

Tuition Advisory Council
Friday, April 1st, 2022

Council Members (✓ indicates the member was present)

Samuel David – Faculty Member

- ✓ Alicia Gerrity – Student
- ✓ Blake Jordan – Student
- ✓ Erica Knotts – Faculty Member

Gabrielle Slyfield – Student

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

Guests Present

Greg Perkinson, Josh Lovern, Neil Woolf.

The meeting started at 1:00pm.

Minutes

Gerrity/Knotts moved to approve the minutes from the March 18th meeting; the motion passed, 5Y/0N/0A.

Preparing for Discussion of Rates

Walsh asked if there are any lingering questions regarding cost of attendance or other topics discussed at the last meeting. She said the hope today is that the Council will discuss tuition and fee rates, including undergraduate resident tuition, which will also determine the rate for Western Undergraduate Exchange (WUE) students, non-resident undergraduate tuition, and tuition for resident and non-resident graduate students.

Walsh invited Council members to speak up if they disagree, but she said her understanding is that the Council has agreed that it would be best not to raise the tuition and fee composite rate 5% or more. She said she also believes the Council agrees that 0% is not an option, so the Council can now look at what it would like to recommend within that 0-4.99% range.

Knotts said she just read about Oregon State's plans for tuition raises and she is curious to know how the numbers discussed by the Council so far align with other universities. Walsh said she had heard about the University of Oregon's plans, but had not yet heard about Oregon State's. Knotts shared a link to a story on KDRV.com that said Oregon State's Interim President will be recommending to their Board of Trustees that tuition be increased by 4.5% for new undergraduate students and 3.5% for continuing undergraduate students. Lovern said the

University of Oregon announced raises of 4.5% for new resident undergraduate students and 3% for new non-resident undergraduate students. Walsh returned to Knotts' question and said it sounds like the raises discussed by the Council fit right in with what we've heard from other public universities in the state. Lovern said he hasn't heard from some of his counterparts at the other universities, but it sounds like most are nearing the end of their tuition process. He noted that there has been a fair amount of discussion about price sensitivity coming out of the pandemic. Walsh mentioned that some universities are setting different rates for new and continuing students and asked Lovern if he thinks the practice of having different tuition rates for different cohorts of students is a good idea. Lovern said from the budgeting perspective this makes things very complicated, and it would mean bifurcated charts going forward. Stillman agreed and said it would also complicate things for him. He said he hasn't seen anything to suggest there is much of a positive impact on enrollment from doing this. Knotts added a note in the chat window: "We already have a \$300 fee for new students coming in, no need to hit them twice."

Fees

Lovern displayed a matrix showing different rates per tuition category. He suggested starting by considering fees and reminded the Council that it does not vote to recommend changes to the Student Incidental & Green Tag fee or the Recreation Center fee, but does vote to make a recommendation on the Student Health Services fee, the Building Debt-Service fee, and the Technology Infrastructure fee. Woolf said the student government (ASSOU) makes a recommendation regarding the Student Incidental & Green Tag fee, and the fee for the Student Recreation Center is what was voted on by the students in the initiative for building the Student Recreation Center; it's what the students voted to charge themselves to pay for that building. Lovern said the Student Recreation Center rate is locked for 3 years, of which this is the third year. Walsh if there are any questions about the fees to be voted on by the Council. Lovern reminded the Council that prior to this year the Building Debt-Service fee and Technology Infrastructure fee were combined in one fee until this year, but now they're being split out into separate fees to address a legislative change and provide more transparency.

Student Health Services Fee Recommendation

Walsh discussed the Student Health Services fee. During the pandemic we spent more on Student Health Services than we typically would have, so the recommendation is to raise this fee from \$150 to \$175 per term. She said her understanding is that in order to keep this fee reasonably priced, we are going to do some things differently, like potentially reduce hours of service. Lovern said this fee hasn't had a significant increase in years, but because of the impacts of the pandemic it really needs to be increased.

Walsh requested a roll call vote on recommending that the Student Health Services fee be raised to \$175 per term.

- Gerrity voted yes.
- Knotts voted yes.

- Jordan voted yes.
- Stillman voted yes.
- Walsh voted yes.

