

Tuition Advisory Council
Friday, March 3rd, 2023

Council Members (✓ indicates the member was present)

- ✓ Blake Jordan – Student
- ✓ Derek Keller – Faculty Member
- ✓ Erica Knotts – Faculty Member
- ✓ James Miller – Student

Keeley Reiners – Student

- ✓ Matt Stillman – Administrator
- ✓ Julissa Taitano – Student
- ✓ Susan Walsh – (Chair) Provost and Vice President for Academic Affairs

Guests Present

Staci Buchwald, Chloe Fiveash, Steve Larvick, Greg Perkinson, Carrie Vath, Neil Woolf.

The meeting started at 3:35pm.

MINUTES

Knotts/Miller moved to approve the minutes from the February 24th meeting; the motion passed, 6Y/0N/0A.

INTRODUCTIONS

Walsh invited the following visitors to introduce themselves: Staci Buchwald – Director of University Housing, Steve Larvick – Acting Budget Director (while Josh Lovern is on leave), Carrie Vath – Dean of Students and an advisor to the ASSOU Student Fee Allocation Committee (SFAC). Walsh described the makeup and purpose of the Council to the guests.

ENROLLMENT FEES

Perkinson began by discussing the Council's fee recommendation from last year. He displayed a slide featuring the recommendation that was sent to the Board of Trustees, saying that he wanted the Council to see the content and form of what was sent as they think about affordability. He said this particular selection from last year's recommendation shows the mandatory enrollment fees that were proposed by the President and ultimately approved by the Board. The SFAC and Tuition Advisory Council did their work, then the President made his recommendation to the Board.

Referring to the enrollment fees, Perkinson said he feels that we right-sized the matriculation fee last year. Stillman said to his knowledge, there is currently no intention of changing it again. Woolf said there are no changes to that fee pending currently, but we may talk about adjusting it in a couple years. He said our peers are charging quite a bit more in this area.

Perkinson said the fee for the Student Health and Wellness Center (SHWC) was increased last year from \$150 to \$175. He said as of now, SHWC Director Anna D'Amato has provided a proposal with a range of possibilities. Woolf said her initial proposal lists 3 options: a raise of 4%, 7%, or 10%, and she'd be happy to come to this group to discuss her proposal further.

Perkinson discussed the building fee and said we made a fairly significant adjustment a year ago. That fee had been stable for more than a decade, then about 4 years ago it was increased to account for technology. Last year we separated the building and technology components into separate fees. He pointed out that there's a debt service component of the building fee and said that in his previous role as Controller before he retired, Larvick tracked the pool of dollars we had available to pay for the debt service, and this fee feeds that pool. He said he doesn't intend to ask for an increase to the building fee. Woolf explained that typically, when the state builds a building, it's either funded by the state or by a bond, which we'd have to pay off. Fiveash asked if programs like Bridge and others that uplift underrepresented students, for example, have these fees waived and how that fits into the conversation. Walsh said she believes that is actually a remission rather than waiving the fees. Perkinson said he loves what the Bridge program does; they use additional dollars from the state to support students by paying these fees, among other things. Walsh said we're treating all students the same, but using additional funds to buy back those fees. Stillman asked if Fiveash was actually asking about Bridge courses. Walsh said this funding is used for wraparound services like care coordinators. Perkinson said the fees are still assessed, they're just paid by the program. Stillman said it's complicated, but students do not get their fees waived. Fiveash said she was asking because it's a big deal and something that has been talked about in the program.

TUITION

Perkinson displayed a slide showing how the President's tuition rates recommendation is carried to the Board. He drew the Council's attention to how each category of tuition is listed in both percentage change and in dollars per SCH and for annual tuition. He said we want to provide the Board with a sense of context and often the way people want to assimilate info about rate changes is in dollars, so include it in a couple different ways.

Knotts asked to be reminded for which tuition rates the Council does not make a recommendation. Perkinson said the only ones the Council doesn't make a recommendation on are the ones where we partner with Academic Partnerships. He said in those cases, Academic Partnerships conducts a market rate assessment to find the sweet spot to make us competitive and allow us to recruit and attract more students to those programs. Walsh said this is just for the MS in Education and MBA online programs.

