



**Oregon State**  
University

# **FY2021 Tuition Rates, Mandatory Fees and Student Incidental Fees & Operating Budget Outlook**



# Undergraduate Tuition Scenarios

<p>Scenario A:</p> <p>Increase applied to all (resident, non-resident, continuing and new)</p>	<p>Scenario B:</p> <p>No increase for continuing Increase for all new</p>	<p>Scenario C:</p> <p>No increase resident Increase non-resident</p>
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## President's Recommendation

The president recommends that the Board approve the resolution in Attachment 1 establishing the academic year 2021 and summer 2020 tuition and mandatory fees, at the rates shown in **Scenario B** in Table 1.

# Overview

- Process
- Budget context for FY2021
- Tuition recommendations
- Key issues in rate recommendations
- Feedback from university community
- Potential strategies to balance the FY2021 budget
- President's recommendation

# Process: October 2019 to March 2020

**October:** University Budget Committee and Student Budget Advisory Committee convene

**Fall/Winter:** Budget office prepares projections with different assumptions

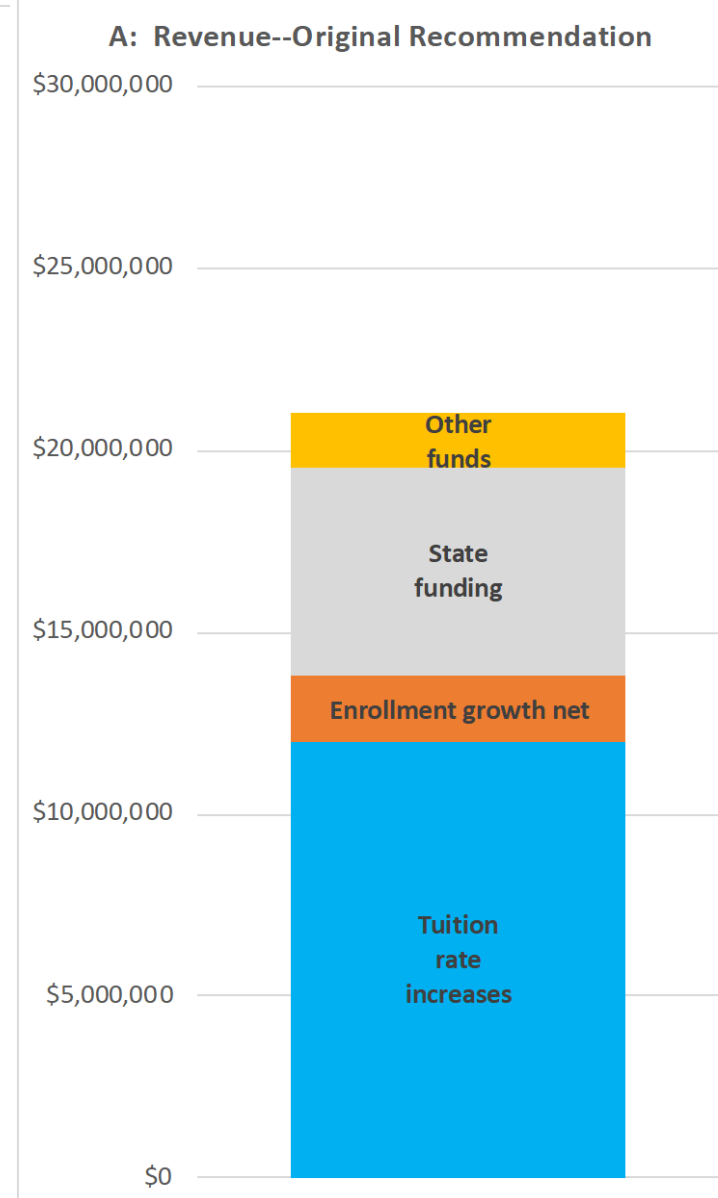
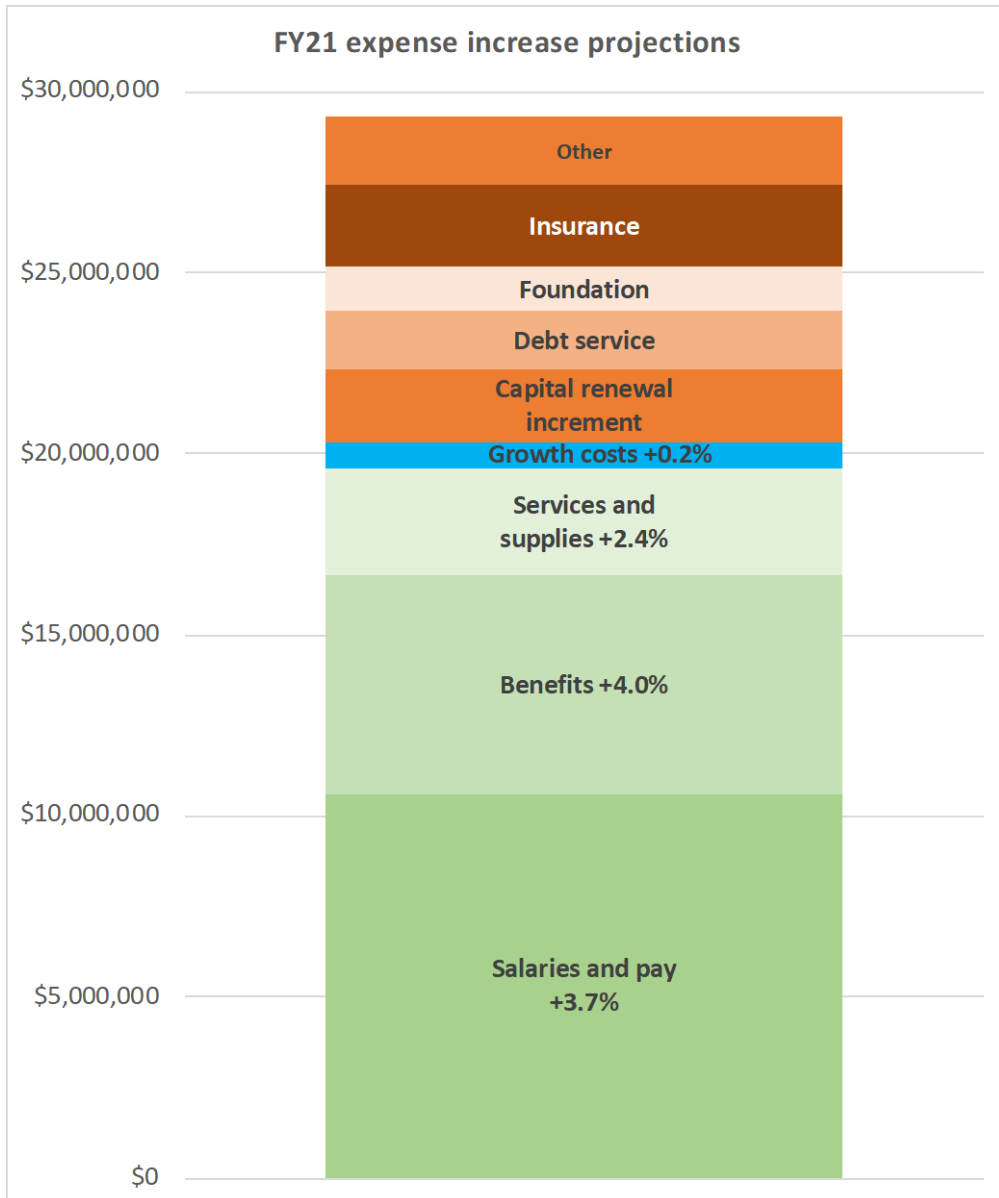
**November to February:** Committees consider scenarios and make recommendations to President

