

Tuition Advisory Council
Monday, February 4th, 2019

Present: Becca Evans, Dakota Gonzales, Leslie Eldridge, Dennis Slattery, Sue Walsh, Johanna Pardo; Greg Perkinson, Josh Lovern, Neil Woolf, Kayla Fennell, Andrew Zucker, Kristen Gast, Jeanne Stallman (by phone).

The meeting started at 1:31pm.

Pardo/Gonzales moved to accept the minutes from the January 28th with one minor change to correct the number of one of the budget scenarios discussed at a meeting of the Vice Presidents for Finance and Administration (\$120M rather than \$100M). The motion passed by voice vote, 6Y/0N/0A.

Walsh mentioned that Gast was visiting to represent the Registrar's office in Stillman's absence.

Campus Budget Forums

Walsh asked if anyone would like to discuss anything that had been brought up at the last meeting. Perkinson said he would like to revisit the conversation about ways to get share information about the process with others on campus. He said we are in the process of trying to identify times for budget forums. We were initially targeting Wednesdays and Thursdays around 3:30pm, but there were a very limited number of viable dates within those parameters. He said if the Council thinks Tuesday is an option that would open up more dates. Walsh asked what the goal number of forums would be. Perkinson said he appreciated the dialog the Council had last week about using social media and other means of getting the word out. He said on it seems if we did two events, like a Wednesday and Thursday of the same week, we might get a good cross-section of people to attend. He said another thought is that we could purposely schedule a greater number of these to cast as wide a net as possible. Walsh discussed some possible dates.

Slattery asked about the goal of these meetings and what we hope to accomplish with them. Perkinson said he would propose that they should be intended to educate and create a dialog. On the education side, he said, we would want give a broad-brush look at the budget, similar to the budget orientation the Council has been undertaking. He said he would want to spend 30-45 minutes on and this and then think through how to create a sense of dialog that would get people engaged. Slattery said he asked his question because there will be plenty of energy and interest around this if we go out with a 12% tuition increase, so energy will not be the issue. If the goal of these meetings is trying to justify whatever increase we recommend, that will be very different than to just engage. Walsh said she doesn't think we would go to these forums with a specific number for a tuition rate increase. Slattery said he thinks people will want to know the bottom line of what's being recommended. Walsh said that this assumes people are already educated about how the budget is put together, what the pro forma looks like, and other issues that feed into the tuition conversation. Perkinson said he likes the idea of doing an

educational forum in the near term, then doing another open forum once this Council has made its recommendation to the President. Slattery said that's what his purpose was in asking his question. He said we have to have that second component at least in some way. Walsh said that in the time between the forums the Governor may have made some progress on the budget. Evans asked if the purpose of these forums will be seeking input. Walsh said yes. Perkinson added that these aren't the only way to get input and recommended that Council members all talk to their peers and constituencies to get their perspectives. Slattery asked if we will be talking within the context of what the Governor has proposed at these forums. Perkinson said yes. Walsh said one way of gathering input at the forums would be to make 3" x 5" notecards available so people can write their thoughts and hand them in.

Pardo said it is important to start building social media momentum now. Walsh asked what would be the best way to approach social media. Pardo said it would be good to put information about the forums on the website for people to see, but it would be great to have information sent out wherever we have an audience. Walsh suggested that a conversation with the Director of Marketing might help understand how best to spread the word. Pardo agreed and added that ASSOU could also help get the word out through their public relations efforts. Gonzales said it would be good to spread the word wherever we get the most engagement on social media. Woolf added that we could also ask President Schott to tweet about it and could start a hashtag. Pardo said anyone tweeting about it should use the same hashtag. Eldridge said that if we use talking heads we should make sure to use students for this because people would be more likely to engage with them. Walsh said if the student body President is making that pitch it would probably get some traction.

Walsh mentioned some possible dates for forums and said that venues are being considered. She said she understands that people may have class conflicts and other schedule conflicts, but it would be great for as many members of the Council as possible to be there. She said we're looking at 3:30pm – 5pm. Slattery mentioned that at the last meeting the group talked about scheduling during lunch time. Walsh said that there are not very many classes after 3pm. Slattery said the only issue is that some people will have left by then and will not want to come back to campus. Walsh said we could schedule forums for both times.

Gonzales suggested doing Facebook live or something similar that would allow people to watch it online. Walsh said we do record them. Perkinson said that President Schott did a Facebook live a couple weeks ago. He said Brandon Givens in the Digital Media Center had a new device at the State of the University that might be good for this. Fennell said Facebook live is a better practice because followers get a notification and you can also schedule a Facebook live event so your followers know you're planning to go live. Pardo said another benefit is that you get user stats. Eldridge said she thought students were moving to Instagram. Woolf said many are still using Facebook and that the narrative outpaces reality sometimes.

