

**Tuition Advisory Council**  
Friday, March 4<sup>th</sup>, 2022

**Council Members (✓ indicates the member was present)**

Samuel David – Faculty Member

- ✓ Blake Jordan – Student
- ✓ Erica Knotts – Faculty Member
- ✓ Dallas Ransom – Student
- ✓ Gabrielle Slyfield – Student
- ✓ Keeley Reiners – Student
- ✓ Matt Stillman – Administrator

Susan Walsh – (Chair) Provost and Vice President for Academic Affairs

**Guests Present**

Greg Perkinson, Neil Woolf, Josh Lovern, Sue Phillips, Anna D’Amato.

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The meeting started at 1:00pm.

**Minutes**

Knotts/Slyfield moved to approve the minutes from the February 25<sup>th</sup> meeting; the motion passed, 6Y/0N/0A.

**Matriculation Fee**

Lovern discussed mandatory enrollment fees. He said the Matriculation fee is only assessed on new undergraduates and it’s a one-time fee. It pays for things like new student orientation, scheduling, transcripts, and degree applications, and it also supports first year interest groups. Woolf said this fee can be paid immediately or deferred, and it can be covered by financial aid, so a lot of students wait for Financial Aid to kick in before they pay it. He said this is a typical mandatory fee seen throughout all of higher education.

Knotts asked if this is the same as what is elsewhere called the enrollment deposit. Woolf said yes. Knotts asked if it also includes transfer students. Woolf said yes. Stillman said it is not assessed on graduate students, only undergraduates.

Lovern said he’s looked but hasn’t been able to find the last time when this fee was changed, so this suggests that it has been \$300 for a very long time. Woolf said student orientation has been a cost growth area recently because we only had the ability to do in-person orientation prior to the pandemic. Mancuso and her team added the ability to do orientation online, which has meant some additional costs.

Knotts said that the fee was \$300 at least as far back as 2009, when she had to pay it. Lovern said his recommendation would be to raise the fee to \$350 to support cost growth in the areas supported by the fee. He clarified that there is no expectation of a vote today, he is just mentioning some recommendations.

Ransom asked if raising this fee by 16% would be part of the amount we would have to submit to the Higher Education Coordinating Commission (HECC). Lovern said this is the one and only fee we'll consider that doesn't get factored into what goes to the HECC; the other fees become part of the composite number we do have to report to the HECC.

## **Health Fee**

Lovern moved on to discuss the Health fee. He showed a slide displaying the Health fee from 2006 to the present. He pointed out that it was kept stable over pandemic, though during the pandemic there was a lot of extra utilization of the services supported by this fee. Woolf said for context, students are charged the Health fee if they earn 4 or more credits. Sue Phillips, Clinic Business Manager at the Student Health and Wellness Center (SHWC), said those 4 credits have to be on campus, so online-only students don't pay it. Anna D'Amato, Executive Director of the SHWC, added that in addition to the mandatory Health fee we usually do charge a small visit fee. This visit fee was dropped during the pandemic, and some additional free services were offered so we were able to test and vaccinate as many students and staff as possible. This meant additional costs. For example, when we held vaccine clinics and serviced a lot of people at one time, this required us to call in a lot of additional employees. Contact tracing also required calling in additional employees. She said there was some state support provided. Woolf said with those added costs the Student Health and Wellness Center has gone into deficit spending; decided not to cut into services. He said we've ridden the wave and provided as many services as we can.

Knotts asked if the Health fee also covers mental health support for students. Woolf said yes. He said we're at a point now where the fee to students doesn't cover the costs. As a side issue, he mentioned that when SEIU negotiated their latest contract that added a new step which adds about \$100K per year to SHWC costs. D'Amato said she's glad Knotts asked about mental health support and said for those who don't know, the SHWC deals with medical and mental health and also has full lab and a medical dispensary. She said on the medical side we've had to do some adjustments, and both sides have been very busy in the last couple years. Woolf said to maintain the current service level we'd have to raise fees from \$150 to \$220. The recommendation is to make an adjustment to reduce some services (and we're still figuring out exactly what that would look like) so we would only recommend raising the fee to \$175.

