



# Academic Year 2017-2018 and Summer 2018 Tuition and Fee Rates

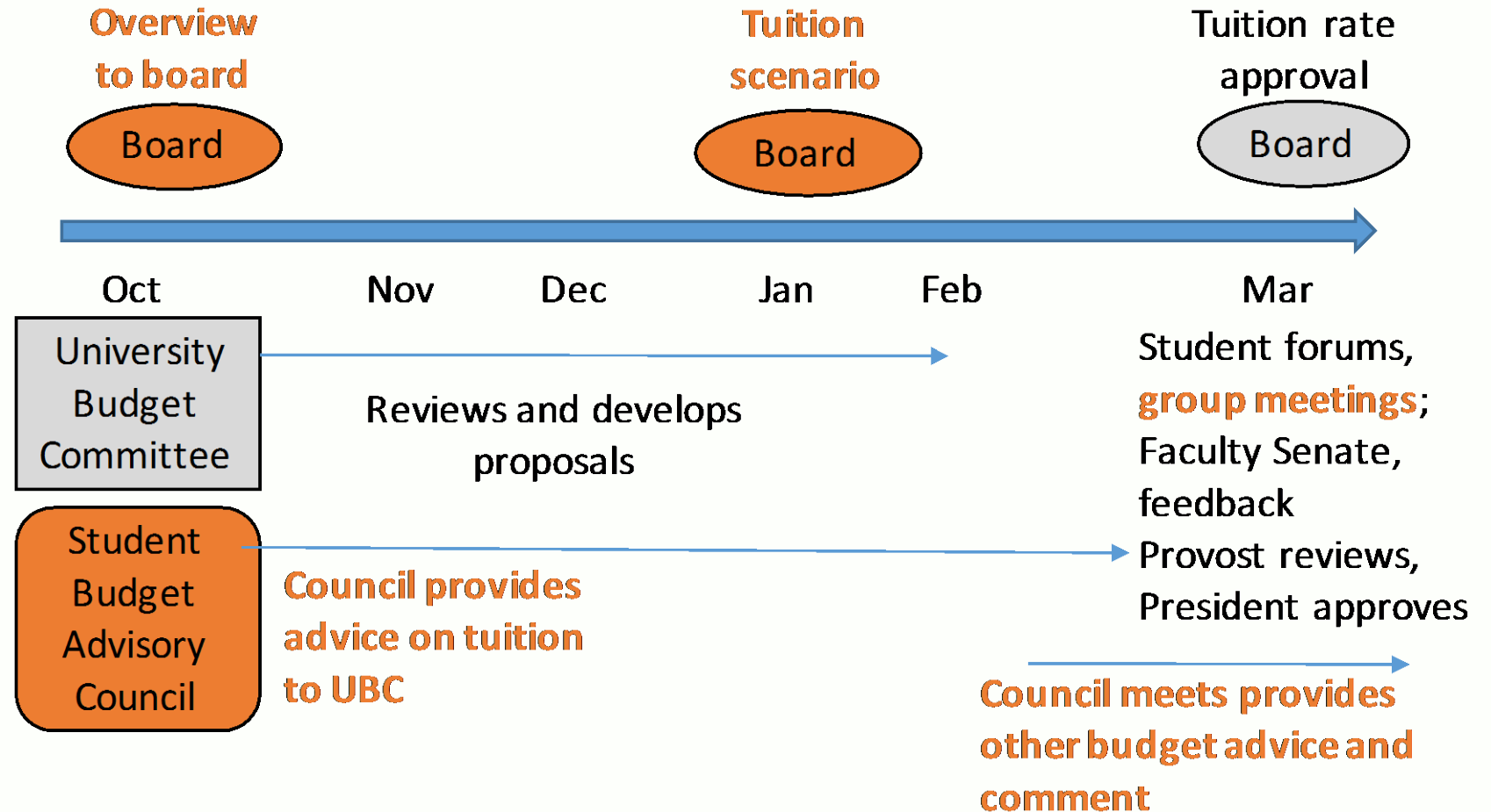


## Tuition and Fees 2018

### Process:

Orange highlights  
new additions

### Tuition setting timeline and engagement





## Tuition and Fees 2018

### Meetings held:

Discussions with  
about 350 students  
in various meetings

One open forum

Faculty Senate and  
Senate committees

University Budget  
Committee

Student Budget  
Advisory Council

## Themes from discussions: Affordability and access

- Tuition should decline as a social good and to provide access
- Students who are in between high-need and no-need may be most impacted — federal need measure is not a complete picture
- For some students, a \$300 to \$500 increase is not an issue; for others, a major barrier to continuing or enrolling
- Is financial aid from all sources distributed effectively?
- Need a long-term strategy on tuition rates so students can plan
- Funding for on-campus work can be a financial help and learning opportunity
- Maybe we should go back to a tuition plateau
- Some advocates of lower tuition felt their ideas not sufficiently considered
- Other affordability issues—fees, alternative first-year live on requirement, books
- Question whether the return from higher education is worth the cost
- What's the long term strategy for enrollment, and affordability?

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## Themes from discussions: Costs

- A hard look at expenses should be the first strategy
- Equity and fairness in salaries and compensation is important
- Cost increases are inevitable if program scope and quality are maintained
- Should there be limits on salaries and/or raises for certain positions?
- Visibility of what tuition supports helps understanding
- Are there alternative strategies on energy generation, utility use, overhead operations that could reduce costs?
- Are new commitments to student success, athletics, and fundraising wise in a year with so many budget stresses?
