies and fund balance

The weighted average tuition and mandatory fee increase for resident undergraduate students (the rate subject to the HECC 5% threshold) is 3.83% at Corvallis, 3.98% at Cascades, and 2.48% for Ecampus. Detailed rates are listed in Tables 2 to 5.

It is also recommended that the number of undergraduate cohorts be limited to six. Students who are enrolled longer than six years would be assessed tuition at the rates for the oldest

<sup>1</sup> Undergraduate rate increases noted are on the per credit hour charges, not on the base “zero-credit” charge made for resident and non-resident academic year tuition. Total increases are somewhat less than the quoted percentages because of the fixed zero-credit charge and rounding to whole dollars.

existing cohort. This would simplify managing and reporting on cohorts, encourage six-year completion, and impact a relatively small percentage of students.

The tuition recommendations are informed by projections including approximately an additional \$10M in institutional financial aid to continue strategies to regain enrollment of Pell-eligible Oregon residents and to increase non-resident enrollment through participation in the Western Undergraduate Exchange (WUE) program.

**Table 1: Scenario planning for tuition recommendations**

Tuition Scenario Table (Corvallis campus): The UBC recommends Scenario B. This table shows both the impact on individual students and the impact of alternate decisions on overall institutional revenues in a succinct format. Rates are applied to resident undergraduate and non-resident undergraduate tuition rates. All scenarios include an assumption of an increase of about \$10M in institutional financial aid (continuing the initiative to reenter the Western Undergraduate Exchange and to grow enrollment of Pell eligible resident students).

<b>Scenario A:</b> <b>Continuing Resident 3.0%, Non-resident 3.0%</b> <b>New Resident 3.5%, Non-resident 3.5%</b>	<b>Scenario B:</b> <b>Continuing Resident 3.9%, Non-resident 3.9%</b> <b>New Resident 4.4%, Non-resident 4.4%</b>	<b>Scenario C:</b> <b>Continuing Resident 3.9%, Non-resident 3.9%</b> <b>New Resident 4.9%, Non-resident 4.9%</b>
Resident undergraduate (annual): Before 2020: 3.0%, \$315 Entered FY21: 2.9%, \$315 Entered FY 22: 2.9%, \$315 Entered FY23: 3.4%, \$315 Entering FY24: 3.3%, \$450 Non-res undergraduate (annual): Before 2020: 2.9%, \$900 Entered FY21: 2.9%, \$945 Entered FY 22: 2.9%, \$945 Entered FY23: 2.9%, \$945 Entering FY24: 3.4%, \$1440 Revenue change from Scenario B: \$(1.7M), -0.2% of revenue	Resident undergraduate (annual): Before 2020: 3.9%, \$405 Entered FY21: 3.8%, \$405 Entered FY 22: 3.7%, \$405 Entered FY23: 3.7%, \$405 Entering FY24: 4.1%, \$540 Non-res undergraduate (annual): Before 2020: 3.8%, \$1170 Entered FY21: 3.8%, \$1215 Entered FY 22: 3.7%, \$1215 Entered FY23: 3.8%, \$1260 Entering FY24: 4.2%, \$1710 Revenue change from Scenario B: \$0.0M, 0% of revenue	Resident undergraduate (annual): Before 2020: 3.9%, \$405 Entered FY21: 3.8%, \$405 Entered FY 22: 3.7%, \$405 Entered FY23: 3.7%, \$405 Entering FY24: 4.9%, \$630 Non-res undergraduate (annual): Before 2020: 3.8%, \$1170 Entered FY21: 3.8%, \$1215 Entered FY 22: 3.7%, \$1215 Entered FY23: 3.8%, \$1260 Entering FY24: 4.8%, \$1890 Revenue change from Scenario B: \$0.8M, 0.1% of revenue
	Average resident tuition: 3.76% Average res. tuition & mandatory fees: 3.83%	

Graduate tuition (0% residents and 3.9% non-residents), professional tuition (3.9%), and differential tuition (3.9%). Scenarios A and C are shown to document the revenue impact of changes in undergraduate rates. The projections assume collapsing Ecampus undergraduate rates to a single charge.

## BUDGET OUTLOOK FOR FY2024

The tuition rates established each year are part of an Education and General (E&G) budget planning process that estimates revenues and expenses for the next fiscal year. There are three major drivers of costs and revenues:

- Inflationary increases in rates for continuing the present level of programs and services. These include salary increases (some set through contractual negotiations), benefits costs for retirement and health insurance (these are set by the state), and inflationary costs on goods and services. In aggregate, these increases define the inflation rate on OSU's costs. That rate is estimated at 3.9% for 2023-24. Increases in tuition rates or state funding help offset these increase.
- Costs and/or revenues associated with enrollment growth and mandatory increases beyond inflation such as large increases in insurance rates, new charges from external entities, or new debt service commitments. Growth in enrollment comes with costs for additional instructional and support staff, but also provides marginal revenue (after any additional institutional financial aid) that helps offset the costs of inflation and new initiatives.
- Costs or revenues associated with strategic investments. These can include commitments to fund capital renewal, increases in enrollment and financial aid staff; investments in information technology and similar initiatives; and new academic programs or courses that create new types of enrollment and revenue.

### Enrollment Forecast

The enrollment forecast (Figure 1) looks ahead five years. The enrollment forecast was built assuming similar new class sizes (both in numbers and mix of transfers and first-year students) as in fall 2022; retention rates consistent with those of the last three years; trends of Ecampus enrollment consistent with recent trends and plans for new programs; and a continued commitment to increased financial aid for Pell eligible Oregon students and Western Undergraduate Exchange enrollments. It is assumed the decline in graduate and international enrollments is stemmed but there is no assumption that those enrollments grow back. These are areas for enrollment growth beyond what is shown here.

The forecast shows strong enrollment growth in Corvallis through FY26, after which enrollments reach a steady state (top of the grey bars in Figure 1). This is constrained largely by housing capacity for new students. The percentage of non-resident undergraduates of total undergraduates in Corvallis rises from about 31% to about 36%. Enrollment in Ecampus grows consistently, though at a slightly lower percentage, rate each year. OSU-Cascades growth is modeled at a constant rate but will depend on the development of new programs.

### State Funding Outlook

The State of Oregon budgets on a biennial basis and the 2023-24 fiscal year will be the first year of the 2023-2025 biennium. The biennial legislative appropriations for the seven public universities (as for most state agencies) are distributed 49% in the first year and 51% in the second.

Oregon's seven public universities requested a biennial increase of 8.67% to cover inflationary cost growth. The Department of Administrative Services estimated biennial inflation for state

agencies at 7.9%. The Governor's Recommended Budget (GRB) proposed for the Public University Support Fund (PUSF), the primary state support for Corvallis and Cascades, a 3.9% increase, but the Statewide Public Services and State Programs at 7.9%. For planning, staff are using an estimate of a biennial increase in the PUSF of 6.7%. This would yield a year-over-year increase in Corvallis of about \$3.9M, but would be short of the state's share of cost escalation by about \$3M.

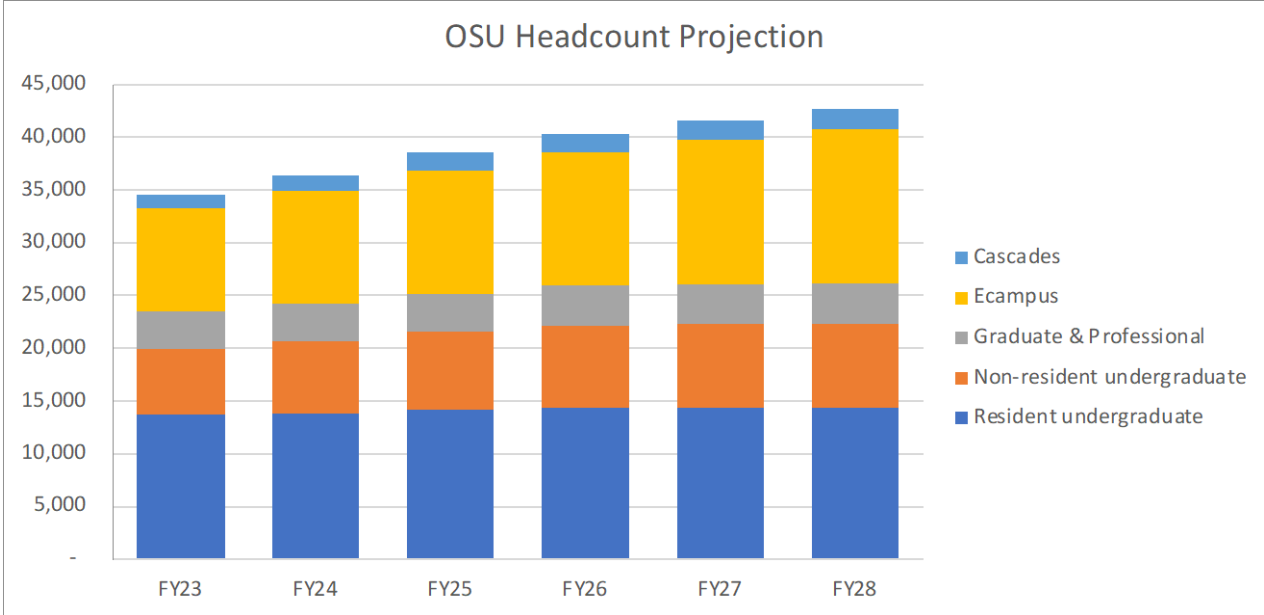
### **Budget Scenarios**

Expenses for fiscal year (FY) 2024 and the following four years (Figure 2) were forecast including estimates of inflationary costs, costs of enrollment growth, and costs for existing strategic commitments (the growth in capital renewal allocations, for example). Revenue projections considered two state funding scenarios and two enrollment scenarios.

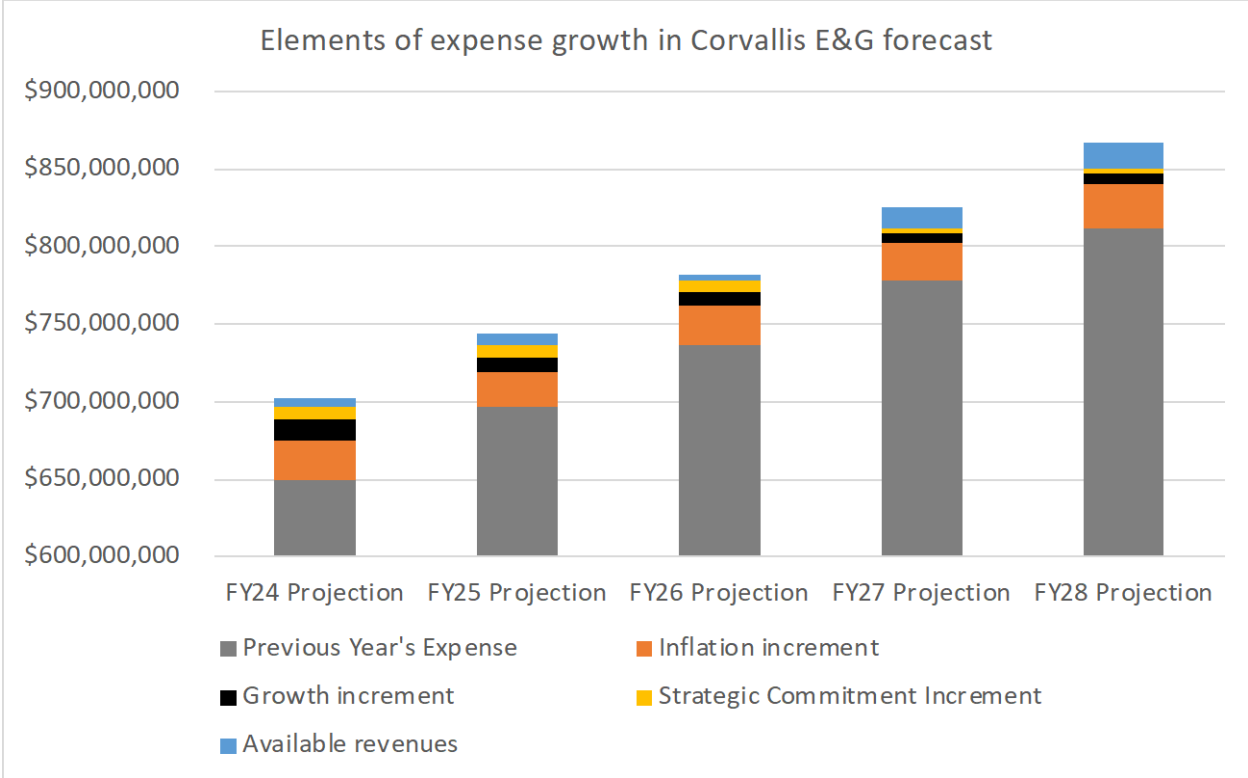
The state scenarios build from the assumption for FY24 described above, along with an assumption of either increases similar to past years or a cut of 1% in FY25 and 3% in FY26, modeling the impact of a mild recession in late 2023 with no offsetting commitment of state reserves for higher education. The enrollment scenarios include a case which corresponds to the forecast in Figure 1 and a lower revenue case which assumes the incoming classes revert to a more historical proportion of transfer students to new first-year students.

The forecast in Figure 2 assumes the stronger enrollment growth scenario shown in Figure 1 (which is supported by current applications and deposits) and the state scenario for reductions in FY25 and FY26. The latter is conservative, as the last economic forecast had reduced the likelihood of such a recession. Even with that assumption of a funding reduction, enrollment growth and a tuition increase linked to the estimated rate of inflation would cover the costs of inflation, growth, and strategic commitments and leave some revenue (blue at the tops of the bars of Figure 2) for new strategic or discretionary commitments.

**Figure 1: Headcount enrollment forecast for OSU.** The enrollment forecast was built assuming similar new class sizes (both in numbers and mix of transfers and first-time students) as in fall 2022; retention rates consistent with those of the last three years; trends of Ecampus enrollment consistent with recent trends and plans for new programs. The forecast shows strong enrollment growth in Corvallis through FY26 after which enrollments reach a steady state (top of the grey bars in Figure 1).



**Figure 2: Key elements of expense growth in the Corvallis E&G budget.** The top of the yellow bar marks commitments already included in FY24 budget planning. The topmost blue bar is the available revenue for funding new incremental commitments. Inflationary costs are about \$25M per year; costs for growth about \$13M in near years and \$6M in out years; and costs for existing strategic commitments are \$8M in FY24, declining to \$3.6M in FY27. The last include commitments for capital renewal, financing the Administrative Modernization Program, funding the employer portion of the state’s paid leave program, funding the University Arts Program (a Faculty Excellence Hiring Initiative), and the Provost’s Faculty Endowment Match commitments.





## TUITION AND FEE RECOMMENDATION PROCESS

### Process

The University Budget Committee (UBC) reviews and recommends all tuition rates for the Corvallis and OSU-Cascades campuses and mandatory fees including the building fee, matriculation fee, and health services fees. The increase in total base tuition and these mandatory fees for resident undergraduate students is subject to approval from the HECC or the Legislature for increases greater than 5%. All members of UBC are members of the Tuition Advisory Council required by ORS 352.102. Specific information relevant to the reporting requirements of ORS 352.102 are included in Appendices C, D, and E in addition to the discussion here.

The UBC has nineteen members with six students (including representatives of student government at Corvallis and OSU-Cascades, as well as students representing historically underserved students), administrators, faculty, and staff. The committee met seven times prior to finalizing the report to the president.

The committee received briefings on the Oregon State University (OSU) budget, how the Legislature allocates money to OSU through the HECC, historical data regarding the relationship between resident tuition and fee rates and the amount of state appropriations to OSU that the HECC allocates to the public university. The committee spent time understanding the cost drivers for OSU's Education & General (E&G) budget, how those costs are managed, and what decisions might be made to reduce costs in many of the scenarios considered. The materials provided to the committee, as well as agendas and meeting notes, are posted publicly on the Budget and Resource Planning website (<https://fa.oregonstate.edu/budget/university-budget-committee>).

Notices of UBC meetings and a request for comment or questions were posted regularly in *OSU Today*.