**Fall and Winter:** In parallel, student committees review and recommend student incidental fee rates

**Winter:** University stakeholder conversations

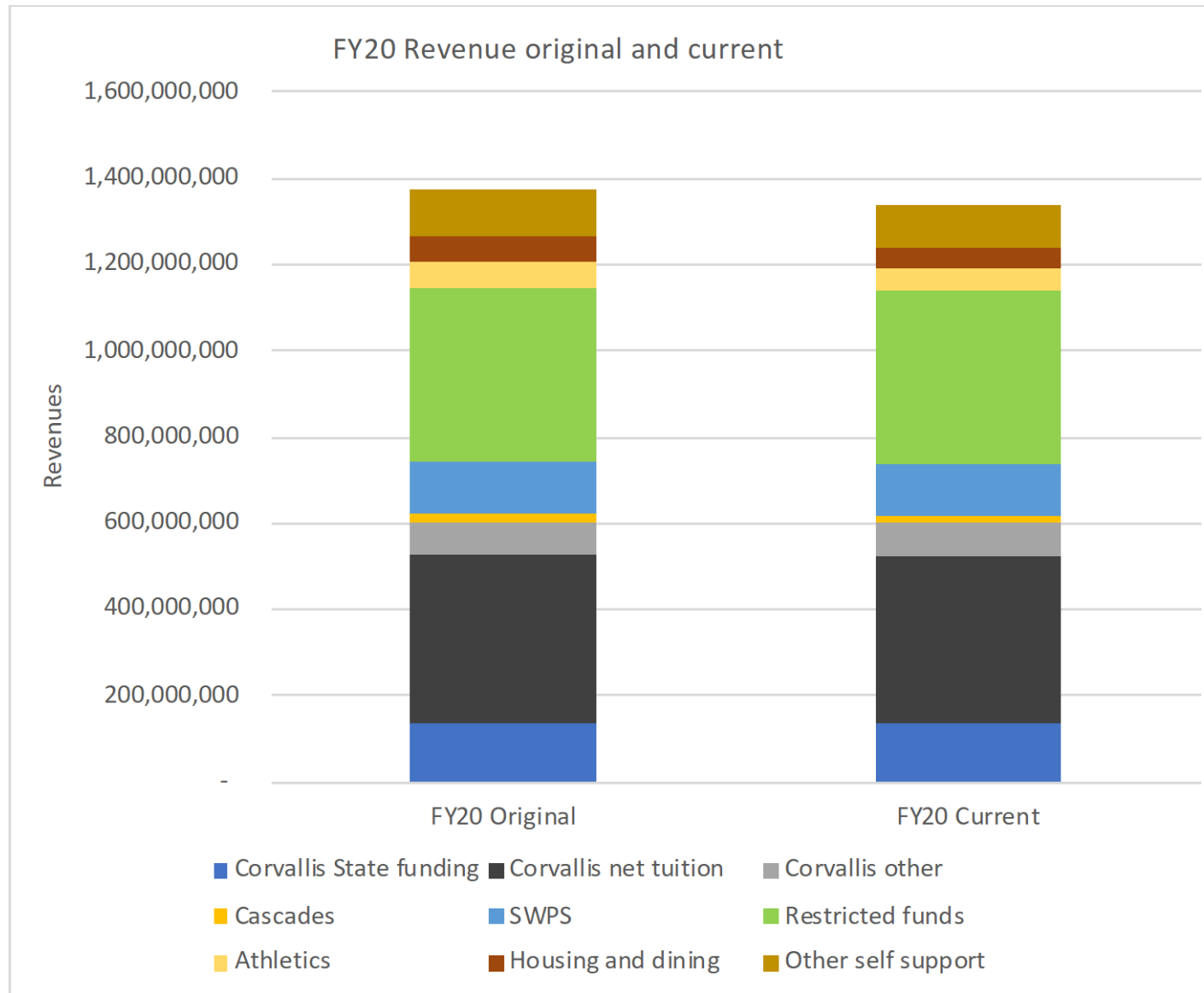
**April:** President makes recommendation to the Board