- Does the university have opportunities to change its participation in State benefit programs?
- How can we hire for some things at the same time we cut others?
- Will the tuition increases at other Oregon universities help our enrollment?
- Is there sufficient prioritization of direct academic delivery over administration?
- Is private fundraising an avenue to offset operating cost increases?

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## Themes from discussions: Needs and planning

- Serious needs in infrastructure
- Long-term quality of programs is essential
- Getting to a common view of priorities across campus communities could help
- Are the levels of reduction proposed realistic without damage?
- Long-term consequences need to be considered—short-term reductions can damage support for communities with distinct needs or challenges
- Modest tuition increases can be worth it if it maintains the faculty and staff that gives the program value for the student
- How can the tuition setting process be improved?
- Maybe coordinating use of Dual Degree Partnership programs can increase enrollment and reduce costs for students
- How to balance short-term pressures on students and long-term needs for the university's future?
- Annual increase in dollars is easier to understand and plan for
- How will expense reductions be done? What will be affected?

## Tuition and Fees 2018

### Context: OSU Changes

State funding

Financial aid

Enrollment growth

	FY2008 (in FY2018 dollars)	FY2018	Change
Resident undergraduate tuition (FY18 assuming +4%)	\$5,320	\$9,064	\$ 3,744
State funding per resident	\$7,707	\$5,873	-\$1,834
University financial aid	\$14,655,310	\$38,500,000	\$23,844,690
University aid per undergrad	\$758	\$1,517	\$ 759
Budget per student	\$15,896	\$17,343	\$ 1,447
Enrollment	20,320	31,022	53%
Research	\$240M	\$336M	40%
Fall Ecampus credit hours	13,377	61,120	357%
International enrollments	928	3,742	303%