The committee discussed its recommendations based on practices defined in the last three years of tuition rate development:

- The Board policy of expecting tuition increases in the range of 2% to 5%, barring extreme financial change, would continue.
- Tuition for continuing students (for all campuses, residencies and modalities) increases at no more than the estimated rate of inflation, based on a weighted average across spending categories.
- Tuition for students matriculating in the next academic year would increase at a slightly greater rate (for initial planning, an additional percentage point, but ultimately set with close attention to markets) than continuing students to support growth and new initiatives.
- Differential tuition charges above base tuition and the distance education fee would be increased at the rate for continuing students (unless a unit asks for no change) so that the charges are the same across all cohorts. Only base tuition charges would vary by cohort.
- The additional increase for incoming students would be monitored to make sure rates were appropriate and competitive relative to peer institutions.

- Graduate and professional tuition would be charged on a program-by-program basis consistent with program costs, peer comparisons, and market analyses.
- Summer tuition would be set at one rate corresponding to rates for incoming students with a single rate for resident and non-resident students in all cohorts.

This approach provides more predictability in tuition rates for students who have committed to OSU, makes the annual tuition-setting process more transparent and simpler, and provides sufficient flexibility for OSU to continue to improve academic and support services and to manage through unexpected financial downturns. It also assumes that continuing students are asked to contribute to inflationary cost increases. The university is committing to fund the costs of growth, strategic initiatives, and cost growth beyond inflation through expanding enrollment, the additional tuition rate increment for incoming students, or redistribution of existing resources.

The UBC discussed the impact of some different scenarios (Table 1) and provides those scenarios for undergraduate tuition rates as standard practice. The scenarios illustrate how much changes in a particulate rate impact resident or non-resident undergraduate students and help assess the impact on the overall E&G budget. The recommendation from UBC and endorsed by the president is for Scenario B.

The UBC spent some time discussing the structure of the undergraduate cohort tuition model. When the cohort approach started in 2020-21, there was no discussion of how many cohorts OSU would manage. There are tuition rate reporting requirements to some Federal agencies, tables to maintain, and billing structures to keep accurate. It seemed that an unlimited number of cohorts would be unwieldy. The committee noted that OSU's 6-year graduation rate is about 68% (for students who entered in Fall 2015). OSU also reports an 8-year graduation rate to the federal government. For the cohort entering in Fall 2011, 111 additional students (relative to the six-year cohort graduations) graduated after 8 years (comprising 3.3% of the cohort) and another 34 students or 1.0% of the cohort were still enrolled. For the cohort entering in 2012, the equivalent numbers were an additional 83 students (or 2.5%) graduated by 8 years and 36 (1.1%) were still enrolled. The number of students who graduate or remain enrolled after 6 years is a very small fraction of the total incoming cohorts.

The UBC recommends that OSU maintain six undergraduate tuition cohorts at a time. Students who are enrolled longer than six years would move into the next oldest tuition cohort. This would simplify managing and reporting on cohorts, encourage six-year completion, and impact a relatively small percentage of students. Implementation requires discussion with the Registrar, Bursar, and General Counsel.

Comments and context on each of the major rate recommendations are included in the next sections. These are intended to provide additional detail or context on the information provided in the summary section at the beginning of this report.

## **Discussion of Recommendations**

### **Tuition and mandatory fees**

The tuition rate recommendations endorsed by a consensus of UBC for all rates are listed in Tables 2, 3, 4 and 5. A tuition calculator (and tuition tables, where appropriate) showing tuition by credit hour load for all majors will be available to students after approval of final rates by the

Board. OSU rounds tuition charges to the nearest whole dollar after the application of a percentage rate increase.

*Undergraduate base tuition* for Corvallis and OSU-Cascades is recommended to increase 3.9% for continuing students (the estimated inflation rate) and 4.4% for most new undergraduate students (the 3.9% plus 0.5%). The committee felt that only a small additional increase for new students was warranted given the continuing impacts of inflation on many students and families.

*Undergraduate base tuition* for Ecampus students is recommended to increase at rates which bring all cohort rates to \$350/SCH. Ecampus recruits students in a very competitive national market and a single price is easier to explain to prospective and continuing students. This change includes a 3.9% increase for students who entered before July 1, 2021, a 2.0% increase for students who entered in 2021-22, and a 1.2% increase for other students.

*Undergraduate differential tuition rates* are recommended to increase at the rate for continuing students unless a unit requests no increase if they felt the increase would put the rates for their programs too high. Honors requested no increase next year. Differential rates are the same for all cohorts (Table 5).

*Graduate base tuition* is recommended to increase 0% for resident and Ecampus students and 3.9% for non-resident students. Resident graduate tuition is at the high side of peer rates and these increases will keep campus and Ecampus programs more competitive. This would also reduce cost increases for departments and grants supporting graduate assistants. Rates for non-residents are near the median for peers and an inflationary increase is appropriate.

*Graduate differential tuition rates* will also increase by the recommended rate for the respective graduate students. In Engineering, differential charges are kept the same for residents and non-residents and there is no increase. Public Health and Human Sciences asked to remove the differential charges for all of their graduate degrees and certificates in Public Health. Ecampus differential rates follow recommendations for resident graduate students and are held flat.

*Professional program tuition* for the PharmD, DVM, and professional degrees at Cascades are recommended to increase from 0% to 3.9% depending on the program (see Table 4). These rates were recommended by the particular programs after discussions with their students, an assessment of peer and market tuition rates, and an evaluation of demand for the programs.

*Summer tuition rates* for undergraduate and graduate students are recommended to match academic year resident per credit hour rates for the incoming cohort of resident students at the respective campuses. There is no differentiation between residents and non-residents for undergraduate and most graduate programs in the summer. Summer tuition is charged by the credit hour for most programs.

*Health fees* at both Cascades and Corvallis were reviewed by the UBC. OSU-Cascades is developing their health services program as enrollment grows, and an increase of \$10 per quarter (10.1%) is recommended to support expanded services. An increase of 6.4% (\$14 per year) for Student Health Services (SHS) at Corvallis is recommended to maintain continued services and address significant cost increases in health services. Counseling and Psychological Services (CAPS) in Corvallis is recommending a 1.95% (\$1.33) increase as the unit has a significant fund balance. Both units believe this will be sufficient to maintain current services for the next fiscal year.

*Other fees* include the student building loan/debt fee and matriculation fee. No increase is proposed for the matriculation fee. The student building loan/debt fee supports debt service used to build, repair, or renew student services buildings (such as the Memorial Union or Dixon Recreation Center). Prior to FY23, the fee had not been increased in over 20 years and there is a significant need for repair and improvements of these facilities over the next ten years. Last year the UBC recommended a \$2 increase in this fee and is recommending an additional \$2 increase to the fee this year (to \$49 per quarter). These increases will be part of a strategy supporting renewal and repair of facilities including the Memorial Union Student Affairs, Recreational Sports facilities, and others.

At the recommended undergraduate tuition rate increase of 3.9% for continuing students and 4.4% for most new students (Scenario B in Table 1), the average base tuition increase for resident undergraduate students would be 3.76% in Corvallis, 3.82% in Bend, and 2.48% for Ecampus. The weighted average tuition and mandatory fee increase (the rate subject to the HECC 5% threshold) is 3.83% at Corvallis, 3.98% at OSU-Cascades, and 2.48% for Ecampus.

### **Other projected rate changes**

Tuition and mandatory fees are only part of the cost of attendance for students. Student incidental fees and University Housing and Dining Services rates are the other major costs that are set by the university.

Student incidental fees are recommended to the president for referral to the Board by the ASOSU and ASCC student governments based on recommendations from student-led committees and approval by the respective student government legislatures. Recommendations for incidental fee increases are 4.98% (\$23.97 per quarter for the academic year) for Corvallis. The increases address issues of cost inflation and several commitments to new or expanded services. The OSU-Cascades Student Fee Committee unanimously approved their Fiscal Year 2024 Student Fee Proposal for consideration by the Oregon State University Board of Trustees. The proposal increases the academic year student incidental fee from \$375 in FY23 to \$385 in FY24 per term per student (2.7%).

Housing and dining rates include a variety of room and meal plans that vary between campuses. On average, however, housing and dining rates for Corvallis are projected to increase in the 3% to 5% range, depending on FY23 occupancy, FY24 projected occupancy, staffing challenges, and the impact of inflation on operational costs. Final rate discussions are still pending.

**Table 2: Base undergraduate per credit hour rates for three different cases, shown by undergraduate student cohort.** Total tuition for residents at Corvallis and OSU-Cascades includes a \$100 flat charge per quarter plus credit hours enrolled times the per credit hour rate; total tuition for non-resident rates includes a \$335 flat charge per quarter plus enrolled credits times the per credit hour rate. Annual cost is shown at 45 credits per academic year. The recommendation is for Scenario B, which increases rates for continuing students at 3.95 percent, the estimated rate of inflation in from 2022-23 to 2023-24. Tuition rates are rounded to whole dollars so exact percentage increases vary.

	2022-23		2023-24 Scenarios					
	2022-23 Per credit	Annual cost	Scenario A		Scenario B		Scenario C	
			2023-24 per credit 3.0%/3.5%	Annual cost	2023-24 per credit 3.9%/4.4%	Annual cost	2023-24 per credit 3.9%/4.9%	Annual cost
<b>Resident Corvallis</b>								
Matriculated prior to July 2020	225	10,425	232	10,740	234	10,830	234	10,830
Matriculated 2020-21	232	10,740	239	11,055	241	11,145	241	11,145
Matriculated 2021-22	236	10,920	243	11,235	245	11,325	245	11,325
Matriculated 2022-23	238	11,010	245	11,325	247	11,415	247	11,415
Matriculated 2023-24	-		246	11,370	248	11,460	250	11,550
<b>Resident Cascades</b>								
Matriculated prior to July 2020	217	10,065	224	10,380	225	10,425	225	10,425
Matriculated 2020-21	228	10,560	235	10,875	237	10,965	237	10,965
Matriculated 2021-22	232	10,740	239	11,055	241	11,145	241	11,145
Matriculated 2022-23	238	11,010	245	11,325	247	11,415	247	11,415
Matriculated 2023-24	-		246	11,370	248	11,460	250	11,550
<b>Non-resident</b>								
Matriculated prior to July 2020	671	31,200	691	32,100	697	32,370	697	32,370
Matriculated 2020-21	691	32,100	712	33,045	718	33,315	718	33,315
Matriculated 2021-22	702	32,595	723	33,540	729	33,810	729	33,810
Matriculated 2022-23	709	32,910	730	33,855	737	34,170	737	34,170
Matriculated 2023-24	-		734	34,035	740	34,305	744	34,485
<b>Ecampus</b>								
Matriculated prior to fall 2021	337	15,165	350	15,750	350	15,750	350	15,750
Matriculated 2021-22	343	15,435	350	15,750	350	15,750	350	15,750
Matriculated 2022-23	346	15,570	350	15,750	350	15,750	350	15,750
Matriculated 2023-24	-	-	350	15,750	350	15,750	350	15,750
<b>Summer</b>								
Corvallis, all undergraduates	238	n/a	246	n/a	248	n/a	250	n/a
Cascades, all undergraduates	238	n/a	246	n/a	248	n/a	250	n/a

**Table 3: Detail of undergraduate base tuition rate calculations for the current year and for the rates recommended to the Board (Scenario B in Table 2).** It is recommended the undergraduate rates for Ecampus be adjusted across cohorts so there is a single rate for Ecampus undergraduate students. Summer base tuition rates have no resident/non-resident distinction and are charged at a single rate per credit hour for all undergraduate students. The flat per quarter charges are not incremented and per credit hour rates are rounded to the nearest whole dollar.

	2022-23 Base Tuition Components					2023-24 Base Tuition Components					% increase		
	Zero credit hour flat charge	Instruction fee per credit	Distance education infrastructure per credit	Non-resident campus charge	Total tuition per credit	Annual total at 15 credits per term	Zero credit hour charge	Instruction fee per credit	Distance education infrastructure per credit	Non-resident campus charge		Total tuition per credit	Annual total at 15 credits
<b>Resident Corvallis</b>													
Matriculated prior to July 2020	100	225			225	10,425	100	234			234	10,830	3.88%
Matriculated 2020-21	100	232			232	10,740	100	241			241	11,145	3.77%
Matriculated 2021-22	100	236			236	10,920	100	245			245	11,325	3.71%
Matriculated 2022-23	100	238			238	11,010	100	247			247	11,415	3.68%
Matriculated 2023-24	100				-		100	248			248	11,460	4.09%
<b>Resident Cascades</b>													
Matriculated prior to July 2020	100	217			217	10,065	100	225			225	10,425	3.58%
Matriculated 2020-21	100	228			228	10,560	100	237			237	10,965	3.84%
Matriculated 2021-22	100	232			232	10,740	100	241			241	11,145	3.77%
Matriculated 2022-23	100	238			238	11,010	100	247			247	11,415	3.68%
Matriculated 2023-24	100				-		100	248			248	11,460	4.09%
<b>Non-resident</b>													
Matriculated prior to July 2020	335	217		454	671	31,200	335	225		472	697	32,370	3.75%
Matriculated 2020-21	335	228		463	691	32,100	335	237		481	718	33,315	3.79%
Matriculated 2021-22	335	232		470	702	32,595	335	241		488	729	33,810	3.73%
Matriculated 2022-23	335	238		471	709	32,910	335	247		490	737	34,170	3.83%
Matriculated 2023-24	335				-		335	248		492	740	34,305	4.24%
<b>Ecampus</b>													
Matriculated prior to fall 2021	-	244	93		337	15,165	-	253	97		350	15,750	3.90%
Matriculated 2021-22	-	250	93		343	15,435	-	253	97		350	15,750	2.00%
Matriculated 2022-23	-	253	93		346	15,570	-	253	97		350	15,750	1.20%
Matriculated 2023-24	-				-		-	253	97		350	15,750	1.20%
<b>Summer</b>													
Corvallis, all undergraduates	-	238			238	10,710	-	248			248	11,160	4.20%
Cascades, all undergraduates	-	238			238	10,710	-	248			248	11,160	4.20%

**Table 4: Recommended base graduate and professional tuition rates.** The Notes column indicates how the rate is applied. A plateau means the charge is constant within the range noted.

	FY23 Rate	FY24 Rate	Annual cost at 12 credits	% increase	Notes
Base resident graduate tuition	\$ 498	\$ 498	\$ 13,446	0.00%	per credit with plateau 9-16 credits
Base non-resident graduate tuition	\$ 1,046	\$ 1,087	\$ 29,349	3.92%	per credit with plateau 9-16 credits
Base Ecampus graduate tuition	\$ 560	\$ 560	\$ 20,160	0.00%	per credit with plateau 9-16 credits
Base summer graduate	\$ 498	\$ 498	\$ 13,446	0.00%	per credit, all credits, all residencies
<b>Professional degrees</b>					
PharmD resident	\$ 747	\$ 776	\$ 27,936	3.88%	Per credit to 12 credits then flat
PharmD non-resident	\$ 1,220	\$ 1,268	\$ 45,648	3.93%	Per credit to 12 credits then flat
DVM resident	\$ 26,181	\$ 27,204	\$ 27,204	3.91%	Flat rate
DVM non-resident	\$ 52,368	\$ 54,411	\$ 54,411	3.90%	Flat rate
MBA, MS Business resident	\$ 806	\$ 806	\$ 29,016	0.00%	Per credit, base tuition of \$498 plus \$308 per credit
MBA, MS Business non-resident	\$ 1,462	\$ 1,519	\$ 54,684	3.90%	Per credit, base tuition of \$1,087 plus \$432 per credit
Cascades MCoun resident	\$ 464	\$ 464	\$ 16,704	0.00%	Per credit
Cascades MS Coun non-resident	\$ 847	\$ 880	\$ 31,680	3.90%	Per credit
Cascades MAT resident	\$ 464	\$ 464	\$ 16,704	0.00%	Per credit
Cascades MAT non-resident	\$ 847	\$ 880	\$ 31,680	3.90%	Per credit
Cascades MFA resident	\$ 487	\$ 487	\$ 17,532	0.00%	Per credit
Cascades MFA non-resident	\$ 487	\$ 506	\$ 18,216	3.90%	Per credit
Cascades Doc Phys Therapy resident	\$ 21,882	\$ 22,737	\$ 22,737	3.91%	Flat rate
Cascades Doc Phys The. non-res	\$ 31,989	\$ 33,237	\$ 33,237	3.90%	Flat rate
<b>Mandatory fees</b>					
Matriculation fee	\$ 350.00	\$ 350.00	\$ 350.00	0.00%	Charged once on matriculation
Building fee	\$ 47.00	\$ 49.00	\$ 147.00	4.26%	Charged per quarter; assume \$2 increase for 4 years
Student health services Corvallis	\$ 149.40	\$ 158.96	\$ 476.88	6.40%	Charged per quarter
Counseling Corvallis	\$ 68.37	\$ 69.70	\$ 209.10	1.95%	Charged per quarter
Student health services Cascades	\$ 99.00	\$ 109.00	\$ 327.00	10.10%	Charged per quarter

**Table 5: Differential tuition charges.** Some programs have additional charges added to base tuition. The recommended rate increases are shown. These are rounded to the nearest dollar and so are the same for all three of the scenarios in Table 2. Differential rates are the same for all undergraduate cohorts. All are added on a per credit hour basis, except for the Honors College differential, which is charged as a flat charge per quarter.

