

To: Michael Schill, President
From: Jamie Moffitt, Vice President for Finance & Administration and CFO, TFAB Co-Chair, and Kevin Marbury, Vice President for Student Life, TFAB Co-Chair
Date: February 6, 2019
Re: Recommendations of the FY2019 Tuition and Fee Advisory Board (TFAB)
Cc: Jayanth Banavar, Senior Vice President and Provost

This year the Tuition and Fee Advisory Board (TFAB) included five students (one graduate student and four undergraduate students, including the ASUO president and ASUO internal vice president), faculty, deans, vice presidents, vice provosts, and administrative staff engaged in budgeting, institutional research, and financial aid. A list of TFAB members is included at the end of this memo.

The TFAB met nine times, October 2018 through February 2019. All meetings were open to the public. We consistently had guests join our discussions including several students and reporters from the *Daily Emerald*. Fall meetings focused on historical and comparative information, the university budget, mechanisms by which moneys are appropriated by the Legislative Assembly to the Higher Education Coordinating Commission (HECC) for allocation to public universities, campus growth and undergraduate enrollment, cost drivers, a plan for cost management, tuition and fee information, and preliminary planning for the January student forum. Winter meetings covered the Governor's Recommended Budget (GRB), specific proposals for graduate tuition, course fees, mandatory fees, and housing fees, as well planning for and feedback from the student forum. The TFAB also spent significant time discussing various budget and tuition scenarios for FY2020 before developing a recommendation for non-resident undergraduate tuition rates. We will be bringing a recommendation to the university president regarding resident tuition rates in May, once more information is available related to student enrollment and the legislative process.

In addition to nine TFAB meetings, the ASUO and the TFAB hosted a well-attended student forum (approximately 120 people participated) on the tuition-setting process in mid-January. The forum included a presentation that covered a broad range of topics including the university's financial position, decreased levels of state appropriation, FY2020 cost drivers, the Governor's Recommended Budget, and plans for campus growth. Following the presentation, students participated in small group discussions at each table, facilitated by TFAB members and senior staff. Questions and feedback from the small group discussions were compiled, shared, and discussed at subsequent TFAB meetings. A second student forum—hosted by the university president—is being planned for early February.

University Communications staff have been updating the university's tuition website (<https://uoregon.edu/tuition>) throughout the process, uploading documents after every TFAB meeting. The website provides information about the university's budget, including the Education and General (E&G) fund for FY2019, major anticipated cost drivers for FY2020, information on the tuition-setting process, and historical information on tuition and fees. The website also provides the schedule of TFAB meetings, with links to agendas and all relevant documents and data that the TFAB considered during deliberations. Meeting notes from each TFAB session are also posted.

Non-Resident Undergraduate Tuition

In the current fiscal year, FY2019, the E&G fund, which covers the majority of the operations of the academic and administrative functions of the university, is projected to be in deficit, with projected revenues unable to cover projected expenditures by approximately \$5.6 million. The TFAB took the projected deficit into account when analyzing the financial position of the institution for the next year, FY2020. The TFAB also considered the anticipated FY2020 cost drivers (below), as well as projected enrollment and state appropriation levels.

The TFAB analysis of the university's financial position was discussed in the context of historical UO tuition increases and comparisons to tuition and fee costs and structures at peer public institutions.

For FY2020, the following major cost increases are projected in the E&G fund:

Cost Driver	Estimated FY2020 Cost Increase
Faculty, Staff, and Graduate Employee Salaries and Wages	\$10.6 million
Medical Insurance Costs	\$1.9 million
Retirement Costs	\$7.6 million
Institutional Expenses	\$1.0 million
Strategic Investments	\$2.0 million
Minimum Wage Increase	\$1.0 million
Total Projected Cost Increases	\$24.1 million

The total projected cost driver increases for FY2020 are higher than last year (\$16.7 million) due to the fact that the university is subject to significant Public Employees Retirement System (PERS) increases this coming year. The \$24.1 million projected increase represents a 4.45% increase on the overall E&G budget.