Perkinson said he appreciate the dialog and the challenge associated with this issue. He said he views going from \$150 to \$175 as giving us a target to move toward, something to shoot at. He said there's a lot behind the data that Woolf and D'Amato can walk through. Knotts said she's all for not raising any fees, but one thing she's noticed is that more and more students are asking for help, so this is the one area she personally doesn't think we should skimp on. Woolf

said some of the adjustment scenarios we're working through still provide a wide variety of services, but maybe with some reduced hours, some changes during summer, and things like that. He said whatever adjustments we'd make would be done with what's best for students in mind. Lovern said in some cases we may also be talking about returning some things to being paid for rather than offered for free.

Ransom said he agrees that there's a mental health crisis for students, but a lot of the stress is related to financial insecurity, which is something students are dealing with in every aspect of the college experience. He said asking for an increase of around 47% in that fee would be hard and would potentially be a double-edged sword, given that it would increase costs. Sticking to \$175 rather than \$220 would be best for students.

Woolf thanked D'Amato and Phillips for the great work they've been doing and for joining this meeting to discuss the Health fee. Lovern said in addition to the great work already mentioned, they have also been keeping SOU in touch with the county health authorities, which has been instrumental in keeping us at the forefront of discussions.

[D'Amato and Phillips left the meeting]

### **Building Fee**

Lovern moved on to discuss the Building fee. He said this fee was flat for years, then it increased in 2019. That increase from \$45 to \$60 was related to additional support needed to handle technology infrastructure. He discussed how the money from the Building fee gets used. Its principal use is to pay debt service on the bonds of non-instructional buildings that don't have dedicated revenue outside of the incidental fee; for example, Stevenson Union. Lovern said the \$15 that was added in 2019 goes to address necessary IT infrastructure upgrades in all buildings on campus. For example, we had been depending on routers that were around 25 years old, so old that we couldn't even find the necessary parts to fix them. Lovern said the Building fee largely goes to debt service, but a small bit goes to reserve to cover some of the unpredictable swings that can occur with enrollment, etc. He said projections suggest that we won't be collecting enough money to meet that obligation sometime around 2032. As we've seen enrollment decline, fewer dollars go into that. Perkinson said when SOU became independent from the Oregon University System they transferred about \$9M into an unrestricted reserve account, which is what we use to pay debt service on Stevenson Union and other legacy projects. The future projection a couple years ago indicated a healthy reserve, but as enrollment declined we saw less money go in to replenish the reserve account, so 2032 is when that is projected to be gone.

Knotts asked whether money for structural earthquake protection and similar things comes from the Building fee. Perkinson said no, the money for those things come from different kinds of funding. There are several types of bonds, and the money for the seismic retrofits are 11Q bonds, which are preferred because the state pays all of the debt service. The other two types of bonds are Series F and Series G. Series F bonds, for example, were used for the Student

Recreation Center, and we have to pay the debt service on that. Series G bonds are a 50/50 match, but we don't currently have any of those. Lovern said that from an accounting standpoint, the Series Q bonds are very dedicated, so they can't be shift to other buildings or other projects. He said in the last legislative session there was a piece of legislation, HB 2542, relating to the display of mandatory fees. We looked at what it requires and we were actually ahead of the game and already met the need, but we decided we could do an even better job of making things clear, so we recommend splitting out the Building fee into a Building Debt-Service fee and a Technology Infrastructure fee so we can be extremely clear about where the money is going. He said we recommend an increase of \$15 per term, so the Building fee, currently \$60 would become a \$50 Building and Debt-Service fee and a \$25 Technology Infrastructure fee, for a total of \$75. He reiterated that no vote is expected at this meeting, we're just explaining our recommendations.

