

Tuition and Fee Process Amendments

BACKGROUND

ORS 352.102(2) requires the Board of Trustees to establish a process for determining tuition and mandatory enrollment fees. Pursuant to this statute, the Board adopted its Tuition and Fee Process in January 2015. During its recent tuition-setting discussions and based on advice of the University Budget Committee, the Finance & Administration Committee and Board discussed a long-range tuition-setting framework and asked staff to incorporate key elements of this framework into the Tuition and Fee Process. These additions were intended to provide more certainty for students and families in planning for tuition costs over multiple years of attendance at the university. Trustees noted that the framework, once adopted, should be reviewed periodically.

The Board also directed staff to incorporate amendments to the Tuition and Fee Process necessary to implement [House Bill \(HB\) 4141](#), adopted during the 2018 Legislature. The new law requires public universities to establish an advisory body to advise the president of the university on recommendations to the governing board regarding resident tuition and mandatory enrollment fees. Oregon State has an extensive process for developing its tuition and fees, which includes a University Budget Committee (UBC), composed of faculty, staff and students, and a Student Budget Advisory Council (SBAC). Given these existing advisory committees, there were minimal changes needed to ensure alignment with the new statutory requirements.

PROPOSED AMENDMENTS

Proposed amendments to the Tuition and Fee Process are shown in red text and strikethrough in Exhibit A of Attachment 1.

Long-Range Planning

Tuition makes up over 70% of Education and General (E&G) revenues, and cost increases are projected to be 3.0% to 4.5% annually, making annual tuition adjustments part of responsible budget planning for the university. In their April 2018 meeting, trustees discussed amendments to the Tuition and Fee Process that would commit the university to keeping annual tuition increases to within projected rates of inflation for existing personnel and services to allow students and families to plan. In its recommendations, the UBC specifically identified a range between 1.5% and 4.5%; however, trustees discussed that tuition increases as low as 1.5% were unlikely, given projected public employee retirement obligations. Trustees also discussed that any portion of a tuition increase higher than the OSU local rate of inflation would be targeted to strategic investments in services or programs (faculty excellence, financial aid growth, etc.), and any tuition increase less than the projected rate of inflation would be offset by specific cost or service reductions. These elements of the discussion are captured in the proposed amendments.

HB 4141

Over the last two years, the university has worked to expand its outreach and to solicit input as it develops its annual budget and tuition scenarios and recommendations to the Board. Prior to making recommendations to the President, university staff work over seven to eight months with the UBC and SBAC, reviewing projections of expenses, revenues, and new strategic budget

allocations needed to advance university priorities. Both of these groups provide input on tuition scenarios, review tuition comparisons with peer institutions, and consider potential cost savings and budget reduction scenarios. In addition to these advisory groups, university staff meet with numerous student groups and campus units to review budget and tuition scenarios and to gather input.

To align existing practices with the new statutory requirements, the university would establish the Tuition Advisory Council (the body defined in HB 4141) as a subcommittee of the University Budget Committee as provided in the proposed amendments. The proposed amendments further specify that the reports and recommendations of the council that are provided to the President also be provided to the Board, as required by the new statutes.

RECOMMENDATION

Staff propose that the Finance & Administration Committee recommend to the Board adoption of the amendments to the Tuition and Fee Process as provided in Attachment 1.

RESOLUTION NO. 18-__



**Oregon State University
Tuition and Fee Process**

BACKGROUND

Pursuant to ORS 352.102(2), the Board of Trustees established a process for determining tuition and mandatory enrollment fees in January 2015. In a recent review of the tuition-setting and based on recommendations from the University Budget Committee, the Board recognized the need to provide more certainty for students and families in planning for tuition costs over multiple years of attendance at the university. Amendments to the Tuition and Fee Process were developed to reflect a framework for long-range tuition setting.

In 2018, the Oregon Legislature passed House Bill 4141 amending the statute related to the process by which public universities set tuition and fees. The Tuition and Fee Process was amended to align the university’s tuition and fee setting process with these statutory changes.

RESOLUTION

Now, therefore, be it resolved by the Board of Trustees that the amendments to the Tuition and Fee Process, attached as Exhibit A, are approved. Be it further resolved that the Tuition and Fee Process will be periodically reviewed by the Board.

This Resolution is effective June 1, 2018.

APPROVED by the Board of Trustees June 1, 2018.

Secretary of the Board

Date



Oregon State University Tuition and Fee Process

~~Now, therefore, be it resolved by~~ The Board of Trustees **resolves** that tuition and fees will be established pursuant to the following process:

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 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.

~~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 Board's consideration of tuition and mandatory enrollment fees will be based on the recommendation of the President. ~~In developing recommendations to the Board, the President who will consider the advice of the Tuition Advisory Council of the University Budget Committee established pursuant to ORS 352.102 and will consult with the Associated Students of Oregon State University (ASOSU), the Associated Students of Cascade Campus (ASCC) and enrolled students in developing the recommendation.~~ The President will report to the Board the nature and outcomes of consultations with students and others, including any significant disagreements, ~~and will share all written reports and minority reports, including all recommendations, deliberations, and observations that are provided to the President by the Tuition Advisory Council.~~ The President's recommendation will include considerations regarding historical tuition and fee trends, comparative data for peer institutions, the University's budget and projected costs, and anticipated state appropriation levels.

The Board delegates to the President the consultation with ASOSU and ASCC in their establishment of a process for requesting student incidental fees.

Document History

- Adopted by the Board of Trustees, January 16, 2015
- Amended _____