The Council voted 5Y/0N/0A to recommend raising the Student Health Services fee to \$175 per term.

Building Debt Service Fee Recommendation

Walsh discussed the Building Debt-Service fee and asked Perkinson for a quick reminder of what it covers. Perkinson said this has been a legacy fee within our framework for over 2 decades. A couple years ago, the Board of Trustees approved adding a technology component, at which time it went from \$45 to \$60. He said the Building Debt-Service fee goes into a fund that pays debt service on older bonded projects, particularly Stevenson Union. Knotts asked why it is recommended to raise this fee from \$45 to \$50. Perkinson said the main driver behind wanting to increase this fee is that looking at the available pool of money to pay the debt service, enrollment declines mean we have a smaller headcount and fewer people to pay into that pool, so we are looking at a go broke date of 2034 for that pool, and the additional \$5 will help replenish the pool to avoid that.

Walsh requested a roll call vote on recommending that the Building Debt-Service fee be raised to \$50 per term.

- Gerrity voted yes.
- Knotts voted yes.
- Jordan voted yes.
- Stillman voted yes.
- Walsh voted yes.

The Council voted 5Y/0N/0A to recommend raising the Building Debt-Service fee to \$50 per term.

Technology Infrastructure Fee Recommendation

Perkinson discussed the Technology Infrastructure fee. He said when the Board of Trustees approved adding this fee it was based on physical hardware recapitalization. We had IT servers and components past their useful life, so there was a high risk of failure, which would have a major impact on the University being able to fulfill its mission. The other piece is software costs, which keep increasing, and even outpace the growth in the consumer price index.

[Reiners joined the meeting.]

Knotts said she recently noticed there's an OHSU Wi-Fi signal on campus and asked if SOU receives money from OHSU. Perkinson said SOU has we have a legacy memorandum of understanding (MOU) with OHSU where they provide us some money every year to support operations. He said with the recent renovation of Britt Hall we've been working with OHSU to

refine and re-price that rental agreement, which will result in them paying us back about \$1.6M over about 10 years.

Walsh requested a roll call vote on recommending that the Technology Infrastructure fee be raised to \$25 per term.

- Gerrity voted yes.
- Knotts voted yes.
- Jordan voted yes.
- Stillman voted yes.
- Walsh voted yes.
- Reiners said she might be more comfortable abstaining unless there is time for a brief recap of what was discussed regarding this fee before she was able to join the meeting. Perkinson briefly went over what he explained about the Technology Infrastructure fee before Reiners joined the meeting. Reiners voted yes.

The Council voted 6Y/0N/0A to recommend raising the Technology Infrastructure fee to \$25 per term.

Tuition Rates

Lovern proposed that the Council move on to discuss tuition rates. He reminded the Council that at the last meeting it looked into what would be the maximum increase that would keep the composite rate reported to the Higher Education Coordinating Commission (HECC) below 5%. He said in that scenario, the resident undergraduate tuition rate would be raised by 3.99%, or actually 3.98% because we are rounding down to whole dollars. This comes out to \$8 per credit. Stillman asked for clarification about the composite rate that is reported to the HECC and how many credits per term are factored in for that calculation. Lovern said the composite rate reported to the HECC assumes 15 credits per term.

Walsh asked if anyone in the group would like to look at different rate. Knotts said she believes that at the last meeting everyone seemed pretty comfortable with the 3.98% currently modeled. Woolf mentioned that in the discussion at the last meeting there was interest in hearing from Perkinson about how this rate would impact the institution's finances and what this would do for the overall health of the institution. Perkinson said Lovern has a picture that clearly depicts the diverging trends we are looking at in relation to our costs and revenues. Lovern displayed a chart showing total revenues as well as expenses & transfers from 2011 through projections for 2025. Perkinson pointed out that in 2012 and 2013 expenses and transfers exceeded revenues, and said that's not where we want to be. He said we got back on track the next few years, then again had more expenses and transfers than revenue in 2019 before being about even in 2020 and having more revenues than expenses in 2021. Lovern noted that even though 2015 and 2016 show greater revenues than expenses and transfers, we had to pull money over in transfer from auxiliaries. Perkinson said to put that in dollars, we pulled \$6M over from auxiliaries to support our journey out of retrenchment, sort of "robbing Peter to pay Paul." He said this was for the good of the institution, but it had a negative impact