	FY23 Rate	FY24 Rate	% increase
<b>Undergraduate campus differentials</b>			
General Engineering resident	37	38	2.70%
General Eng non-resident	37	38	2.70%
Engineering majors resident	57	59	3.51%
Eng majors non-resident	57	59	3.51%
Forestry resident	18	19	5.56%
Forestry non-resident	18	19	5.56%
Business resident	24	25	4.17%
Business non-resident	24	25	4.17%
Arts CLA resident	23	24	4.35%
Arts CLA non-resident	23	24	4.35%
Honors resident differential	500	500	0.00%
Honors non-resident	500	500	0.00%
<b>Graduate campus differentials</b>			
Engineering resident	59	59	0.00%
Engineering non-resident	59	59	0.00%
MPH differential resident	67	0	-100.00%
MPH differential non-resident	105	0	-100.00%
MBA and MS Business resident	308	308	0.00%
MBA and MS Business non-res	416	432	3.85%
<b>Ecampus undergraduate differentials</b>			
Computer Science differential	203	211	3.94%
Business Students	24	25	4.17%
Pre engineering students	37	38	2.70%
Prof Engineering students	57	59	3.51%
BS Computer Science	57	59	3.51%
Developmental Math	-93	-97	4.30%
<b>Ecampus graduate differentials</b>			
AHE PhD and EdD	30	30	0.00%
PhD in Counseling	30	30	0.00%
MS in Counseling	30	30	0.00%
Grad Certificate Public Health	67	0	-100.00%
MBA and Business Courses	308	308	0.00%
Engineering MS Rad. Health Phy	131	131	0.00%
College of Engineering students	59	59	0.00%



## STUDENT AND CAMPUS ENGAGEMENT AND COMMENTS

Six of the UBC's seventeen voting members are students (including representatives of student government at Corvallis and OSU-Cascades, as well as students representing historically underserved populations and students at large). Recommendations for incidental fees were developed entirely by the respective student governments, and student advisory groups participated in recommendations for the Corvallis health services fee. The UBC recommendations, materials, meeting schedules and minutes, and information about tuition rates and the proposals were posted on the budget office website. Notices of the UBC meetings were posted regularly in OSU Today.

There were seven tuition forums held in person in Corvallis and online via Zoom in January through March, with about 15 people in attendance. The attendees were a mix of students, faculty, and staff. Despite advertising and email communications, few students engaged in the discussion. Some of the observations from the forums include:

- There is general understanding that because tuition is over 60% of revenues and that inflationary cost increases are unavoidable, tuition rates will increase unless there are reductions of programs or staff to reduce cost. If this were done every year it would erode many of OSU's core programs and services.
- There is interest in exploring how to find other sources of revenue to shift the burden of expense growth from students and families.

Tuition, fees, and budget overviews were also discussed at the Budget Conversation forums held for faculty, staff, and students on a regular basis and with the Faculty Senate Budget and Fiscal Planning Committee. Staff in Budget and Resource Planning are discussing with UBC and ASOSU alternate strategies for securing more substantial engagement from students at large.

## RECOMMENDATION

The president recommends that the Board approve the resolution in Attachment 1 establishing the academic year 2023-24 and summer 2023 tuition and mandatory fees, at the rates documented in Attachment 1, Exhibit A. The principal recommendations are for a 3.9% increase for continuing undergraduates (Corvallis and OSU-Cascades), a 4.4% increase for new undergraduate students (Corvallis and OSU-Cascades) and rate adjustments of 1% to 3.9% for undergraduates in Ecampus to create a single base tuition rate for Ecampus programs.

**RESOLUTION NO. 23-\_\_**

---

**Oregon State University  
Tuition and Mandatory Fees  
For Academic Year 2023-24 and Summer Term 2023**

---

Whereas, the Board of Trustees of the Oregon State University (the “Board”) has the authority to determine tuition and mandatory enrollment fees in accordance with ORS 352.102 and ORS 352.105, and other applicable law;

Whereas, the Board adopted a Tuition and Fee Process on January 16, 2015 and most recently amended on October 18, 2019 setting out the factors considered by the Board in setting tuition and fees;

Whereas, the Board authorizes the collection of mandatory incidental fees recommended by the President of the University and the recognized student governments (ASOSU and ASCC) and established in accordance with provisions outlined in ORS 352.102, ORS 352.105, and other applicable law;

Whereas, the university has recommended tuition and mandatory enrollment fees for Academic Year 2023-24 through the work of campus groups including undergraduate students, graduate students, faculty and staff;

Whereas, the President, after considering historical tuition and fee trends, comparative data for peer institutions, the University’s budget and projected costs, and anticipated state appropriation levels, has approved the tuition and the mandatory fee recommendations for consideration by the Board;

Whereas, after consideration of the impact on students and OSU’s commitments as the state’s land-grant university, the President’s recommendations include for students at Corvallis and Cascades a 3.9% increase in tuition for continuing resident and non-resident undergraduate students and a 4.4% increase for new resident and non-resident undergraduate students;

Whereas, the President has reported to the Board the nature and outcomes of consultations with students and others, including any significant disagreement; and

Whereas the Board has considered the desire to create affordable access to degree programs, create a diverse student body, maintain strong degree programs at every level, and develop and maintain the human and physical infrastructure necessary to support Oregon’s educational outcome goals;

Now, therefore, the Board of Trustees of Oregon State University hereby approves the Academic Year 2023-24 and summer 2023 tuition and mandatory fee schedules calculated as defined in Exhibit A.

This Resolution is effective April 14, 2023.

**APPROVED by the Board of Trustees April 14, 2023**

\_\_\_\_\_  
Secretary to the Board

\_\_\_\_\_  
Date

Because of the complexities of cohort tuition, we have identified tuition rules instead of individual tables.

Oregon State University  
Tuition and Mandatory Fee Schedules  
Academic Year 2023-24 and Summer Term 2023

**EXHIBIT A: Tuition and Fee Schedule Rules and Tables**

The tuition and fee schedules are derived from the rates in Table 2 (Scenario B), Table 3, Table 4, and Table 5, applied as defined in the following sections. Rates for specific programs, course loads, and year of matriculation will be available through an interactive tuition calculator located on an OSU website. Static tables will be posted where appropriate.

Undergraduate tuition rates at Corvallis and Cascades have a cohort structure with tuition varying by the year of matriculation. OSU maintains six undergraduate tuition cohorts at a time. When a student is enrolled longer than six years their tuition is assigned by the rates for the oldest remaining cohort.

Undergraduate tuition rates

“Base” in the formulas refers to base tuition rates per credit hours as specified in Tables 2 and 3 for the fiscal year in which a student matriculated and the student’s residency status. There will be five cohorts of base tuition rates for Corvallis and Cascades undergraduates in 2023-24. Ecampus rates will be adjusted to collapse existing cohorts to one tuition rate for all Ecampus undergraduates.

Differential refers to a per credit hour rate for an undergraduate program with differential tuition as specified in Table 5 except for the Honors College differential which is added as an additional \$500 per quarter for 12 credits and over or \$250 per quarter for 11 credits and under, in addition to other tuition calculations.

SCH (Student Credit Hour) refers to the number of credit hours a student is registered for.

For the academic year (fall, winter spring):

- Resident undergraduate programs without differential tuition per quarter at both Corvallis and Cascades =  $\$100 + \text{SCH} \times \text{Base}$
- Non-resident undergraduate programs without differential tuition per quarter tuition at both Corvallis and Cascades =  $\$335 + \text{SCH} \times \text{Base}$
- Resident undergraduate programs with differential tuition per quarter tuition at both Corvallis and Cascades =  $\$100 + \text{SCH} \times (\text{Base} + \text{Differential})$
- Non-resident undergraduate programs with differential tuition per quarter tuition at both Corvallis and Cascades =  $\$335 + \text{SCH} \times (\text{Base} + \text{Differential})$

- Undergraduate programs without differential tuition through Ecampus, regardless of residency, per quarter tuition (including summer) is = SCH x Base
- Undergraduate programs with differential tuition through Ecampus, regardless of residency, per quarter tuition (including summer) = SCH x (Base + Differential)
- Summer undergraduate programs without differential tuition at both Corvallis and Cascades are charged at one rate corresponding to the rate for incoming resident students, so per quarter tuition = SCH x Base
- Summer undergraduate programs with differential tuition at both Corvallis and Cascades are charged at one rate corresponding to the rate for incoming resident students, so per quarter tuition = SCH x (Base + Differential)

For students in the Honors College, an additional \$500 per quarter is charged for credit loads of 12 credits per quarter and above or a charge of \$250 per quarter for credit loads of 1 to 11 credits per quarter.

#### Graduate tuition rates

Base in the formulas refers to base tuition rates per credit hours as specified in Table 4. Rates for graduate and professional education are the same regardless of the year of matriculation.

Differential refers to a per credit hour rate for a graduate program with differential tuition as specified in Table 5.

SCH (Student Credit Hour) refers to the number of credit hours a student is registered for.

Rates are the same for Corvallis and Cascades. For the academic year (fall, winter spring):

- Resident graduate programs without differential tuition per quarter through 9 credits = SCH x Base.
  - Charges for 9 to 16 credits are the same, then per credit charges are added for each credit above 16 SCH. This is referred to as a “plateau” tuition structure.
- Non-resident graduate programs without differential tuition per quarter through 9 credits = SCH x Base
  - Charges for 9 to 16 credits are the same, then per credit charges are added for each credit above 16 SCH.
- Graduate programs with differential tuition in Engineering and Public Health, an additional charge is added to the base tuition calculated above as noted in table 5 calculated as:
  - Differential tuition charge = SCH x Differential. The charge is on all credit hours and is the same for residents and non-residents in Engineering, but different for residents and non-residents in the Masters of Public Health.
- Graduate programs with differential tuition including the MBA, MS in Business, MAT at Cascades, MFA at Cascades, and MS in Counseling at Cascades, tuition per quarter for residents and non-residents is calculated using the rates in Tables 4 and 5 as:

- Tuition charge = SCH x (Base + Differential). These charges are on all credit hours. Rates are different for resident and non-residents in both Business programs, the MAT, and the MS in Counseling but are the same for residents and non-residents in the MFA.
  - Non-residents in the MBA, MAT at Cascades, MFA at Cascades, and MS in Counseling at Cascades are charged resident rates in the summer.
- Non-residents are charged resident rates in summer.

Tuition rates for DVM, PharmD, DPT

Programs for the Doctor of Veterinary Medicine (DVM), Doctor of Pharmacy (PharmD), and the Doctor of Physical Therapy (DPT) are professional programs with an expectation of full-time study. The rates for those programs are shown in Table 4.

Tuition for the DVM is an annual charge based on residency as noted in Table 4. For years 1 through 3 tuition is charged in three increments over fall, winter, and spring. For fourth year students, who pursue a variety of series of study, externship, and clinical rotations from the beginning of Finals Week in June to the end of Dead Week the following June are charged in four increments over summer, fall, winter, and spring.

Tuition for the DPT degree is a flat rate for summer, fall, winter and spring quarters as noted in Table 4.

Tuition for the PharmD degree expects full time enrollment (at 12 credits) for the rate noted in Table 4 but allows for per credit enrollment at loads less than 12. Rates are the same for summer, fall, winter, and spring.

Mandatory and Incidental Fees

Mandatory fees include the Student Building Loan/Debt fee, the Matriculation fee, and the Health Services fee. These are recommended by the UBC and are included in the 5% threshold for increases of tuition and mandatory fees requiring approval by the HECC or the Legislature. Incidental fees are recommended by the respective student governments. Recommended fee rates for Academic Year 2023-24 are:

**Oregon State University-Corvallis Campus Academic Year 2023-2024 Mandatory Fee Rates<sup>1,2</sup>**

Undergraduate Mandatory Fees				
Credits	Student Building Loan/Debt	Incidental	Health Service	Total Fees
1	27.00	505.46	228.66	761.12
2	29.00	505.46	228.66	763.12
3	31.00	505.46	228.66	765.12
4	33.00	505.46	228.66	767.12
5	35.00	505.46	228.66	769.12
6	37.00	505.46	228.66	771.12
7	39.00	505.46	228.66	773.12
8	41.00	505.46	228.66	775.12
9	43.00	505.46	228.66	777.12
10	45.00	505.46	228.66	779.12
11	47.00	505.46	228.66	781.12
12 or more	49.00	505.46	228.66	783.12

Graduate Mandatory Fees			
Student Building Loan/Debt	Incidental	Health Service	Total Fees
25.00	505.46	228.66	759.12
28.00	505.46	228.66	762.12
31.00	505.46	228.66	765.12
34.00	505.46	228.66	768.12
37.00	505.46	228.66	771.12
40.00	505.46	228.66	774.12
43.00	505.46	228.66	777.12
46.00	505.46	228.66	780.12
49.00	505.46	228.66	783.12
49.00	505.46	228.66	783.12
49.00	505.46	228.66	783.12
49.00	505.46	228.66	783.12

(1) A one time Matriculation Fee of \$350 is assessed to all new and transfer undergraduate and graduate students.  
 (2) Fee rates apply to resident and non-resident students

**Oregon State University-Cascades Campus Academic Year 2023-2024 Mandatory Fee Rates<sup>1,2</sup>**

Undergraduate Mandatory Fees				
Credits	Student Building Loan/Debt	Incidental	Health Service	Total Fees
1	27.00	297.00	109.00	433.00
2	29.00	305.00	109.00	443.00
3	31.00	313.00	109.00	453.00
4	33.00	321.00	109.00	463.00
5	35.00	329.00	109.00	473.00
6	37.00	337.00	109.00	483.00
7	39.00	345.00	109.00	493.00
8	41.00	353.00	109.00	503.00
9	43.00	361.00	109.00	513.00
10	45.00	369.00	109.00	523.00
11	47.00	377.00	109.00	533.00
12 or more	49.00	385.00	109.00	543.00

Graduate Mandatory Fees			
Student Building Loan/Debt	Incidental	Health Service	Total Fees
25.00	297.00	109.00	431.00
28.00	308.00	109.00	445.00
31.00	319.00	109.00	459.00
34.00	330.00	109.00	473.00
37.00	341.00	109.00	487.00
40.00	352.00	109.00	501.00
43.00	363.00	109.00	515.00
46.00	374.00	109.00	529.00
49.00	385.00	109.00	543.00
49.00	385.00	109.00	543.00
49.00	385.00	109.00	543.00
49.00	385.00	109.00	543.00

(1) A one time Matriculation Fee of \$350 is assessed to all new and transfer undergraduate and graduate students.  
 (2) Fee rates apply to resident and non-resident students

Recommended fee rates for Summer Term 2023 are:

**Oregon State University-Corvallis Campus Summer Term 2023 Mandatory Fee Rates<sup>1,2</sup>**

Undergraduate Mandatory Fees				
Credits	Student Building Loan/Debt	Incidental	Health Service	Total Fees
1	37.00	48.50	204.54	290.04
2	37.00	48.50	204.54	290.04
3	37.00	48.50	204.54	290.04
4	37.00	48.50	204.54	290.04
5	37.00	48.50	204.54	290.04
6	37.00	48.50	204.54	290.04
7	37.00	48.50	204.54	290.04
8	37.00	48.50	204.54	290.04
9	37.00	48.50	204.54	290.04
10	37.00	48.50	204.54	290.04
11	37.00	48.50	204.54	290.04
12 or more	37.00	48.50	204.54	290.04

Graduate Mandatory Fees			
Student Building Loan/Debt	Incidental	Health Service	Total Fees
37.00	48.50	204.54	290.04
37.00	48.50	204.54	290.04
37.00	48.50	204.54	290.04
37.00	48.50	204.54	290.04
37.00	48.50	204.54	290.04
37.00	48.50	204.54	290.04
37.00	48.50	204.54	290.04
37.00	48.50	204.54	290.04
37.00	48.50	204.54	290.04
37.00	48.50	204.54	290.04
37.00	48.50	204.54	290.04
37.00	48.50	204.54	290.04
37.00	48.50	204.54	290.04
37.00	48.50	204.54	290.04
37.00	48.50	204.54	290.04

(1) A one time Matriculation Fee of \$350 is assessed to all new and transfer undergraduate and graduate students.