There were four high-level issues that the TFAB spent considerable time discussing related to undergraduate tuition rates. They included:

- (1) How much of the projected net revenue from the campus growth plan to assume when recommending tuition rates for next year;
- (2) What level of state appropriation to assume when setting tuition rates;
- (3) Options to effectively cover the anticipated FY2020 funding gap, while taking into consideration the burden on students;
- (4) An acceptable level of funding gap to assume would be covered by cost cutting and other sources of revenue (e.g., increased F&A return, increased graduate tuition revenue)

Campus Growth: The University has made significant investments in recruiting and the number of students applying to the UO has grown this year. However, it remains to be seen how many of these applications will translate into a commitment to attend (via payment of a deposit), which would indicate increased enrollment. If successful, campus growth initiatives could contribute as much as \$7.0 million to \$8.0 million towards closing the institution's FY2020 budget gap. However, before May, when deposit data is available, it is difficult to know how much of this revenue to count on. Seeing significant application growth, last year's TFAB recommendation was counting on approximately \$4.0 million of incremental growth revenue, which did not end up materializing. This year, however, the institution has invested additional resources in recruiting and scholarships to help with this initiative.

State Budget Allocation: Unfortunately, the public universities were "flat-funded" in the Governor's Recommended Budget that was released in November. Due to the way that state funding is allocated over the biennium (49% in year one / 51% in year two), flat-funding actually results in a cut to the UO of approximately \$2.7 million in FY2020. However, the governor also recommended an investment budget in which the universities would receive significant additional funding. If the full investment budget were to be put in place, it is estimated that instead of a cut, the UO would see an increase of approximately \$8.0 million in FY2020. The swing between these two outcomes is \$10.7 million and has the ability to significantly impact the institution's FY2020 budget gap.

Burden on Students: TFAB members spent time discussing the increasing cost of higher education and the burden this places on students. While inflation is a factor that affects pricing costs across most of our economy, it is nevertheless a growing strain on students and their families. The TFAB spent time hearing from students on the committee and at the student tuition forum on this issue and also discussing the fact that many students enter university unaware that they should realistically expect tuition to increase every year. Students expressed there is not enough education done about this reality and it can be very challenging for students, particularly if they are not preparing for it. The TFAB also discussed the fact that rising tuition places a growing strain on students and families, particularly those students who do not receive additional financial aid and must work multiple jobs, in addition to pursuing their academic studies. For such students, even small incremental increases in tuition run the risk of pricing them out of school.

Funding Gap: TFAB members agreed it is not reasonable to expect that tuition increases alone will alleviate the funding gap left by the current shortfall and the projected cost increases for FY2020. Retirement costs account for \$7.6 million of the projected cost increases, and many TFAB members hope that successful lobbying efforts in Salem will help generate increased state support that can be used to offset these cost increases. However, even if the institution were to be successful with both the campus growth initiative and lobbying in Salem, it is likely that there will still be a significant gap that needs to be addressed through other means, including cost cutting. TFAB members discussed the impact that cost cutting efforts have had on campus in the past (e.g., the number of NTTF who lost jobs in prior cuts) and the fact that, while necessary, it is very difficult and ends up impacting people,

programming and services. It was also shared that making additional cuts each year gets more and more difficult as the impact of cumulative cuts means that there are fewer positions to cut in the future that don't risk significantly affecting service levels.

Given all of these uncertainties, the TFAB reviewed and discussed a broad range of scenarios to understand how the level at which non-resident tuition is set might affect other factors (e.g., resident tuition, the gap needing to be covered through cost cutting). Below is a list of some of the scenarios reviewed and discussed.