Perkinson showed a few charts with historic tuition rate comparisons from 2015-16 through 2022-23 for the Oregon Public Universities (OPUs). He said SOU was on the lower end but now we're closer to the middle of the pack. He moved on to look at our tuition rate changes by percentage over the last 7 or 8 years. He pointed out that SOU was closer to the top in 2015-16, then lower in 16-17, then at the top again in 17-18, when we were actually approved for a 12% increase by the HECC, but we were able to buy that back down to 9% because of some additional funding from the state. He said raising tuition so much is a lever we don't want to have to pull, but we pulled it in 17-18 and 19-20. He also pointed out that the rate changes modulated year over year during the period shown.

HOUSING AND DINING RATES UPDATES

Perkinson said Buchwald was invited so she could discuss the Housing and Dining rates. He showed the rate increases from last year, when housing rates were increased by 4% across the board. He said we got a little more creative with meal plans. Buchwald said 4% is the highest she's ever raised the housing rates by in her 6 years at SOU, and we're always looking to keep the full rate down as much as possible. She said she and her team are in the process of modeling right now, and they're modeling everything from 2% up to 4%, but she suspects they'll land somewhere in the middle, closer to 3%. She pointed to the 3.62% increase in the Red and Black plans last year and said those were influenced by significant inflation in food costs. She said there was no way to continue providing fresh ingredients without increasing those rates. She added that Housing and Dining are always looking for ways to give that money back to students, and working with Financial Aid. She said we give back about a quarter of that money through things like GPA remissions, need-based remissions, and so on. She said she tries to keep rates lower, but anyone living in Ashland will know that utility bills have skyrocketed in the last few years. She said the city sometimes has to pull that lever to meet their budget. She said the thing she is most proud of beside these percentage rates is that since she's been at SOU we've done the absolute minimum raises on rates for student apartments and student family housing. In the city of Ashland as a whole, rental increases have gone way up since COVID, but our 2-bedroom apartments go for \$1,000. We're doing everything possible to keep those low while covering our costs so we can make enough to pay for things that break. Whenever we increase those rates it's basically because we're trying to cover increased costs. She said we're hoping not to reach 4% again.

Stillman asked if we have a chart showing how SOU stacks up against our peers. Buchwald said we would if our peers would tell the truth. She said she attended a meeting recently and asked a direct question of her colleagues about this; she heard from one institution that they will not tell the transparent rate. That colleague said they couldn't even break down a housing cost and a meal plan cost from one bundled rate. Buchwald said one of her first tasks upon arriving at SOU was to try to understand why we look like we're one of the more expensive options. She researched other Oregon schools and learned that they were not being honest about things like meal plans that look cheap but turn out to only cover one month of a term. She said we are right on par with our competitors, except for Eastern, but there's a huge cost of living

difference between here and La Grande. She said she's not here to pass judgement, but SOU is incredibly transparent.

Knotts said she's heard that Greensprings is no longer going to be a hall where students are staying. Buchwald said that is not a rumor; the only reason we include a rate for Greensprings is that if we need to use it for overflow housing going into the fall we are required to have a rate listed. She said 3 of the 4 buildings have no heat, though we may use those units for groups that come to visit between April and October, which helps us cover our costs. If we have to open one of the Greensprings buildings in September for a couple weeks, we're not going to charge a Shasta rate for staying in Greensprings. Knotts asked about fill rate, capacity, and whether we have a lot of empty rooms. Buchwald said SOU is in a public-private-partnership with the management company who helped us build housing; we are the managers of the project, and our partners are the fund managers (or were at the time). We agreed with them on an occupancy rate percentage in the high 90's, and except for the COVID year we hit that target. There's not a lot of vacancy in Shasta and McLoughlin, and no vacancy in Madrone. We do a really good job of making sure we hit that percentage and we're good at offering programs and services to students that keep them there. Our rates do drop because of natural melt from fall to winter and winter to spring, so we like to get to 98-99% in the fall so when we do see a dip our average over the year is still where we want it to be. Perkinson said the sweet spot is 95%, but if we're at 92% or 93% we're pretty happy.

