

FY2025 Tuition Rates, Mandatory Fees and Student Incidental Fees

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. The board's preferred range on the tuition and fee process reinforces this in stating the expectation that "annual tuition rate increases will be between 2 and 5 percent." Strategies for new enrollment growth and innovative efficiencies in administration, program and service delivery have been a foundational part of the university's operations and priorities and will continue to be in the future. However, growing cost pressures are straining OSU's ability to maintain tuition increases within this modest range.

SUMMARY OF RECOMMENDED CHANGES IN TUITION AND FEES FOR 2024-25

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 FY2025, including inflationary cost increases, important strategic commitments and existing commitments.
- Undergraduate financial aid need and allocations to assist students with highest need.
- Fall 2023 enrollments and enrollment targets for fall 2024.
- Comparisons of tuition rates with strategic plan peers.
- Impact of tuition increases on enrollment for undergraduate students.
- Any constraints from the Oregon Legislature on setting tuition and mandatory fees.

In Academic Years 2020-21 and 2021-22, OSU moved to a cohort tuition model, with the aim of limiting tuition rate increases for continuing undergraduate students to the estimated rate of inflation (or less) while increasing rates for incoming students in line with market comparators, which also provides 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. AY2024-25 is the sixth year and marks the final cohort in the tuition structure. 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 2024-25 to President Murthy in late February (a copy of that report is included in Attachment 2, as required by statute). The

UBC recommended level of increases were above the Board’s preferred range, but the recommendation was consistent with the university’s practice of raising returning student tuition in line with inflationary costs. Anticipated inflationary cost pressures suggested an increase in “continuing service level” estimates of approximately 7.05% for fiscal year¹ 2025. The UBC’s tuition recommendation was at that level (7.05% for returning students, 7.55% for new undergraduate students, along with other similar increases for Ecampus and some graduate and professional program rates).

The Oregon HECC has statutory authority to review and must approve any tuition increases exceeding 5.0% by any Oregon public university for resident undergraduate rates. While OSU may need to engage with HECC for a future approval in excess of this threshold, the president is recommending OSU not do so this year.

After a careful review, President Murthy has chosen to recommend to the board a level lower than the UBC recommendation. The president’s recommended levels of increase are noted in the table below. Two primary factors lead to this departure from the UBC levels: (1) an interest in making every effort to maintain affordability and access, particularly for returning students in light of the university’s new strategic plan (*Prosperity Widely Shared*); (2) the goal within that plan of increasing retention and graduation rates. The recommendation comes with an understanding that an increase above 5% may be necessary in near term subsequent years to sustain university service and advance its goals.

Rate	Recommendation	Notes
Continuing resident and non-resident undergraduate, Corvallis and OSU-Cascades	4.65%	4.65% - 7.05% ² increase scenarios (see Table 1) provided for discussion
New resident and non-resident undergraduate, Corvallis and OSU-Cascades	5.15%	5.15% - 7.55% ² increase scenarios (see Table 1) provided for discussion
Resident Graduate	2.00%	Graduate tuition is heavily market driven, slight increase to help with inflation pressures
Non-Resident Graduate	5.15%	5.15% - 7.55% ² increase scenarios (see Table 1) provided for discussion
Continuing and New Ecampus undergraduates	4.65%	Ecampus rates remain at a competitive level with peers; brings all cohorts to \$366/SCH
Continuing and New Ecampus graduate	2.00%	Maintains Ecampus rates at competitive level with peers; brings all cohorts to \$571/SCH
Professional tuition increases	3.00% - 7.00%	Depending on program (4.65% - Pharmacy, 7.00% Vet Med and 3% in OSU-Cascades)
Differential tuition undergraduate	4.65%	Except CS – no increase
Differential tuition graduate	4.65%	
Summer tuition	5.15%	

¹ OSU’s financial operations are discussed in terms of a “fiscal year” (FY), which runs from July 1 through June 30 each year.

² 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.

Mandatory matriculation fees	0%	No increases
Mandatory building debt fee – Corvallis	20.41% (\$10/qtr)	Needed increase to support renewal of student services buildings, \$2 increase in FY23 & FY24
Mandatory building debt fee – OSU-Cascades	8.16% (\$4/qtr)	Needed increase to support renewal of student services buildings
Student Health Services – OSU-Cascades	4.59%	Adding new services, \$5 increase per quarter
Student Health Services-Corvallis	4.74%	To address increasing costs of medical staffing and maintain services
Counseling and Psychological Services-Corvallis	10.99%	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 4.91% at Corvallis and 4.69% at OSU-Cascades. Detailed rates are listed in Tables 2 to 5.

The tuition rate increase recommendations are informed by projections that include an additional \$9.5M over FY24 in institutional financial aid in Scenarios 1 and 2 and \$11.4M in Scenario 3 to continue strategies related to enrollment of Pell-eligible Oregon residents and to increase non-resident enrollment through participation in the Western Undergraduate Exchange (WUE) program. Additionally, the projected expense estimates include emerging strategies around *Prosperity Widely Shared* and conservative estimates for the impacts to the intercollegiate athletics program revenues and expenses due to athletic conference realignment.

Table 1: Scenario planning for tuition recommendations. Tuition Scenario Table (All campuses): The UBC recommends Scenario 3 and understands the rationale for Scenario 1. 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. Scenarios 1 & 2 include an assumption of increased institutional financial aid of about 10% or \$9.5M, and Scenarios 3 includes 12% growth or \$11.4M.

	Scenario 1:		Scenario 2:		Scenario 3:	
	Continuing Resident & Non Resident New Resident & Non Resident	4.65% 5.15%	Continuing Resident & Non Resident New Resident & Non Resident	6.05% 6.55%	Continuing Resident & Non Resident New Resident & Non Resident	7.05% 7.55%
State funding at +4.1%	Resident undergraduate (annual):		Resident undergraduate (annual):		Resident undergraduate (annual):	
	Before 2020:	\$ 495	Before 2020:	\$ 630	Before 2020:	\$ 720
	Entered FY21:	\$ 495	Entered FY21:	\$ 675	Entered FY21:	\$ 765
	Entered FY22:	\$ 495	Entered FY22:	\$ 675	Entered FY22:	\$ 765
	Entered FY23:	\$ 495	Entered FY23:	\$ 675	Entered FY23:	\$ 765
	Entered FY24:	\$ 540	Entered FY24:	\$ 675	Entered FY24:	\$ 765
	New FY25	\$ 585	New FY25	\$ 720	New FY25	\$ 855
	Non-res undergraduate (annual):		Non-res undergraduate (annual):		Non-res undergraduate (annual):	
	Before 2020:	\$1,440	Before 2020:	\$ 1,890	Before 2020:	\$2,205
	Entered FY21:	\$1,485	Entered FY21:	\$ 1,935	Entered FY21:	\$2,295
	Entered FY22:	\$1,530	Entered FY22:	\$ 1,980	Entered FY22:	\$2,295
	Entered FY23:	\$1,530	Entered FY23:	\$ 2,025	Entered FY23:	\$2,340
	Entered FY24:	\$1,530	Entered FY24:	\$ 2,025	Entered FY24:	\$2,340
	New FY25	\$1,710	New FY25	\$ 2,160	New FY25	\$2,520
	Ecampus (Per SCH Impact):		Ecampus (Per SCH Impact):		Ecampus (Per SCH Impact):	
Continuing / New undergraduate	\$ 16	Continuing / New undergraduate	\$ 20	Continuing / New undergraduate	\$ 25	
Continuing / New graduate	\$ 11	Continuing / New graduate	\$ 11	Continuing / New graduate	\$ 11	
HECC	Corvallis Weighted Avg UG Res	4.91%	Corvallis Weighted Avg UG Res	7.23%	Corvallis Weighted Avg UG Res	8.04%
	OSU-Cascades Weighted Avg UG Res	4.69%	OSU-Cascades Weighted Avg UG Res	6.00%	OSU-Cascades Weighted Avg UG Res	6.90%

BUDGET OUTLOOK FOR FY2025

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 for continuing the present level of programs and services. These include salary increases (most 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 7.05% for 2024-25. Increases in tuition rates or state funding help offset this 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 around capital investment and funding to support *Prosperity Widely Shared* which includes enrollment growth, investments in information technology and new academic programs or courses that create new types of enrollments 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 2023 for Corvallis on campus students and retention rates consistent with those of the last three years. In alignment with *Prosperity Widely Shared*, the enrollment forecast includes increasing Ecampus enrollment to 30,000 students as well as increasing OSU-Cascades campus enrollment to 2,200 students by 2030.

State Funding Outlook

The State of Oregon budgets on a biennial basis and the 2024-25 fiscal year will be the second 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. This amounts to a 4.1% increase in the second year of the biennium. There are no major adjustments anticipated in that budget increase given current state economic forecasts.

TUITION AND FEE RECOMMENDATION PROCESS

Process

The [University Budget Committee](#) (UBC) reviews and recommends all tuition rates for Corvallis and OSU-Cascades as well as 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 within attachment 2 in addition to the discussion here.

April 4-5, 2024 Board of Trustees Meetings

The UBC has nineteen members, seven of whom are 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 its 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 aspiring to tuition increases in the range of 2% to 5%, barring extreme financial change, would continue.
- Striving for tuition increases for continuing students (for all campuses, residencies and modalities) that do not exceed the estimated rate of inflation, based on a weighted average across spending categories.
- Striving for tuition increases for students matriculating in the next academic year that reflect market trends and that support growth and new initiatives from which those students would benefit.
- 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, seeking an additional tuition rate increment for incoming students, reducing costs, and redistributing 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 president is recommending Scenario 1. The UBC recommended Scenario 3.

The UBC requested that Budget and Resource Planning staff explore the option of implementing a guaranteed tuition model. Following a recommendation, staff contacted the University of Oregon's Budget Office to learn more About its guaranteed tuition model. Key takeaways from that conversation included:

- It took UO several years to determine the appropriate rate structure;
- The charge to revise the tuition was from the UO President, Provost and VPFA;
- UO tuition is a 5-year guaranteed rate with the first year much larger than the other years, each year has a new price that is slightly higher than the previous year;
- Lots of hedging around enrollment and tuition must be done; financial aid is higher in year 1 and the university sets aside a larger amount of tuition for scholarships reducing the amount of distributed budget to units;
- UO's Tuition Advisory Board now focuses only on tuition and fees for incoming students and its outreach does result in current students' offering input on those future rates;
- Diligence about budgeting at UO is crucial as they cannot over-allocate and a reserve is required to provide for economic fluctuations.