Existing FY2019 E&G Fund Budget Deficit	FY2020 Projected Cost Drivers	FY2020 Change in State Appropriation	Incremental Funding – Growth Initiative	Resident Tuition Rate Increase	Non-Resident Tuition Rate Increase	Remaining Gap (to be covered by cost cutting and other revenue)
\$5.6 million	\$24.1 million	(\$2.7 million)	\$0	0.0% (\$0 per credit)	0.0% (\$0 per credit)	\$32.4 million
\$5.6 million	\$24.1 million	(\$2.7 million)	\$0	4.15% (\$9 per credit)	2.97% (\$22 per credit)	\$21.9 million
\$5.6 million	\$24.1 million	\$8.0 million	\$8.0 million	4.15% (\$9 per credit)	2.97% (\$22 per credit)	\$3.2 million
\$5.6 million	\$24.1 million	\$3.7 million	\$5.0 million	4.15% (\$9 per credit)	2.02% (\$15 per credit)	\$12.8 million
\$5.6 million	\$24.1 million	\$8.0 million	\$8.0 million	4.15% (\$9 per credit)	2.02% (\$15 per credit)	\$5.5 million
\$5.6 million	\$24.1 million	\$8.0 million	\$5.0 million	4.15% (\$9 per credit)	2.02% (\$15 per credit)	\$8.5 million
\$5.6 million	\$24.1 million	\$3.0 million	\$5.0 million	5.07% (\$11 per credit)	3.51% (\$26 per credit)	\$9.1 million
\$5.6 million	\$24.1 million	\$2.1 million	\$4.0 million	11.98% (\$26 per credit)	3.51% (\$26 per credit)	\$5.9 million
\$5.6 million	\$24.1 million	\$2.1 million	\$4.0 million	11.98% (\$26 per credit)	3.37% (\$25 per credit)	\$ 6.2 million
\$5.6 million	\$24.1 million	\$2.1 million	\$4.0 million	11.98% (\$26 per credit)	2.97% (\$22 per credit)	\$ 7.2 million
\$5.6 million	\$24.1 million	\$2.1 million	\$4.0 million	11.98% (\$26 per credit)	3.1% (\$23 per credit)	\$ 6.8 million
\$5.6 million	\$24.1 million	\$2.1 million	\$4.0 million	11.06% (\$24 per credit)	3.24% (\$24 per credit)	\$ 7.2 million

\$5.6 million	\$24.1 million	\$2.1 million	\$4.0 million	11.52% (\$25 per credit)	3.37% (\$25 per credit)	\$ 6.5 million
\$5.6 million	\$24.1 million	\$2.1 million	\$4.0 million	11.06% (\$25 per credit)	3.24% (\$24 per credit)	\$ 6.8 million
\$5.6 million	\$24.1 million	\$2.1 million	\$4.0 million	11.06% (\$25 per credit)	3.1 % (\$23 per credit)	\$ 7.2 million
\$5.6 million	\$24.1 million	\$2.1 million	\$4.0 million	11.06% (\$25 per credit)	2.97% (\$22 per credit)	\$ 7.5 million
\$5.6 million	\$24.1 million	\$8.0 million	\$4.0 million	5.07% (\$11 per credit)	2.97% (\$22 per credit)	\$ 6.4 million
\$5.6 million	\$24.1 million	\$2.1 million	\$4.0 million	5.07% (\$11 per credit)	2.97% (\$22 per credit)	\$ 12.4 million

Proposed Non-Resident Tuition Increase

With these issues in mind, the TFAB is recommending the following non-resident undergraduate tuition increase:

- \$22 per student credit hour (SCH) increase (2.97%) from \$741 per SCH to \$763 per SCH. Increases tuition on a full time annual basis to \$34,335 (\$990 increase)

This tuition increase proposal, setting aside 10% of new revenue for fee remissions as is our standard practice, is expected to generate approximately \$7.4 million of incremental revenue. It is important to note that incremental tuition revenue from campus growth is not included in this figure, but the figure does assume steady enrollment from FY2019 to FY2020. It also does include an approximation of increased revenue generated by summer tuition.

In selecting the 2.97% increase for non-resident undergraduates, the TFAB is balancing the need to keep tuition increases as low as possible for students, while generating enough revenue to contribute to next year’s upcoming budget gap. The committee felt that higher non-resident rate increases could make the growth initiative, particularly recruitment of new non-resident students, more difficult.

Graduate Tuition

The deans were asked to provide their recommendations for graduate tuition in FY2020. Those increases were reviewed and discussed by the TFAB. With the exception of programs in the College of Design and the School of Law, proposed graduate tuition increases range from 0% to 5.4%.

The College of Design proposed resident tuition increases of between 4.9% and 15%, with some programs’ non-resident tuition seeing no proposed increase. The 15% proposed increase for the Architecture, Landscape Architecture, and Historic Preservation programs will make the tuition rates

more reflective of the actual cost of the programs and will only affect incoming resident students who start their programs in fall 2019, all of whom will receive a tuition guarantee. The proposed tuition rate increases will not affect current students whose tuition is already guaranteed to not increase. The requested 7.1% increase in the Sports Product Design program is proposed to cover labor contract and PERS increases as well as to initiate a tuition guarantee for this program, while the 8% Planning, Public Policy and Management program increase will cover cost drivers and a new support staff position. TFAB members were generally supportive of the graduate tuition proposals in the College of Design, discussing the benefit to students of a tuition guarantee while understanding the high risk such a system poses to the university.