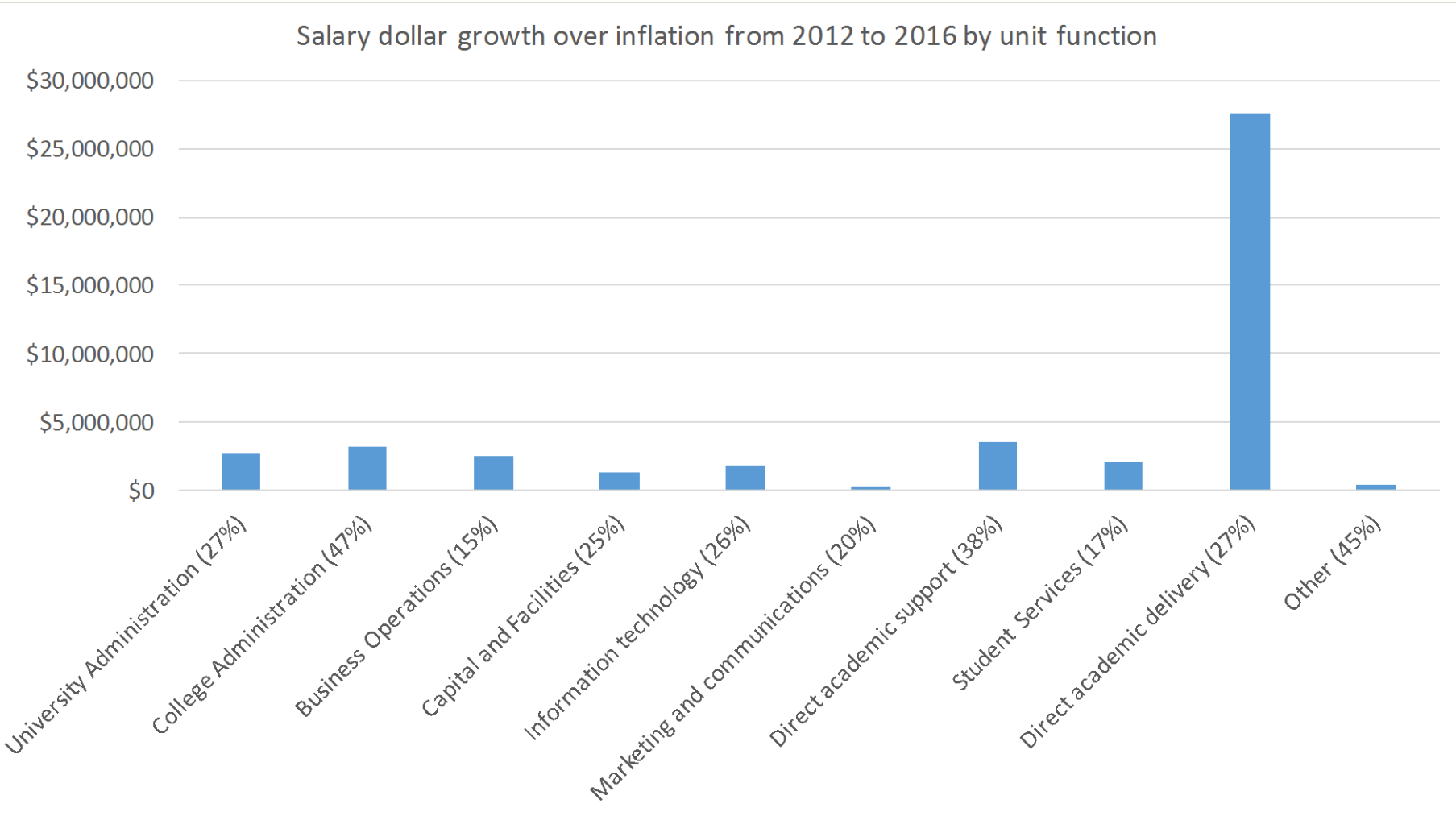
# Tuition and Fees 2018

## Context: OSU Changes

Direct academic delivery is academic departments, research centers, Ecampus, Summer term

Over same time, 19% enrollment growth, 97% Ecampus credit hour growth, 24% research growth, 27% growth in total expenditures

Growth in other functions, some with growth, some can be reviewed



## Tuition and Fees 2018

### Context: Oregon

Very low investment  
per student, high  
share shifted to  
students

Significant tuition  
increases

Little improvement  
on the horizon given  
PERS projections

### Average state aid per student FTE (2014):

Oregon	\$300
U.S. average	\$710

### Appropriations per resident student FTE (2015):

Oregon (45 <sup>th</sup> )	\$4,788
U.S. Average	\$6,966

### Net tuition as a percent of university revenue:

Oregon	61%
U.S. Average	47%

Resident tuition increases at other Oregon Public Universities\*  
10.6%, 10%, >9%, 5-10%, 10-12%, 5-7%

\*as reported by the Oregonian on March 4, 2017



## Tuition and Fees 2018

### Context: National

Low spending per student (linked to services, quality, class size, etc.)