The committee raised concerns of inequity for lower income households since under a guaranteed structure the first few years are typically at a much higher rate than would be the case in a non-guaranteed tuition structure and if a student does not complete their program, they would have larger financial debt. The committee concluded that it does not recommend pursuing a guaranteed tuition model at this time.

The UBC also recommended that the course fee process should be revised and a minimum course fee threshold be put in place at \$30 and recommended that .25% increase to tuition would suffice to cover the various course fees that are below that threshold. The committee determined that it was not possible to make this change without appropriate communication to the colleges that would be impacted. The recommendation is to potentially communicate this revision next year and make the tuition change with the FY26 tuition rates.

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 have been endorsed by a consensus of UBC members on February 23, 2024 for all rates listed in Tables 2, 3 and 4. An online 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 was recommended for a 7.05% increase for continuing students (the estimated inflation rate) and 7.55% for most new undergraduate students (the 7.05% 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 was recommended to increase consistently with on-campus rates at 7.05% for \$375/SCH.

Undergraduate differential tuition rates were 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. Differential rates are the same for all cohorts (Table 3).

Graduate base tuition was recommended to increase 2.00% for resident and 7.05% for non-resident students. Ecampus graduate base tuition is recommended to increase at 2.00%. Resident graduate tuition is at the high side of peer rates and a small increase will keep campus and Ecampus programs more competitive. Rates for non-residents are near the median for peers and an inflationary increase is appropriate.

Graduate differential tuition rates was also increased by the recommended rate for the respective graduate students. In Engineering differential charges are kept the same for residents and non-residents. Ecampus differential rates follow recommendations to increase at continuing service level.

Professional program tuition for the PharmD, DVM, and professional degrees at OSU-Cascades were recommended to increase 0% - 7.05% 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 were 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 OSU-Cascades and Corvallis were reviewed by the UBC. OSU-Cascades is developing its health services program as enrollment grows and an increase of \$5 per quarter (4.59%) is recommended to support expanded services. An increase of 4.74% (\$166.49 per term) for Student Health Services (SHS) at Corvallis was recommended to maintain continued services and address significant cost increases in health services. Counseling and Psychological Services (CAPS) in Corvallis recommended a 10.99% (\$77.36 per term) increase to align with the demand for services.

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, Dixon Recreation Center, the Cultural Resource Centers, and the Student Experience Center). Prior to FY24, the fee had only one inflationary increase in 20 years while capital construction inflation increased intensely over the same period. Given the significant need for repair and improvements of these student facing facilities – estimated at \$250M in deferred maintenance

for just the MU and Dixon Rec Center – this fee increase begins to meaningfully attend to the needed building renewal and reinvestment over the next ten years. Last year the UBC recommended a \$2 inflationary increase in this fee and is basing the FY25 recommendation on the scenarios provided. In scenarios 2, 3, and 4, the recommendation is for the building loan/debt fee to increase \$51/quarter or 104% to begin catching up on 20 years of capital construction inflationary increases in the marketplace. Under scenario 1, a more modest increase is planned in the first year with the same total aggregate increase over a five-year period. Under that scenario, the FY25 first year increase would be \$10/quarter which is a 20.4% increase.

At the recommended undergraduate tuition rate increase of 7.05% for continuing students and 7.55% for most new students (Scenario 3 in Table 1), the weighted average tuition and mandatory fee increase (the rate subject to the HECC 5% threshold) is 8.04% at Corvallis and 6.90% at OSU-Cascades. Under Scenario 1, the rates would be 4.91% at Corvallis, and 4.69% at OSU-Cascades.

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 4.27% (\$21.60 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 2025 Student Fee Proposal for consideration by the Oregon State University Board of Trustees. The proposal is to not increase in the student incidental fee for FY25, and instead have it remain flat at \$385 per term per student.

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. Tuition rates are rounded to whole dollars so exact percentage increases vary.

	2023-24		2024-25 Scenarios					
	2023-24 Per credit	Annual cost	Scenario 1		Scenario 2		Scenario 3	
			2024-25 per credit 4.65%/5.15%	Annual cost	2024-25 per credit 6.05%/6.55%	Annual cost	2024-25 per credit 7.05%/7.55%	Annual cost
Resident Corvallis								
Matriculated prior to July 2020	234	10,830	245	11,325	248	11,460	250	11,550
Matriculated 2020-21	241	11,145	252	11,640	256	11,820	258	11,910
Matriculated 2021-22	245	11,325	256	11,820	260	12,000	262	12,090
Matriculated 2022-23	247	11,415	258	11,910	262	12,090	264	12,180
Matriculated 2023-24	248	11,460	260	12,000	263	12,135	265	12,225
Matriculated 2024-25	-	-	261	12,045	264	12,180	267	12,315
Resident Cascades								
Matriculated prior to July 2020	225	10,425	235	10,875	239	11,055	241	11,145
Matriculated 2020-21	237	10,965	248	11,460	251	11,595	254	11,730
Matriculated 2021-22	241	11,145	252	11,640	256	11,820	258	11,910
Matriculated 2022-23	247	11,415	258	11,910	262	12,090	264	12,180
Matriculated 2023-24	248	11,460	260	12,000	263	12,135	265	12,225
Matriculated 2024-25			261	12,045	264	12,180	267	12,315
Non-resident								
Matriculated prior to July 2020	697	32,370	729	33,810	739	34,260	746	34,575
Matriculated 2020-21	718	33,315	751	34,800	761	35,250	769	35,610
Matriculated 2021-22	729	33,810	763	35,340	773	35,790	780	36,105
Matriculated 2022-23	737	34,170	771	35,700	782	36,195	789	36,510
Matriculated 2023-24	740	34,305	774	35,835	785	36,330	792	36,645
Matriculated 2024-25			778	36,015	788	36,465	796	36,825
Ecampus								
Matriculated prior to fall 2021	350	15,750	366	16,470	371	16,695	375	16,875
Matriculated 2021-22	350	15,750	366	16,470	371	16,695	375	16,875
Matriculated 2022-23	350	15,750	366	16,470	371	16,695	375	16,875
Matriculated 2023-24	350	15,750	366	16,470	371	16,695	375	16,875
Matriculated 2024-25			368	16,560	373	16,785	376	16,920
Summer								
Corvallis, all undergraduates	248	n/a	260	11,700	263	11,835	265	11,925
Cascades, all undergraduates	248	n/a	260	11,700	263	11,835	265	11,925

Table 3: Detail of undergraduate base tuition rate calculations for the current year and for the rates recommended to the board (Scenario 1 in Table 2). 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.

	2023-24 Base Tuition Components						2024-25 Base Tuition Components							
	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	Increase for 3 terms (45)	% increase
Resident Corvallis														
Matriculated prior to July 2020	100	234			234	10,830	100	245			245	11,325	495	4.57%
Matriculated 2020-21	100	241			241	11,145	100	252			252	11,640	495	4.44%
Matriculated 2021-22	100	245			245	11,325	100	256			256	11,820	495	4.37%
Matriculated 2022-23	100	247			247	11,415	100	258			258	11,910	495	4.34%
Matriculated 2023-24	100	248			248	11,460	100	260			260	12,000	540	5.12%
Matriculated 2024-25	100				-		100	261			261	12,045	585	5.10%
Resident Cascades														
Matriculated prior to July 2020	100	225			225	10,425	100	235			235	10,875	450	4.32%
Matriculated 2020-21	100	237			237	10,965	100	248			248	11,460	495	4.51%
Matriculated 2021-22	100	241			241	11,145	100	252			252	11,640	495	4.44%
Matriculated 2022-23	100	247			247	11,415	100	258			258	11,910	495	4.34%
Matriculated 2023-24	100	248			248	11,460	100	260			260	12,000	540	5.12%
Matriculated 2024-25	100						100	261			261	12,045	585	5.10%
Non-resident														
Matriculated prior to July 2020	335	225		472	697	32,370	335	235		494	729	33,810	1,440	4.45%
Matriculated 2020-21	335	237		481	718	33,315	335	248		503	751	34,800	1,485	4.46%
Matriculated 2021-22	335	241		488	729	33,810	335	252		511	763	35,340	1,530	4.53%
Matriculated 2022-23	335	247		490	737	34,170	335	258		513	771	35,700	1,530	4.48%
Matriculated 2023-24	335	248		492	740	34,305	335	260		514	774	35,835	1,530	4.87%
Matriculated 2024-25	335						335	261		517	778	36,015	1,710	4.98%
Ecampus														
Matriculated prior to fall 2021	-	253	97		350	15,750	-	271	104		366	16,470	720	4.57%
Matriculated 2021-22	-	253	97		350	15,750	-	271	104		366	16,470	720	4.57%
Matriculated 2022-23	-	253	97		350	15,750	-	271	104		366	16,470	720	4.57%
Matriculated 2023-24	-	253	97		350	15,750	-	271	104		366	16,470	720	4.57%
Matriculated 2024-25	-						-	271	104		366	16,470	720	4.57%
Summer														
Corvallis, all undergraduates		248			248	11,160		261			261	11,745		5.24%
Cascades, all undergraduates	-	248			248	11,160	-	261			261	11,745		5.24%

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.