# FY2021 budget outlook—pre-Covid 19



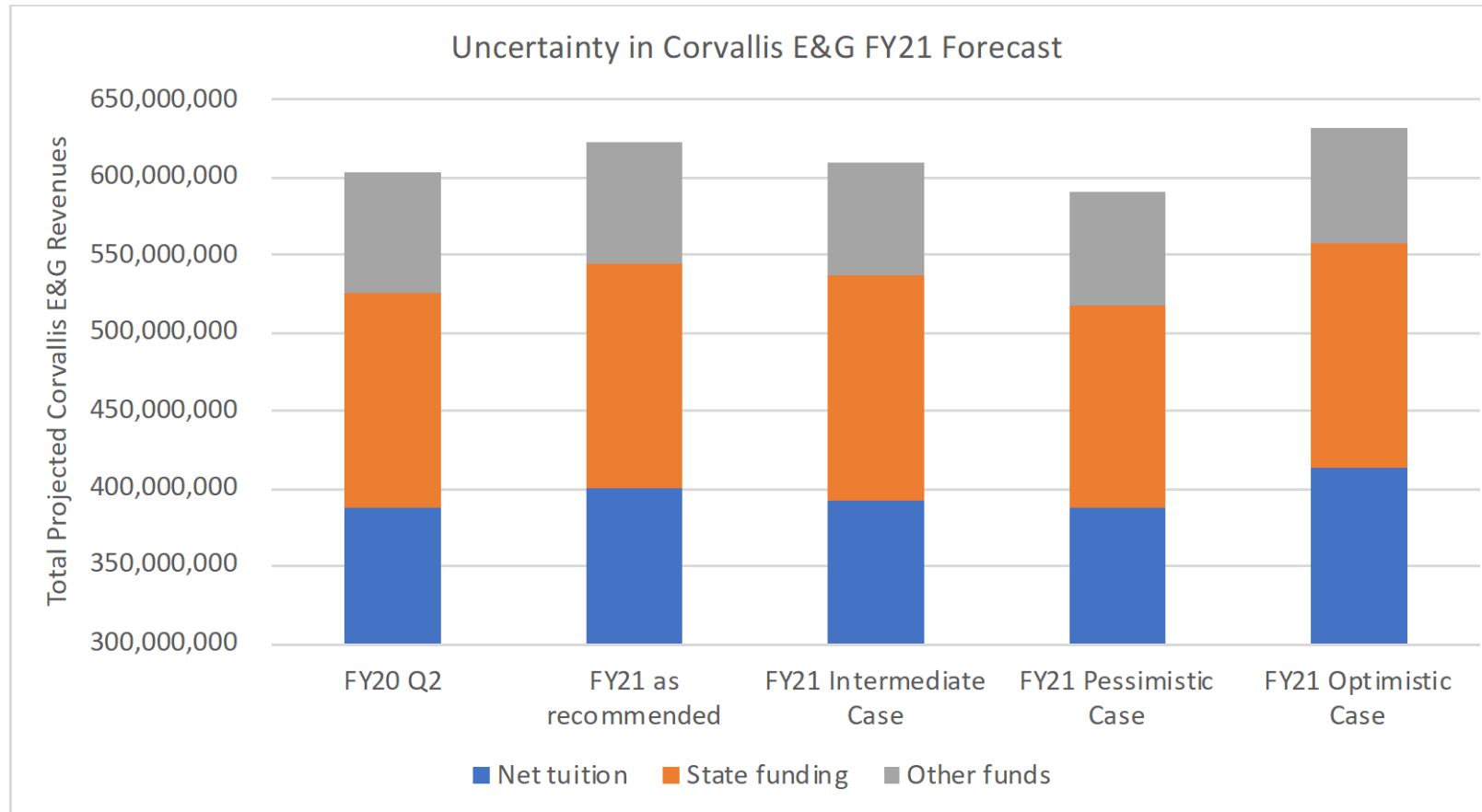
- State funding known (barring special session changes)
- Revenue growth lagged expense projections before the virus outbreak by about \$7M

# FY2021 budget outlook—spring term revenue changes



- First impact of Covid-19 is on spring term
- Largest revenue impact in self-supports units
- Impact on cash reserves, expense reductions being evaluated