Low financial aid grant support (correlates with state support)

Still not at high range of peer tuition (note NC State tuition and state funding)

## Comparison with some strategic plan peer institutions

	Resident Tuition <sup>1</sup>	State funding per resident student <sup>2</sup>	Average financial aid grants (Federal, State, University) <sup>3</sup>	Education and Related Spending per Student <sup>3,4</sup>
Oregon State	\$8,715	\$4,788	\$6,862	\$13,012
Ohio State	\$9,168	\$5,078	\$8,725	\$24,090
NC State	\$6,407	\$8,894	\$9,774	\$16,688
Purdue	\$9,208	\$5,142	\$9,612	\$20,500
Wisconsin	\$10,488	\$5,991	\$8,692	\$18,204

<sup>1</sup>Tuition for Fall 2016

<sup>2</sup>State funding from SHEEO for 2015

<sup>3</sup>Financial aid and spending for 2012 from Delta Cost Project

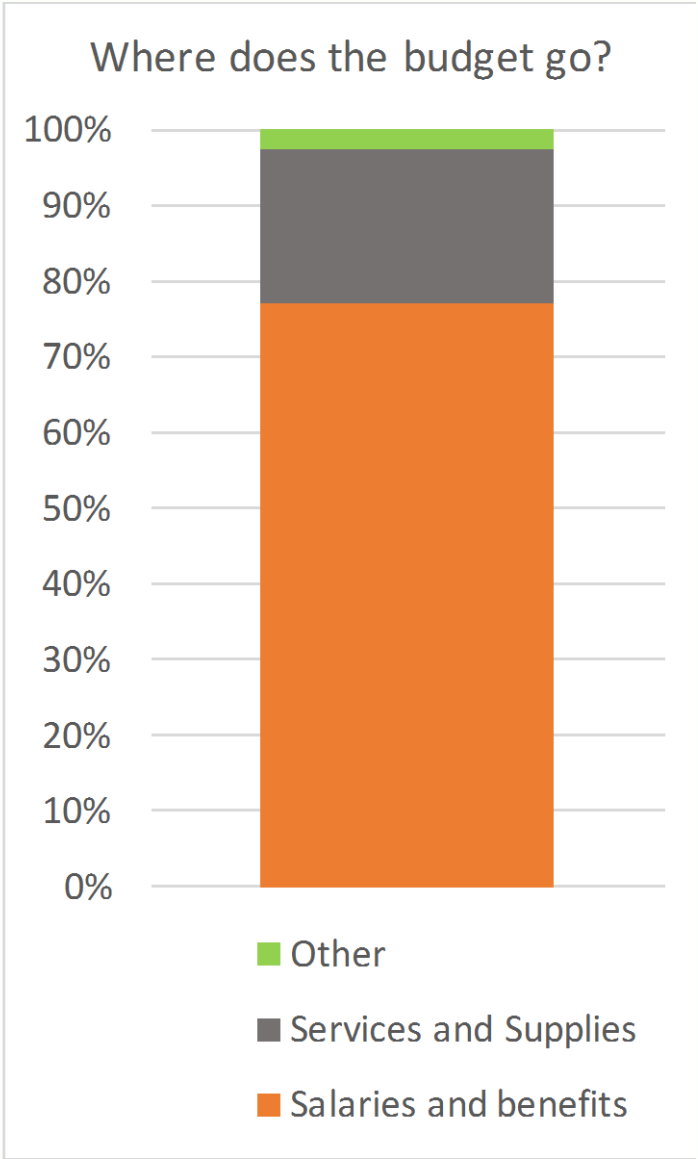
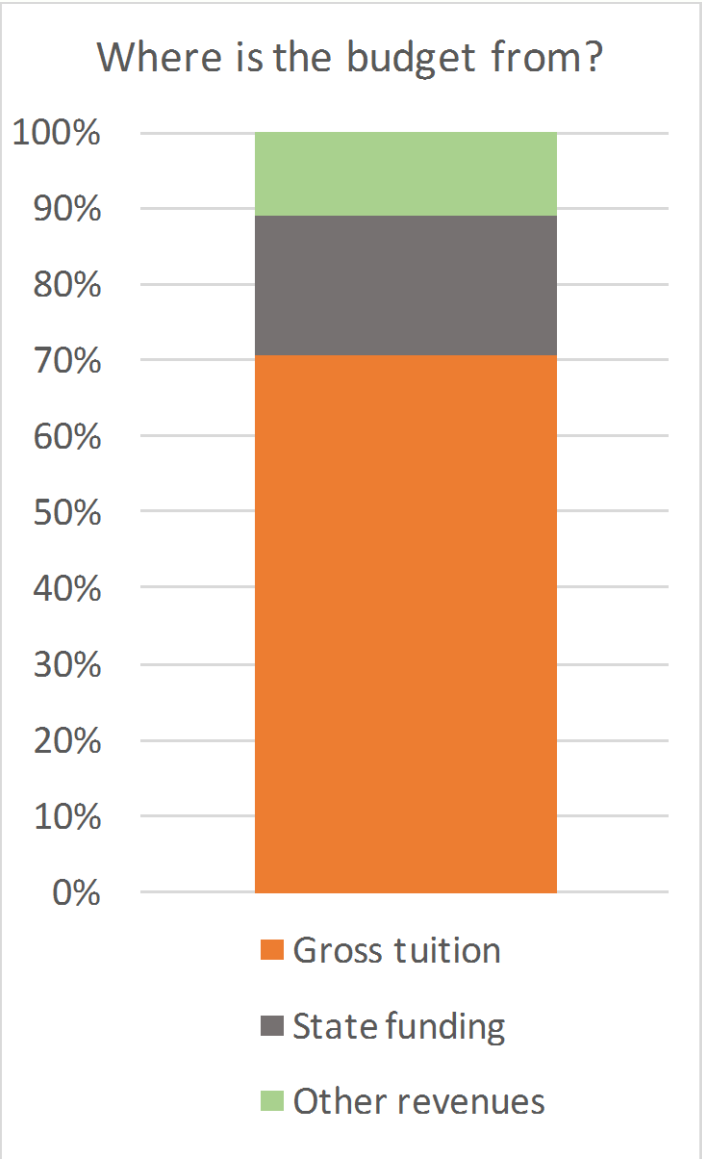
<sup>4</sup>Education and Related Spending includes instruction, student services, administrative support, and maintenance (excludes research, public service, auxiliaries)