(2) Fee rates apply to resident and non-resident students

**Oregon State University-Cascades Campus Summer Term 2023 Mandatory Fee Rates<sup>1,2</sup>**

Undergraduate Mandatory Fees				
Credits	Student Building Loan/Debt	Incidental	Health Service	Total Fees
1	37.00	-	109.00	146.00
2	37.00	-	109.00	146.00
3	37.00	140.00	109.00	286.00
4	37.00	140.00	109.00	286.00
5	37.00	140.00	109.00	286.00
6	37.00	140.00	109.00	286.00
7	37.00	140.00	109.00	286.00
8	37.00	140.00	109.00	286.00
9	37.00	140.00	109.00	286.00
10	37.00	140.00	109.00	286.00
11	37.00	140.00	109.00	286.00
12 or more	37.00	140.00	109.00	286.00

Graduate Mandatory Fees			
Building	Incidental	Health Service	Total Fees
37.00	-	109.00	146.00
37.00	-	109.00	146.00
37.00	140.00	109.00	286.00
37.00	140.00	109.00	286.00
37.00	140.00	109.00	286.00
37.00	140.00	109.00	286.00
37.00	140.00	109.00	286.00
37.00	140.00	109.00	286.00
37.00	140.00	109.00	286.00
37.00	140.00	109.00	286.00
37.00	140.00	109.00	286.00
37.00	140.00	109.00	286.00
37.00	140.00	109.00	286.00
37.00	140.00	109.00	286.00
37.00	140.00	109.00	286.00

(1) A one time Matriculation Fee of \$350 is assessed to all new and transfer undergraduate and graduate students.

(2) Fee rates apply to resident and non-resident students

**Attachment 2:** Report of the University Budget Committee to President Murthy on tuition and fee rate recommendations for the 2023-2024 fiscal year.

February 16, 2023

To: Jayathi Murthy, President  
 From: Nicole von Germeten, Chair, University Budget Committee  
 Re: Recommendations for Tuition and Mandatory Fee Rates for 2023-2024  
 Cc: Edward Feser, Provost and Executive Vice President

**Summary:**

The University Budget Committee (UBC) constitutes the tuition advisory body required by ORS 352.102. The UBC recommends the following rate changes in tuition and mandatory fees from 2022-23 to 2023-24 for your consideration in recommendations to the Board of Trustees. Rate recommendations apply to Corvallis, Cascades, and Ecampus students unless otherwise noted.

Rate	Recommendation	Notes
Continuing resident and non-resident undergraduate, Corvallis and Cascades	3.9%	3.0% to 3.9% <sup>1</sup> increase scenarios (see Table 1) are provided for discussion
New resident and non-resident undergraduate, Corvallis and Cascades	4.4%	3.5% to 4.9% <sup>1</sup> increase scenarios (see Table 1) are provided for discussion
Continuing Ecampus undergraduates	3.9% oldest cohort, 1.2% most recent	Maintains Ecampus rates at competitive level with peers; brings all cohorts to \$350/SCH
New Ecampus undergraduates	1.2%	Maintains Ecampus rates at competitive level with peers; aligns rates at \$350/SCH
Resident and Ecampus graduate	0.0%	Maintain competitive position, avoids cost increases on grant funded positions
Non-resident graduate	3.9%	At estimated inflation rate
Professional tuition increases	3.9%	Depending on program (DPT at Cascades, Pharmacy, Vet Med)
Differential tuition undergraduate	\$1 to \$2 per SCH	Inflationary increases in Business, Engineering, Forestry, Liberal Arts (Arts, Music, Theatre only); no increase Honors
Differential tuition graduate	\$0 per SCH	No increases
Differential tuition graduate	-100%	Public Health recommends removing differential charges from their programs
Summer tuition	4.4%	Matches new student campus tuition rates
Mandatory matriculation fees	0%	No increases
Mandatory building debt fee	4.3% (\$2/SCH)	Plan for long term increase to support renewal of student services buildings \$2 in FY23
Student Health Services-Cascades	10.1%	Adding new services, \$10 increase per quarter
Student Health Services-Corvallis	6.4%	To address increasing costs of medical staffing and maintain services
Counseling and Psychological Services-Corvallis	1.95%	To maintain current service levels; some vacancies and fund balance

The weighted average tuition increase for resident undergraduate majors at Corvallis is 3.76% and at Cascades is 3.82%. The weighted average tuition and mandatory fee increase (the rate subject to the HECC 5% threshold) is 3.83% at Corvallis, 3.98% at Cascades, and 2.48% for Ecampus. Detailed rates are listed in Tables 2 to 4. Details of process and recommendations are included in the Appendices.

<sup>1</sup> Undergraduate rate increases noted are on the per credit hour charges, not on the base “zero-credit” charge made for resident and non-resident academic year tuition. Total increases are somewhat less than the quoted percentages because of the fixed zero-credit charge and rounding to whole dollars.



The tuition recommendations are informed by projections including an additional \$10M in institutional financial aid to continue strategies to regain enrollment of Pell-eligible Oregon residents and to increase non-resident enrollment through participation in the Western Undergraduate Exchange (WUE) program.

In 2020-21 and 2021-22, OSU moved to a cohort tuition model, where tuition rates for continuing undergraduate students increased at the estimated rate of inflation (or less) and rates for incoming students increasing somewhat more in line with market comparators and to provide resources for program improvements while those students are at OSU. The result is that undergraduate students now have tuition rates that vary by their year of matriculation. The approach creates more predictability for continuing students but allows sufficient flexibility to address growth in university costs and program development and adjust to the competitive landscape for students. The UBC followed this approach in making its recommendations.

The key recommendations include:

- Tuition for continuing undergraduate students (for Corvallis and Cascades, both resident and non-resident) increase at the estimated inflation rate of 3.9%. Three scenarios are illustrated in Table 1 to show the impact of other rates but the recommendation is for 3.9%.
- Tuition for students matriculating in the next academic year would increase at inflation plus 0.5%. UBC discussed a larger increase but felt economic circumstances argued for a small additional charge.
- Rates for Ecampus undergraduate programs are recommended to be adjusted across cohorts so that there is one base rate next year (\$350/SCH). The growth opportunities in Ecampus are primarily for truly distance students and one rate is easier to explain and more consistent with pricing structures for competitors. It also keeps Ecampus programs priced competitively in a market with many options for students.
- Differential tuition charges above base tuition are increased at the rate for continuing students (unless a unit asks for no change as Honors has) so that the charges are the same across all cohorts. Only base tuition charges vary by cohort.
- Summer tuition is set at one rate corresponding to rates for incoming students.
- Resident graduate tuition and Ecampus graduate tuition rates (except for the differential charges) are recommended for no increase as those rates are at the high side of peers.
- Non-resident graduate tuition and professional tuition rates are recommended to increase at the 3.9% inflation estimate.
- The committee also recommends limiting the number of undergraduate cohorts to six. Students who are enrolled longer than six years would move into the next oldest tuition cohort. This would simplify managing and reporting on cohorts, encourage six-year completion, and impact a relatively small percentage of students. Implementation requires discussion with the Registrar, Bursar, and General Counsel.
- UBC has workgroups discussing how to implement a change to charging tuition by student campus rather than course campus, revisions to the differential and course fee policies, and building a methodology for doing contribution margin analyses on academic colleges.

The committee did endorse these rate increases but discussed in several meetings that, even with the increases in financial aid, modest increases in tuition can be the difference between staying in college and having to stop out. Inflation and the coming reductions in SNAP benefits will be challenging for some students. The UBC encourages coordinated communications about support available in addition to financial aid such as the Human Services Resource Center (HSRC) and Benefit Navigators.

## FAC Agenda Item 4b – Attachment 2

A series of tuition forums are being held January through March. Comments and feedback from those will be provided prior to the preparation of the Board docket on your tuition rate recommendations.

**Table 1: Scenario planning for tuition recommendations**

Tuition Scenario Table (Corvallis campus): The UBC Recommendation is Scenario B. The goal is to show both the impact on individual students and the impact of alternate decisions on overall institutional revenues in a succinct format. Rates are applied to resident undergraduate and non-resident undergraduate tuition rates. All scenarios include an assumption of an increase of about \$10M in institutional financial aid (continuing the initiative to reenter the Western Undergraduate Exchange and to grow enrollment of Pell eligible resident students).

<b>Scenario A: Continuing Resident 3.0%, Non-resident 3.0% New Resident 3.5%, Non-resident 3.5%</b>	<b>Scenario B: Continuing Resident 3.9%, Non-resident 3.9% New Resident 4.4%, Non-resident 4.4%</b>	<b>Scenario C: Continuing Resident 3.9%, Non-resident 3.9% New Resident 4.9%, Non-resident 4.9%</b>
Resident undergraduate (annual): Before 2020: 3.0%, \$315 Entered FY21: 2.9%, \$315 Entered FY 22: 2.9%, \$315 Entered FY23: 3.4%, \$315 Entering FY24: 3.3%, \$450 Non-res undergraduate (annual): Before 2020: 2.9%, \$900 Entered FY21: 2.9%, \$945 Entered FY 22: 2.9%, \$945 Entered FY23: 2.9%, \$945 Entering FY24: 3.4%, \$1440 Revenue change from Scenario B: \$(1.7M), -0.2% of revenue	Resident undergraduate (annual): Before 2020: 3.9%, \$405 Entered FY21: 3.8%, \$405 Entered FY 22: 3.7%, \$405 Entered FY23: 3.7%, \$405 Entering FY24: 4.1%, \$540 Non-res undergraduate (annual): Before 2020: 3.8%, \$1170 Entered FY21: 3.8%, \$1215 Entered FY 22: 3.7%, \$1215 Entered FY23: 3.8%, \$1260 Entering FY24: 4.2%, \$1710 Revenue change from Scenario B: \$0.0M, 0% of revenue	Resident undergraduate (annual): Before 2020: 3.9%, \$405 Entered FY21: 3.8%, \$405 Entered FY 22: 3.7%, \$405 Entered FY23: 3.7%, \$405 Entering FY24: 4.9%, \$630 Non-res undergraduate (annual): Before 2020: 3.8%, \$1170 Entered FY21: 3.8%, \$1215 Entered FY 22: 3.7%, \$1215 Entered FY23: 3.8%, \$1260 Entering FY24: 4.8%, \$1890 Revenue change from Scenario B: \$0.8M, 0.1% of revenue
	Average resident tuition: 3.76% Average res. tuition & mandatory fees: 3.83%	

Graduate tuition (0% residents and 3.9% non-residents), professional tuition (3.9%), and differential tuition (3.9%). Scenarios A and C are shown to document the revenue impact of changes in undergraduate rates. The projections assume collapsing Ecampus undergraduate rates to a single charge.

*April 13-14, 2023 Board of Trustees Meetings*

**Table 2:** Cohort rates for base undergraduate tuition at Scenario B in Table 1. The UBC suggests describing tuition with an instruction, distance education, and campus charge as shown. Tuition increases are not applied to the zero-credit charge. Total annual cost for 15 credits per quarter is shown for comparison.

	2022-23 Base Tuition Components					2023-24 Base Tuition Components					% increase		
	Zero credit hour flat charge	Instruction fee per credit	Distance education infrastructure per credit	Non-resident campus charge	Total tuition per credit	Annual total at 15 credits per term	Zero credit hour charge	Instruction fee per credit	Distance education infrastructure per credit	Non-resident campus charge		Total tuition per credit	Annual total at 15 credits
<b>Resident Corvallis</b>													
Matriculated prior to fall 2020	100	225			225	10,425	100	234			234	10,830	3.88%
Matriculated fall 2020	100	232			232	10,740	100	241			241	11,145	3.77%
Matriculated fall 2021	100	236			236	10,920	100	245			245	11,325	3.71%
Matriculated fall 2022	100	238			238	11,010	100	247			247	11,415	3.68%
Matriculated fall 2023	100				-		100	248			248	11,460	4.09%
<b>Resident Cascades</b>													
Matriculated prior to fall 2020	100	217			217	10,065	100	225			225	10,425	3.58%
Matriculated fall 2020	100	228			228	10,560	100	237			237	10,965	3.84%
Matriculated fall 2021	100	232			232	10,740	100	241			241	11,145	3.77%
Matriculated fall 2022	100	238			238	11,010	100	247			247	11,415	3.68%
Matriculated fall 2023	100				-		100	248			248	11,460	4.09%
<b>Non-resident</b>													
Matriculated prior to fall 2020	335	217		454	671	31,200	335	225		472	697	32,370	3.75%
Matriculated fall 2020	335	228		463	691	32,100	335	237		481	718	33,315	3.79%
Matriculated fall 2021	335	232		470	702	32,595	335	241		488	729	33,810	3.73%
Matriculated fall 2022	335	238		471	709	32,910	335	247		490	737	34,170	3.83%
Matriculated fall 2023	335				-		335	248		492	740	34,305	4.24%
<b>Ecampus</b>													
Matriculated prior to fall 2021	-	244	93		337	15,165	-	253	97		350	15,750	3.90%
Matriculated fall 2021	-	250	93		343	15,435	-	253	97		350	15,750	2.00%
Matriculated fall 2022	-	253	93		346	15,570	-	253	97		350	15,750	1.20%
Matriculated fall 2023	-				-	-	-	253	97		350	15,750	1.20%
<b>Summer</b>													
Corvallis, all undergraduates	-	238			238	10,710	-	248			248	11,160	4.20%
Cascades, all undergraduates	-	238			238	10,710	-	248			248	11,160	4.20%

**Table 3:** Differential tuition rates. These are charged per credit by major on all credits taken in addition to the base tuition shown in Tables 2 and 4 *except* for the Honors College differential which is charged per quarter regardless of credit hour load. Tuition plateau structures are not applied to differential tuition.