The School of Law is proposing a 7% increase for resident and non-resident students in their Juris Doctorate (JD), master's in law (LLM), and Conflict and Dispute Resolution master's programs. The proposed increases bring the programs more in line with market rates while still maintaining the tuition price for students at a lower rate than comparator schools. PERS is the largest cost driver for the tuition increase proposals, alongside increased student need for career development services. The law school also pays \$4,000 for each graduating JD student to complete a bar review course which, in addition to the improved career development services, assists students with employment success after graduation. Like many other public law schools in the current market environment, the UO offers scholarships that cover approximately 50% of tuition, on average, for incoming law students. Challenging market dynamics for law schools and the substantial scholarships given out by law schools have put considerable pressure on the School of Law budget in recent years. Even after the proposed tuition increases, the UO law school will continue to offer the highest ranked law program in the state for the lowest cost.

The TFAB is forwarding these increases to you for your consideration and recommends that they be adopted. The graduate tuition increases are detailed in the attached spreadsheet.

Fee Increases for Existing Mandatory Fees

The TFAB reviewed all of the proposals for mandatory institutional fees, with the exception of the Incidental Fee (which runs through the ASUO process).

Mandatory institutional fee recommendations are as follows:

- Building Fee: no increase
- Health Service Fee: \$35 increase per term from \$198 to \$233 (17.68%)
- Rec Center Bond Fee: no increase
- Rec Center Fee: \$2 increase per from \$62.50 to \$64.50 (3.2%)
- EMU Fee: \$3 increase per term from \$67 to \$70 (4.48%)
- Technology Fee: no increase

The only significant mandatory fee increase that was proposed is the Health Service Fee. This is in direct response to a large increase in the number of students seeking help for mental and physical health concerns. The proposed fee increase was endorsed by the Student Health Advisory Committee and the Counseling Center's Student Advisory Board. The increased Health Service Fee aims to alleviate waiting periods at the University Health Center and University Counseling Center, ensuring services are more responsive to growing student health needs. This includes funding to fill crucial vacancies at the University Health Center, including staffing to work on all types of dietary needs, including food insecurity. Many members of TFAB endorsed the need for this fee in order to improve services to students.

The Incidental Fee proposal is developed by ASUO and does not run through TFAB review. ASUO leadership has shared that they are proposing that the Incidental Fee increase \$8.75 per term from \$250.50 per term to \$259.25 per term (3.5%).

Other Costs of Education Reviewed

The TFAB reviewed major changes to proposed course fees, as well as projections on housing costs for FY2020. The group discussed a few specific course fees for which concerns existed and this feedback will be incorporated into the Special Fees, Fines and Penalties process for consideration.

Additionally, in FY2020, a fee of \$25 per credit hour on fully online courses is proposed to provide improved quality and consistency of support for student success in these courses. Carol Gering, associate vice provost of online and distance education, presented to the TFAB about how the fee would work and the overall benefits. These include content designed to support the accessibility needs of diverse students, a call/chat center for single point of contact assistance for online students, expanded help desk hours (particularly nights and weekends), expanded access to exam proctoring, support for media-rich content in online courses, flexible delivery of high-demand online courses that support timely degree completion, and consistent student support around technology, processes, and procedures for all UO online classes. TFAB members were generally supportive of this new fee as (1) it will only be applied to students who choose to take online courses, and (2) the investments in online infrastructure will enable the institution to significantly expand and improve online course offerings, which in particular will help non-traditional students and employed students by providing them with more scheduling flexibility.