### **Historic Rate Comparison**

Lovern said that HB 4141 requires us to look at a historic comparison of tuition rates. He displayed a slide showing tuition rates for incoming resident students for the Oregon Public Universities (OPUs) from 2015-16 to the present. He pointed out that this looks at the incoming class only because some schools are doing different things with their rates for incoming students versus continuing students. He said tuition at SOU has been in the middle of Oregon's Technical and Regional Universities (TRUs), raising up a little, but still in middle of the pack. He moved to the next slide, which shows the tuition numbers on a dollar for dollar basis.

Lovern said another thing we've been looking at is how our tuition increases compare to the other OPUs by percentage. In some years we've been at the top, but we're often toward the lower end or somewhere in the middle. He said OSU Cascades is a bit of an outlier; they have their own rates separate from main OSU campus.

### **Model Variables**

Lovern displayed the latest SCH projections for Academic Years 2022 – 2027 and showed the range that can be used in our modeling. He discussed some additional variables in the model which are still pending. These include state funding, bargaining impacts, possible inflation increases, bad debt write-offs, and miscellaneous revenue targets that might mean trouble ahead (for example, the bookstore revenue used to be around \$200K, but it was about \$4K last year). He said we put placeholders in the Pro Forma with our best guesses.

### **Pro Forma**

Lovern displayed the Pro Forma and said this group will be making a tuition recommendation for the next fiscal year. He explained the different columns and rows and said each item in the spreadsheet has logic or a worksheet behind it pushing data into the Pro Forma. He displayed how he'd built sliders into the Pro Forma so we can make adjustments to different rates and see how they impact the bottom line. He said the Pro Forma rounds tuition to the nearest

whole dollar. Woolf said the lever system is phenomenal and added that the beauty of this is it allows us to look at different “what if” scenarios in real time. He said this is a great tool that is not available at other universities.

Lovern said he’s been working on a big enhancement, which is adding levers to every single tuition category rather than just undergraduate. He said this brings in a level of fidelity not there previously, so now we can see the potential impact if we were to, for example, move the resident tuition rate up and not do the same for the non-resident rate. Perkinson said not all these rates are created equal. For example, the online rates: the Provost’s office and others do a lot of work to look for price sensitivity for online fees, and having those separate gives us more flexibility as we model scenarios. Lovern said we can look at them side by side to see impact of different rates. He said it would help him for future meetings to have a range of options the Council would like to look at. He said he would also like to get the Council’s thoughts about what enrollment will look like. He said currently, the behind the scenes model is saying enrollment will be about 5% down and asked if that sounds too pessimistic.

Perkinson said he would encourage the Council to start by considering its general attitude with regard to rates. For example, the Council might decide that it’s inclined to protect affordability for students at the expense of revenue for the institution. He said it will be helpful to know what that balance point looks like for the Council.

Ransom said something that has been discussed a lot in the student fee conversation is not to take enrollment into account too heavily. Students affected by rate increases aren’t going to be focused on enrollment, they will just see a rate increase. He said he understands that a bottom line has to be met to keep things running, and that inflation is high and enrollments are declining, but if you can push through a good will increase, around the 3% historic, that will mean a lot more to students.

Slyfield asked if it would be possible to get screenshots of the Pro Forma so the Council members can look at them before next meeting. Lovern said sure, he’ll put together some PowerPoint slides so people can see the different rates going into modeling. Perkinson said that’s we will show the Finance and Administration Committee of the Board on March 17<sup>th</sup>. He invited the Council members to watch that meeting so they can see how the Pro Forma and other things are discussed with them.

Knotts noted that an across-the-board tuition increase of 4.99% was displayed in the Pro Forma and asked if that is the current recommendation. Lovern said no, that’s simply a placeholder value. Knotts asked what the result would be if all of the recommendations discussed today were to be implemented. Lovern said that is a good question, but he doesn’t have that composite rate calculated yet.

The meeting ended at 2pm.