	FY23 Rate	FY24 Rate	% increase
<b>Undergraduate campus differentials</b>			
General Engineering resident	37	38	2.70%
General Eng non-resident	37	38	2.70%
Engineering majors resident	57	59	3.51%
Eng majors non-resident	57	59	3.51%
Forestry resident	18	19	5.56%
Forestry non-resident	18	19	5.56%
Business resident	24	25	4.17%
Business non-resident	24	25	4.17%
Arts CLA resident	23	24	4.35%
Arts CLA non-resident	23	24	4.35%
Honors resident differential	500	500	0.00%
Honors non-resident	500	500	0.00%
<b>Graduate campus differentials</b>			
Engineering resident	59	59	0.00%
Engineering non-resident	59	59	0.00%
MPH differential resident	67	0	-100.00%
MPH differential non-resident	105	0	-100.00%
MBA and MS Business resident	308	308	0.00%
MBA and MS Business non-res	416	432	3.85%
<b>Ecampus undergraduate differentials</b>			
Computer Science differential	203	211	3.94%
Business Students	24	25	4.17%
Pre engineering students	37	38	2.70%
Prof Engineering students	57	59	3.51%
BS Computer Science	57	59	3.51%
Developmental Math	-93	-97	4.30%
<b>Ecampus graduate differentials</b>			
AHE PhD and EdD	30	30	0.00%
PhD in Counseling	30	30	0.00%
MS in Counseling	30	30	0.00%
Grad Certificate Public Health	67	0	-100.00%
MBA and Business Courses	308	308	0.00%
Engineering MS Rad. Health Phy	131	131	0.00%
College of Engineering students	59	59	0.00%

**Table 4:** Graduate base tuition, professional tuition, and mandatory fee rates. There are, in addition, incidental fees charged per quarter that are approved and recommended to the President by ASOSU and ASCC at the respective campuses.

	FY23 Rate	FY24 Rate	Annual cost at 12 credits	% increase	Notes
Base resident graduate tuition	\$ 498	\$ 498	\$ 13,446	0.00%	per credit with plateau 9-16 credits
Base non-resident graduate tuition	\$ 1,046	\$ 1,087	\$ 29,349	3.92%	per credit with plateau 9-16 credits
Base Ecampus graduate tuition	\$ 560	\$ 560	\$ 20,160	0.00%	per credit with plateau 9-16 credits
Base summer graduate	\$ 498	\$ 498	\$ 13,446	0.00%	per credit, all credits, all residencies
<b>Professional degrees</b>					
PharmD resident	\$ 747	\$ 776	\$ 27,936	3.88%	Per credit to 12 credits then flat
PharmD non-resident	\$ 1,220	\$ 1,268	\$ 45,648	3.93%	Per credit to 12 credits then flat
DVM resident	\$ 26,181	\$ 27,202	\$ 27,202	3.90%	Flat rate
DVM non-resident	\$ 52,368	\$ 54,410	\$ 54,410	3.90%	Flat rate
MBA, MS Business resident	\$ 806	\$ 806	\$ 29,016	0.00%	Per credit, base tuition of \$498 plus \$308 per credit
MBA, MS Business non-resident	\$ 1,462	\$ 1,519	\$ 54,684	3.90%	Per credit, base tuition of \$1,087 plus \$432 per credit
Cascades MCoun resident	\$ 464	\$ 464	\$ 16,704	0.00%	Per credit
Cascades MS Coun non-resident	\$ 847	\$ 880	\$ 31,680	3.90%	Per credit
Cascades MAT resident	\$ 464	\$ 464	\$ 16,704	0.00%	Per credit
Cascades MAT non-resident	\$ 847	\$ 880	\$ 31,680	3.90%	Per credit
Cascades MFA resident	\$ 487	\$ 487	\$ 17,532	0.00%	Per credit
Cascades MFA non-resident	\$ 487	\$ 506	\$ 18,216	3.90%	Per credit
Cascades Doc Phys Therapy resident	\$ 21,882	\$ 22,735	\$ 22,735	3.90%	Flat rate
Cascades Doc Phys The. non-res	\$ 31,989	\$ 33,237	\$ 33,237	3.90%	Flat rate
<b>Mandatory fees</b>					
Matriculation fee	\$ 350.00	\$ 350.00	\$ 350.00	0.00%	Charged once on matriculation
Building fee	\$ 47.00	\$ 49.00	\$ 147.00	4.26%	Charged per quarter; assume \$2 increase for 4 years
Student health services Corvallis	\$ 149.40	\$ 158.96	\$ 476.88	6.40%	Charged per quarter
Counseling Corvallis	\$ 68.37	\$ 69.70	\$ 209.10	1.95%	Charged per quarter
Student health services Cascades	\$ 99.00	\$ 109.00	\$ 327.00	10.10%	Charged per quarter

## Appendix A

## Process and Detailed Discussion

**Process:**

The University Budget Committee (UBC) reviews and recommends all tuition rates for Corvallis and Cascades and mandatory fees including the building fee, matriculation fee, and health services fees. The increase in total base tuition and these mandatory fees for resident undergraduate students is subject to approval from the HECC or the Legislature for increases greater than 5%. All members of UBC are members of the Tuition Advisory Council required by ORS 352.102. Specific information relevant to the reporting requirements of ORS 352.102 are included in Appendices C, D, and E in addition to the discussion here.

The UBC has nineteen members with six students (including representatives of student government at Corvallis and Cascades, as well as students representing historically underserved students), administrators, faculty, and staff. The committee met seven times prior to finalizing this report and will meet in February and March to review any issues or questions prior to the April Board meeting.

The committee received briefings on the Oregon State University (OSU) budget, how the Legislature allocates money to OSU through the HECC, historical data regarding the relationship between resident tuition and fee rates and the amount of state appropriations to OSU that the HECC allocates to the public university. The committee spent time understanding the cost drivers for OSU's Education & General (E&G) budget, how those costs are managed, and what decisions might be made to reduce costs in many of the scenarios considered. The materials provided to the committee, as well as agendas and meeting notes, are posted publicly on the Budget and Resource Planning website (<https://fa.oregonstate.edu/budget/university-budget-committee>).

Notices of UBC meetings and a request for comment or questions were posted regularly in OSU Today. The UBC, working with the Office of Budget and Resource Planning, scheduled a series of weekly tuition forums from late January through mid-March. The forums are advertised in a variety of ways. There are discussions about holding one or two collaboratively with ASOSU. OSU-Cascades held meetings with the Associated Students of Cascades (ASCC) and the Cascades Student Fee Committee (SFC). Notices of the meeting were posted on the Cascades Campus and advertised by the SFC. Comments, questions, and concerns from the various discussions will be compiled as part of the materials provided for the Board discussion in April.

The committee discussed its recommendations based on practice defined in the last three years of tuition rate development:

- The Board policy of expecting tuition increases in the range of 2% to 5%, barring extreme financial change, would continue.
- Tuition for continuing students (for all campuses, residencies and modalities) increases at no more than the estimated rate of inflation, based on a weighted average across spending categories.
- Tuition for students matriculating in the next academic year would increase at a slightly greater rate (for initial planning, an additional percentage point, but ultimately set with close attention to markets) than continuing students.
- Rates would comprise an instructional charge for all students, a distance education fee for Ecampus courses, and a campus charge for non-resident students (Table 2).



- Differential tuition charges above base tuition and the distance education fee would be increased at the rate for continuing students (unless a unit asks for no change) so that the charges are the same across all cohorts. Only base tuition charges would vary by cohort.
- The additional increase for incoming students would be monitored to make sure rates were appropriate and competitive relative to peer institutions.
- Graduate and professional tuition will be charged on a program-by-program basis consistent with program costs, peer comparisons, and market analyses.
- Summer tuition would be set at one rate corresponding to rates for incoming students with a single rate for resident and non-resident students in all cohorts.

This approach provides some predictability in tuition rates for students who have committed to OSU, makes the annual tuition-setting process more transparent and simpler, and provides sufficient flexibility for OSU to continue to improve academic and support services and to manage through unexpected financial downturns. It also assumes that continuing students are asked to contribute to inflationary cost increases. The university is committing to fund the costs of growth, strategic initiatives, and cost growth beyond inflation through enrollment growth, the additional tuition rate increment for incoming students, or redistribution of existing resources.

The UBC discusses and recommends a set of rates, but does provide some scenarios for undergraduate tuition rates as standard practice as shown in Table 1. The scenarios illustrate how much changes in a particulate rate impact resident or non-resident undergraduate students and help assess the impact on the overall E&G budget.

The UBC spent some time discussing the structure of the undergraduate cohort tuition model. When the cohort approach started in 2020-21 there was no discussion of how many cohorts OSU would manage. There are tuition rate reporting requirements to some Federal agencies, tables to maintain, and billing structures to keep accurate. It seemed that an unlimited number of cohorts would be unwieldy. The committee noted that OSU's 6-year graduation rate is about 68% (for students who entered in Fall 2015). OSU also reports an 8-year graduation rate to the federal government. For the cohort entering in Fall 2011, 111 additional students (relative to the six-year cohort graduations) graduated after 8 years (comprising 3.3% of the cohort) and another 34 students or 1.0% of the cohort were still enrolled. For the cohort entering in 2012, the equivalent numbers were an additional 83 students (or 2.5%) graduated by 8 years and 36 (1.1%) were still enrolled. The number of students who graduate or remain enrolled after 6 years is a very small fraction of the total incoming cohorts.

The UBC recommends that OSU maintain six undergraduate tuition cohorts at a time. Students who are enrolled longer than six years would move into the next oldest tuition cohort. This would simplify managing and reporting on cohorts, encourage six-year completion, and impact a relatively small percentage of students. Implementation requires discussion with the Registrar, Bursar, and General Counsel.

Comments and context on each of the major rate recommendations are included in the next sections. These are intended to provide additional detail or context on the information provided in the summary section at the beginning of this report.

**Discussion of Recommendations:****Tuition and mandatory fees**

The tuition rate recommendations endorsed by a consensus of UBC for all rates are listed in Tables 2, 3 and 4. Tables showing tuition by credit hour load for all majors will be available to students after approval of final rates by the Board. OSU rounds tuition charges to the nearest whole dollar after the application of a percentage rate increase.

*Undergraduate base tuition* for Corvallis and Cascades was recommended for a 3.9% increase for continuing students (the estimated inflation rate) and 4.4% for most new undergraduate students (the 3.9% plus 0.5%). The committee felt that only a small additional increase for new students was warranted given the large impacts of inflation on many students and families.

*Undergraduate base tuition* for Ecampus students is recommended for increases which bring all cohort rates to \$350/SCH. Ecampus recruits students in a very competitive national market and a single price is easier to explain to prospective and continuing students. This change includes a 3.9% increase for students who entered before July 1, 2021, a 2.0% increase for students who entered in 2021-22, and a 1.2% increase for other students.

*Undergraduate differential tuition rates* are recommended to increase at the rate for continuing students unless a unit requests no increase if they felt the increase would put the rates for their programs too high. Honors requested no increase next year. Differential rates are the same for all cohorts (Table 3).

*Graduate base tuition* is recommended to increase 0% for resident and Ecampus students and 3.9% for non-resident students. Resident graduate tuition is at the high side of peer rates and will keep campus and Ecampus programs more competitive. This would also reduce cost increases for departments and grants supporting graduate assistants. Rates for non-residents are near the median for peers and an inflationary increase is appropriate.

*Graduate differential tuition rates* will also increase by the recommended rate for the respective graduate students. In Engineering differential charges are kept the same for residents and non-residents and there is no increase. Public Health and Human Sciences asked to remove the differential charges for all of their graduate degrees and certificates in Public Health. Ecampus differential rates follow recommendations for resident graduate students and are held flat.

*Professional program tuition* for the PharmD, DVM, and professional degrees at Cascades are recommended to increase from 0% to 3.9% depending on the program (see Table 4). These rates were recommended by the particular programs after discussions with their students, an assessment of peer and market tuition rates, and an evaluation of demand for the programs.

*Summer tuition rates* for undergraduate and graduate students are recommended to match academic year resident per credit hour rates for the incoming cohort of resident students at the respective campuses. There is no differentiation between residents and non-residents for undergraduate and most graduate programs in the summer. Summer tuition is charged by the credit hour for most programs.

*Health fees* at both Cascades and Corvallis were reviewed by the UBC. Cascades is developing their health services program as enrollment grows and an increase of \$10 per quarter (10.1%) is recommended to support expanded services. An increase of 6.4% (\$14 per year) for Student Health Services (SHS) at

Corvallis is recommended to maintain continued services and address significant cost increases in health services. Counseling and Psychological Services (CAPS) in Corvallis is recommending a 1.95% (\$1.33) increase as the unit has a significant fund balance. Both units believe this will be sufficient to maintain current services for the next fiscal year.

*Other fees* include the student building loan/debt fee and matriculation fee. No increase is proposed for the matriculation fee. The student building loan/debt fee supports debt service used to build, repair, or renew student services buildings (such as the Memorial Union or Dixon Recreation Center). Prior to FY23, the fee had not been increased in over 20 years and there is a significant need for repair and improvements of these facilities over the next ten years. Last year the UBC recommended a \$2 increase in this fee and is recommending an additional \$2 increase to the fee this year (to \$49 per quarter). UBC is still reviewing proposals from Student Affairs addressing a detailed plan for capital renewal and construction identifying the needed borrowing capacity after considering existing capacity and available resources. These proposals will inform any advice on increases to this fee over the next few years.

At the recommended undergraduate tuition rate increase of 3.9% for continuing students and 4.4% for most new students (Scenario B in Table 1), the average base tuition increase for resident undergraduate students would be 3.76% in Corvallis, 3.82% in Bend, and 2.48% for Ecampus. The weighted average tuition and mandatory fee increase (the rate subject to the HECC 5% threshold) is 3.83% at Corvallis, 3.98% at Cascades, and 2.48% for Ecampus.

**Other projected rate changes:**

Tuition and mandatory fees are only part of the cost of attendance for students. Student incidental fees and housing and dining rates are the other major costs that are set by the university.

Student incidental fees are recommended to you for referral to the Board by the ASOSU and ASCC student governments based on recommendations from student-led committees and approval by the respective student government legislatures. Recommendations for incidental fee increases are likely to be 4.98% (\$23.97 per quarter for the academic year) for Corvallis. The increases address issues of cost inflation and several commitments to new or expanded services. The OSU-Cascades Student Fee Committee unanimously approved their Fiscal Year 2024 Student Fee Proposal for consideration by the Oregon State University Board of Trustees. The proposal increases the academic year student incidental fee from \$375 (Fiscal Year 2023) to \$385 (Fiscal Year 2024) per term per student (2.7%).

Housing and dining rates include a variety of room and meal plans that vary between campuses. On average, however, housing and dining rates for Corvallis are projected to increase in the 4% to 8% range, depending on FY23 occupancy, FY24 projected occupancy, staffing challenges, and the impact of inflation on operational costs. Final rate discussions are still pending.

Appendix B

Membership and meeting schedule of the University Budget Committee

**2022-23 University Budget Committee**

- Nicole von Germeten –Professor, School of History, Philosophy & Religion; OSU Faculty– **UBC Chair**
- Marc Norcross- Associate Professor, Public Health and Human Science; OSU Faculty
- Jon Boeckenstedt – Vice Provost, Enrollment Management
- Jeff Luck – Associate Professor; School of Social/Behavioral Health Sciences, OSU Faculty Senate Budget and Fiscal Planning Committee
- Jessica Dupont – Exec. Director, Market Development & Student Experience, Ecampus; OSU Faculty
- Lisa Gaines – Director, Institute for Natural Resources
- John Gremmels –Capital Planning & Development; Infrastructure Working Group
- Shaun Bromagem – Financial Planning Manager, College of Engineering
- Terri Libert – Interim Chief Financial Officer, OSU-Cascades
- Staci Simonich –Dean, College of Agricultural Sciences
- Tim Carroll – Dean, College of Business
- Sherm Bloomer – Associate Vice President, Budget and Resource Planning, *ex officio*
- Nicole Dolan – Director of Budget Development, Budget and Resource Planning, *ex officio*
- Joe Page, ASOSU, Student Fee Committee Chair
- Islam Elwefati, ASCC, Vice President
- Xander Robertson - Student at Large, ASOSU President Pro Tempore of the Senate
- Efimya (Mya) Kuzmin – Student at Large
- Zackery Allen, Graduate Student
- Lonni Ivey, Graduate Student

**Fall and Winter Meeting Schedule:**

October 21<sup>st</sup>  
November 4<sup>th</sup>  
November 18<sup>th</sup>  
December 2<sup>nd</sup>  
January 13<sup>th</sup>  
January 27<sup>th</sup>  
February 10<sup>th</sup>  
February 24<sup>th</sup>  
March 10<sup>th</sup>

Appendix C  
Minority reports

ORS 352.102 requires that the written report must include any minority report requested by a member of the advisory body.

There were no minority reports requested.