	FY24 Rate	FY25 Rate	Annual cost at 12 credits	% increase	Notes
Base resident graduate tuition	\$ 498	\$ 508	\$ 13,715	2.00%	per credit with plateau 9-16 credits
Base non-resident graduate tuition	\$ 1,087	\$ 1,143	\$ 30,861	5.15%	per credit with plateau 9-16 credits
Base Ecampus graduate tuition	\$ 560	\$ 571	\$ 20,563	2.00%	per credit with plateau 9-16 credits
Base summer graduate	\$ 498	\$ 524	\$ 14,148	5.22%	per credit, all credits, all residencies
Professional degrees					
PharmD resident	\$ 776	\$ 812	\$ 29,232	4.64%	Per credit to 12 credits then flat
PharmD non-resident	\$ 1,268	\$ 1,327	\$ 47,772	4.65%	Per credit to 12 credits then flat
DVM resident	\$ 27,204	\$ 29,108	\$ 29,108	7.00%	Flat rate
DVM non-resident	\$ 54,411	\$ 58,220	\$ 58,220	7.00%	Flat rate
MBA, MS Business resident	\$ 806	\$ 830	\$ 29,880	2.98%	Per credit, base tuition of \$508 plus \$322 per credit
MBA, MS Business non-resident	\$ 1,519	\$ 1,595	\$ 57,420	5.00%	Per credit, base tuition of \$1,143 plus \$452 per credit
Cascades MS Coun resident	\$ 464	\$ 478	\$ 17,205	3.00%	Per credit
Cascades MS Coun non- resident	\$ 880	\$ 906	\$ 32,630	3.00%	Per credit
Cascades MAT resident	\$ 464	\$ 464	\$ 16,704	0.00%	Per credit
Cascades MAT non-resident	\$ 880	\$ 906	\$ 32,630	3.00%	Per credit
Cascades MFA resident	\$ 487	\$ 510	\$ 18,356	4.70%	Per credit
Cascades MFA non-resident	\$ 506	\$ 510	\$ 18,362	0.80%	Per credit
Cascades Doc Phys Therapy resident	\$ 22,737	\$ 23,419	\$ 23,419	3.00%	3% increase
Cascades Doc Phys The. non-res	\$ 33,237	\$ 34,234	\$ 34,234	3.00%	3% increase
Mandatory fees - Fall/Winter/Spring					
Matriculation fee	\$ 350.00	\$ 350.00	\$ 350.00	0.00%	Charged once on matriculation
Building fee - Corvallis	\$ 49.00	\$ 59.00	\$ 177.00	20.41%	Charged per quarter
Building fee - Cascades	\$ 49.00	\$ 53.00	\$ 159.00	8.16%	Charged per quarter
Student health services Corvallis	\$ 158.96	\$ 166.49	\$ 499.47	4.74%	Charged per quarter
Counseling Corvallis	\$ 69.70	\$ 77.36	\$ 232.08	10.99%	Charged per quarter
Student health services Cascades	\$ 109.00	\$ 114.00	\$ 342.00	4.59%	Charged per quarter
Mandatory fees - Summer					
Matriculation fee	\$ 350.00	\$ 350.00	\$ 350.00	0.00%	Charged once on matriculation
Building fee (Corvallis & Cascades)	\$ 37.00	\$ 40.00	\$ 120.00	8.11%	Charged per quarter
Student health services Corvallis	\$ 151.86	\$ 159.45	\$ 478.35	6.40%	Charged per quarter
Counseling Corvallis	\$ 52.68	\$ 55.31	\$ 165.93	1.95%	Charged per quarter
Student health services Cascades	\$ 109.00	\$ 114.00	\$ 342.00	4.59%	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.

	FY24 Rate	FY25 Rate	% increase
Undergraduate campus differentials			
General Engineering resident	38	0	-100.00% ¹
General Engineering non-resident	38	0	-100.00% ¹
Engineering resident	59	62	5.08%
Engineering non-resident	59	62	5.08%
Forestry resident	19	20	5.26%
Forestry non-resident	19	20	5.26%
Business resident	25	26	4.00%
Business non-resident	25	26	4.00%
Arts CLA resident	24	25	4.17%
Arts CLA non-resident	24	25	4.17%
Honors resident & non-resident (flat)	250	260	4.00%
Honors resident & non-resident (flat)	500	520	4.00%
Graduate campus differentials			
Engineering resident	59	62	5.08%
Engineering non-resident	59	62	5.08%
MBA and MS Business resident	308	322	4.55%
MBA and MS Business non-res	432	452	4.63%
Ecampus undergraduate differentials			
Computer Science post bacc dif	211	211	0.00%
Business Students	25	26	4.00%
Pre engineering students	38	0	-100.00% ¹
Engineering students	59	62	5.08%
BS Computer Science	59	62	5.08%
Developmental Math	-97	-102	5.15%
Honors resident & non-resident (flat)	250	260	4.00%
Honors resident & non-resident (flat)	500	520	4.00%
Ecampus graduate differentials			
AHE PhD and EdD	30	31	3.33%
PhD in Counseling	30	31	3.33%
MS in Counseling	30	31	3.33%
MBA and Business Courses	308	322	4.55%
Engineering MS Rad. Health Phy	131	137	4.58%
College of Engineering students	59	62	5.08%

¹There is no longer General or Pre/Pro Engineering tuition. These Engineering students will be charged at the Engineering major rate.

STUDENT AND CAMPUS ENGAGEMENT AND COMMENTS

Seven of the UBC's nineteen 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, a daily email news briefing provided by OSU News and Communication Services.

There were four tuition forums held in person in Corvallis and online via Zoom in January through the end of February, 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 also meet with clubs to further seek student feedback.

RECOMMENDATION

The president recommends that the board approve the resolution in Attachment 1 establishing the academic year 2024-25 and summer 2024 tuition and mandatory fees, at the rates documented in Attachment 1, Exhibit A. The principal recommendations are for a 4.65% increase for continuing undergraduates (Corvallis and OSU-Cascades), a 5.15% increase for new undergraduate students (Corvallis and OSU-Cascades) as well as 4.65% increase for Ecampus students continuing and new. (These rates result in a weighted average for HECC purposes of 4.91% for resident undergraduates.)

RESOLUTION NO. 24-03

**Oregon State University
Tuition and Mandatory Fees
For Academic Year 2024-25 and Summer Term 2024**

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 2024-25 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 OSU-Cascades a 4.65% increase in tuition for continuing resident and non-resident undergraduate students and a 5.15% increase for new resident and non-resident undergraduate students (a weighted average of 4.91%);

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 2024-25 and summer 2024 tuition and mandatory fee schedules calculated as defined in Exhibit A.

This Resolution is effective _____, 2024.

APPROVED by the Board of Trustees _____, 2024

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 2024-25 and Summer Term 2024

EXHIBIT A: Tuition and Fee Schedule Rules and Tables

The tuition and fee schedules are derived from the rates in Table 2 (Scenario 1), 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 six cohorts of base tuition rates for Corvallis and Cascades undergraduates in 2024-25. 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 \$520 per quarter for 12 credits and over or \$260 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 \$520 per quarter is charged for credit loads of 12 credits per quarter and above or a charge of \$260 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 Master 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 Oregon Legislature. Incidental fees are recommended by the respective student governments.

Recommended fee rates for Academic Year 2024-25 are:

Oregon State University-Corvallis Campus Academic Year 2024-2025 Mandatory Fee Rates^{1,2}

Undergraduate Mandatory Fees				
Credits	Student Building Loan/Debt	Incidental	Health Service	Total Fees
1	37.00	527.07	243.85	807.92
2	39.00	527.07	243.85	809.92
3	41.00	527.07	243.85	811.92
4	43.00	527.07	243.85	813.92
5	45.00	527.07	243.85	815.92
6	47.00	527.07	243.85	817.92
7	49.00	527.07	243.85	819.92
8	51.00	527.07	243.85	821.92
9	53.00	527.07	243.85	823.92
10	55.00	527.07	243.85	825.92
11	57.00	527.07	243.85	827.92
12 or more	59.00	527.07	243.85	829.92

Graduate Mandatory Fees			
Student Building Loan/Debt	Incidental	Health Service	Total Fees
35.00	527.07	243.85	805.92
38.00	527.07	243.85	808.92
41.00	527.07	243.85	811.92
44.00	527.07	243.85	814.92
47.00	527.07	243.85	817.92
50.00	527.07	243.85	820.92
53.00	527.07	243.85	823.92
56.00	527.07	243.85	826.92
59.00	527.07	243.85	829.92
59.00	527.07	243.85	829.92
59.00	527.07	243.85	829.92
59.00	527.07	243.85	829.92

(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- OSU-Cascades Campus Academic Year 2024-2025 Mandatory Fee Rates^{1,2}

Undergraduate Mandatory Fees				
Credits	Student Building Loan/Debt	Incidental	Health Service	Total Fees
1	31.00	297.00	114.00	442.00
2	33.00	305.00	114.00	452.00
3	35.00	313.00	114.00	462.00
4	37.00	321.00	114.00	472.00
5	39.00	329.00	114.00	482.00
6	41.00	337.00	114.00	492.00
7	43.00	345.00	114.00	502.00
8	45.00	353.00	114.00	512.00
9	47.00	361.00	114.00	522.00
10	49.00	369.00	114.00	532.00
11	51.00	377.00	114.00	542.00
12 or more	53.00	385.00	114.00	552.00

Graduate Mandatory Fees			
Student Building Loan/Debt	Incidental	Health Service	Total Fees
29.00	297.00	114.00	440.00
32.00	308.00	114.00	454.00
35.00	319.00	114.00	468.00
38.00	330.00	114.00	482.00
41.00	341.00	114.00	496.00
44.00	352.00	114.00	510.00
47.00	363.00	114.00	524.00
50.00	374.00	114.00	538.00
53.00	385.00	114.00	552.00
53.00	385.00	114.00	552.00
53.00	385.00	114.00	552.00
53.00	385.00	114.00	552.00

(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 2024 are:

Oregon State University-Corvallis Campus Summer Term 2024 Mandatory Fee Rates^{1,2}

Undergraduate Mandatory Fees				
Credits	Student Building Loan/Debt	Incidental	Health Service	Total Fees
1	40.00	48.50	214.76	303.26
2	40.00	48.50	214.76	303.26
3	40.00	48.50	214.76	303.26
4	40.00	48.50	214.76	303.26
5	40.00	48.50	214.76	303.26
6	40.00	48.50	214.76	303.26
7	40.00	48.50	214.76	303.26
8	40.00	48.50	214.76	303.26
9	40.00	48.50	214.76	303.26
10	40.00	48.50	214.76	303.26
11	40.00	48.50	214.76	303.26
2 or more	40.00	48.50	214.76	303.26

Graduate Mandatory Fees			
Student Building Loan/Debt	Incidental	Health Service	Total Fees
40.00	48.50	214.76	303.26
40.00	48.50	214.76	303.26
40.00	48.50	214.76	303.26
40.00	48.50	214.76	303.26
40.00	48.50	214.76	303.26
40.00	48.50	214.76	303.26
40.00	48.50	214.76	303.26
40.00	48.50	214.76	303.26
40.00	48.50	214.76	303.26
40.00	48.50	214.76	303.26
40.00	48.50	214.76	303.26
40.00	48.50	214.76	303.26

(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^{1,2}

Undergraduate Mandatory Fees				
Credits	Student Building Loan/Debt	Incidental	Health Service	Total Fees
1	40.00	-	114.00	154.00
2	40.00	-	114.00	154.00
3	40.00	91.00	114.00	245.00
4	40.00	91.00	114.00	245.00
5	40.00	91.00	114.00	245.00
6	40.00	91.00	114.00	245.00
7	40.00	91.00	114.00	245.00
8	40.00	91.00	114.00	245.00
9	40.00	91.00	114.00	245.00
10	40.00	91.00	114.00	245.00
11	40.00	91.00	114.00	245.00
2 or more	40.00	91.00	114.00	245.00

Graduate Mandatory Fees			
Building	Incidental	Health Service	Total Fees
40.00	-	114.00	154.00
40.00	-	114.00	154.00
40.00	91.00	114.00	245.00
40.00	91.00	114.00	245.00
40.00	91.00	114.00	245.00
40.00	91.00	114.00	245.00
40.00	91.00	114.00	245.00
40.00	91.00	114.00	245.00
40.00	91.00	114.00	245.00
40.00	91.00	114.00	245.00
40.00	91.00	114.00	245.00
40.00	91.00	114.00	245.00

(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 2024-2025 fiscal year.