University Housing presented its proposed room and board rates for FY2020 to the TFAB. They are proposing moderate (average of 4%) rate increases to cover staff and student employee labor and maintenance cost increases. Even with these increases, University Housing plans to continue to offer 54 triple-occupancy room spaces, with full meal plans, for under \$10,000 and 2,300 double-occupancy spaces, with full meal plans, at price points below \$10,400 per year. TFAB members raised concerns about the overall cost of living impact of on-campus housing, particularly for first-year students who

are required to live on campus. The TFAB discussion focused heavily on the live-on requirement for students and the concern that this requirement increases the total financial burden on students. While Housing shared that its comparative data for on-campus vs. off-campus housing costs demonstrate that they are competitive, many students on the TFAB shared that their personal experience was not consistent with this data. They believe that off-campus options, particularly shared apartments, are less expensive. The TFAB spent time discussing these issues, including the goal of the live-on requirement, which is to increase retention and improve academic success for students by helping them to build community and better transition to college life. The fact that students can petition for a waiver of the live-on requirement due to cost pressures was also discussed, but many TFAB members felt that this option was not widely known by incoming students.

Members of the 2018–2019 Tuition and Fee Advisory Board

Aimée C. Marquez	Undergraduate student
Chris Murray	Professor, Special Education and Clinical Sciences
Doneka Scott	Vice Provost for Undergraduate Education and Student Success
Erica Daley	Associate Dean of Finance and Operations, Law School
Imani Dorsey	ASUO Internal Vice President; undergraduate student
Jamie Moffitt	Vice President for Finance and Administration & CFO; co-chair
Janelle Stevenson	Graduate student
Janet Woodruff-Borden	Vice Provost and Dean of the Graduate School
Jim Brooks	Director of Financial Aid
JP Monroe	Director of Institutional Research
Kathie Stanley	Associate Vice President and Chief of Staff, Division of Student Life
Kevin Marbury	Vice President for Student Life; co-chair
Laura Leete	Associate Professor, PPM; Senate Budget Committee member
Maria Alejandra Gallegos-Chacón	ASUO President; undergraduate student
Philip Scher	Divisional Dean for Social Sciences, College of Arts and Sciences
Sarah Nutter	Dean of the Lundquist College of Business
Stuart Laing	Director of Budget and Resource Planning
Tova Kruss	Undergraduate student

Guests at TFAB meetings October 2018–February 2019

Odalis Aguilar	Student
Debra Beck	Executive Director, University Health Center
Marcilynn Burke	Dean of the Law School,
Ivan Chen	ASUO External Vice President
Donna Chittenden	Program Manager, Budget and Resource Planning
Zack Demars	Student, reporter for the Daily Emerald
Chaucie Edwards	Student
Lizzy Elkins	ASUO Tuition Insecurity Coordinator
Carol Gering	Associate Vice Provost of Online and Distance Education
Becky Girvan	Director, Student Government Engagement and Success
Michael Griffel	Assistant Vice President and Director of University Housing
Emily Halnon	Communications Specialist
Ryan Nguyen	Student, reporter for the Daily Emerald
Semeredin Kundin	Student
Rocco Luiere	Associate Dean of Finance, College of Design
Montse Mendez Higuera	Student
Tan Perkins	ASUO Chief of Staff
Hunter Rowe	Student
Roger Thompson	Vice President for Student Services and Enrollment Management