Knotts asked about rates for students who might want to stay during the summer. She asked if Madrone is really the only place they can stay. Buchwald said Housing needs to be able to turn over and clean buildings, and if people lived in particular rooms nonstop and we couldn't turn them over, the cleaning costs would blow people's minds. She said we've used Madrone because those rooms have mini kitchenettes, as contrasted with rooms in McLoughlin or Shasta, which don't have a common kitchen area. This allows us not to need to put out expensive meal plans. Also, after living with roommates for 9 months, very few people are likely to want to live with roommates over the summer. She said Housing works hard to make sure the units in Madrone are used by people engaged on campus in some way, whether that's classes, an internship or job on campus, or something else along those lines. There is a weekly rate in the summer, so if you only have to be here for three weeks, you only pay for three weeks, which is different than what we offer during the academic year. We do the same thing over winter break. If we learn of someone living unhoused, we're going to work with them to the highest degree possible to get them into housing, though it isn't free.

UNDERGRADUATE RESIDENT COST OF ATTENDANCE

Perkinson displayed a slide showing the undergrad resident cost of attendance information shared with the Board of Trustees last year. Taitano said the SFAC has voted on a \$412 incidental fee charge, which is about a \$14 increase. She said this upcoming week SFAC will be making some suggestions based on the budget shared at the beginning of the term.

Woolf asked if the Council members receive the weekly Exec Enrollment reports email from Institutional Research. He noted that in the latest report, this winter is larger in headcount and FTE, which is the first time he's seen that happen in a while, and that is encouraging.

Woolf said he would like to add one piece of context. Next year, the federal government is requiring that all housing info relating to cost of attendance has to be shared as an average of all offerings, so it should make comparisons easier.

PRO FORMA

Perkinson discussed the pending model variables in the latest version of the pro forma. He reminded the Council about last week's conversation about how HB 4141 requires that we make sure the Council understands the principles of cost management.

Perkinson discussed Oregon's Public University Support Fund (PUSF). He showed a recent chart that lists PUSF allocation options and outcomes. He directed attention to a green box showing the Governor's Recommended Budget (GRB) the Department of Administrative Services' (DAS) Current Service Level calculation, and the OPU request. In the GRB, the PUSF is set at \$933M, which is well below the \$1,050,000,000 the OPU's are requesting. On the bottom part of the chart, Perkinson said each of the OPUs is listed along with the amounts of PUSF funding they'd receive under the GRB, the Current Service Level, and the OPU request (assuming the State Success and Completion Model allocates funds in the next cycle as it has in recent history). He said under the GRB the change from FY23, which is listed at the top of the chart, would mean SOU would get \$100,968 less. He said he intends to model the most conservative scenario in the updated pro forma to guide our budget decisions leading to the budget approval in May, then if that funding has improved once we learn the decision in June, we can adjust. The conservative approach is to go with the amount based on the GRB, \$26.4M. He said it would not be unreasonable to think we might get a bump of \$1M, which would bring us up to the current service level, but the OPU request line may be overly optimistic. Walsh asked about the role of the Department of Administrative Services. Perkinson said in this context they are the agency that supports budget planning for the Governor. He said he meets monthly with DAS accountants and the Legislative Fiscal Office, to compare notes and so they can hear the university perspective on the budget. This dialog is really good because we want to contextualize our experience for people just looking at the budget from fiscal perspective.

ENROLLMENT PROJECTIONS

Perkinson discussed fall SCH projections and showed a legacy chart reflecting several different ways we've approached the challenge of predicting mathematically what will happen with enrollment. He said it's hard to strip out the impact of the pandemic and reasonably predict what enrollment will be.

Perkinson moved on to enrollment projections. Woolf clarified that the last chart showed SCH, while this one shows headcount. Stillman said a couple weeks ago, he, Admissions, and

Institutional Research sat down to begin their annual exercise to figure out an enrollment projection for next fall term. He said this is both an art and a science, and they look at a lot of math to establish baselines but also incorporate what they're hearing and experiencing, and other environmental factors. The chart shows the primary categories of students and our projections for enrollment. He said "continuing" students are students who continue enrolling term after term, but if a student has a gap of even one term, then they would be a "returning" student. Non-degree seeking students are a combination of Advanced Southern Credit students, early entry students, community members taking one-off coursework, Osher Lifelong Learning Institute (OLLI) students, and pretty much anything other than what you would typically think of as bread-and-butter. If you're taking 1 credit hour you are 1 headcount; if you're taking 40 credits, you are still 1 headcount. Headcount matters a lot for what is often reported in the media and on the political side, but for revenue it's really about SCH. Stillman said the projections reflected on this slide are predicated on our best guesses at the moment, and our reliability gets better the closer we get to fall term.