To: Jayathi Murthy, President
 From: Nicole von Germeten, Chair, University Budget Committee
 Re: Recommendations for Tuition and Mandatory Fee Rates for 2024-2025
 Cc: Edward Feser, Provost and Executive Vice President

Summary:

The University Budget Committee (UBC) constitutes the tuition advisory body required by the State of Oregon statute, ORS 352.102. The UBC recommends the following rate changes in tuition and mandatory fees from 2023-24 to 2024-25 for your consideration in recommendations to the Board of Trustees. Tuition and Fee rate recommendations apply to Corvallis, Cascades, and Ecampus students unless otherwise noted. The committee understands this recommendation will require HECC approval.

Rate	Recommended Increase	Notes
Continuing resident and non-resident undergraduate, Corvallis and Cascades	7.05%	4.55% - 8.05% ³ increase scenarios (see Table 1) are provided for discussion
New resident and non-resident undergraduate, Corvallis and Cascades	7.55%	5.05% - 8.55% ¹ increase scenarios (see Table 1) are provided for discussion
Resident Graduate	2.00%	Graduate tuition is heavily market driven, small increase to help with inflation pressures
Non-Resident Graduate	7.05%	4.55% - 8.05% ¹ increase scenarios (see Table 1) are provided for discussion
Continuing and New Ecampus undergraduates	7.05%	Maintains Ecampus rates at a competitive level with peers; brings all cohorts to \$375/SCH
Continuing and New Ecampus graduate	2.00%	Maintains Ecampus rates at a competitive level with peers; brings all cohorts to \$571/SCH
Professional tuition increases	7.05%	Depending on the program (DPT at Cascades, Pharmacy, Vet Med)
Differential tuition undergraduate	7.05%	4.55% - 8.05% ¹ increase scenarios (see Table 1) are provided for discussion; Honor's College 7%
Differential tuition graduate	7.05%	4.55% - 8.05% ¹ increase scenarios (see Table 1) are provided for discussion; MBA no increase
Summer tuition	7.55%	5.05% - 8.55% ¹ increase scenarios (see Table 1) are provided for discussion
Mandatory matriculation fees	0%	No increases

³ 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.

Mandatory building debt fee – Corvallis	104% (\$51/SCH)	Needed increase to support renewal of student services buildings \$2 increase in FY23 & FY24; Under Scenario 1, the increase is 35% or \$17
Mandatory building debt fee – Cascades	8.16% (\$4/SCH)	Needed increase to support renewal of student services buildings
Student Health Services-Cascades	4.59%	Adding new services, \$5 increase per quarter
Student Health Services-Corvallis	4.74%	To address increasing costs of medical staffing and maintain services
Counseling and Psychological Services-Corvallis	10.99%	To maintain current service levels; some vacancies and fund balance

The weighted average tuition and mandatory fee increase (the rate subject to the HECC 5% threshold) is 8.04% at Corvallis and 6.90% at Cascades under Scenario 3 and 4.91% at Corvallis, 4.69% at Cascades under Scenario 1. Detailed rates are listed in Tables 2, 3 and 4. Details of the process that led to these recommendations are included in the Appendices within Attachment 2.

The tuition rate increase recommendations are informed by projections that include an additional \$9.5M over FY24 in institutional financial aid in Scenarios 1 & 2 and \$11.4M in Scenarios 3 & 4 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. Additionally, the projected expenses estimates include emerging strategies around *Prosperity Widely Shared*, conservative estimates for the PAC12 realignment and potential salary changes related to bargaining agreements.

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 increased 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. AY2024-25 is the sixth and last year in the cohort tuition structure. 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) increases at the estimated inflation rate of 7.05%. Four scenarios are illustrated in Table 1 to show the impact of other rates, but the recommendation is for 7.05%. This inflationary (continuing service level, or “CSL”) is higher than many recent years reflecting anticipated cost pressures from labor contracts, non-labor cost pressures, and other anticipated expense increases.
- Tuition for students matriculating in the next academic year would increase at inflation plus 0.5%. This is consistent with recent past practice to set the incoming student rate slightly higher than the rate for returning students.
- Rates for Ecampus undergraduate programs are recommended to be adjusted next year at the same level as campus-based continuing student rates, with the exception of Scenario 4, which keeps the increase at 7.05%. The growth opportunities in Ecampus and for OSU are primarily for fully online students, and one rate for new and continuing students is

easier to explain and more consistent with pricing structures for competitors. It also keeps Ecampus programs priced competitively in a national market with many options for students.

- Differential tuition charged above base tuition is increased at the rate for continuing students, so 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 is recommended to increase at 2.0%.
- Ecampus graduate tuition rates (except for the differential charges) are recommended for increases of 2.00%.
- Non-resident graduate and professional tuition rates are recommended to increase at the 7.05% inflation estimate.

The committee considered the lower tuition Scenario 1 in order to avoid the uncertainty and additional process time required to seek approval from Oregon's Higher Education Coordinating Commission (HECC). If that were to be the case, the committee anticipates the need for a larger (exceeding the 5.0% HECC review threshold) tuition increase for FY2026.

A series of tuition forums are being held January through February. 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 (All campuses): The UBC recommends Scenario 3 and understands the rationale for Scenario 1. 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. Scenarios 1 & 2 include an assumption of institutional financial aid of about 10% or \$9.5M, and Scenarios 3 & 4 include 12% or \$11.4M.

	Scenario 1:		Scenario 2:		Scenario 3:		Scenario 4:	
	Continuing Resident & Non Resident New Resident & Non Resident	4.55% 5.05%	Continuing Resident & Non Resident New Resident & Non Resident	6.05% 6.55%	Continuing Resident & Non Resident New Resident & Non Resident	7.05% 7.55%	Continuing Resident & Non Resident New Resident & Non Resident	8.05% 8.55%
State funding at +4.1%	Resident undergraduate (annual):		Resident undergraduate (annual):		Resident undergraduate (annual):		Resident undergraduate (annual):	
	Before 2020:	\$ 495	Before 2020:	\$ 630	Before 2020:	\$ 720	Before 2020:	\$ 855
	Entered FY21:	\$ 495	Entered FY21:	\$ 675	Entered FY21:	\$ 765	Entered FY21:	\$ 855
	Entered FY22:	\$ 495	Entered FY22:	\$ 675	Entered FY22:	\$ 765	Entered FY22:	\$ 900
	Entered FY23:	\$ 495	Entered FY23:	\$ 675	Entered FY23:	\$ 765	Entered FY23:	\$ 900
	Entered FY24:	\$ 540	Entered FY24:	\$ 675	Entered FY24:	\$ 765	Entered FY24:	\$ 900
	New FY25	\$ 585	New FY25	\$ 720	New FY25	\$ 855	New FY25	\$ 945
	Non-res undergraduate (annual):		Non-res undergraduate (annual):		Non-res undergraduate (annual):		Non-res undergraduate (annual):	
	Before 2020:	\$ 1,440	Before 2020:	\$ 1,890	Before 2020:	\$ 2,205	Before 2020:	\$ 2,520
	Entered FY21:	\$ 1,485	Entered FY21:	\$ 1,935	Entered FY21:	\$ 2,295	Entered FY21:	\$ 2,610
	Entered FY22:	\$ 1,530	Entered FY22:	\$ 1,980	Entered FY22:	\$ 2,295	Entered FY22:	\$ 2,655
	Entered FY23:	\$ 1,530	Entered FY23:	\$ 2,025	Entered FY23:	\$ 2,340	Entered FY23:	\$ 2,655
Entered FY24:	\$ 1,530	Entered FY24:	\$ 2,025	Entered FY24:	\$ 2,340	Entered FY24:	\$ 2,700	
New FY25	\$ 1,710	New FY25	\$ 2,160	New FY25	\$ 2,520	New FY25	\$ 2,835	
Ecampus (Per SCH Impact):		Ecampus (Per SCH Impact):		Ecampus (Per SCH Impact):		Ecampus (Per SCH Impact):		
Continuing / New undergraduate	\$ 16	Continuing / New undergraduate	\$ 20	Continuing / New undergraduate	\$ 25	Continuing / New undergraduate	\$ 25	
Continuing / New graduate	\$ 11	Continuing / New graduate	\$ 11	Continuing / New graduate	\$ 11	Continuing / New graduate	\$ 11	
HECC	Corvallis Weighted Avg UG Res	4.98%	Corvallis Weighted Avg UG Res	7.23%	Corvallis Weighted Avg UG Res	8.04%	Corvallis Weighted Avg UG Res	9.02%
	Cascades Weighted Avg UG Res	4.60%	Cascades Weighted Avg UG Res	6.00%	Cascades Weighted Avg UG Res	6.90%	Cascades Weighted Avg UG Res	7.83%
Operating Budgets								
Projected Revenues	781,900,312		788,220,099		792,297,993		794,204,616	
Projected Costs w/ transfers	786,197,727		786,197,727		786,197,727		786,197,727	
Balance for investments	(4,297,415.04)		2,022,372		6,100,266.00		8,006,889	
Assumptions								
Ecampus UG tuition rate at 4.65%			Ecampus UG tuition rate at 6.05%		Ecampus UG tuition rate increase at 7.05%		Ecampus UG tuition rate increase at 7.05%	
Ecampus Grad tuition rate at 2%			Ecampus Grad tuition rate at 2%		Ecampus Grad tuition rate at 2%		Ecampus Grad tuition rate at 2%	
Ecampus UG DT @ same UG rate			Ecampus UG DT @ same UG rate / Grad DT @ 0%		Ecampus UG DT @ same UG rate / Grad DT @ 0%		Ecampus UG DT @ same UG rate / Grad DT @ 0%	
Ecampus Grad DT @ same rate as Grad Rate			Ecampus Grad DT @ same rate as Grad Rate		Ecampus Grad DT @ same rate as Grad Rate		Ecampus Grad DT @ same rate as Grad Rate	
Ecampus growth at 7% same as baseline in PWS			Ecampus growth at 7% same as baseline in PWS		Ecampus growth reduced to 6.5% all		Ecampus growth reduced to 5% all	
Expense CSL at 7.05%			Expense CSL at 7.05%		Expense CSL at 7.05%		Expense CSL at 7.05%	
Waivers at 10% growth			Waivers at 10% growth		Waivers at 12% growth		Waivers at 12% growth	
UG Resident growth @ 1.50% / Grad Res at 1.5%			UG Resident growth @ 1.50% / Grad Res @ 1.50%		UG Resident growth @ 1% / Grad Resident @ 1%		UG Resident growth @ 1.00% / Grad Res @ 1%	
UG Non Resident growth @ 6.00% / Grad NR @ 2.30%			UG Non Resident growth @ 6.00% / Grad NR @ 2.30%		UG Non Resident growth @ 4.00% / Grad NR @ 1%		UG Non Resident growth @ 4% / Grad NR @ 1%	
Building fee at \$85 (\$17 increase over FY24)			Building fee at \$100 (\$51 increase over FY24)		Building fee at \$100 (\$51 increase over FY24)		Building fee at \$100 (\$51 increase over FY24)	