# FY2021 budget outlook—fall term uncertainty



- Fall forecast has large variations depending on enrollment assumptions
- Swing of \$41M from the optimistic to pessimistic case
- More known at end of May

# Budget and Tuition Scenarios

	Scenario A: Resident 3.2%, Non-resident 3.2%, all continuing and new students	Scenario B: No increase for continuing undergraduates For new undergraduates: Resident 3.2%, Non-resident 3.2%	Scenario C: All resident No increase All non-resident 3.2%
State increase second year of a biennium, +4.1%	Continuing and new resident undergraduate: <b>3.20%</b> Continuing and new non-resident undergraduate: <b>3.06%</b> Financial aid increase \$1.2M Surplus or (deficit): \$(7.1M)  \$315 annual increase residents \$900 annual increase non-res	Continuing resident and non-resident undergraduate: <b>No increase</b> New resident undergraduate: <b>3.20%</b> New non-resident undergraduate: <b>3.06%</b> Financial aid increase \$0.5M Surplus or (deficit): \$(13.5) No annual increase for continuing students \$315 annual increase new residents \$900 annual increase new non-res	Continuing and new resident undergraduate: <b>No increase</b> Continuing and new non-resident undergraduate: <b>3.2%</b> Financial aid increase \$0.8M Surplus or (deficit): \$(11.6)  No annual increase residents \$900 annual increase non-res
	Base resident tuition & fees: 3.51% Average res. tuition & fees: 3.41%	Continuing resident tuition & fees: 0.52% Base new resident tuition and fees: 3.51% Average new res. tuition & fees: 3.41%	Base resident tuition & fees: 0.52% Average res. tuition & fees: 0.84%



# Other tuition recommendations

## Undergraduate differential

- Differentials increase with recommended undergraduate or graduate tuition rate, rounded to the whole dollar (so if 0% tuition increase, 0% differential increase)

## Graduate and Professional

- Pharmacy 3.0% resident, 0.0% non-resident, Vet Med 4%, MBA 2.5% resident, 4.5% non-resident
- Resident graduate 2.5%, non-resident 4.5%

## Ecampus and Summer

- Ecampus 3% undergraduate, 0% graduate, Summer aligned to academic year continuing student charges