Tuition Advisory Council Charter

Walsh discussed the revised Tuition Advisory Council Charter draft [DRAFT TAC Charter Doc 2-4-19]. She said some edits were made based on feedback at the last meeting and discussed the changes. She noted changes in the membership section, including listing the University Registrar and a representative from classified staff as voting members and moving several people who were listed as voting members in the last draft down to the group who advise the Council. She mentioned that this version recommends in a parenthetical note that one of the faculty members be drawn from the University Budget Committee. She said there has been discussion about putting the Budget Committee back together, but it hasn't been around for a couple years. Perkinson said it would be best to delete that parenthetical note. Walsh said when SOU got its own Board of Trustees it was suggested that the Finance Committee of the Board was performing the function formerly addressed by the Budget Committee, but there was a conversation at Cabinet this morning about changing the charge of the Budget Committee and re-forming it. Slattery said he would support reconvening the Budget Committee. He said it became a good training ground for people to learn about the budget.

Walsh mentioned another addition to the membership list in the updated draft Charter. She said she thinks it would be good to have a Division Director participate as a voting member and thinks Lee Ayers would be a good choice. In addition to her portfolio as Division Director for Undergraduate Studies, where she oversees a Division that deals with first year students, Ayers sits on the Higher Education Coordinating Committee (HECC), representing all seven public universities. Also, she taught in Criminology and Criminal Justice for years before moving into administration and she still teaches a class or two every year. Walsh said she thinks Ayers has a good perspective and would be a valuable addition to the Council. Walsh asked if the Council would be comfortable with asking Ayers to join as a voting member. Council members nodded their approval.

Eldridge suggested adding the word "may" in the sentence "Other members of the University community who [add "may" here] participate and advise the TAC include." Slattery said the number of members listed in the document may not be correct. The document says "TAC usually consists of about twelve to eighteen members," but our proposed membership is not in that range. Eldridge asked what number is required for compliance. Perkinson said that minimum compliance with HB 4141 would be eight members; two administrators, two faculty, and four students. Our proposed membership would include two members beyond the minimum, the Division Director and the representative from classified staff. Walsh said SOU's Tuition Advisory Council has always had a classified member as a voting member, though that is not required by HB 4141. Slattery suggested just listing eight as the minimum number of members. Woolf suggested that, rather than listing a number, the Charter could just say that the Council consists of the required members specified in HB 4141, with a note that the Council can add members upon the agreement of the voting members of the Council. Walsh said these changes will be made and a revised draft will be brought back for the Council to vote on.

State Funding Update

Stallman said it appears that the Council has a good sense of the current situation with Governor's Recommended Budget and the Investment Budget she's proposed. She said the next development to watch will be what the co-chairs of the Oregon legislature's Joint Committee on Ways and Means will provide in their draft budget, which will likely come out some time in late February or early March. Stallman said the Governor has been traveling around the state, including visits here in Medford, and talking to different groups. She had a meeting with the seven public university Presidents and talked with them about where we go from here. At this point she said she's not having much luck with the legislative leadership around her investment budget. She took a gamble with her recommended budget, believing that any increase would be like putting a band-aid on a gaping wound. She decided not to make any increase so people would be forced to see the gaping wound. However, continuing the metaphor, she's not yet having much luck getting a large bandage to put over it, though she's out advocating for it. Stallman said the seven public universities are working in the capital to advocate with the legislative leadership so the budget of the co-chairs of Ways and Means provides more funding. The final budget will be announced sometime from late May to June, and advocating for changes in that will require a broader effort. The co-Chairs of Ways and Means are State Senator Elizabeth Steiner Hayward, State Senator Betsy Johnson, and State Representative Dan Rayfield. Stallman said that in the meeting with the university Presidents and Trustees last week one Trustee, a student Trustee, spoke eloquently on the idea of not raising tuition at all and actually providing free tuition. The Governor said she would like to see the numbers on that. Currently we are building common cause to get Ways and Means co-chairs' budget and the final budget to include more for universities.

Slattery said it sounds like the Governor has a bit of conflicting message. Stallman said Governor Brown indicated that she would really like a unified message from students and she wants clear support for minimum tuition increases, but the push for zero tuition increase is a tough line for her to walk. It would be ideal if universities could get a billion dollars in funding, but that doesn't seem to be anywhere in the room, much less on the table. Governor Brown is hoping students will coalesce around a consistent message. Pardo asked what school was the student Trustee was speaking for. Stallman said it was a student Trustee from Portland State University.