on Housing, so, for example, Housing has a backlog of maintenance to catch up on. He pointed to the projections for future years and clarified that the expenses & transfers projected represent modeling based on our current organization structure. He said, for example, his unit has some vacant positions and this forecast assumes we're going to fill those. For each area on campus there's a similar story, where we have been carrying vacant positions to help balance the budgets. So, the projection is if our current structure were to stay in place with all positions filled and we were to continue to see escalation in retirement and medical costs. Lovern added that the projections also include rising supplies and services costs, where we're seeing the impacts of inflation. Perkinson said anyone who watched the recent Finance and Administration Committee meeting would have seen him say we need to bend the cost curve. In other words, the trajectory our costs are currently following is not good and we need to address that. He said on the revenue side, our projections aren't exactly flat but fairly close. Enrollment is moderately down, and these projections model a 5% increase in tuition rates. Without correction, that would become a problem, so Woolf and others are working hard to enhance the recruiting side of enrollment and Walsh and Woolf and others are working on the retention side of enrollment. Woolf said it sounds like, to summarize, the answer is yes, the institution could live with the 3.98% increase to the resident undergraduate rate that has been discussed. Perkinson said another way of talking about it is that the tuition rate we would need to have to bend the revenue curve would be extreme, and we can't do that on the backs of our students. Walsh agreed. She asked if people feel that this conversation has helped provide perspective on the question of how the rate increase being discussed would impact the university. Council members nodded. She said if the Council feels like it has explored this adequately and there are no further questions, it sounds like it might be time to vote on the recommendation we've been discussing.

Resident Undergraduate Tuition Rate Recommendation

Walsh requested a roll call vote on recommending that resident undergraduate tuition be increased by 3.98%.

- Jordan voted yes.
- Stillman voted yes.
- Knotts voted yes.
- Gerrity voted yes.
- Reiners voted yes.
- Walsh voted yes.

The Council voted 6Y/0N/0A to recommend raising the resident undergraduate tuition rate by 3.98%.

Non-Resident Undergraduate Tuition Rate Recommendation

Walsh asked Lovern if rate increases for non-resident undergraduate students have usually been kept pretty close to the increases for the resident rate. Lovern said the rate increases by percentage have been kept exactly the same in recent years for resident and non-resident

undergraduate tuition. He said that it is certainly possible to see what it would look like to have a different rate increase for non-resident undergraduate students. Stillman noted that SOU has very few non-resident, non-WUE undergraduate students, so the effect on overall revenue is minimal. For that reason, he said, pacing it with the undergraduate resident rate seems to make sense to him. He added that part of how we market our WUE rate is the discount margin versus the rate for non-resident undergraduate tuition, so we might want that discount margin to remain. Woolf said larger institutions tend to have a different rate of tuition increase for non-resident and graduate students, but at an institution the size of SOU it doesn't make as much sense, and it's easier to keep the rate increases the same for those categories. He said there can be a perception that an institution is taking advantage of non-resident or graduate students when they increase tuition rates for those students more than for resident undergraduate students.