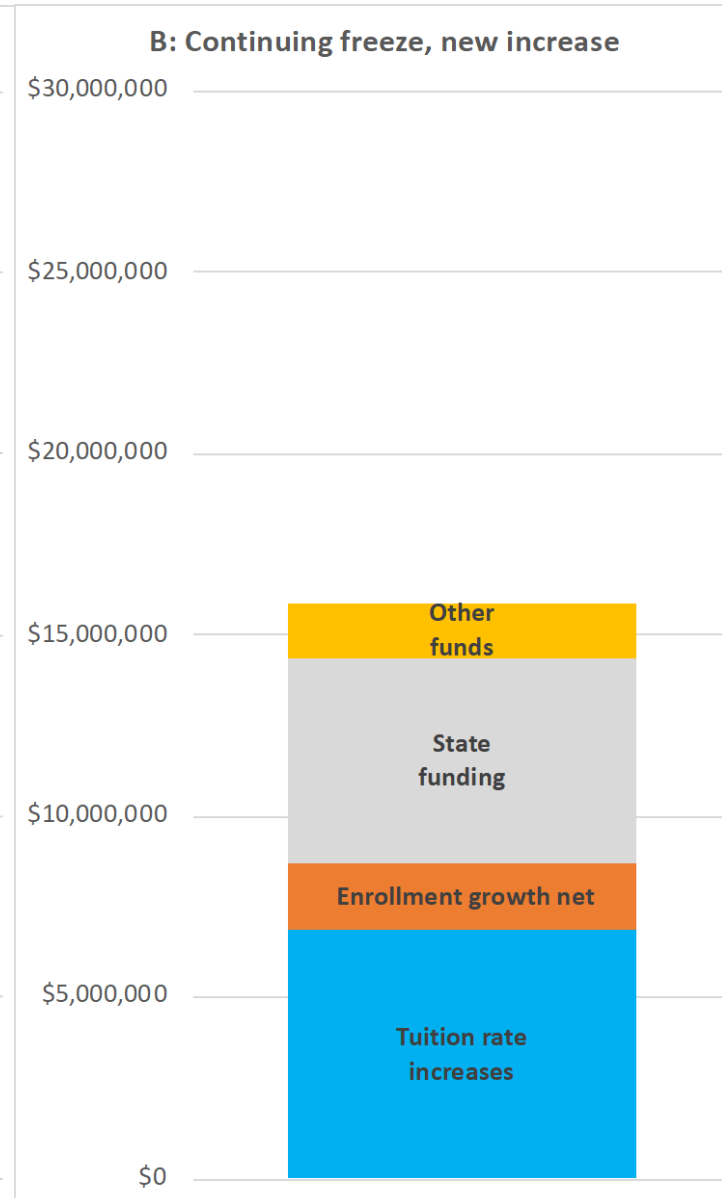
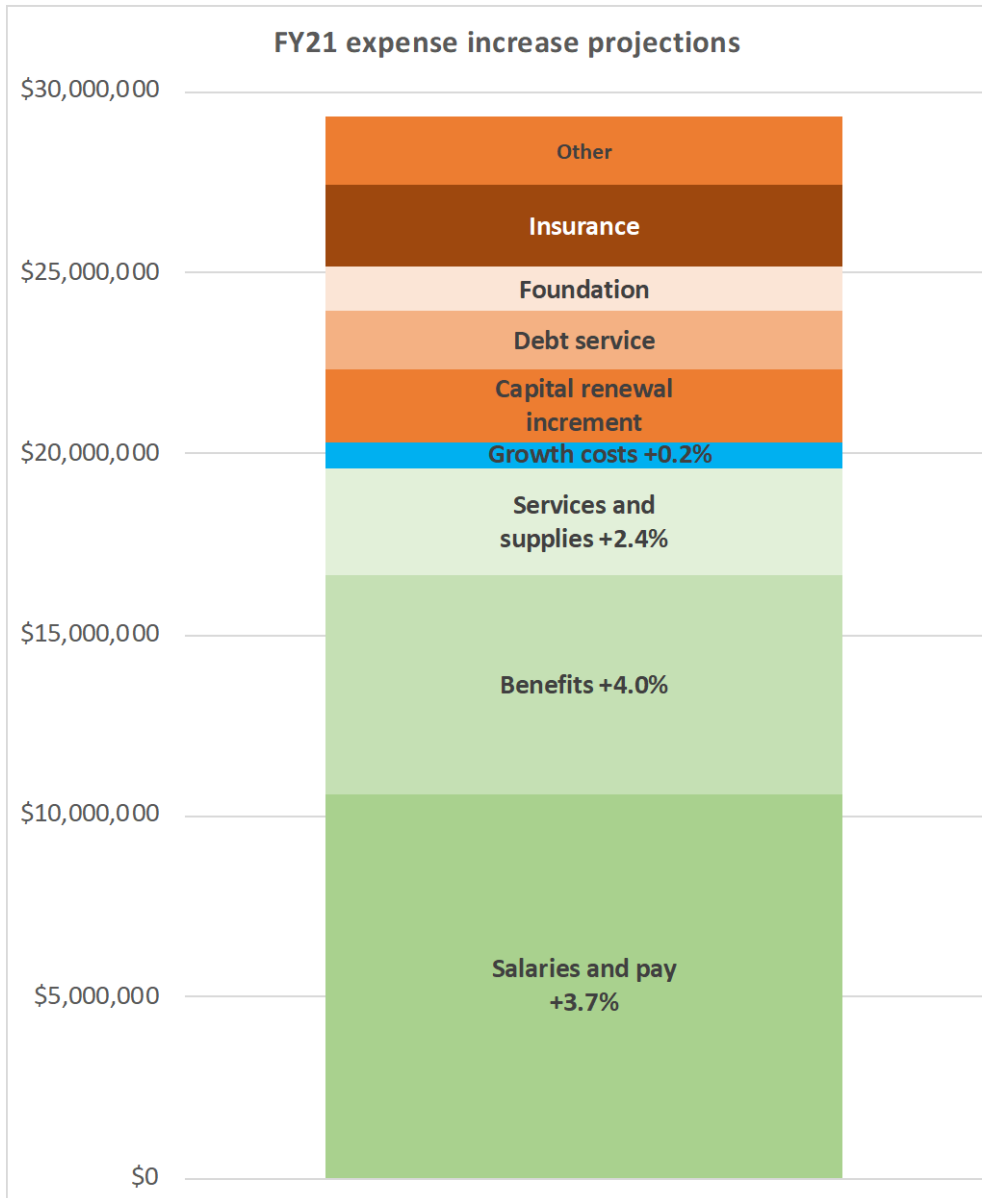
## Mandatory fees (health, building)

