



University Budget Committee Meeting Agenda
Friday, November 15, 2024
B011 Kerr Admin. Bldg. and Zoom

MINUTES

Committee Members Present: Susan Gardner, Nicole Von Germeten, Allison Barr, Andrew Valls, Steve Hoelscher, Audrey Schlotter, Sophia Nowers, Tom DeLuca, Terri Libert, Bob Cowen, Laurie Hill, Jonathan Fram, Stephanie Harvey, Jessica DuPont, Marc Norcross

Committee Members Absent: La'akea Golis, Carter Glass, John Gremmels, Wade Marcum, Jon Boeckenstedt, Samuel Bezzant, Carter Glass

University Staff Present: Brent Gustafson, Karley Lewis, Jan Lewis, Cameron Cox, Mealoha McFadden

1. Continued discussion of tuition and mandatory fees
 - a. Undergraduate and graduate peer tuition comparisons
 - i. Need to reconsider the timing of their tuition and fees recommendations, given the Board's decision to make the tuition decision in March instead of January.
 - ii. Presented a comparison of tuition rates among peer universities, highlighting the significant price difference between resident and non-resident tuition. The University of Oregon's unique tuition structure, which charges a higher rate for incoming students but leaves it flat for five years.
 - b. Discussed the implications of a university budget increase, focusing on the impact on revenue and student costs. Brent clarified that the discussion was considering all revenue sources, including Ecampus and Cascades, but was isolating the impact of a price change.
 - c. The university's largest source of revenue is tuition, but other sources like F&A and enrollment growth also contribute. There is a need for other revenue sources to balance the budget, given that expenses are higher than tuition revenue. Introduced the concept of the CSL dynamic, which considers the rate of change in tuition and CSL and emphasized that a 7% hypothetical price increase does not assume a loss in student enrollment volume. Brent suggested including Ecampus tuition in future discussions.

- d. Funding for higher education in different states varies, specifically compared Oregon and North Carolina. Data showed that North Carolina provided significantly more funding per student for four-year institutions compared to Oregon. DeLuca expressed curiosity about North Carolina's ability to maintain a low resident tuition rate.
 - e. Brent addressed non-UBC members, online guests who asked questions via the Q&A function. Clarified UBC's purpose as an advisory committee whose meetings are open for observation but this isn't a public meeting for public comment so they wouldn't be addressing questions. The UBC advises on tuition fee recommendations but does not directly allocate funds. The work of the committee is available for others to learn from and follow-up discussions can occur outside of the meeting. Note: questions were not related to tuition or fee setting but to tuition revenue allocation.
 - f. Organize workgroup on fee recommendations, including a staff member from the Budget Office, Jessica, Steve, Laurie, Sophia, Nicole and Marc.
 - g. Workgroup to report back to the full committee by the end of January with fee recommendations.
2. Discussion of committee decision timeline and Board dates
- a. Sought feedback from the committee on where they want to focus their efforts next, considering both consistency with past practices and potential departures. UBC's recommendations are not mandatory, and the university may choose to follow different approaches.
 - b. Considering projected revenue scenarios, particularly in relation to tuition and enrollment growth. Andrew raised concerns about the assumptions made about enrollment growth and how it impacts cost calculations. Brent responded by stating that the outlook for the next year is based on modest growth in the Corvallis campus and robust growth in Ecampus. There is potential for a 10% reduction from the state, which would amount to a \$12M cut to OSU. Cowen raised concerns about the potential impact of a drop in non-resident students, particularly foreign citizens, on funding. Current thinking is that there won't be a significant downward impact, but that this is subject to various influences. Need to understand the optics between tuition price and discounting, and the impact of institutional aid on students.
 - c. Brent and Jan discussed the timing and clarity of upcoming budget recommendations. They noted that the Governor's budget recommendation would be released in early December, with the co-chairs' high-level budget outlook expected in late February or March. The final budget would be finalized in June. UBC could make recommendations by December 6th, but this would require new information. Raised a question about the impact of fees on the tuition decision, noting that student health services and building loan fees count towards the 5% limit, while the matriculation fee does not. Emphasized the need

to consider the whole package impact on students and tuition limitations, rather than deciding on fees individually.

- d. Agreed to finalize the workgroup work in January and send it to UBC.
- e. Aim for a final decision and tuition recommendation at the Jan. 24 meeting, with the President presenting the UBC recommendation to the Board in March.
- f. Provide the Board with key parameters and assumptions by the January Board meeting.