

Campus Process for Tuition Recommendations for the Academic Year 2014-15 and Summer Term 2015

SUMMARY

The setting of tuition rates for the 2014-15 academic year and summer term 2015 will occur as the UO, PSU and OSU are transitioning from governance by the State Board of Higher Education to governance by institutional boards. This discussion will help to establish a framework for the State Board of Higher Education to consider tuition and fee recommendations for both the universities exiting the Oregon University System and those universities remaining in the system.

BACKGROUND

The Finance and Administration Committee provides general guidance and expectations to the institutions as they begin to consider tuition and fee rates for the following year. With the passage of SB 270, all public universities were exempted from state rulemaking requirements for the tuition and fee setting process. The universities must still engage enrolled students and student government in the process, but the Board may achieve this through a “standard process” instead of a state rule. Campuses have previously established processes and advisory committees that address student involvement (see Attachment A – OAR 580-010-0089) and seek to improve their methods of inclusion each year.

The guidance for all universities is influenced by the legislative action taken during the recent special session. In conjunction with an additional appropriation of \$25 million for the 2013-15 biennium, the legislative tuition budget note established certain expectations:

HB 5101 – 2013 Special Session – LFO Budget Report Oregon University System

The Committee increased the General Fund appropriation for public university support by \$25,000,000 with direction that the money be used to reduce resident undergraduate tuition increases at the state’s seven public universities. The Committee adopted the following budget note to limit tuition increases on resident undergraduate students:

Budget Note:

*In adopting the additional funding for the Oregon University System, the Legislature intends that increases in the **base rates** per credit hour paid by resident undergraduate students for the Winter 2014 and Spring 2014 terms on all seven campuses and one branch campus (EOU, OIT, OSU, OSU-Cascades, PSU, SOU, UO, and WOU) **may not exceed an average of 2%**. For students choosing the **Tuition Promise program at WOU**, rates of increase over the prior cohort may **not exceed 4.3% for the Winter and Spring 2014 terms**. For the 2014-15 academic year, the Legislature intends that there be **no increases in the base rates** per credit hour paid by resident undergraduate students at all seven campuses and one branch campus (EOU, OIT, OSU, OSU-Cascades, PSU, SOU, UO, and WOU). For students choosing the **Tuition Promise program at WOU**, rates of increase over the prior cohort **may not exceed 2.2% for the 2014-15 academic year**.*

For additional context, these are the elements of institutional presentation that were requested in prior years:

1. Describe your institution's tuition strategy. Describe how the strategy fits within the overall strategic plans of the institution and system.
2. Describe the process used to ensure student participation in the development of the proposed rates, include a summary of the feedback received from students on the proposed rates.
3. Provide benchmarks or peer group comparisons, if any were used to inform your process.
4. Describe how the proposed rates will impact access and affordability on your campus. Include a discussion of how you intend to meet the Board's policy of funding at least 12% of unmet need of resident undergraduate students.
5. Provide a summary of how this rate proposal will maintain campus financial sustainability over the fiscal year with projections of Education and General (E&G) fund balance at 6/30/13.
6. Provide the specific tuition and fee rates being proposed.
 - o If any new differential tuition rates are being proposed include supporting documentation as specified in the Board's Differential Tuition Policy.
 - o If rate increases are being proposed, discuss how incremental revenues will be deployed.
 - o Discuss how your proposal comports with the 2011-2013 budget note limiting tuition rates.

CALENDAR

A draft schedule for developing the 2014-15 Fee Book is shown in Attachment B. While the exemption from state rule-making allows more flexibility in setting the timeline, the opportunities for student engagement and advice and for public comment have been retained.

DISCUSSION

The following suggested guidelines are offered for discussion and consideration. In recognition of the governance transitions, two approaches will be offered for consideration by the Committee.

Universities Continuing with the OUS (EOU, Oregon Tech, SOU, and WOU):

- Continue student participation practices that were established under OAR 580-010-0089.
- Provide tuition rates for resident undergraduate students that comport with the HB 5101 (2013) tuition budget note.
- Review the Differential Tuition Policy and provide additional materials if applicable to any newly proposed differential rates or increases as provided in the policy.

- In your campus presentations to the Committee in May, discuss how the proposed rates align with the institution's overall tuition strategy and the university's Five-Year Plan.

Universities Transitioning to Institutional Boards (UO, PSU, and OSU)

- Continue student participation practices that were established under OAR 580-010-0089
- Provide tuition rates for resident undergraduate students that comport with the HB 5101 (2013) tuition budget note
- Provide an indication (verbal or written?) that the university's nominated institutional board has reviewed and endorsed the proposed rates or that the nominated board has indicated a preference to wait until after July 1, 2014 to engage in tuition and fee considerations.

Considerations for the Fee Book Document

- Include background information on the governance transition and, in that context, provide only summary rate information for UO, PSU, and OSU.
- Reorganize the document as the Oregon Technical and Regional University Fee Book, with the State Board of Higher Education tuition and fee policies being applicable to EOU, Oregon Tech, SOU, and WOU.

ATTACHMENT A

OAR 580-010-0089

Student Involvement in Development of Proposed Resident Undergraduate Tuition Rates

(1) The Board shall establish the tuition and fees to be assessed at each institution in accordance with applicable statutes and upon the recommendation of the institution president and the Chancellor. This section shall not impair the entities of student government or the Board under ORS 351.070(3)(d).

(2) Each institution will establish a process for student participation in the development of recommended rates for resident undergraduate tuition. The planned process will be communicated to the duly elected student government for discussion and input.

(3) Prior to the formal submission of proposed tuition rates to the Chancellor, or designee, the institution president, or designee, will provide an opportunity for the duly elected student government to consider and comment on the proposed rates. Efforts shall be made by both the appropriate student representatives and members of the university administration to accomplish this exchange in a timely manner that 1) provides for adequate student consideration and takes into account the academic calendar and 2) allows institutions to meet necessary deadlines for submission of proposals.

(4) As part of formally submitting rate proposals to the Chancellor, or designee, the institution president (or designee) will convey: 1) the process used by that institution to involve students in the development of recommended tuition rates and 2) the specific resident undergraduate tuition rates being proposed.

Stat. Auth.: ORS 351

Stats. Implemented:

Hist.: OUS 6-2012, f. & cert. ef. 6-18-12

[insert Attachment B]