- Health fees 10.2% Corvallis, 0% Cascades

## Student incidental fees (recommended by student committees)

- 7.4% Corvallis, 12.4% Cascades

# FY2021 budget outlook—Scenario B tuition recommendation



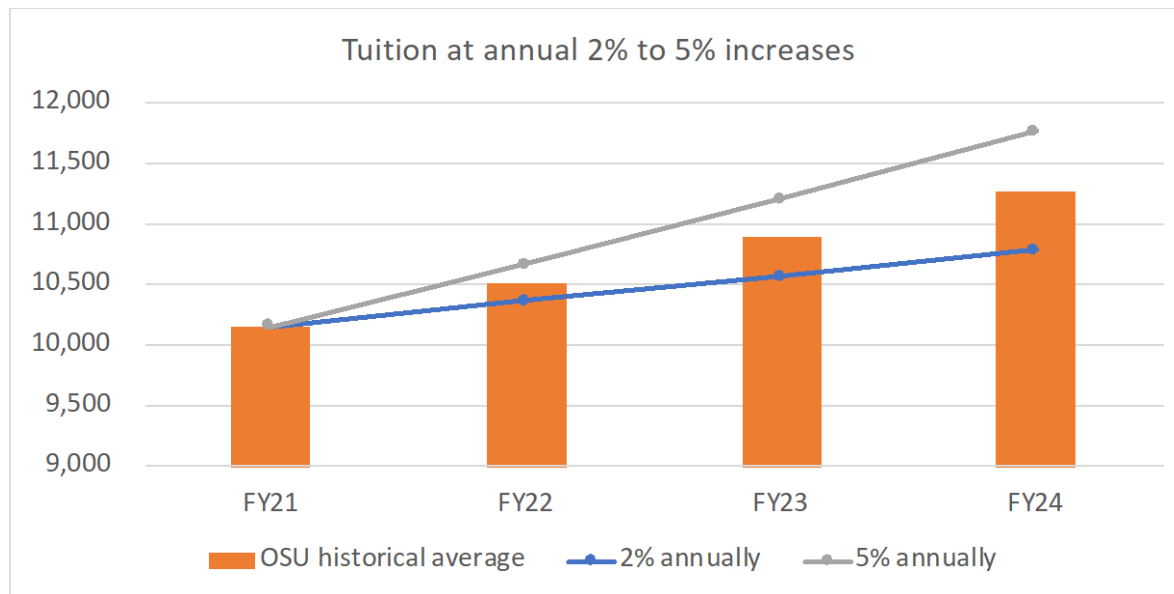
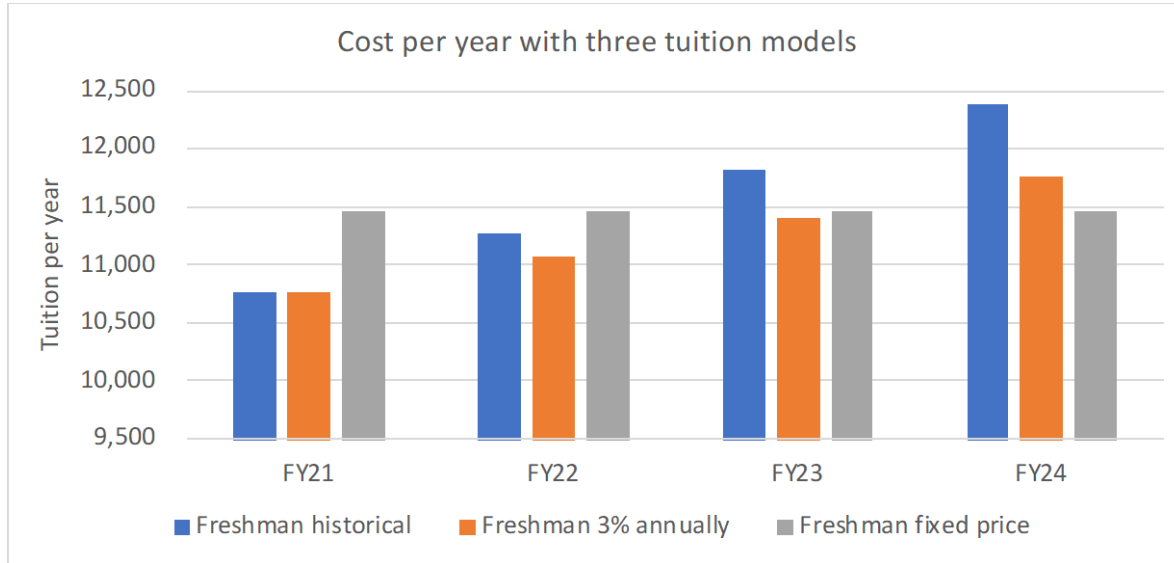
## Scenario B