Appendix D  
Materials provided

ORS 352.102 requires that the written report must include “any documents produced or received by the advisory body under subsections (4) and (5)”. The full set of materials provided to the UBC as well as meeting notes are available at <https://fa.oregonstate.edu/budget/university-budget-committee/ubc-meeting-schedule> .

Subsection (4) says these materials include a plan for how the governing board and the public university’s administration are managing costs on an ongoing basis and a plan for how resident tuition and mandatory enrollment fees could be decreased if the public university receives more moneys from the state than anticipated. A summary of some of the key information follows in Appendix E.

The University Budget Committee (UBC) reviewed details of the drivers of cost increases and projections for costs and revenues for the E&G budget. The orientation and review materials provided to the UBC follow in Appendix E.

Subsection (5) says that “ Before making a recommendation to the president of the university that resident tuition and mandatory enrollment fees should be increased by more than five percent annually, the advisory body must document its consideration of: (a) The impact of the resident tuition and mandatory enrollment fees that the advisory body intends to recommend to the president of the public university on: (A) Students at the public university, with an emphasis on historically underserved students, as defined by the public university; and (B) The mission of the public university, as described by the mission statement adopted under ORS 352.089; and (b) Alternative scenarios that involve smaller increases in resident tuition and mandatory enrollment fees than the advisory body intends to recommend to the president of the public university.

The UBC recommendation is for an aggregate undergraduate resident tuition and mandatory fee increase of 3.52% (3.83% Corvallis, 3.98% Cascades, 2.48% Ecampus). The committee did not consider a scenario with an increase over 5% for resident undergraduate tuition<sup>2</sup>. However, the committee’s discussions do include consideration of the impact of tuition increases, additions to financial aid, and alternative strategies to tuition increases.

---

<sup>2</sup> The tuition and mandatory fee rate for incoming new students at Corvallis would increase 4.31% from rates for the 2022-23; at Cascades the new student increase would be 4.37%.

**Appendix E**

## OSU University Budget Committee Orientation Materials

**University Budget Committee**

The University Budget Committee (UBC) is appointed by and is advisory to the Provost. The Vice President for Finance and Administration, faculty leadership, student government, and others recommend members to serve on the UBC.

The UBC includes a representative cross-section of the university by function, and is the primary forum for discussions on the University's education and general (E&G) budget with a particular focus on Corvallis operations. Members of the UBC are charged to communicate with their colleagues and communities and to bring a broad university perspective to all discussions. The UBC contributes an independent point of view to central university budgeting and provides advice and oversight to central administration on policies and practices, including the timelines, regularity, visibility, and accuracy of its reports.

Some UBC members have standing appointments due their job responsibilities, and others will typically change on an annual basis, such as the student members and chair of the Faculty Senate Budget and Fiscal Planning Committee. The terms of other members will be staggered to assure both continuity and renewal. The expected average term of service is three academic years and appointments will generally not be renewed for consecutive three-year terms.

**2022-23 University Budget Committee**

- Nicole von Germeten –Professor, School of History, Philosophy & Religion; OSU Faculty– **UBC Chair**
- Marc Norcross- Associate Professor, Public Health and Human Science; OSU Faculty
- Jon Boeckenstedt – Vice Provost, Enrollment Management
- Frank Chaplen – Associate Professor; Agricultural Sciences, Faculty Senate Budget & Fiscal Planning Committee Chair
- Jessica Dupont – Exec. Director, Market Development & Student Experience, Ecampus; OSU Faculty
- Lisa Gaines – Director, Institute for Natural Resources
- John Gremmels –Capital Planning & Development; Infrastructure Working Group
- Shaun Bromagem – Financial Planning Manager, College of Engineering
- Terri Libert – Interim Chief Financial Officer, OSU-Cascades
- Staci Simonich –Dean, College of Agricultural Sciences
- Tim Carroll – Dean, College of Business
- Sherm Bloomer – Associate Vice President, Budget and Resource Planning, *ex officio*
- Nicole Dolan – Director of Budget Development, Budget and Resource Planning, *ex officio*
- Joe Page, ASOSU, Student Fee Committee Chair
- Islam Elwefati, ASCC, Vice President
- Xander Robertson - Student at Large, ASOSU President Pro Tempore of the Senate
- Efimya (Mya) Kuzmin – Student at Large
- Zackery Allen, Graduate Student
- Lonni Ivey, Graduate Student

**Charge**

The standing UBC charge:

- Make annual recommendations on tuition and mandatory enrollment fee rates to the Provost and President as part of the University's development of an annual tuition and fee proposal for the Board of Trustees in March of each academic year.

---

*April 13-14, 2023 Board of Trustees Meetings*

- Oversee the process of development of tuition recommendations consistent with ORS 352-102 and the policies of the University’s Board of Trustees.
- Review and propose edits to policies regarding tuition, differential tuition, course fees, and areas that impact the E&G budget.
- Identify, research, and review issues of concern brought forward by committee members, or the university community, and provide recommendations to the Provost.

The Provost may provide additional specific charges in a given academic year to address current issues of budget policy or planning.

The UBC may form subcommittees and/or invite members of the university community to participate on an *ad hoc* basis as necessary to address specific issues. Non-UBC participants and guests will not participate in voting.

Members of the university community are welcome to observe UBC meetings. The meeting schedule will be posted on the Budget & Resource Planning website.

### **Roles and Responsibilities for Tuition and Fee Recommendations**

The University Budget Committee has certain roles and responsibilities in its capacity as the tuition advisory body defined in ORS 352-102. The University Budget Committee serves as OSU’s tuition advisory board as described in ORS 352.102 as amended by HB 4141 (2018). The statute requires that, in recommending resident tuition and mandatory fee rates to the President each year, the university will:

- Establish (and post) a document describing the role of the advisory body (a minimum of 2 faculty, 2 administrators, 2 students from government, 2 students representing historically underrepresented groups) and its relationships to the university, president, and board.
- Provide the advisory body with training on:
  - The university budget
  - Mechanisms by which the state funds universities through HECC
  - Historical data on resident UG tuition and fees and state appropriations
- Include information for the advisory group on:
  - A plan for how the board and administration manage costs on an ongoing basis
  - A plan for how resident tuition and mandatory enrollment fees could be decreased with more state funding
- Ensure that the advisory group, before making a recommendation for an increase over 5% in tuition and fees to the president, documents a discussion of:
  - The impact on students with an emphasis on historically underrepresented students and the impact on the mission of the university
  - Alternative scenarios with lesser tuition increases and the consequences
- Instruct the advisory group to:
  - Provide meaningful opportunities for student government and other students to participate in the process and deliberations of the advisory body
  - Provide a written report to the president with recommendations (including a summary of the deliberations and observations), including any minority report and the materials referenced above
  - Post all materials, descriptions, processes and data on the university website including agendas, documents, data and minutes



**Components of Tuition and Financial Aid**

Tuition is charged to help support the costs of instructional delivery and a student’s academic experiences, as well as the facilities, services, and support operations that enable those experiences. Tuition can be charged in a number of different ways. Right now, tuition is charged by the course delivery mode (one rate for Corvallis, one for Cascades, one for Ecampus), by student level (graduate or undergraduate), and by student residency (in-state or out-of-state). Out-of-state rates are usually higher than in-state rates because the state contributes funding principally for residents of Oregon.

**Undergraduate tuition:**

Undergraduate tuition is charged by the credit hour (plus a small base charge for Corvallis and Cascades campus students). Undergraduate tuition may include:

- Base tuition: These rates are charged to undergraduate students in all programs.
- Differential tuition: This is an additional charge per credit charged by majors or courses that provide unique services or have particularly high costs of delivery. Engineering, Business, Forestry, and the Honors College have differential tuition charged by major. Some courses in the arts and graphic design in Liberal Arts have differential tuition charged by course.
- Undergraduate tuition rates at Corvallis and Cascades are different for resident students and non-resident students (non-resident rates are about three times resident rates).
- Ecampus undergraduate tuition is charged by credit hour (and includes the same differential charges) but has a different rate than campus rates and no difference between resident and non-resident rates.

**Graduate tuition:**

Graduate tuition is charged either per credit hour (the MBA in Business) or on a plateau basis—a charge per credit to 9 credits per quarter then no additional charge through 16 credit hours—which is common for most masters and doctoral graduate programs. Graduate tuition may include:

- Base tuition: These rates are charged to graduate students in most programs.
- Differential tuition: This is similar to undergraduate differentials. Engineering, Business and Public Health have per credit differential tuition.
- Professional tuition: This is a flat charge per quarter for programs with a set curriculum and professional accreditation. These include the Doctor of Veterinary Medicine degree, Doctor of Pharmacy degree, and the Doctor of Physical Therapy degree.
- Ecampus graduate tuition is charged on a per credit hour basis (and includes the same differential charges) but has a different rate than campus rates and has no difference between resident and non-resident rates.

**Other charges:**

There are some other charges that may appear on students’ bills:

- Mandatory fees: These are per quarter fees charged to all students (with a small number of exceptions) for the student building loan/debt fee, student health services fee, and a matriculation fee (charged only once upon entry to OSU). These are recommended by UBC.
- Mandatory incidental fees: These are charged to all students (with a small number of exceptions) and are proposed, recommended and overseen by elected student governments at Cascades and Corvallis. They fund a variety of services prioritized by student representatives.
- Course fees: These are fees charged per course for costs, experiences, equipment, or events unique to the particular course. These are proposed by academic units and are reviewed and approved by financial staff at the university.

**Financial aid:**

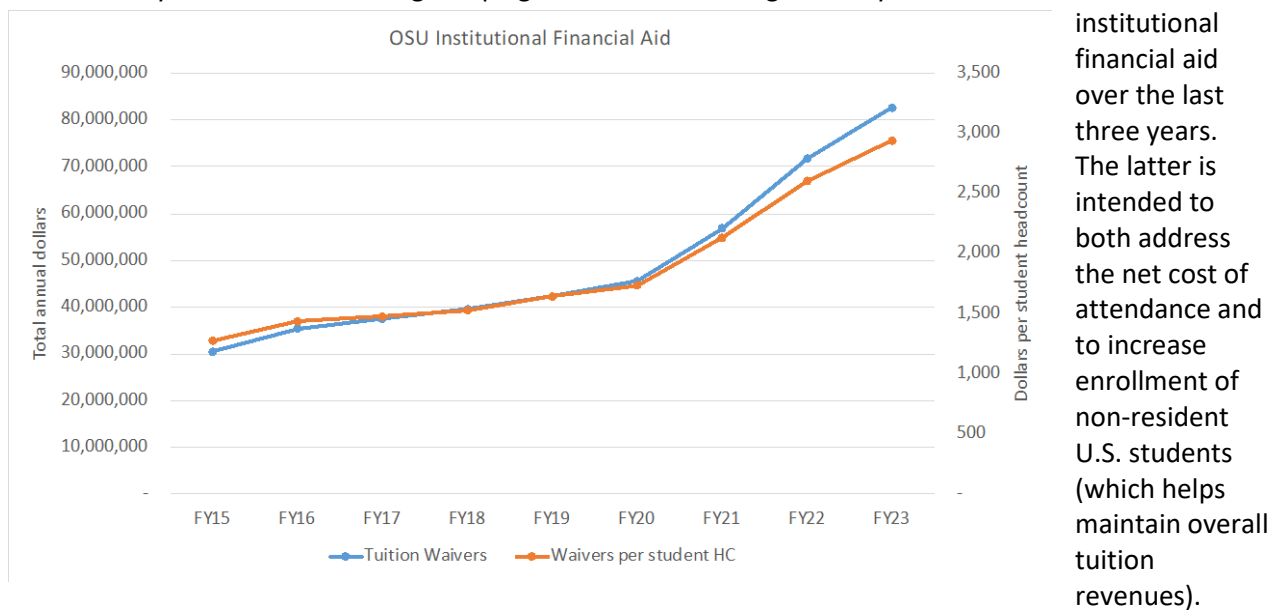
Tuition is part of the “list price” for attending OSU – the price before financial aid grants (aid that students do not have to pay back) is applied. Net price or cost is what students and families have to pay after accounting for grants and scholarships awarded to students.

Financial aid grants fall in three broad categories:

- Governmental aid: These are principally Pell Grants from the federal government and Oregon Opportunity Grants from the state. These are need-based awards.
- Private scholarships: These are funds provided by private donors (individuals, foundations, corporations, and non-profit organizations). These can be need- or merit-based and may have restrictions to certain majors or programs.
- Institutional financial aid: These are scholarships provided by the university out of general revenues. You will see them in our financial summaries as tuition waivers or negative revenue. They basically discount “list” tuition. These can be need- or merit-based but are more on the need side.

The first two types are sometimes referred to as “funded aid” as an entity other than the university pays them on behalf of the student. The third is “unfunded aid” as it is aid the university provides and is an overall reduction to tuition revenue. Of the \$127M in aid awarded in FY2017 30% was institutional financial aid (OSU E&G revenues committed to aid); 24% was federal aid; 7% was state aid, and 40% was from scholarships (largely from private donations). *[These were the last numbers I had on hand I am working on updating them to the current year].*

One of OSU’s challenges is that the funded aid available to the university is not as large as at many other public universities. In 2019, OSU ranked as the 9<sup>th</sup> most expensive of about 90 research-intensive (R1) public universities based on net cost (listed cost of attendance less all financial aid grants) for families with income less than \$30K per year. The university has prioritized raising private scholarship dollars in the recently launched fundraising campaign and has made a significantly increased commitment to



institutional financial aid over the last three years. The latter is intended to both address the net cost of attendance and to increase enrollment of non-resident U.S. students (which helps maintain overall tuition revenues).

**Tuition and the Tuition Setting Process**

Net tuition and fees provide about 64% of Corvallis Educational and General funding (ranging from 63% to 67% in recent years) and more than 80% of gross tuition is from undergraduate instruction. Resident undergraduate, non-resident undergraduate, and Ecampus tuition are 23%, 27% and 37% of gross tuition revenues, respectively, totaling about \$500M. The University Budget Committee is the tuition advisory body for OSU as required by ORS 352-102.

OSU is a special type of university. There are around 4,050 higher education institutions in the U.S. of which 680 are public, four-year universities. Of those, 71 are Land Grants (excluding the tribal colleges), 80 are Research 1 or R1 universities (very high research doctoral institutions), and only 34 are both Land Grants and R1 universities. OSU is one of those R1 Land Grant universities.

	Annual Tuition	
	Resident	non-resident
<b>Undergraduate-per academic year, 15 credits per term</b>		
<b>Oregon State</b>	<b>11,010</b>	<b>32,910</b>
Average Strategic Peers	10,699	32,605
Average All Land Grants here	10,978	32,741
Average Public Pac-12	11,154	37,589
<b>Median Strategic Peers</b>	<b>11,266</b>	<b>29,861</b>
<b>Median All Land Grants here</b>	<b>11,238</b>	<b>30,153</b>
<b>Median Public Pac-12</b>	<b>11,442</b>	<b>39,036</b>
<b>Graduate-per academic year, 12 credits per term</b>		
<b>Oregon State FY16</b>	<b>13,446</b>	<b>28,242</b>
Average Strategic Peers	12,251	29,290
Average All Land Grants here	12,379	29,181
Average Public Pac-12	13,144	30,737
<b>Median Strategic Peers</b>	<b>11,468</b>	<b>28,163</b>
<b>Median All Land Grants here</b>	<b>11,584</b>	<b>28,232</b>
<b>Median Public Pac-12</b>	<b>12,014</b>	<b>32,308</b>
<b>Ecampus-per credit (compared on quarter equivalent basis)</b>		
	Annual Undergrad Tuition	
	Resident	Non-resident
<b>Oregon State quarter basis</b>	<b>346</b>	<b>346</b>
Average	383	383
Median	325	325
Standard Deviation	170	170

**Table 2: Cost of Attendance comparisons**

**Table 1: Tuition comparisons 2022-23**

OSU’s tuition is similar to our peers among those public R1 institutions (Table 1)<sup>3</sup> though there is a wide range from \$9,489 to \$20,046 per year for residents and \$25,162 to \$42,954 for non-residents. Academic year tuition is for 15 credits per term for undergraduates and 12 credits per term for graduates.