# Tuition and Fees 2018

## Budget Planning:

Revenues are more than 70% tuition (and the majority of that is from undergraduates)

Expenses are more than 75% for people in salaries and benefits



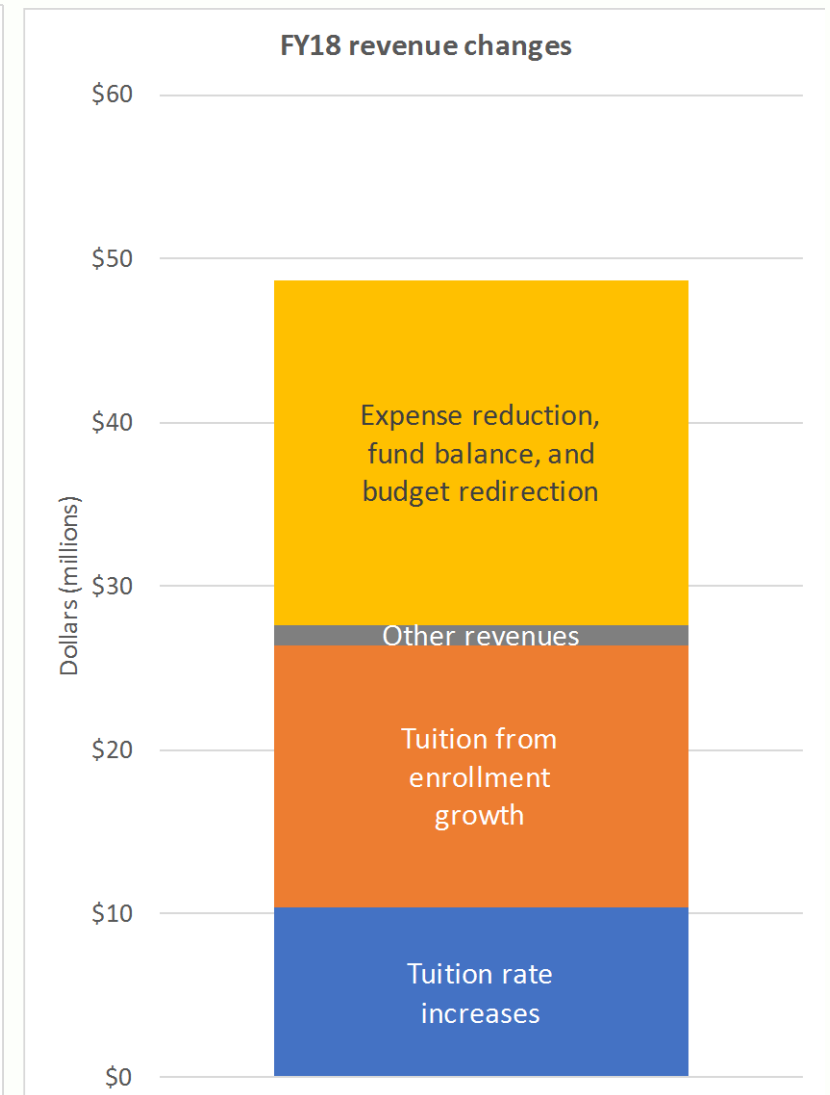
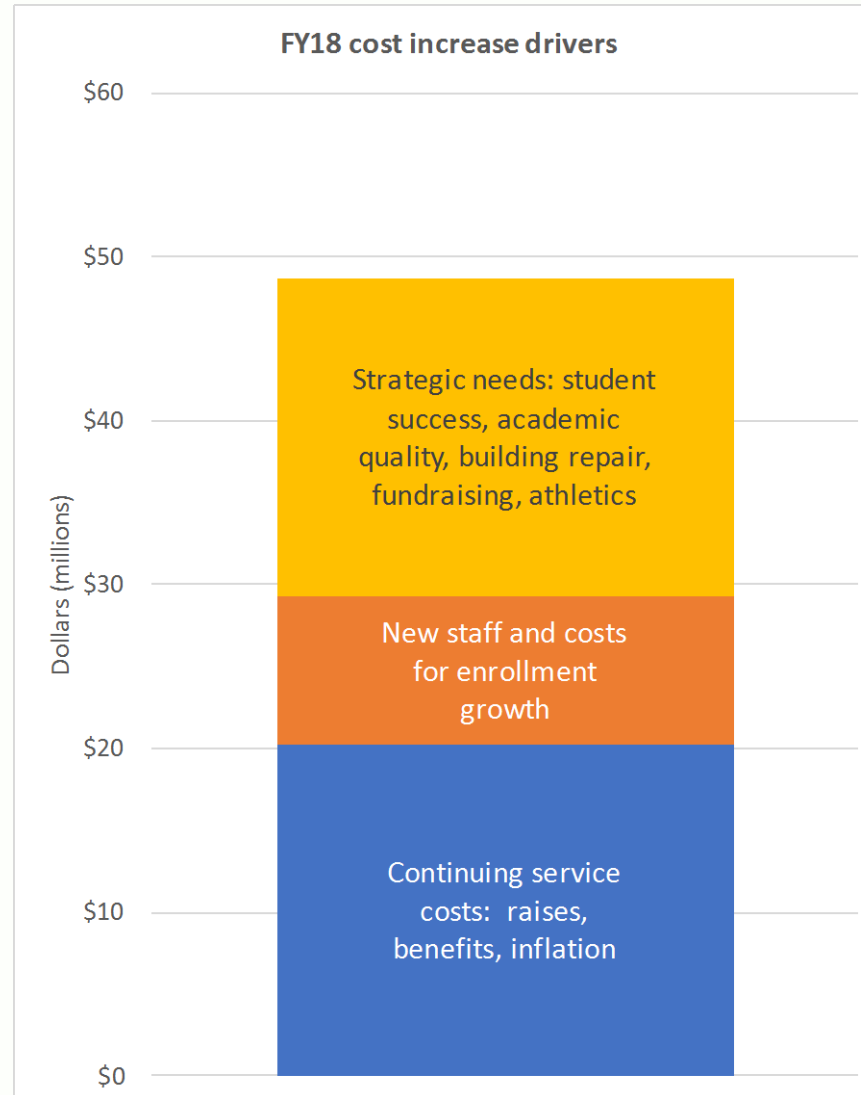
# Tuition and Fees 2018

## Budget Planning:

Expense projection reflects inflation, enrollment growth, and strategic needs

Budget plan assumes half of that covered by expense reductions

It would take a resident tuition increase over 20% to cover increased costs (if there were no enrollment losses)



## Tuition and Fees 2018

### Principal rate changes:

Non-resident at 2%

Only one change in differential charges

Ecampus same as Corvallis up to 5% (market limit)