- No increase for continuing undergraduates
- Other rates as recommended by UBC
- Saves continuing students about \$6M in tuition charges
- Will require offsetting expense reduction and fund balance use

# Why these tuition recommendations?

- Recognize the challenge for continuing undergraduate students with the sudden changes to employment and finances
- The undergraduate degree is the first and most difficult hurdle for many students so focus there
- Encourage students to persist at OSU and finish their degrees
- New students have likely already planned for projected FY2021 costs that include a modest inflationary tuition increase

# Why these tuition recommendations?



## Why not a tuition guarantee approach?

- Guarantees (or fixed price tuition) provide about the same total tuition over four years (as in the case at the top) but frontloads that tuition
- It provides certainty for students
- The Board's approach of 2% to 5% increases provides clear boundaries on expected costs and clear estimates of total costs over four years (bottom)

# Tuition recommendations

## Themes from university stakeholder conversations

- Reduce reliance on tuition
- Explore efficiencies
- Recognize inflationary pressures
- Cap salaries of some employees
- Reduce “administrative bloat” – specifics hard to identify
- Retain capital renewal and competitive salary commitments
- Articulate a specific plan for expense reductions
- Take a strategic approach to reductions and investments

# What about the revenue and expense gap?

- Better understand the enrollment projections near the end of May
- Understand the spring term actuals at the end of April to assess fund balance projections
- Manage services and supplies spending, including adjustments of capital renewal funding and funding to outside entities not yet set in contract
- Actively manage open and new positions
- Consider how to maintain employment of critical employees across all funds and to maintain OSU's workforce through the worst of 2020-21
- Review with the Board a proposal for FY2021 budget at the May meeting

# Undergraduate Tuition Scenarios

<p><b>Scenario A:</b> Resident 3.2%, Non-resident 3.2%, all continuing and new students</p> <p>Surplus or (deficit): \$(7.1M)</p>	<p><b>Scenario B:</b> No increase for continuing undergraduates For new undergraduates: Resident 3.2%, Non-resident 3.2%</p> <p>Surplus or (deficit): \$(13.5)</p>	<p><b>Scenario C:</b> All resident No increase All non-resident 3.2%</p> <p>Surplus or (deficit): \$(11.6)</p>
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## President's Recommendation

The president recommends that the Board approve the resolution in Attachment 1 establishing the academic year 2021 and summer 2020 tuition and mandatory fees, at the rates shown in **Scenario B** in Table 1.