Referring to the projections, Stillman said we're thinking we'll have an increase in new freshmen and new transfer students. We're continuing to return to pre-pandemic levels in new students, so that's a good trend. We're tentatively modeling the number of new graduate students to be down a little; they were down a little last year, and we're sunsetting a graduate program. We're modeling continuing and returning students down a little bit also because of the pipeline; we had fewer students in the last few years, so there is a smaller pool who might continue or return. For non-degree seeking students we're projecting an increase because we're now registering students we weren't registering before—OLLI students, for example. Our recent surge in headcount is primarily because of those students being added. They add to our headcount and may take one credit hour or slightly more, but there's no tuition or fee revenue associated. Where we get the advantage is not in tuition but in the funding model; we'll hopefully see more in state allocations because this. Basically, at the end of the day we're thinking enrollment will be just about flat. He said he would plan on flat enrollment overall for fall term, with an increase in new freshmen.

Perkinson displayed a couple slides showing the Education and General Fund budget with a forecast to complete that was shown at the January meeting of the Finance and Administration Committee of the Board of Trustees. He said this was about developing revenue expectations, and at that point we thought the state allocations would be down 2%, but it actually looks like they may be down as much as 4%. The next slide he showed incorporates labor savings based on the SOU Forward plan. He said this needs refining, but it's a draft of what will be shown at the March 16th meeting of the Finance and Administration Committee. He pointed out that under the conservative assumption, we would have a \$1M deficit from our revenue projection, but said it's always a balance of using what we know and updating once we get better information. He said this models some softening in tuition revenue, but after hearing from Stillman today, that number might not be a negative, and it might help offset the \$1M less we're projecting in the state allocation. He pointed to the \$3.3M transfer and said it's part of the COVID relief we received; we got our second tranche in the last fiscal year and we've got about \$2.9M left, but that's one-time funding. He said we recently met with the staff of

Senators Merkley and Wyden about possible one-time ask for \$3.5M ask for the student information systems component of our conversion from Banner to Workday. We effectively took out a 10-year loan and our plan is to pay that back over time and use operational savings from Workday to eventually break even and then save money, so if we can get this \$3.5M from the government, it would be a beautiful thing. He said there's currently a \$15M earmark in the state allocations for the 4 technical and regional universities (TRUs); we don't know how it would be allocated or if it will stay in, but if it were spread evenly across the 4 institutions, that could be an additional \$3.75M. Walsh asked if there would be restrictions on these funds. Perkinson said we don't know about restrictions. Walsh explained to the Council that when we got money for Bridge and Strong Start, it was only to be used for those programs. Perkinson said he will try to find out if the funding would be restricted to a certain kind of initiative. He said he's not going to bet on either the \$3.5M ask for the student information system change or the additional earmark money. It would be fantastic if this additional funding shows up, but it's uncertain.

Moving on to discuss cost assumptions, Perkinson said that the SOU Forward plan is associated with about 80 FTE in recurring savings, about \$9M in recurring savings. He said some of the savings are in the future, while positions that are funded but currently vacant are savings now, and each of the Vice Presidents have elements of both in their areas.

Perkinson said there are a lot of complexities around transfers, but there are basically 3 funds, Education and General (E&G), Auxiliaries, and Designated Operations. Some dollars transfer back and forth, so the Board will want details on that and we provide that detail. He said as we work through the execution of our core information system project, we're going to create a little breathing space and delay the start of the student portion so we can make sure we get it right. He said there is an unintended consequence that it will affect the FY 26 operating costs probably by about \$1M and we'll account for that.

Perkinson suggested that the Council might conduct a straw poll over email or through a shared document to gauge how the Council members feel about tuition rates. Walsh said that worked well last year, but the Council might not be ready for that yet because we haven't yet really played with the pro forma and looked at the ramifications of different rate changes.

The meeting ended at 5:01pm.