[Stallman hung up]

Walsh said it sounds like nothing significant has changed. If the Ways and Means co-chairs' budget comes out in late Feb or early March that will be the next touchpoint for moving the dial. Lovern asked how many times this has happened, where there is so much uncertainty that may not be resolved until late May or June. Slattery said the better question might be how many times has it not happened; it always seems like it's going late. Josh asked if the difference this time is the zero increase in the Base Budget. Walsh said the difference is that the Governor has a supermajority. Slattery said we've seen zero increase in budget before. Perkinson said the Governor is on the HECC agenda on Thursday, February 7th, and we suspect that she may

discuss softening restrictions on universities who propose raising tuition by more than 5%. He said this would be an interesting twist and that he shares this not to confuse the issue, but to provide another piece of the puzzle. Slattery said it reads as though they're opening the door so we don't have to jump through as many hoops. Eldridge asked for clarification that the Governor was hoping for support for zero tuition but wasn't getting that from students. Slattery said the Governor was not getting support for zero budget increase from students or the legislature. Eldridge said she now understands, we're not talking about zero tuition, just no increase in university support in the budget. Slattery said it sounds like the legislature isn't buying that idea.

Pardo asked when the last time was that there was no increase in support for universities in the budget. Walsh said she doesn't remember the last time there was a zero increase.

Process Overview

Perkinson referred to the PowerPoint presentation shared in advance of this meeting [TAC Tuition & Fee Training.pptx]. Looking at slide 6, "Historical Overview: Process," he said at the last meeting the Council brought up the issue of the timing of its recommendation. He said that OSU is already forming a strategy around their recommendation. Basically, their Board believes that to fulfill their land grant obligation they need to hold their tuition raise under 5% under any budget scenario. At the same time, OSU is trying to drive a \$10M cut in costs. They're trying to stay affordable, but also trying to make some of the cuts we made years ago. It's also worth noting that they're operating at a significantly different scale than us.

Lovern discussed slide 8, "FY20 Budget Challenge for E&G (Education and General)." He said this is where we're already taking into account our enrollment deficit for this year and looking at how that affects the picture going forward. It also incorporates cost drivers then looks at the Governor's Recommended Budget and the total budget hole we'll have to fill. Slattery asked what the "cost drivers" line refers to here. Perkinson said this refers to increases in PERS and PEBB. He said this is a major element of our costs; for \$100K of salary, we pay about \$56K in addition in Other Payroll Expenses (OPE), which covers retirement and medical benefits. In this environment we have no ability to leverage or change retirement or medical costs. These are directed in statute, so we have no latitude. He said that what can be frustrating is that what we're left working with is about \$10M in Supplies and Services, and a big chunk of that consists of "must-pay" bills like utilities and contracted payments like insurance. Lovern said that the cost drivers are listed in detail later in the presentation. Slattery said looking at the \$5.5M budget hole mentioned on the slide, if the final state budget has zero increase in support for the universities, this is where tuition and enrollment increases are the only places you can go to fill that gap. He said he didn't know how much enrollment growth would be required to fill that gap, and how much tuition growth. Lovern said another question would be how much to dig into the fund balance to help fill the gap. Perkinson noted that the Council was asked to look at the first 12 slides of the presentation, but there is plenty of backup data in the later slides. He said he didn't want to ask the Council to look through all of that, but they can dig deeper if they like. Walsh said we're working real hard on the enrollment piece, and bringing Neil Woolf on

board as the new Vice President for Enrollment Management and Student Affairs is a big part of that. She said we've done good work, but the Enrollment Management Council and Neil will work to build more stable growth. Eldridge asked if there private gifts that could help us fill the gap. Walsh said the Foundation receives money but it mainly goes toward scholarships, not operating costs. Perkinson said the Foundation's endowment gets about \$3.2M a year on average and this principally goes to scholarships. The endowment is around \$30M and of the proceeds from that, a teeny bit goes to costs, but far more goes to financial aid. Walsh said we're getting software to help us leverage that financial aid money to provide even more benefit to students. Pardo asked if this money includes the child care subsidy. Walsh said no, this would be tuition assistance. Perkinson said Vice President for Development Fratella has received approval to hire two additional major gift officers who will be targeting bigger gifts. Eldridge asked about the rules around how and when the endowment gets spent. Perkinson said the idea is to leave endowment itself untouched and only spend the interest.

Perkinson said this meeting is nearly over but he would recommend picking up the next meeting at this point, looking at getting some details around these numbers. He asked the Council to look at the remainder of the PowerPoint presentation, from slide 10 on. He noted that the tuition increase numbers on slide 19 are not recommendations, just some different possible scenarios. He said at the next meeting the Council might be able to look at the pro form and see how those levers get pulled. Walsh said the pro forma is an amazing tool to interact with, but it does take some time to get the hang of it. Pardo said she would like to ensure that one of the scenarios the Council looks at is what would happen with no tuition increase. Perkinson said the Council could start with that next week. He also said anyone interested could dial in to the HECC public meeting this Thursday to listen to the Governor's remarks.

Woolf said that when thinking about enrollment it's very important to think beyond just new students and think of all students. He also said that he and his team are working on a projection model.

The meeting ended at 2:33pm.