Walsh asked what Council members think about maintaining continuity with past practice and keeping the percentage of tuition increase the same for non-resident undergraduate students as what it voted to recommend for resident undergraduate students. Lovern noted that because of rounding to the whole dollar, the non-resident rate change would actually be 4.02%. Knotts said that feels like a big jump. Walsh said yes, when you look at the per-credit increase in dollars she can see where Knotts is coming from. She said she wonders how much lower that would need to be for it not to feel like such a large increase. Stillman asked Lovern to model a 2% increase in non-resident undergraduate tuition to see if the increase in dollars per credit would then be the same as the WUE increase in dollars per credit. Knotts pointed out that we want the WUE rate to be better than the non-resident rate. Woolf clarified that the increase in dollars per credit might be the same in this scenario, but the rates for WUE and non-resident undergraduate students are still quite different, with non-resident tuition nearly twice the cost of WUE tuition. Stillman asked what it would look like if the non-resident tuition were made to be exactly twice the WUE tuition. Lovern modeled this scenario, which would require a 5.03% increase in non-resident tuition. Stillman said never mind, that is too much of an increase, he was just thinking of the marketing, and how it might be easier to say "WUE tuition is half of non-resident tuition." Reiners said she's a non-resident student and the number modeled is frightening to look at. Walsh asked Lovern to show again what it would look like to keep the same percentage increase for non-resident undergraduate tuition as what the Council voted to recommend for resident undergraduate tuition. Reiners said because it's so high already, she feels like it could be lowered. She said some of her friends are also non-resident students and she's heard that some are thinking about transferring out because of costs. Woolf said part of what we're considering is the marketing aspect, and he thinks keeping the increase in dollars per academic year under \$1K would be good. Lovern modeled a tuition increase for non-resident undergraduate students of 3.35%, which would be a \$900 increase per academic year. Walsh asked Reiners if, based on her conversations, she thinks that would be more persuasive. Reiners said yes, even if we keep it at \$999 it doesn't look as bad. Knotts said she definitely agrees that if we can keep it under \$1K it'll have a better outward-facing appearance. Jordan agreed that keeping it under \$1K looks good. He said as a WUE student himself, the difference in the WUE rate and the non-resident rate as it is currently modeled wouldn't affect his decision-making; the WUE rate as modeled is still considerably less. Woolf said he appreciates

Reiners speaking up and providing her perspective because one thing we want to keep in mind is the impact to our current students and not wanting to price our tuition increase at a place where current students start to think about transferring out.

Walsh requested a roll call vote on recommending that non-resident undergraduate tuition be increased by 3.35%.

- Jordan voted yes.
- Stillman voted yes.
- Knotts voted yes.
- Gerrity voted yes.
- Reiners voted yes.
- Walsh voted yes.

The Council voted 6Y/0N/0A to recommend raising the non-resident undergraduate tuition rate by 3.35%.

Graduate Tuition Rate Recommendations

Lovern discussed graduate tuition rates. He pointed out that the matrix displayed lists three graduate tuition categories: resident graduate, non-resident graduate, and Education Masters students. He said the Education Masters category is for classes with LEAD, READ, and SPED prefixes, and also includes Master of Science in Education tuition. Stillman said it covers pretty much everything at the graduate level in Education except for the online component. Lovern said the rate is slightly lower in this category because of competition, and these programs bring students from all over for an intensive experience. Walsh asked Lovern to give the Council a sense of what the last few increases have been for the Education Masters category. Lovern said the rate was \$350 per SCH in 2010, then spent several years at \$325 per SCH before increasing at a relatively consistent trajectory to the current rate of \$433 per SCH. Walsh said she remembers the conversation around 2011-12 being that our rates were a little high and there was a need to decrease them a little to stay competitive. Lovern said price sensitivity is an important consideration. He said with COVID enrollment has gone down, but prior to that our enrollment in the Education Masters category has been pretty consistent. He said from his perspective, when he sees consistent enrollment numbers, that suggests there isn't as much price sensitivity.

Knotts asked Lovern to model an increase to \$450 per term in that category. Lovern made this adjustment, which comes out to a 3.93% increase in the Education Masters category. Walsh noted that this keeps the increase pretty consistent with the increases recommended for undergraduate tuition. Lovern modeled raising the resident graduate rate by the same percentage as the increase in the resident undergraduate rate, which was 3.98%. The resident graduate rate increase comes to 3.96% because of rounding. He did the same thing for the non-resident undergraduate rate increase, at 3.35%, and the non-resident graduate rate, with the non-resident graduate rate coming to 3.28% because of rounding. Walsh asked how people feel about those numbers.

Stillman asked whether the numbers modeled give people pause from a recruiting angle. Walsh said those numbers don't give her pause, it looks like graduate enrollment is pretty stable, and there are some programs with increasing enrollment some with slight declines, but it doesn't appear that there's a big worry around price sensitivity. Stillman said the price issue is something he tends to hear more from the Education Division. Lovern asked if that might be related to the fees those students are getting hit with, and whether it might be worth talking about a fee differential. Walsh said we have done differential in the past within Education. Perkinson said he would encourage the group to think about getting relief to students in areas where they need it more, like discounts, scholarships, graduate assistantships, etc. Walsh agreed and said this approach might get us to the same place and be more appealing to students.