Cascades same as Corvallis up to 6% (also market concerns)

## Undergraduate Rate Recommendations

- Corvallis resident undergraduate      Scenarios included for discussion, up to 8%
- Cascades resident undergraduate      Same as Corvallis increase (up to 6%)
- Non-resident undergraduate      1.99% or \$12/Student Credit Hour (SCH)
- Honors College differential tuition      \$69 per term (to total of \$500 per term)
- Ecampus undergraduate      Same as resident Corvallis increase (up to 5%)

## Tuition and Fees 2018

### Principal rate changes:

Change four professional degrees to per credit hour pricing

Cascades fees reflect addition of a new fee to support the Student Center (like the Student Experience Center fee at Corvallis)

Corrections to two rates and dropping one

## Graduate Rate Recommendations

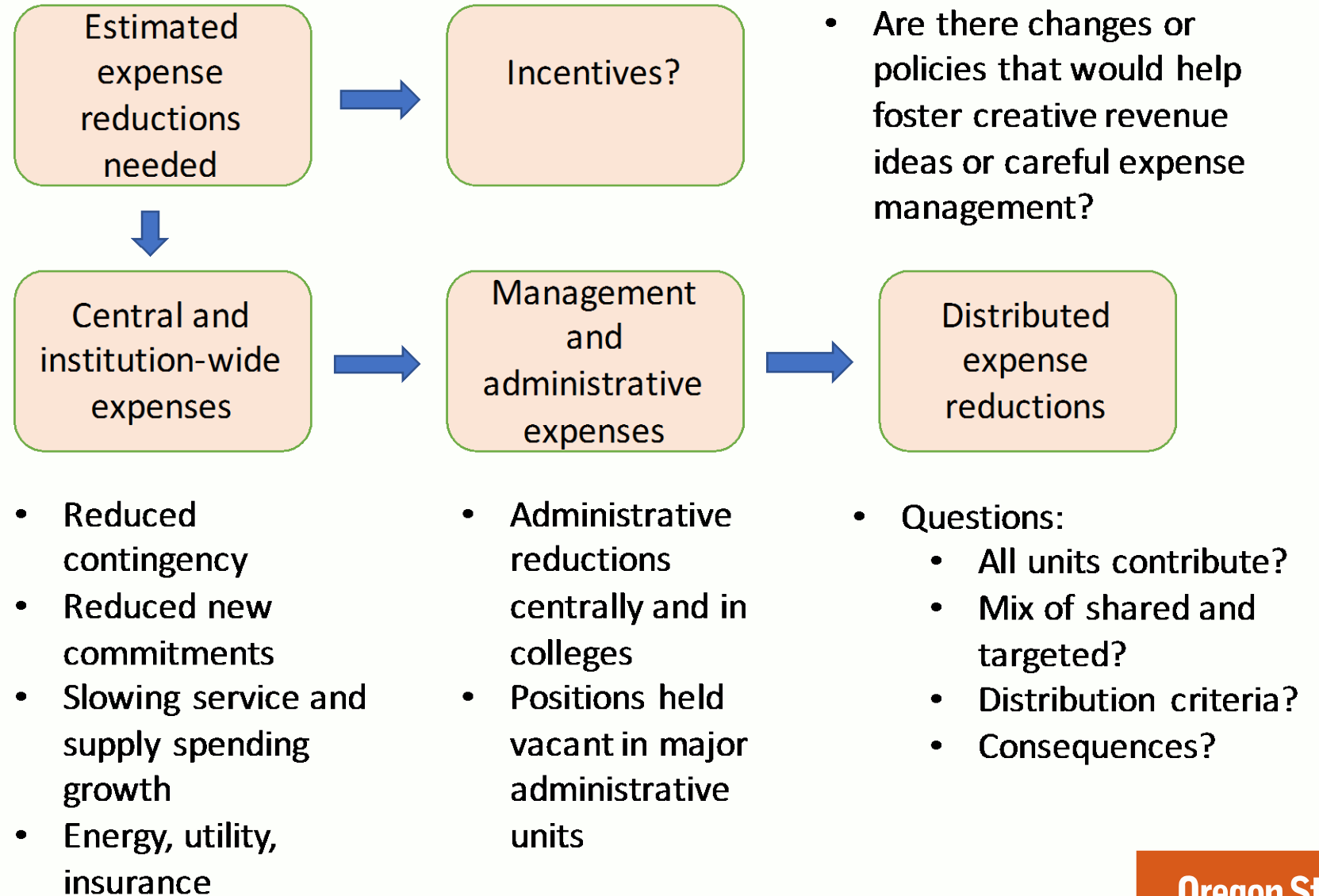
- Corvallis MBA; Cascades MS-Counseling, MAT, MFA Transition to per SCH pricing from plateau pricing
- Corvallis, academic year fees 4.29% or \$23.59 per term
- Cascades, academic year fees 49.5% or \$97 per term
- Corrections for DVM, Cascades Summer 2017 and change to Medical Physics