Tuition only sets the list price for attendance. For many students, the actual cost is reduced by awards of financial aid. Grant aid (that students do not have to pay back) comes from three sources: university aid (paid for out of tuition revenues), governmental grants (mostly Federal), and privately funded scholarships. Loans can come from government-sponsored programs or private sources.

Tuition is only one part of the cost for students. Students also have costs for fees, room and board, books, transportation, and incidentals. Every university provides a cost of attendance estimate annually.

**OSU Cost of Attendance Estimates 2022-23 Undergraduate, 3 quarters, full-time**

	Resident	Non-resident
Tuition and Fees	\$ 13,191	\$ 34,983
Room and Board	\$ 14,238	\$ 14,238
Books and Supplies	\$ 600	\$ 600
Personal	\$ 2,247	\$ 2,247
Transportation	\$ 594	\$ 594
<b>Total</b>	<b>\$ 30,870</b>	<b>\$ 52,662</b>

<sup>3</sup> Strategic peers include Ohio State, Penn State, UC Davis, Purdue, Florida, Illinois, Wisconsin, Colorado State, NC State, UC Riverside, Tennessee and Washington State. Other land grants used include Michigan State, Texas A&M, Virginia Tech, Louisiana State, Kansas State, Arizona, and Georgia. Online comparisons include Penn State, Florida, Colorado State, Washington State and a number of other online programs ranked highly by U.S. News and World Report.

The median cost of attendance for resident undergraduate students at a set of OSU's peers is around \$32,000.

Tuition rates are set by the Board of Trustees. The Board's policy on the Tuition and Fee Process says:

“Tuition and mandatory enrollment fees are established annually by the Board, generally at the Board's meeting in March or April prior to the applicable academic year. When setting tuition and fees, the Board considers a number of factors, including the desire to provide access to degree programs, create a diverse student body, maintain strong degree programs at every level, and develop and maintain the human and physical infrastructure necessary to support Oregon's educational outcome goals. The Board's commitment to maintaining the long-term quality of the university's programs for students and for the state requires a deliberate approach to managing costs, planning for inflationary increases in costs, and considering new strategic investments. The Board, based on its commitment and fiduciary duties, including managing anticipated inflationary cost increases, establishes the expectation that annual tuition rate increases will be between 2 and 5 percent. Changes outside this range will be considered when necessitated by external factors such as changes in state funding, costs of state-provided benefits, or reductions in program scope or costs. “

The policy recognizes that there are annual increases to costs largely outside the control of the institution. These include salary increases (recently 2% to 4% annually, depending on employee group), increases for health insurance and retirement plans (2% to 10% annually depending on rates for the state's retirement plan), and inflation on the costs of goods and services (about 2.0% in recent years, estimated at 4.5% for the coming year though rates are volatile right now). The aggregate cost increase is usually between 2% to 5% and, because tuition is over 60% of revenues, this places annual pressure on tuition rates. Those rate increases occur every year and can be offset some years, in part, by reductions. Repeated cost reductions can, over time, harm the quality of the academic and other services the university provides students, faculty, and staff.

The President recommends tuition rate increases to the Board based on advice from the University Budget Committee. The UBC reviews the overall budget of the institution, historical tuition and fee trends, comparative data for peer institutions, the University's budget and projected costs, anticipated state appropriation levels, and comment from tuition forums and meetings with student groups.

The UBC has recommended, as standard practice, that tuition for continuing students (for all campuses, residencies and modalities) increases at no more than the estimated rate of inflation, based on a weighted average across spending categories. Tuition for students matriculating in the next academic year would increase at a slightly greater rate (for initial planning, an additional percentage point, but ultimately set with close attention to markets) than continuing students.

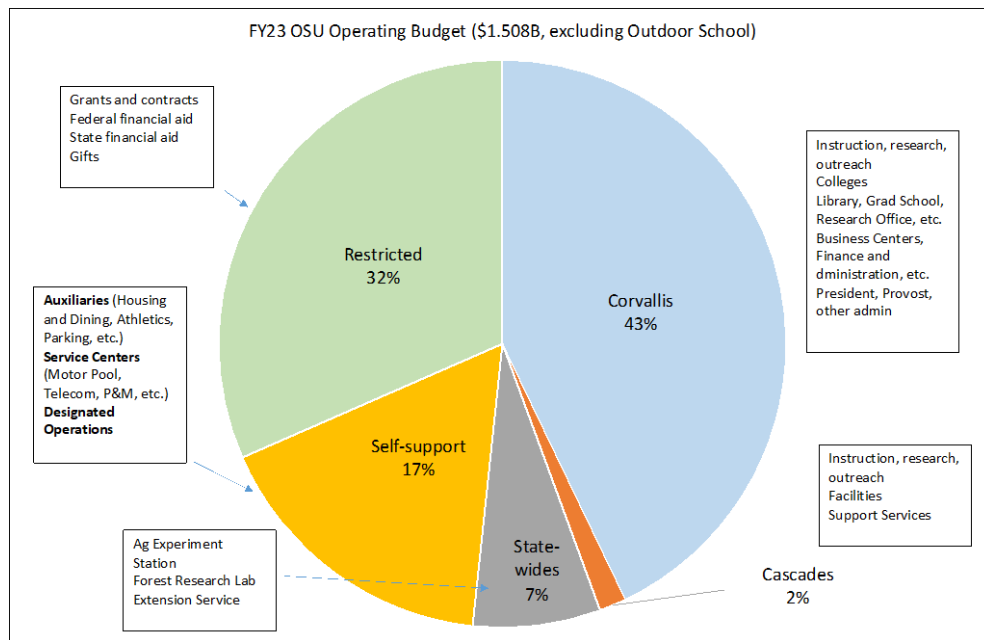
The UBC makes recommendations to the Provost and President for all tuition rates (undergraduate, graduate, differential, etc.) as well as student health services fees, the student building loan/debt fee and the matriculation fee. Meeting notes and materials are posted online for the university community. The recommendations are made by the end of February. The UBC convenes a series of forums and solicitations for public comment January through March. Feedback is shared with the Board, including any minority reports from the UBC. Full descriptions of the mandatory enrollment fees are [posted online](#).

## FAC Agenda Item 4b – Attachment 2

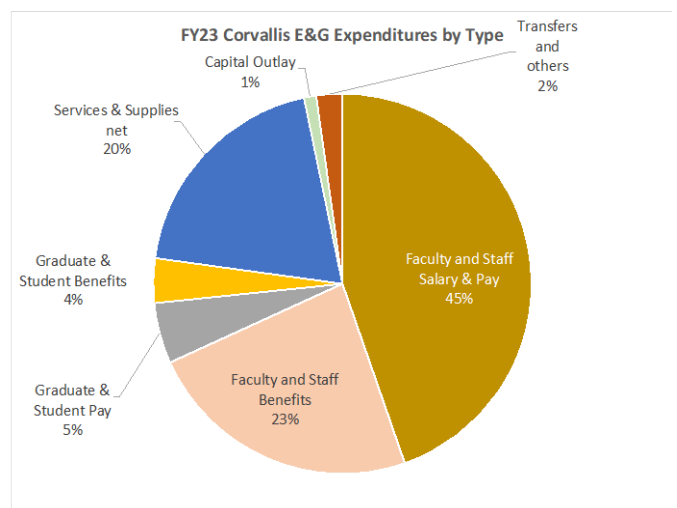
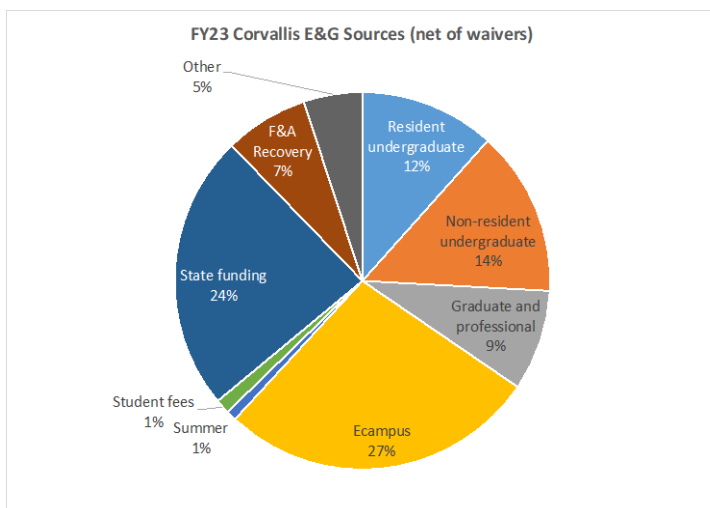
Mandatory incidental fees (supporting student services units such as Rec Sports, the MU, Cultural Centers, etc.) are developed by the Student Fee Committee of ASOSU and ASCC. These groups make recommendations of fee rates to ASOSU who approves and sends them to the President. With the President's approval, those recommendations are forwarded to the Board for final approval.

**Overview of the FY23 University Budget**

This presents a high-level summary of a couple of big-picture parts of OSU’s operating budget. The operating budget has three main buckets: (1) Education and General (Corvallis, Cascades, and Statewide Public Services) Funds, (2) Restricted Funds, and (3) Self-Support Funds. There are some other parts to the budget (like plant funds for construction projects) but these three are the ones supporting almost all university operations.



Tuition is the biggest component of Cascades and Corvallis E&G revenue. The left pie chart below shows the sources of Corvallis E&G revenue in FY23. The right pie chart shows the expense distribution projected for Corvallis E&G for FY23 ---note that 77% is related to labor expense.

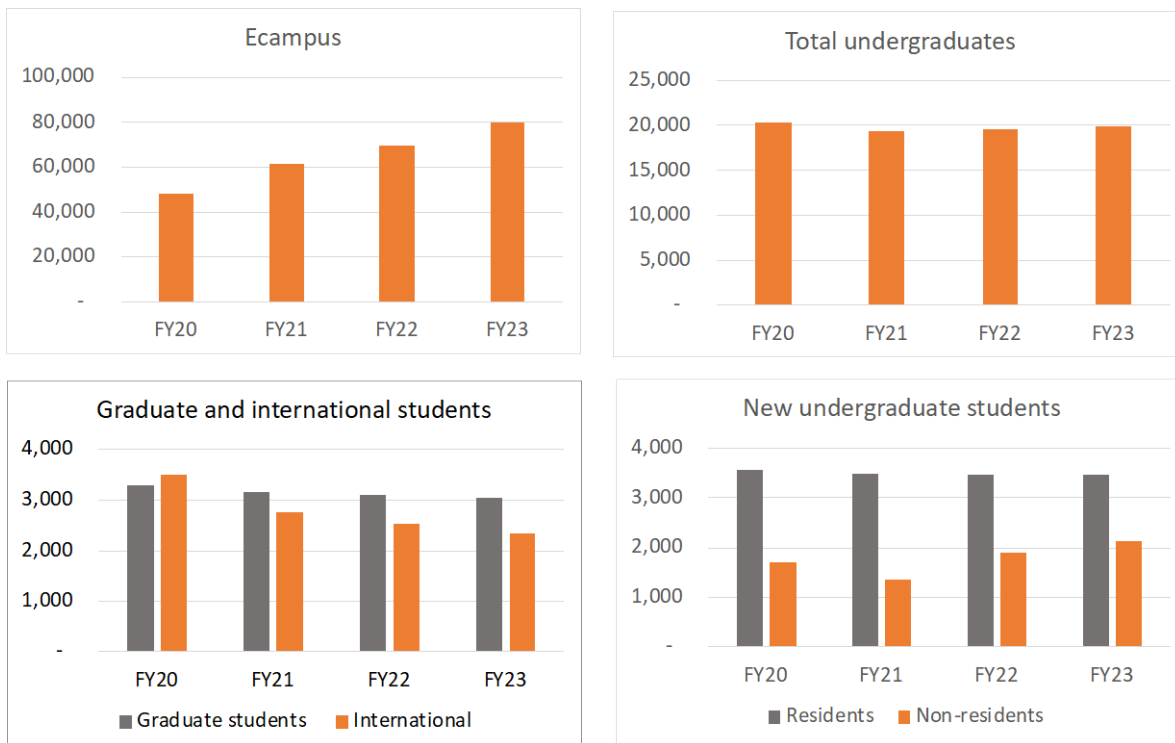


**What do state funding and enrollment look like for FY24?**

**State funding outlook.** The Legislature budgets on a biennial basis. The state allocates 49% of the biennial budget to universities in the first year and 51% in the second year. This amounts to about a 4% increase year-over-year. The legislature will convene in February to begin work on budgets for 2023-2025. The seven public universities calculated a “university base funding” (UBF) increase of 8.67% as the cost to continue current services. This is slightly more than the 7.9% Current Service Level (CSL) calculated by the state for the public universities. During the legislative session, the universities will be advocating for a larger increase than the UBF. The university calculated increase (the UBF) would translate into a 4.4% increase from FY23 to FY24. In planning, we will use a 4% increase for projections until there is more detail available on the level of state funding.

**How is enrollment doing?** OSU overall, compared to 2021-22, is up about 3.4% in headcount, 3.9% in credit hours (Corvallis is up 0.85% in headcount and 1.48% in credit hours; Cascades up 3.4% in headcount, 7.7% in credit hours, Ecampus up 11.0% in headcount, 14.5% in credit hours).

Enrollments in Corvallis show growth in undergraduates supported by substantial growth in new non-resident undergraduates and a stemming of the erosion of resident undergraduate enrollment. The large increase in non-resident undergraduates is a result of OSU rejoining the Western Undergraduate Exchange, which discounts non-resident tuition for some programs and students. The large new student class will build strong total enrollment in the future as those students move through OSU. There are challenges in graduate enrollments (almost all on the Masters side, not doctoral enrollments) and in international enrollments, which continue to decline. We expect similar changes in credit hour enrollments from FY23 to FY24 and are building the budget forecast based on a more detailed analysis of those trends.





**State funding mechanisms and recent history of state funding and tuition**

The state provides two major types of funding to OSU—operating funds (which are part of the Education and General operations for OSU) and capital funding, usually as state-paid long term debt.

**Operating Funding**

FY23 State Appropriations		
Category	OSU	OPU Total (HECC)
Public University Support Fund *	\$ 147,611,342	\$ 459,000,000
Public University State Programs	\$ 13,799,638	\$ 24,888,944
Targeted and One-time Appropriations	\$ 2,113,362	\$ 33,534,062
Agricultural Experiment Station	\$ 41,069,873	\$ 41,069,873
AES one-time	\$ 76,500	\$ 76,500
SWPS facilities support (transferred)	\$ 2,220,456	\$ 2,220,456
OSU Extension Service	\$ 30,239,890	\$ 30,239,890
ES one-time	\$ 1,637,500	\$ 1,637,500
Outdoor School	\$ 24,709,364	\$ 24,709,364
Forest Research Laboratory	\$ 6,168,695	\$ 6,168,695
Subtotal	\$ 269,646,620	\$ 623,545,284
Sports Lottery	\$ 603,200	\$ 8,257,304
State Energy Loan Program (SELP)	\$ 1,053,732	\$ 6,629,853
Total	\$ 271,303,552	\$ 638,432,441

\*PUSF amount prior to fall 2023 true up of SSCM allocations

The table to the left shows the operating allocations to OSU for 2022-23 as well as totals for the state allocations to all the universities. The Public University Support Fund is the largest allocation and is distributed to universities by the Student Success and Completion Model (SSCM)—more on this below.

Public university state programs are line item allocations for specific activities of interest to the state. Examples include the Institute for Natural Resources and the Oregon Climate Change Research Institute. The funding for

these is recurring, but subject to review every legislative session.

Sometimes there are one-time funds for specific projects of interest to the legislature. The three parts of the Statewide Public Services (Agriculture Experiment Station, Forest Research Laboratory, and Oregon Extension Service) receive the largest part of their operating funds through this state appropriation. The Extension Service also manages the funds for Oregon’s Outdoor School program, a new initiative that began in 2017-18. The state program funds, one-time funds, and Statewide Public Service funds are passed through to those particular units. There are also small allocations from the Sports Lottery (to Athletics and the Graduate School) and a loan program for energy efficiency projects (SELP).