Walsh requested a roll call vote on recommending that resident graduate tuition be increased by 3.96%.

- Jordan voted yes.
- Stillman voted yes.
- Knotts voted yes.
- Gerrity voted yes.
- Reiners voted yes.
- Walsh voted yes.

The Council voted 6Y/0N/0A to recommend raising the resident graduate tuition rate by 3.96%.

Walsh requested a roll call vote on recommending that non-resident graduate tuition be increased by 3.28%.

- Jordan voted yes.
- Stillman voted yes.
- Knotts voted yes.
- Gerrity voted yes.
- Reiners voted yes.
- Walsh voted yes.

The Council voted 6Y/0N/0A to recommend raising the non-resident graduate tuition rate by 3.28%.

Walsh requested a roll call vote on recommending that Masters - Education tuition be increased by 3.93%.

- Jordan voted yes.
- Stillman voted yes.
- Knotts voted yes.
- Gerrity voted yes.
- Reiners voted yes.
- Walsh voted yes.

The Council voted 6Y/0N/0A to recommend raising the Masters - Education tuition rate by 3.93%.

Wrapping Up

Lovern displayed the composite rate that would be reported to the HECC if the Council's recommendations were adopted. The composite rate increase would be 4.96%. Walsh asked if anyone had thoughts about this. Woolf said this works. Walsh asked if there are any further comments. Perkinson said that Housing has been considering their rate increase, and it looks like that will be about 4%, so it's in the same ballpark as the increases we've been looking at. He said Housing is struggling with the rising costs of goods and food. Lovern said increases in transportation costs also affect the costs of goods and food. Lovern showed how his matrix includes the total cost of attendance picture, showing the total costs for a Shasta Double room and the Red Plan for food. Walsh said that's helpful, and it's good to know that this is what the Board will be seeing.

Walsh thanked the Council members and said their feedback has been incredibly helpful. She reminded them that the Board meetings are scheduled for April 21st and 22nd. On the 21st there will probably be a preview of the tuition and fees conversation at the Academic and Student Affairs Committee meeting, but the first in-depth discussion will be at the Finance and Administration Committee meeting later that day, from 4pm to 6pm. She encouraged people to attend that Finance and Administration Committee meeting if they were going to attend one of the meetings that day. She said the full Board of Trustees will discuss tuition and fees on the 22nd. She doesn't yet know exactly where on the agenda this item will be, but she said she will share that with the Council once she does know. That meeting starts at 12pm and it is scheduled to last until 5pm, and she encouraged Council members to attend. It's an in-person meeting but there will also be a Zoom link. She said she will introduce the Council members to the Board.

Walsh said that Jeanne Stallman, SOU's Associate Vice President for Government & Corporate Relations, got in touch about a HECC Commissioner who is an SOU alumnus and who was very involved in the tuition process when he was a student here. This Commissioner is very interested in our process and he has been invited to join our meeting next Friday. When he was a student, he was part of the conversation around HB 4141 when that legislation was being put forward. Walsh said she wanted to make sure the Council members are okay having him join the meeting as a former student and current HECC Commissioner. Committee members nodded their approval.

Walsh said Lovern will send her the numbers that were agreed on at today's meeting and she will send a memorandum to President Bailey with the Council's recommendations.

Woolf said he is curious to hear how the people participating on the Council for the first time feel about the experience. Walsh said there will be more time next Friday for this conversation, but there is some time remaining today if people want to share their thoughts. Jordan said it

has been really interesting getting to see how the process works. He said when you're looking at schools and tuition you just see a list of numbers, but it's really interesting to see how much thought is being put into it. He added that he likes that students get to have so much input in the process. Walsh said she agrees that it's easy to look at the numbers and not understand the full context, not know what is all wrapped up in those decisions.

Walsh said this year's Council has been a great group; people have been really engaged, have done their homework, and have been fully present for the conversation. She said it has been a joy for her and thanked for the Council members and others who contributed to the Council's process, like Lovern, for their amazing work.

The meeting ended at 2:28pm.