## Tuition and Fees 2018

All approaches will require expense reductions

Extent will depend on state funding and enrollment; all have consequences to service level, retention, and student success



## Tuition and Fees 2018

### Undergraduate scenarios:

Assumes Governor's Recommended Budget (+0% for biennium; -3% for FY2018)

Enrollment declines with tuition increases based on historical data (about 100 fewer resident students at 4% and 350-550 fewer at 8%)

Additional financial aid intended to help decrease that enrollment decline

B. Resident / Non-resident: <b>4% / 2%</b> (4.13% / 1.99%)	D. Resident / Non-resident: <b>6% / 2%</b> (5.68% / 1.99%)	E. Resident / Non-resident: <b>8% / 2%</b> (7.75% / 1.99%)
<b>Expense reductions:</b> -\$20.7M to -\$24.0M  <b>Financial aid increase:</b> \$3.41M  \$360 increase residents \$544 non-residents	<b>Expense reductions:</b> -\$19.2M to -\$22.9M  <b>Financial aid increase:</b> \$3.61M  \$495 increase residents \$544 non-residents  \$1.1 to \$1.5M more net revenue than Scenario B	<b>Expense reductions:</b> -\$17.9M to -\$22.3M  <b>Financial aid increase:</b> \$3.79M  \$675 increase residents \$544 non-residents  \$1.7 to \$2.8M more net revenue than Scenario B

**Staff recommend focusing on three undergraduate scenarios**

## Tuition and Fees 2018

Some major issues raised in the campus discussions on the tuition proposals

A short-term need for students returning or enrolling next year on the financial aid and cost side

A long-term need to maintain the quality of people and programs students expect to have, knowing the state will continue to face funding challenges

## Conclusions from Campus and Leadership Conversations

- Balancing the long-term financial and programmatic stability of the university and the shorter-term challenges of affording higher education for students will be an ongoing issue.
- Financial challenges for the state will not diminish and will likely be aggravated at the next economic downturn.
- Tuition is now a much higher portion of median family income than ten years ago, and there is a negative enrollment consequence with increased cost. Even modest increases can be challenging for students at need.
- Financial aid (grants and scholarships) from all sources – state, federal and university – are inadequate to the level of unmet need held by a large number of OSU students.
- The recommendations of the University Budget Committee and the Student Budget Advisory Council for a 4% resident undergraduate increase and a 2% non-resident undergraduate increase recognized the need to address affordability as the first priority, despite other needs and concerns.

## Tuition and Fees 2018

### Recommendation:

When setting tuition, the Board considers a number of factors, including the desire to create affordable access to degree programs, create a diverse student body, maintain strong degree programs at every level, and maintain the human and physical infrastructure necessary to support educational outcome goals

**Recommend to the Board that it approve the resolution establishing the academic year 2017-18 and summer 2018 tuition and mandatory fees as provided in Attachment 1 and amended to specify a resident undergraduate tuition rate increase of 4%, as provided in Attachment 1 *and* recommend to the Board that it endorse a set of investments to be made with additional state funding to include:**

- Bridge to Success grants up from current 1,820 towards original 3,200 students supported before changes to the Oregon Opportunity Grants
- Fund additional portions of the student success initiative for FY18
- Establish a retention grant program modeled on the gift-funded pilot run in the current year
- Provide additional resources for transfer student advisors and support services
- Pilot an on-campus work fund to build experiential learning around 10-hour per week employment

## Tuition and Fees 2018

Questions?