2018-20 ACADEMIC YEAR TUITION AND FEE INCREASES

ACADEMIC YEAR

	2018-19 Tuition	2019-20 Tuition	Tuition Pct Increase
GRADUATE (annual tuition and fees at the plateau rate)			
COLLEGE OF DESIGN			
<i>Architecture & Interior Architecture</i>			
Resident	20,295.00	23,334.00	15.0%
Nonresident	33,984.00	33,984.00	0.0%
<i>Landscape Architecture</i>			
Resident	16,296.00	18,735.00	15.0%
Nonresident	29,985.00	29,985.00	0.0%
<i>Historic Preservation</i>			
Resident	15,297.00	17,586.00	15.0%
Nonresident	28,986.00	28,986.00	0.0%
<i>Art</i>			
Resident	16,431.00	17,241.00	4.9%
Nonresident	17,970.00	18,861.00	5.0%
<i>Sports Product Design¹</i>			
Resident	32,424.00	34,719.00	7.1%
Nonresident	32,424.00	34,719.00	7.1%
<i>Planning, Public Policy, & Management</i>			
Resident	16,383.00	17,697.00	8.0%
Nonresident	25,884.00	27,960.00	8.0%
<i>History of Art and Architecture</i>			
Resident	15,897.00	16,698.00	5.0%
Nonresident	25,128.00	26,391.00	5.0%
COLLEGE OF ARTS AND SCIENCES			
<i>MA/Phd</i>			
Resident	14,526.00	14,958.00	3.0%
Nonresident	26,028.00	26,811.00	3.0%
COLLEGE OF EDUCATION			
<i>Base</i>			
Resident	17,514.00	18,243.00	4.2%
Nonresident	24,858.00	26,127.00	5.1%
<i>Supervision</i>			
Resident	18,867.00	19,650.00	4.2%
Nonresident	26,184.00	27,534.00	5.2%
<i>Clinical</i>			
Resident	20,535.00	21,399.00	4.2%
Nonresident	27,771.00	29,202.00	5.2%
<i>DEd</i>			
Resident	17,514.00	18,243.00	4.2%
Nonresident	24,858.00	26,127.00	5.1%
SCHOOL OF JOURNALISM AND COMMUNICATION			
<i>MA/PhD</i>			
Resident	15,552.00	16,011.00	3.0%
Nonresident	25,164.00	25,164.00	0.0%
<i>Strategic Communication</i>			
Resident	16,983.00	17,739.00	4.5%
Nonresident	24,435.00	24,435.00	0.0%
<i>Multimedia</i>			
Resident	16,983.00	17,739.00	4.5%
Nonresident	24,435.00	24,435.00	0.0%

<i>Advertising and Brand Management</i>			
Resident	15,552.00	16,011.00	3.0%
Nonresident	25,164.00	25,164.00	0.0%

SCHOOL OF LAW

<i>JD</i>			
Resident	33,282.00	35,604.00	7.0%
Nonresident	41,886.00	44,820.00	7.0%
<i>LLM</i>			
Resident	41,346.00	44,244.00	7.0%
Nonresident	41,346.00	44,244.00	7.0%
<i>CRES</i>			
Resident	20,466.00	21,897.00	7.0%
Nonresident	27,648.00	29,592.00	7.0%

COLLEGE OF BUSINESS

<i>PhD</i>			
Resident	14,364.00	14,364.00	0.0%
Nonresident	24,057.00	24,057.00	0.0%
<i>MBA</i>			
Resident	28,377.00	29,235.00	3.0%
Nonresident	39,273.00	40,461.00	3.0%
<i>Accounting</i>			
Resident	19,527.00	19,527.00	0.0%
Nonresident	27,627.00	27,627.00	0.0%
<i>Finance</i> ²			
Resident	24,117.00	24,840.00	3.0%
Nonresident	31,617.00	32,565.00	3.0%
<i>Oregon Executive MBA</i> ³			
Resident	38,418.00	40,500.00	5.4%
Nonresident	38,418.00	40,500.00	5.4%
<i>Sports Product Management</i> ⁴			
Resident	37,917.00	39,000.00	2.9%
Nonresident	43,917.00	45,000.00	2.5%
<i>Sports Product Management (ONLINE)</i>			
Resident		31,416.00	
Nonresident	NEW	36,417.00	

SCHOOL OF MUSIC AND DANCE

<i>MA/PhD</i>			
Resident	14,382.00	14,808.00	3.0%
Nonresident	22,371.00	23,490.00	5.0%

KNIGHT CAMPUS

<i>Industrial Internship Program</i> ⁵			
Resident	19,440.00	19,980.00	2.8%
Nonresident	19,440.00	19,980.00	2.8%

Notes:

- (1) Students in Sports Product Design pay Portland-based fees.
- (2) The cost reported in the table for the Master's in Finance is for three terms of a four term program.
- (3) The cost reported in the table for the Executive MBA is for three terms of a six term program.
Students in the program pay Portland-based fees. AY19 costs are 3.9% higher than AY18.
- (4) The cost reported in the table for the Sports Product Management is for three terms of a five term program and Sports Product Management (ONLINE) is for three terms of a eight term program.
Students in the program pay Portland-based fees. No cost increase over AY18.
- (5) Costs calculated at 12 credit hours. During the academic year, IIP students pay off-campus fees.
- (6) Students will be charged and additional \$20 per credit hour for undergraduate courses taken in the Business School.

Source: UO Office of Institutional Research.

For additional information, please contact J.P. Monroe (jpmonroe@uoregon.edu) at 541-346-2085.