Graduate tuition (2% residents) and all other rates (graduate non-resident, professional and differential) would align with the chosen scenario increase between 4.55% - 8.05%. Scenarios are shown to document the revenue impact of changes in undergraduate rates. The projections assume Ecampus undergraduate rates align with the campus-based continuing student rates with the exception of Scenario 4, where Ecampus would remain at 7.05% to remain competitive in the national market. HECC weighted average calculations are provided at each scenario.

Table 2: Cohort rates for base undergraduate tuition at Scenario 3 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. The total annual cost for 15 credits per quarter is shown for comparison.

	2023-24 Base Tuition Components						2024-25 Base Tuition Components							
	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	Increase for 3 terms (45)	% increase
Resident Corvallis														
Matriculated prior to July 2020	100	234			234	10,830	100	250			250	11,550	720	6.65%
Matriculated 2020-21	100	241			241	11,145	100	258			258	11,910	765	6.86%
Matriculated 2021-22	100	245			245	11,325	100	262			262	12,090	765	6.75%
Matriculated 2022-23	100	247			247	11,415	100	264			264	12,180	765	6.70%
Matriculated 2023-24	100	248			248	11,460	100	265			265	12,225	765	7.10%
Matriculated 2024-25	100				-		100	267			267	12,315	855	7.46%
Resident Cascades														
Matriculated prior to July 2020	100	225			225	10,425	100	241			241	11,145	720	6.91%
Matriculated 2020-21	100	237			237	10,965	100	254			254	11,730	765	6.98%
Matriculated 2021-22	100	241			241	11,145	100	258			258	11,910	765	6.86%
Matriculated 2022-23	100	247			247	11,415	100	264			264	12,180	765	6.70%
Matriculated 2023-24	100	248			248	11,460	100	265			265	12,225	765	7.10%
Matriculated 2024-25	100						100	267			267	12,315	855	7.46%
Non-resident														
Matriculated prior to July 2020	335	225		472	697	32,370	335	241		505	746	34,575	2,205	6.81%
Matriculated 2020-21	335	237		481	718	33,315	335	254		515	769	35,610	2,295	6.89%
Matriculated 2021-22	335	241		488	729	33,810	335	258		522	780	36,105	2,295	6.79%
Matriculated 2022-23	335	247		490	737	34,170	335	264		525	789	36,510	2,340	6.85%
Matriculated 2023-24	335	248		492	740	34,305	335	265		527	792	36,645	2,340	7.24%
Matriculated 2024-25	335						335	267		529	796	36,825	2,520	7.35%
Ecampus														
Matriculated prior to fall 2021	-	253	97		350	15,750	-	271	104		375	16,875	1,125	2.75%
Matriculated 2021-22	-	253	97		350	15,750	-	271	104		375	16,875	1,125	2.75%
Matriculated 2022-23	-	253	97		350	15,750	-	271	104		375	16,875	1,125	2.75%
Matriculated 2023-24	-	253	97		350	15,750	-	271	104		375	16,875	1,125	2.75%
Matriculated 2024-25	-						-	271	104		376	16,920	1,170	2.75%
Summer														
Corvallis, all undergraduates		248			248	11,160		267			267	12,015		7.66%
Cascades, all undergraduates	-	248			248	11,160	-	267			267	12,015		7.66%

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.

	FY24 Rate	FY25 Rate	% increase
Undergraduate campus differentials			
General Engineering resident	38	0	-100.00% ¹
General Engineering non-resident	38	0	-100.00% ¹
Engineering resident	59	63	6.78%
Engineering non-resident	59	63	6.78%
Forestry resident	19	20	5.26%
Forestry non-resident	19	20	5.26%
Business resident	25	27	8.00%
Business non-resident	25	27	8.00%
Arts CLA resident	24	26	8.33%
Arts CLA non-resident	24	26	8.33%
Honors resident & non-resident differential (part time or 1-11 cr.)	250	265	6.00%
Honors resident & non-resident differential (full time or 12+ cr.)	500	535	7.00%
Graduate campus differentials			
Engineering resident	59	63	6.78%
Engineering non-resident	59	63	6.78%
MBA and MS Business resident	308	323	4.87%
MBA and MS Business non-res	432	454	5.09%
Ecampus undergraduate differentials			
Computer Science post bacc differential	211	211	0.00%
Business Students	25	27	8.00%
Pre engineering students	38	0	-100.00% ¹
Engineering students	59	63	6.78%
BS Computer Science	59	63	6.78%
Developmental Math	-97	-104	7.22%
Honors resident & non-resident differential (part time or 1-11 cr.)	250	265	6.00%
Honors resident & non-resident differential (full time or 12+ cr.)	500	535	7.00%
Ecampus graduate differentials			
AHE PhD and EdD	30	32	6.67%
PhD in Counseling	30	32	6.67%
MS in Counseling	30	32	6.67%
MBA and Business Courses	308	323	4.87%
Engineering MS Rad. Health Phy	131	140	6.87%
College of Engineering students	59	63	6.78%

¹ There is no longer General or Pre/Pro Engineering tuition. These Engineering students will be charged at the Engineering major rate.

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.

	FY24 Rate	FY25 Rate	Annual cost at 12 credits	% increase	Notes
Base resident graduate tuition	\$ 498	\$ 508	\$ 13,715	2.00%	per credit with plateau 9-16 credits
Base non-resident graduate tuition	\$ 1,087	\$ 1,169	\$ 31,563	7.54%	per credit with plateau 9-16 credits
Base Ecampus graduate tuition	\$ 560	\$ 571	\$ 20,563	2.00%	per credit with plateau 9-16 credits
Base summer graduate	\$ 498	\$ 536	\$ 14,472	7.63%	per credit, all credits, all residencies
Professional degrees					
PharmD resident	\$ 776	\$ 823	\$ 29,628	6.06%	Per credit to 12 credits then flat
PharmD non-resident	\$ 1,268	\$ 1,344	\$ 48,384	5.99%	Per credit to 12 credits then flat
DVM resident	\$ 27,204	\$ 29,122	\$ 29,122	7.05%	Flat rate
DVM non-resident	\$ 54,411	\$ 58,247	\$ 58,247	7.05%	Flat rate
MBA, MS Business resident	\$ 806	\$ 831	\$ 29,916	3.10%	Per credit, base tuition of \$508 plus \$323 per credit
MBA, MS Business non-resident	\$ 1,519	\$ 1,623	\$ 58,428	6.85%	Per credit, base tuition of \$1,169 plus \$454 per credit
Cascades MS Coun resident	\$ 464	\$ 478	\$ 17,205	3.00%	Per credit
Cascades MS Coun non-resident	\$ 880	\$ 906	\$ 32,630	3.00%	Per credit
Cascades MAT resident	\$ 464	\$ 464	\$ 16,704	0.00%	Per credit
Cascades MAT non-resident	\$ 880	\$ 906	\$ 32,630	3.00%	Per credit
Cascades MFA resident	\$ 487	\$ 510	\$ 18,356	4.70%	Per credit
Cascades MFA non-resident	\$ 506	\$ 510	\$ 18,362	0.80%	Per credit
Cascades Doc Phys Therapy resident	\$ 22,737	\$ 23,419	\$ 23,419	3.00%	3% increase
Cascades Doc Phys The. non-res	\$ 33,237	\$ 34,234	\$ 34,234	3.00%	3% increase
Mandatory fees - Fall/Winter/Spring					
Matriculation fee	\$ 350.00	\$ 350.00	\$ 350.00	0.00%	Charged once on matriculation
Building fee - Corvallis	\$ 49.00	\$ 59.00	\$ 177.00	20.41%	Charged per quarter
Building fee - Cascades	\$ 49.00	\$ 53.00	\$ 159.00	8.16%	Charged per quarter
Student health services Corvallis	\$ 158.96	\$ 166.49	\$ 499.47	4.74%	Charged per quarter
Counseling Corvallis	\$ 69.70	\$ 77.36	\$ 232.08	10.99%	Charged per quarter
Student health services Cascades	\$ 109.00	\$ 114.00	\$ 342.00	4.59%	Charged per quarter

April 4-5, 2024 Board of Trustees Meetings

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 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 tuition forums from late January through February. The forums are advertised in a variety of ways. One of the tuition forums was held collaboratively with ASOSU. Additionally, a tuition forum was held with the finance club within the College of Business. Associated Students of Cascades (ASCC) and the Cascades Student Fee Committee (SFC) attended the tuition forum on February 16th remotely. Notices of the meeting were posted on the Cascades Campus and advertised by the SFC and was open to the entire student body. 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 committed to funding the costs of growth 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 committee requested that Budget and Resource Planning staff explore the option of guaranteed tuition. It was recommended that the University of Oregon be contacted to learn about the guaranteed structure at that university. Staff contacted Budget and Resource Planning, at the University of Oregon and key takeaways from that conversation included: it took several years to determine the appropriate rate structure; the charge to revise the tuition was from the President, Provost and VPFA; UO tuition is a 5-year guaranteed rate with the first year much larger than the other years, each year has a new price that is slightly higher than the previous year; lots of hedging around enrollment and tuition must be done; financial aid is higher in year 1 and the university sets aside a larger amount of tuition for scholarships reducing the amount of distributed budget to units; the Tuition Advisory Board now focuses only on tuition and fees for incoming students and its outreach does result in current students' offering input on those future rates; diligence about their budgeting is crucial as they cannot over allocate and a reserve is required to provide for economic fluctuations.