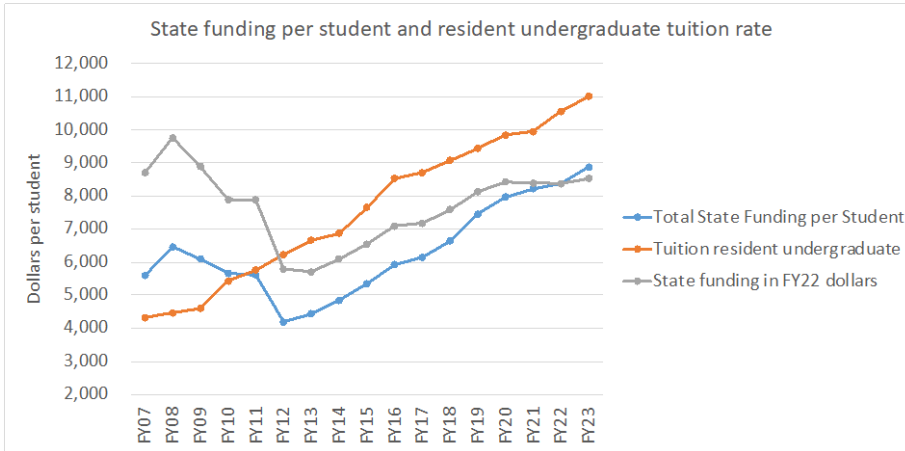
The largest part of the operating allocation is the Public University Support fund (PUSF) which is divided between the seven public universities through the SSCM. The SSCM has three components:

- **Mission Differentiation Funding** supports aspects of the work each public university does that are unique to its location or mission. It includes allocations based on regional criteria (OSU-Cascades gets some of this, but not as much as the other regional universities), research (OSU-Corvallis is allocated some of these funds) and public service missions and activities. This funding is 18% of the PUSF.
- **Activity-Based Funding** distributes resources based on student credit hour (SCH) completions of Oregon residents. The model counts credit hours by lower-division, upper-division, graduate, and professional courses and weights the credit hours by both level of study (lower-division vs graduate for example) and by discipline (engineering, english, etc.). 33% of the PUSF is allocated by the weighted credit hour activity.
- **Completion Funding** rewards degree and certificate completions by Oregon resident students. These are also counted and weighted by discipline and level. Completions by underrepresented students (underrepresented minority, low-income, rural and veteran status) and those in academic disciplines in high-demand and high-reward fields (STEM, Health, Bilingual Education) are provided additional 49% of the PUSF (60% of the non-mission differentiation funding) is allocated this way.



The operating budget is set in full sessions (odd years) for the next biennium. 49% of the allocated funding is distributed in the first year of the biennium and 51% in the second year. There are not usually large changes in short legislative sessions (even years) unless there is a sudden economic downturn.

**Trends**



State funding for higher education declined significantly during the 2008 recession in Oregon as in many other states. The graph at the left shows state funding per resident student in blue (with earmarked funds like statewide public services that are not used for education taken out). The steep declines through the recession are evident. The orange line shows annual resident undergraduate tuition (before tuition waivers or other

financial aid-- the so-called list price). The grey line shows state funding adjusted for local inflation (meaning the aggregate of actual rate increases for salaries, retirement and health benefits set by the state, and CPI inflation on goods and services) to be equivalent to FY22 dollars. Tuition rose more rapidly than the local inflation rate from FY10 through FY16, then has largely followed the trend of inflation. The large rate increases in tuition in FY15 and FY16 are the change from a tuition plateau structure to per credit hour tuition (the other public universities in Oregon had made this change several years before). Students taking 15 credits or more saw increases in FY15 and FY16 of that size, though students taking 12 credits or less saw 0% tuition increases. State support has grown back significantly but has still not reached the inflation adjusted level it was at in 2003. Increasing costs for the state pension system and public healthcare costs will continue to put significant pressure on state funding available for higher education.

**Capital Funding**

OSU has an internal process to identify high priority capital projects through an Infrastructure Working Group (IWG) that helps develop a ten-year capital forecast, which is approved by the Board of Trustees. When a project includes a request for state-paid debt support, it goes into the state budget process. The steps include:

- A submission of the project to the HECC. Projects are scored by the HECC using a rubric that looks at:
  - Compliance with HECC and institutional master plans
  - Alignment with HECC priorities
  - Cost Savings (much of this is deferred maintenance issues)
  - Life, Safety and Code compliance (a lot of this addressed deferred maintenance too)
  - Institutional priority and Impact of project on student success
  - Leveraging dollars (use of gifts, institution funds, other)
  - Strategic priorities of the state
- Based on the scoring, a set of projects from all institutions is submitted to the Governor. The Governor’s budget typically includes recommendations for which projects to fund.
- The Legislature gets an assessment of the state’s borrowing capacity from Treasury and decides how to allocate the capacity. The university requests have not uncommonly been 80% to over 100% of the available capacity (and we don’t get all of what we ask for)

- Universities work to facilitate the funding of their highest priority projects with legislators, stakeholders, and the other public universities.

**Employee Benefit Costs**

The benefits paid to employees are referred to at OSU as “Other Payroll Expenses” or OPE. They include health insurance, retirement, Social Security and Medicare, as well as costs for unemployment and other benefits. The tables below shows the components of those benefits (top table), how they translate to a percentage of salary (middle table), and the distribution of employees across the various retirement plans. Beginning in FY23, the university will now be responsible for funding a portion (currently 0.4%, with employees picking up 0.6%) of a 1.0% payroll tax to cover the Oregon Paid Family Leave plan

The state requires that OSU use the state’s retirement plans (administered by the Public Employees Retirement System or PERS) and health plans (administered by the Public Employees Benefit Board or PEBB). You may hear “PERS” used as shorthand for retirement costs or programs and “PEBB” used as shorthand for health costs or programs. The rates OSU is charged for both are set by the respective state programs.

<b>Components of Benefits Costs at OSU</b>					
	FY20	FY21	FY22	FY23	FY24
<b>% of Salary Components</b>					
Social Security	6.20%	6.20%	6.20%	6.20%	6.20%
Medicare	1.45%	1.45%	1.45%	1.45%	1.45%
Unemployment	0.10%	0.14%	0.20%	0.20%	0.20%
SAIF	0.31%	0.31%	0.31%	0.31%	0.31%
OPFMLA				0.40%	0.40%
Average Retirement	25.22%	25.05%	26.27%	26.27%	26.95%
<b>Total</b>	<b>33.28%</b>	<b>33.15%</b>	<b>34.43%</b>	<b>34.83%</b>	<b>35.51%</b>
<b>Fixed charge components</b>					
Health insurance	17,126.00	17,935.00	18,450.00	18,450.00	19,002.00
<b>Total</b>	<b>17,126.00</b>	<b>17,935.00</b>	<b>18,450.00</b>	<b>18,450.00</b>	<b>19,002.00</b>
<b>Illustration of Costs at Different Salary Levels</b>					
	FY20	FY21	FY22	FY23	FY23
<b>Annual 12-month Salary</b>	<b>Benefits as %:</b>	<b>Benefits as %:</b>	<b>Benefits as %:</b>	<b>Benefits as %:</b>	<b>Benefits as %:</b>
\$30,000	90.4%	92.9%	95.9%	96.3%	98.9%
\$47,000	69.7%	71.3%	73.7%	74.1%	75.9%
\$60,000	61.8%	63.0%	65.2%	65.6%	67.2%
\$82,000	54.2%	55.0%	56.9%	57.3%	58.7%
\$110,000	48.8%	49.5%	51.2%	51.6%	52.8%
	<b>Benefits as \$:</b>	<b>Benefits as \$:</b>	<b>Benefits as \$:</b>	<b>Benefits as \$:</b>	<b>Benefits as \$:</b>
\$30,000	\$27,110	\$27,880	\$28,779	\$28,899	\$29,655
\$47,000	\$32,768	\$33,516	\$34,632	\$34,820	\$35,692
\$60,000	\$37,094	\$37,825	\$39,108	\$39,348	\$40,308
\$82,000	\$44,416	\$45,118	\$46,683	\$47,011	\$48,120
\$110,000	\$53,734	\$54,400	\$56,323	\$56,763	\$58,063
<b>Average increase</b>		<b>1.99%</b>	<b>3.39%</b>	<b>0.61%</b>	<b>2.44%</b>

Annual salary	Benefit Increase year over year			
	FY20 to FY21	FY21 to FY22	FY22 to FY23	FY22 to FY23
\$30,000	2.8%	3.2%	0.4%	2.6%
\$47,000	2.3%	3.3%	0.5%	2.5%
\$60,000	2.0%	3.4%	0.6%	2.4%
\$82,000	1.6%	3.5%	0.7%	2.4%
\$110,000	1.2%	3.5%	0.8%	2.3%

**Estimates of Inflation**

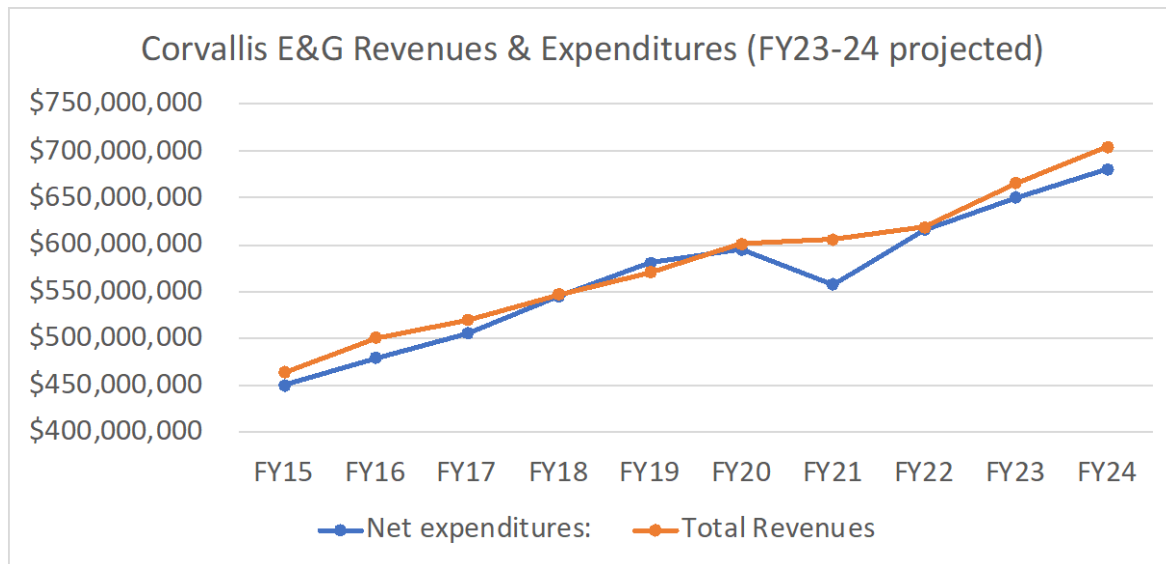
Year-over-year inflation on OSU’s costs are different than the inflation that is represented by indices like the Consumer Price Index (CPI). The CPI measures cost changes in a basket of goods and services. OSU’s costs are driven largely by cost increases for salaries (many of them set in negotiated contracts) and the costs of benefits for retirement and health insurance (which are set by the State of Oregon). The calculation of the overall inflation rate for the next year is based on a weighted average of the increases in different expense categories. This rate guides much of the recommendation for undergraduate tuition rate changes. The current weighted estimate for 2023-24 is currently 3.92%, calculated as shown below:

		FY23 to FY24			
Cost Category:	% of total spend	Rate Change	Change due to salary increases	Total Change	Comments/Method
Unclassified Salary & Pay	38.35%	3.50%		3.50%	3.5% effective July 1, 2023
Unclassified OPE	18.56%	2.38%	2.17%	4.60%	2.38% on base plus incremental OPE for salary increase
Classified Salary & Pay	7.15%	4.75%		4.75%	4.75% average increases, raise plus steps
Classified OPE	4.69%	2.56%	2.17%	4.79%	2.56% on base plus incremental OPE for salary increase
Graduate & Student Pay	5.26%	4.00%		4.00%	2% base increase (GA increase , minimum wage)
Graduate Fee Remissions	2.88%	0.00%		0.00%	0.0% resident tuition increase
Graduate & Student OPE	0.99%	8.00%		8.00%	8% general increase (health insurance)
Other Salary Costs	0.76%	2.00%		2.00%	2% general increase
Services & Supplies	21.37%	4.00%		4.00%	4% CPI for academic year by mid-2023
Capital Outlay					
Student Aid					
Service Credits					
<b>Total Expenditures</b>	<b>100.00%</b>			<b>3.92%</b>	
Transfers In					by incremental adjustments
Transfers Out					by incremental adjustments
Net transfers:					

**Cost Management Strategies**

The trends of revenues and net expenses (after transfers) for the Corvallis E&G budget are shown in Figure 1. Revenues have tracked expenses closely, sometimes 1-2% less than expenses, sometimes 1-3% greater than expenses. The large differences in FY21 resulted from the cost reductions during the pandemic and the addition of Federal aid that addressed revenue shortfalls in E&G and other funded operations.

Figure 1: Corvallis E&G revenue and expense growth (including net transfer out expenses). When we talk about budget cuts we are usually talking about slowing expense growth not reducing total overall spending year over year.



The thin margins of revenue over expense mean that OSU is always looking to manage expenses carefully. The university monitors and reviews costs both at the Board level and through university leadership at all levels. Some of the principal management activities include:

Board of Trustees:

- Annual approval of budgets for all funds, which requires a review of overall expenditures, projected fund balance, and strategies for cost reductions or investments of new state funding.
- Quarterly management reports assessing trajectories of actual revenues and expenses to budget, with an assessment of the reasons for changes outside set tolerances.
- Review of a ten-year business forecast every two years to consider long-term trajectories for tuition, enrollments, expenditures, other revenues, and financial metrics.
- Periodic assessment of PERS liabilities and alternatives to the increasing costs of those liabilities.
- Tuition policy that states the board expects that “annual tuition rate increases will be between 2 and 5 percent” which acknowledges expense reduction will be a regular, necessary part of budget planning, as state funding and enrollment growth often will not keep up with inflationary cost growth at those tuition increases.
- A practice of limiting tuition increases for continuing students to the estimated rate of inflation. Investments in new programs, additional spending for capital renewal, or shortfalls in state funding

increases are expected to be supported by revenue growth in enrollment or other sources or through cost management strategies.

University Leadership:

- Maintain an annual budget development process that looks three years out and assesses relative needs and priorities across units.
- Manage a system with highly distributed budget authority (deans and senior leaders have a budget with the charge to carry out the unit mission within the allocated resources. Units have significant authority over how to use those funds).
- Periodically assess cost budget growth rates by categories and units over five-year spans to guide decisions about budget reductions or new investments
- Participating in cost benchmarking with HelioCampus, a cost benchmarking consortium that provides comparisons of costs for various kinds of services (payroll, IT, etc.) for peer institutions including the University of Oregon, University of Texas, University of North Carolina and others.
- Assess salary levels relative to peer institutions for most professional faculty (classification-compensation structure) and leadership positions to make sure salaries are appropriate to market and job.
- Manage expense reductions when necessary which have included \$20M of expense reductions for the 2018-19 academic year and \$7.2M in January of 2019 to adjust to declining enrollments and increased PERS costs. FY20 reductions totaled about \$14M in strategic allocations, services and supplies spending, and personnel expenses. FY21 reductions included planning for about \$49M in Corvallis E&G reductions.
- In these reductions have distributed a larger proportion of reductions (as a percent of budget) to service and administrative units.
- Periodically identify areas for cost-reduction strategies (BennyBuy eprocurement, BennyHire process revision for hiring students, copier contracts, efficacy of custodial contracts, utilities strategies, insurance options, revised travel system, etc.).
- Are working to initiate a zero-based budget review of expenses for service, support and management areas as well as productivity benchmarks for academic units.