The committee raised concerns of inequity for lower income households since under a guaranteed structure the first few years are typically at a much higher rate than would be the case in a non-guaranteed tuition structure and if a student does not complete their program, they would have larger financial debt. The committee did not want to pursue guaranteed tuition at this time.

The committee also recommended that the course fee process should be revised and a minimum course fee threshold be put in place at \$30 and recommended that .25% increase to tuition would suffice to cover the various course fees that are below that threshold. The committee determined that it was not possible to make this change without appropriate communication to the colleges that would be impacted. The recommendation is to communicate this revision next year and make the tuition change with the FY26 tuition rates.

Discussion of Recommendations:

Tuition and mandatory fees

The tuition rate recommendations have been endorsed by a consensus of UBC on February 23, 2024 for all rates listed in Tables 2, 3 and 4. 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 Cascades was recommended for a 7.05% increase for continuing students (the estimated inflation rate) and 7.55% for most new undergraduate students (the 7.05% 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 was recommended to increase consistently with on-campus rates at 7.05% for \$375/SCH.

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. Differential rates are the same for all cohorts (Table 3).

Graduate base tuition is recommended to increase 2.00% for resident and 7.05% for non-resident students. Ecampus graduate base tuition is recommended to increase at 2.00%. Resident graduate tuition is at the high side of peer rates and a small increase will keep campus and Ecampus programs more competitive. 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. Ecampus differential rates follow recommendations to increase at continuing service level with the exception of the Master of Business Administration which will increase at 5.00%.

Professional program tuition for the PharmD, DVM, and professional degrees at Cascades are recommended to increase 0% - 7.05% 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 \$5 per quarter (4.59%) is recommended to support expanded services. An increase of 4.74% (\$166.49 per term) 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 10.99% (\$77.36 per term) increase to align with the demand for services.

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, Dixon Recreation Center, the Cultural Resource Centers, and the Student Experience Center). Prior to FY24, the fee had only one inflationary increase in 20 years while capital construction inflation increased intensely over the same period. Given the significant need for repair and improvements of these student facing facilities – estimated at \$250M in deferred maintenance for just the MU and Dixon Rec Center – this fee increase begins to meaningfully attend to the needed building renewal and reinvestment over the next ten years. Last year the UBC recommended a \$2 inflationary increase in this fee and is basing the FY25 recommendation on the scenarios provided. In scenarios 2, 3, and 4, the recommendation is for the building loan/debt fee to increase \$51/quarter or 104% to begin catching up on 20 years of capital construction inflationary increases in the marketplace. Under scenario 1, a more modest increase is planned in the first year with the same total aggregate increase over a three-year period is recommended. Under that scenario, the FY25 first year increase would be \$17/quarter which is a 35% increase.

The weighted average tuition and mandatory fee increase (the rate subject to the HECC 5% threshold) is 8.06% at Corvallis and 5.09% at Cascades under Scenario 3 and 4.98% at Corvallis, 3.32% at Cascades under Scenario 1. Detailed rates are listed in Tables 2 to 4. Details of process and recommendations are included in the Appendices.

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 and student government presidents.

Appendix B

Membership and meeting schedule of the University Budget Committee

2023-24 University Budget Committee

- Nicole von Germeten – Associate Dean, CLA– **UBC Chair**
- Noe Alvarez – Undergraduate Student, Accounting, College of Business
- Jon Boeckenstedt – Vice Provost, Enrollment Management
- Shaun Bromagem – Financial Planning Manager, College of Engineering
- Tim Carroll – Dean, College of Business
- Bob Cowen – Associate Vice President for Research and Operations, Hatfield Marine Science Center
- Tania Davis – Ecampus Undergraduate Student, Human Development and Family Studies, College of Health
- Tom DeLuca – Dean, College of Forestry
- Jessica Dupont – Associate Vice Provost Market Development & Student Experience, Division of Educational Ventures; OSU Faculty
- Thomas Gonzales - Associated Students of Cascades Campus, Vice President, Undergraduate Student, Psychology, College of Liberal Arts
- John Gremmels –Capital Planner, Capital Planning & Development; Infrastructure Working Group
- Steve Hoelscher – Associate Vice Provost for Student Affairs – Finance & Operations
- Terri Libert – Interim Chief Financial Officer, OSU-Cascades
- Jeff Luck – Associate Professor; Health Mgmt. & Policy, College of Health, OSU Faculty Senate Budget and Fiscal Planning Committee
- Marc Norcross - Professor, School of Exercise, Sport, and Health Sciences, College of Health; OSU Faculty
- Carissa O’Donnell – ASOSU, President, Undergraduate Student, Environmental Studies, College of Agricultural Science
- Joe Page, Graduate Student, Master of Public Health candidate, College of Health
- Matteo Paola– ASOSU, Student Fee Committee Chair, Undergraduate Student, Political Science, College of Liberal Arts
- Rashed Sayedshareef – Undergraduate Student, Finance, College of Business

Budget & Resource Planning Staff

- Kayla Campbell – Associate Director, Budget Analytics, Finance and Administration, *ex officio*
- Nicole Dolan – Executive Director of Budget Development and Strategic Planning, Budget and Resource Planning, *ex officio*
- Brent Gustafson – Associate Vice President, Budget and Resource Planning, *ex officio*
- Mealoha McFadden – Executive Assistant to the Associate Vice President of Budget and Resource Planning

Fall and Winter Meeting Schedule:

October 27 th	January 26 th
November 17 th	February 9 th
December 1 st	February 23 rd
January 12 th	March 8 th

April 4-5, 2024 Board of Trustees Meetings

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)”. 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.

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. Members of the UBC are charged with communicating 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 to 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.

2023-24 University Budget Committee

- Nicole von Germeten – Associate Dean, CLA; OSU Faculty– **UBC Chair**
- Marc Norcross- Professor, College of Health; OSU Faculty
- Jon Boeckstedt – Vice Provost, Enrollment Management
- Jeff Luck – Associate Professor, Health Mgmt. & Policy, Faculty Senate BFP committee
- Jessica Dupont – Associate Vice Provost, Market Dev. & the Student Exp., Division of Educational Ventures & Ecampus, OSU Faculty
- Bob Cowen – Associate Vice President for Research & Operations, Hatfield Marine Science Center
- John Gremmels –Capital Planning & Development; Infrastructure Working Group
- Shaun Bromagem – Financial Planning Manager, College of Engineering
- Terri Libert – Interim Chief Financial Officer, OSU-Cascades
- Tim Carroll – Dean, College of Business
- Tom DeLuca – Dean, College of Forestry
- Steve Hoelscher – Associate Vice Provost Operations, Student Affairs
- Nicole Dolan – Exec. Dir. of Budget Development and Strategic Planning, DFA, *ex officio*
- Kayla Campbell - Associate Director, Budget Analytics, DFA, *ex officio*
- Joe Page - Graduate Student, Master of Public Health Candidate, College of Health
- Thomas Gonzales – Associated Students of Cascades Campus, Vice President, Undergraduate Student, Psychology, College of Liberal Arts
- Carissa O'Donnell – ASOSU, President, Undergraduate Student, Environmental Studies, College of Agricultural Science
- Matteo Paola– ASOSU, Student Fee Committee Chair, Undergraduate Student, Political Science, College of Liberal Arts
- Noe Alvarez – Undergraduate Student, Accounting, College of Business

April 4-5, 2024 Board of Trustees Meetings

- Tania Davis – Ecampus Undergraduate Student, Human Development & Family Studies, College of Health

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.
- 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 in order 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 web site.

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

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 22%, 29% and 36% of gross tuition revenues, respectively, totaling about \$549M. 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.

Table 1: Tuition comparisons 2022-23

	Annual Tuition	
	Resident	resident
Undergraduate-per academic year, 15 credits per term		
Oregon State	11,010	32,910
Average Strategic Peers	10,699	32,605
Average All Land Grants here	10,978	32,741
Average Public Pac-12	11,154	37,589
Median Strategic Peers	11,266	29,861
Median All Land Grants here	11,238	30,153
Median Public Pac-12	11,442	39,036

OSU’s tuition is similar to our peers among 32 public R1 institutions (Table 1)⁴ 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.

Graduate-per academic year, 12 credits per term		
	Resident	Non-resident
Oregon State FY16	13,446	28,242
Average Strategic Peers	12,251	29,290
Average All Land Grants here	12,379	29,181
Average Public Pac-12	13,144	30,737
Median Strategic Peers	11,468	28,163
Median All Land Grants here	11,584	28,232
Median Public Pac-12	12,014	32,308

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.

Ecampus-per credit (compared on quarter equivalent basis)		
	Annual Undergrad Tuition	
	Resident	Non-resident
Oregon State quarter basis	346	346
Average	383	383
Median	325	325
Standard Deviation	170	170

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
Total	\$ 30,870	\$ 52,662

Table 2: Cost of Attendance comparisons

⁴ 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 states that:

“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 Committee⁵. 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 fee, the

⁵ The whole University Budget Committee comprises OSU's Tuition Advisory Council and was established to comply with ORS 352.102 that defines some particular aspects of the tuition advisory process.

matriculation fee, and the Student Building Debt/Loan 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](#). The public universities provide a consolidated financial activity report on the fees annually to the Higher Education Coordinating Commission.

Mandatory incidental fees (supporting things like 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.

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 master's 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 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:

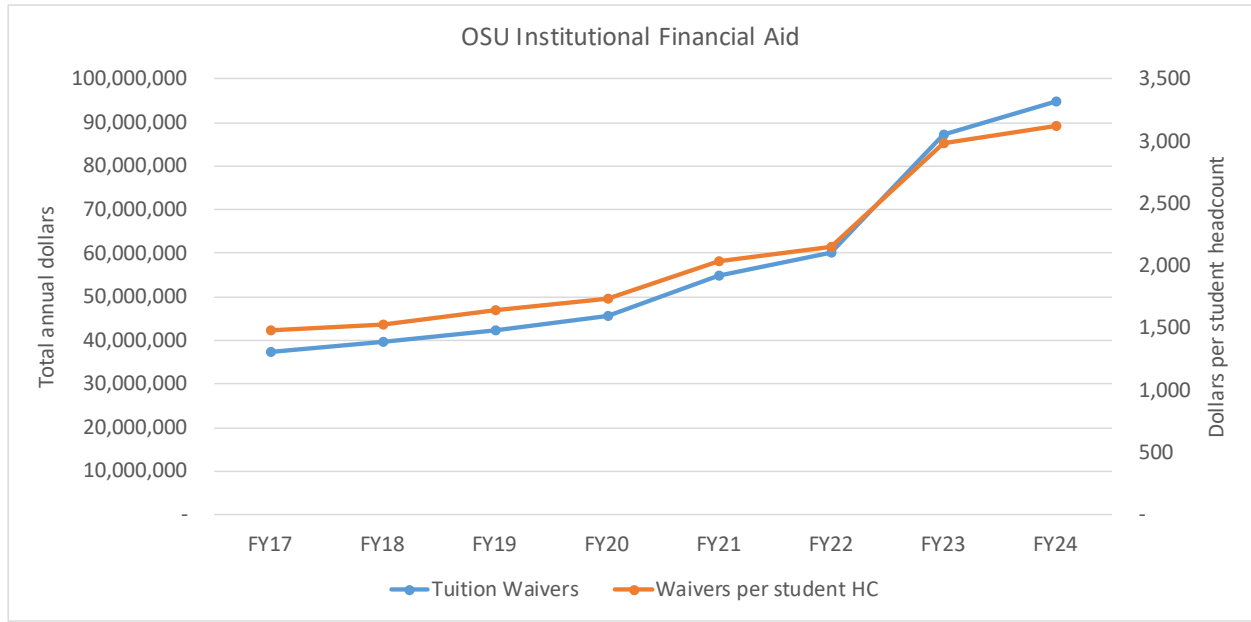
Tuition is part of the “list price” for attending OSU – the price before financial aid grants (aid that students do not have to pay back) is applied. Net price or cost is what students and families have to pay after accounting for grants and scholarships awarded to students.

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, 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 \$329.6M in aid awarded in FY2023 31% was institutional financial aid (OSU E&G revenues committed to aid); 54% was federal aid; 6% was state aid, and 9% was from external loans (8%) and scholarships (.6% - largely from private donations).

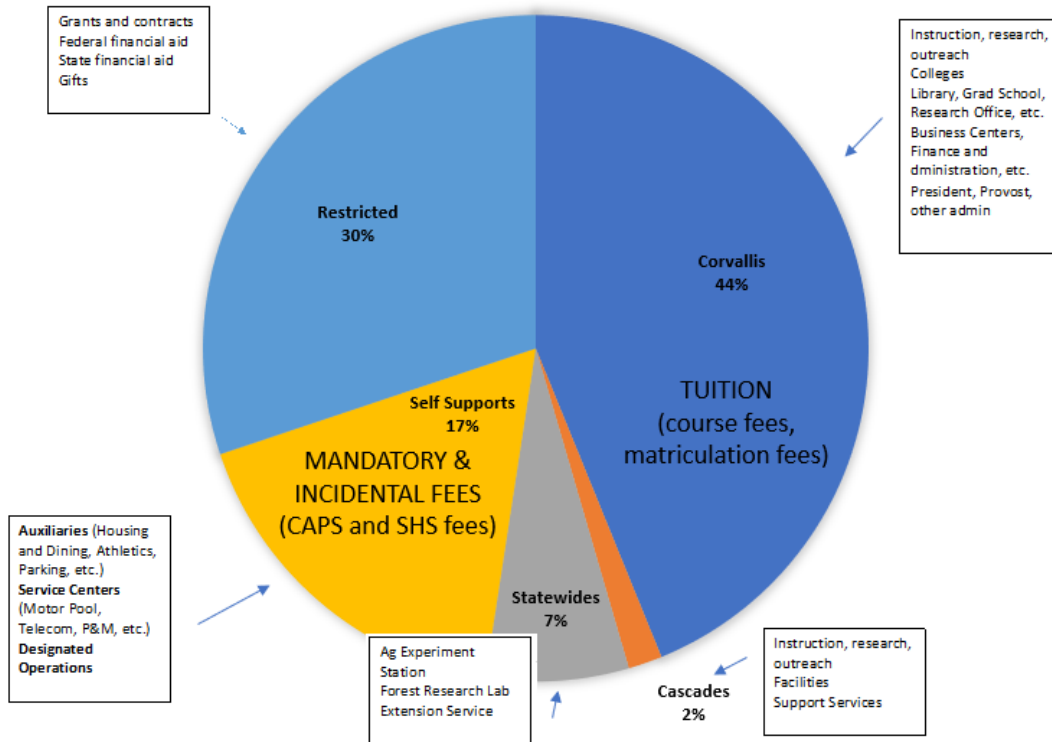
One of OSU’s challenges is that the funded aid available to the university is not as large as at many other public universities. The university has prioritized raising private scholarship dollars in the recently launched fundraising campaign and has made a significantly increased commitment to institutional 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).



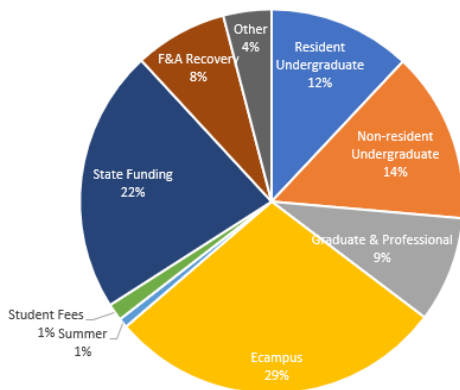
Overview of the FY24 University Budget

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.

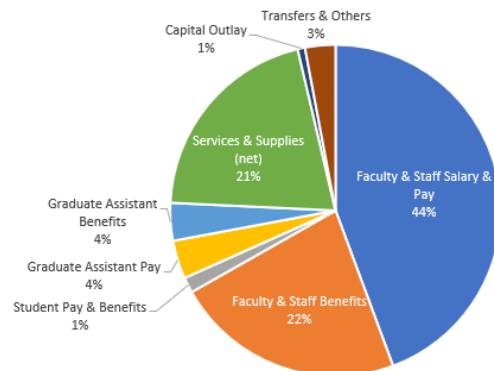
FY24 OSU Operating Budget (\$1.6B, excluding Outdoor School)



FY24 Corvallis E&G Sources (net of waivers)



FY24 Corvallis E&G Expenditures by Type



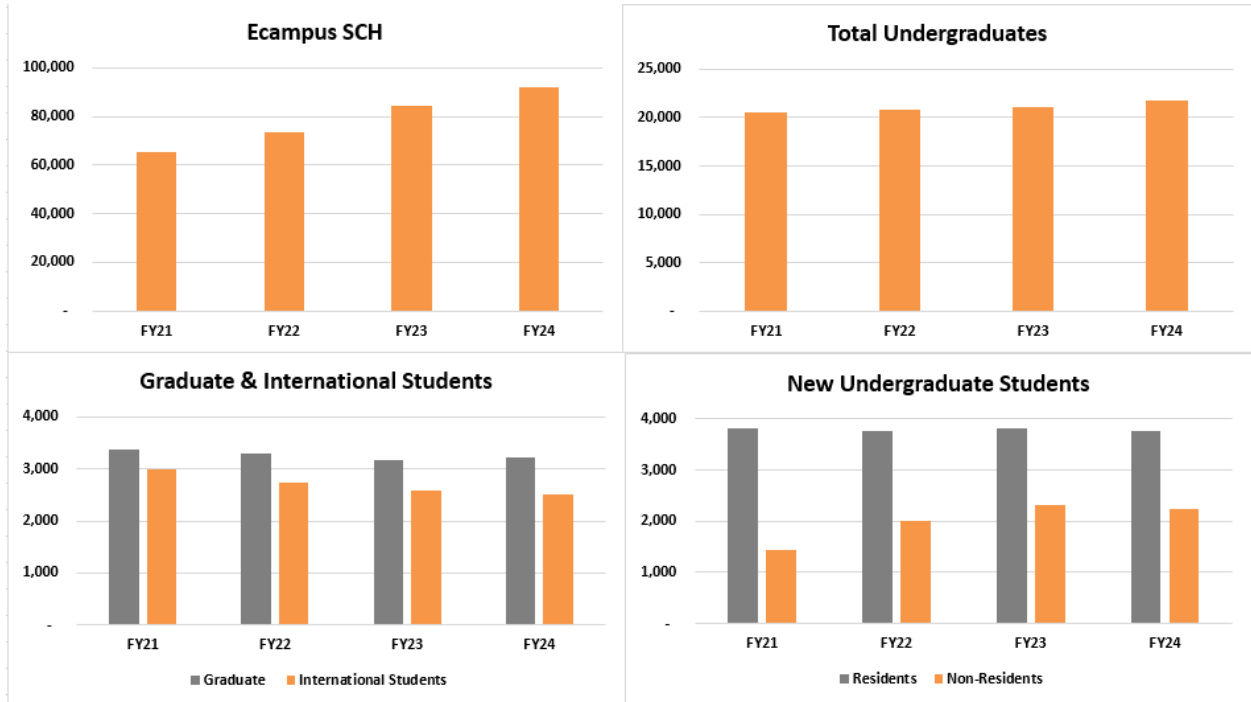
Tuition is the biggest component of Cascades and Corvallis E&G revenue. The left pie chart below shows the sources of Corvallis E&G revenue in FY24. The right pie chart shows the expense distribution projected for Corvallis E&G for FY24 ---note that 76% is related to labor expense.

What does state funding and enrollment look like for FY25?

State funding outlook. The Legislature budgets on a biennial basis. The state typically allocates 49% of the biennial budget to universities in the first year and 51% in the second year; lottery funded programs (Sports Lottery and Outdoor School) as well as SELP debt service are allocated 50%/50%. Usually the 49%/51% split results in a 4.1% year over year increase. However, for the 2023-25 biennium, HECC has distributed 100% of the biennial funding for most targeted/one-time funding in FY24, flattening the overall year over increase for total appropriations. Our largest funding component and most important for institutional operations and student support – the Public University Support Fund (PUSF) – continues to be distributed using the 49%/51% distribution, thus a 4.1% increase for FY25.

How is enrollment doing? Enrollment will likely be about 36,500, an increase of about 4% over last year. This is the 27th consecutive year of fall-over-fall enrollment growth at OSU. The three campuses are all showing increases: about 2.6% at Corvallis (24,400) and 3% at Cascades (1,425) and 7.3% for Ecampus (10,800).

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. New first year students are at an all-time high of 5,000 and this will be the most geographically diverse class ever, with 43% coming from outside the state.



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.

FY25 Estimated State Appropriations		
Category	OSU	OPU Total (HECC)
Public University Support Fund (PUSF)	\$ 164,557,973	\$ 509,430,560
Public University State Programs	\$ 14,618,526	\$ 26,752,973
Targeted and One-time Appropriations	\$ -	\$ 405,045
Agricultural Experiment Station	\$ 47,991,930	\$ 47,991,930
SWPS facilities support	\$ 2,395,872	\$ 2,395,872
OSU Extension Service	\$ 35,227,172	\$ 35,227,172
Outdoor School	\$ 28,203,032	\$ 28,203,032
Forest Research Laboratory	\$ 7,050,507	\$ 7,050,507
Subtotal	\$ 300,045,012	\$ 657,457,091
Sports Lottery	\$ 669,508	\$ 9,164,972
State Energy Loan Program (SELP)	\$ 1,053,732	\$ 6,559,608
Total	\$ 301,768,252	\$ 673,181,671

Note: PUSF is before true-up

Operating Funding

The table to the left shows the operating allocations to OSU for 2024-25 as well as totals for the state allocations to all the universities (OPU = Other Public 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.

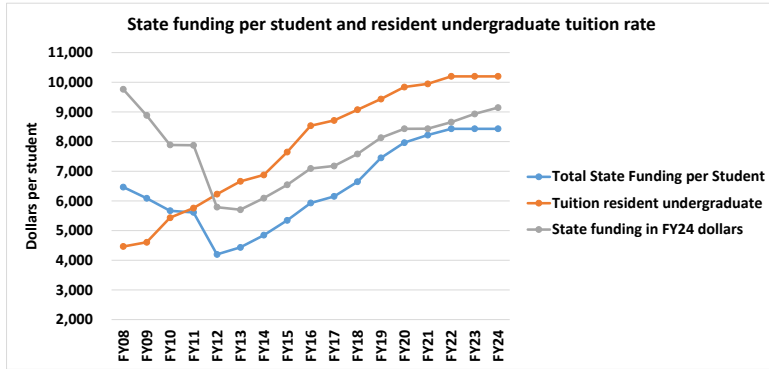
Public university state programs are line item allocations for specific activities of interest to the state. Examples include the Institute for Natural Resources and the Oregon Climate Change Research Institute. The funding for these is recurring, but subject to review every legislative session.

Sometimes there are one-time funds for specific projects of interest to the legislature. These can range from crops to salmon to ocean acidification. 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 lines show 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 FY24 dollars.

Tuition rose more rapidly than the local inflation rate from FY10 through FY16, then 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 are 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 provide 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 FY24, 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.

Components of Benefits Costs at OSU					
	FY22	FY23	FY24	FY25	
% of Salary Components					
Social Security	6.20%	6.20%	6.20%	6.20%	
Medicare	1.45%	1.45%	1.45%	1.45%	
Unemployment	0.20%	0.20%	0.10%	0.10%	
SAIF	0.31%	0.31%	0.31%	0.31%	
OPFMLA			0.33%	0.40%	
Average Retirement	26.27%	26.27%	26.56%	26.28%	
Total	34.43%	34.43%	34.95%	34.74%	
Fixed charge components					
Health insurance	18,180.00	18,450.00	19,098.00	19,674.00	
Total	18,180.00	18,450.00	19,098.00	19,674.00	
Illustration of Costs at Different Salary Levels					
	FY22	FY23	FY24	FY25	
Annual 12-month Salary	Benefits as %:	Benefits as %:			
\$30,000	95.0%	95.9%	98.6%	100.3%	
\$47,000	73.1%	73.7%	75.6%	76.6%	
\$82,000	56.6%	56.9%	58.2%	58.7%	
\$110,000	51.0%	51.2%	52.3%	52.6%	
	Benefits as \$:	Benefits as \$:			
\$30,000	\$28,509.00	\$28,779.00	\$29,583.00	\$30,096.00	
\$47,000	\$34,362.10	\$34,632.10	\$35,524.50	\$36,001.80	
\$82,000	\$46,412.60	\$46,682.60	\$47,757.00	\$48,160.80	
\$110,000	\$56,053.00	\$56,323.00	\$57,543.00	\$57,888.00	

Benefit Increase Year over Year			
FY21 to FY22	FY22 to FY23	FY23 to FY24	FY24 to FY25
3.20%	1.37%	2.37%	1.73%
3.30%	1.33%	2.02%	1.34%
3.40%	1.29%	1.59%	0.85%
3.50%	1.27%	1.37%	0.60%
	1.37%	2.37%	1.73%
	1.33%	2.02%	1.34%
	1.29%	1.59%	0.85%
	1.27%	1.37%	0.60%

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 2024-25 is currently 4.21%, calculated as shown below:

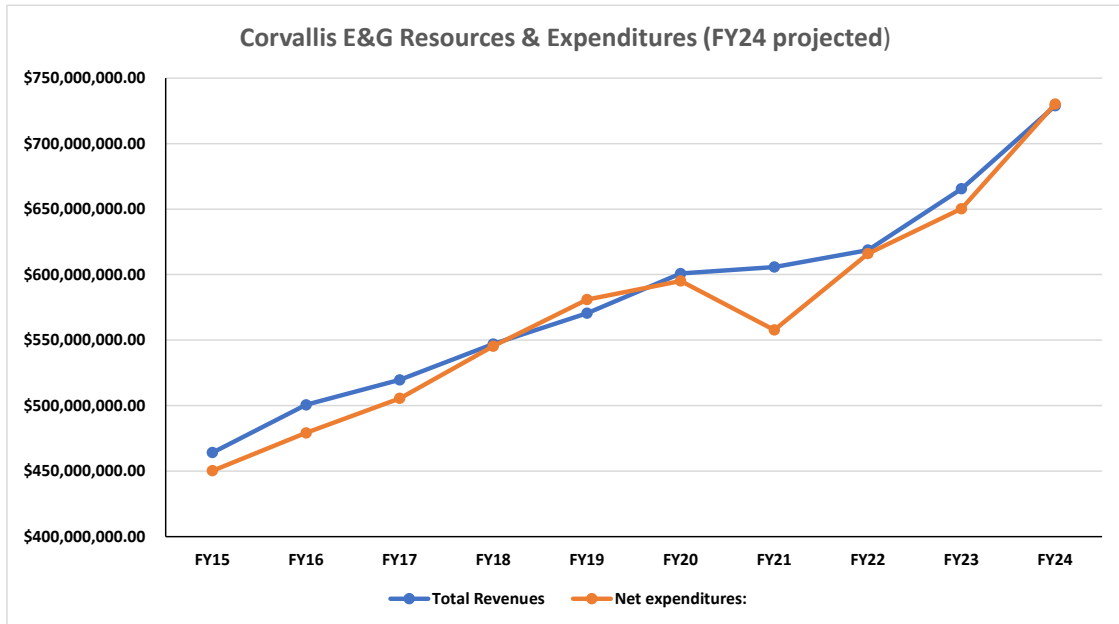
DRAFT

		FY24 to FY25			
Cost Category:	average % of total spend	Rate Change	Change due to salary increases	Total Change	Comments/Method
Unclassified Salary & Pay	37.96%	3.50%		3.50%	Estimate effective July 1, 2024
Unclassified OPE	18.39%	2.42%	2.51%	4.99%	2.42% on base plus incremental OPE for salary increases
Classified Salary & Pay	6.92%	8.75%		8.75%	4% average increases, raise plus steps 4.75%
Classified OPE	4.44%	2.42%	2.44%	4.92%	2.42% on base plus incremental OPE for salary increases
Graduate & Student Pay	5.29%	5.00%		5.00%	5% base increase (GA increase , minimum wage)
Graduate Fee Remissions	2.85%	0.00%		0.00%	0% resident tuition increase
Graduate & Student OPE	1.13%	6.38%		6.38%	6.38% general increase (health insurance)
Other Salary Costs	0.26%	2.00%		2.00%	2% general increase
Services & Supplies	21.31%	3.50%		3.50%	3.5% CPI for academic year
Capital Outlay	1.05%	3.50%		3.50%	3.5% inflation for academic year
Student Aid	0.41%	3.00%		3.00%	local assistance this is outside major financial aid
Service Credits		3.50%		3.50%	same as S&S rate
Total Expenditures	100.00%			4.21%	

Cost Management Strategies

The trends of revenues and net expenses (after transfers) for the Corvallis E&G budget are shown in Figure 1. You’ll note that expenses track resources closely, since we are a resource allocation organization. The large differences in FY21 result 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 resource and expenditure growth (including net transfer out expenses). When we talk about budget cuts, we generally talk about slowing expense growth not reducing total overall spending year over year.



The thin margins of resources over expenditures mean that OSU is always looking to manage expenditures 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 resources and expenditures compared to budget, with an assessment of the reasons for changes outside set tolerances.
- Review of a ten-year business forecast to consider long-term trajectories for tuition, enrollments, expenditures, other revenues, and financial metrics.
- Tuition policy that states the board expects that “annual tuition rate increases will be between 2 and 5 percent” which acknowledges expenditure reductions 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.

- The 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 sole 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 benchmarking with Helio Campus, a labor benchmarking consortium that provides comparisons of labor 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 and included salary reductions for many senior leaders. \$4.3M reductions in FY22 and \$5.8M in FY23 through the “distributed for reserve” in SRBM.
- 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, AMP, etc.)
- Encourage zero-based budget review of expenses for service, support and management areas as well as productivity benchmarks for academic units.