MEMORANDUM

TO: Members of the State Board of Higher Education Finance and Administration Committee

FR: Bob Davies

RE: Tuition and Fee Recommendations—Academic Year 2013-14

DATE: April 12, 2013

First and foremost, I want to thank EOU’s Tuition Committee—which included three students, two faculty members and one staff member—for all of their time, energy and wisdom they provided me in discussing tuition and fee strategies for Eastern Oregon University. The Tuition Committee’s recommendations followed a deliberate process that allowed for in-depth and inclusive discussions based on research and data. This provided the foundation for thoughtful deliberations and solid conclusions in setting the tuition levels for the next academic year (2013-2014).

I am pleased to say that my recommendations are completely in line with the committee’s.

EOU’S TUITION STRATEGY

At the first meeting of the Tuition Committee, the committee reaffirmed our tuition strategy. In doing so, the following six guidelines provided the framework to reach conclusions and form our recommendations:

➢ Create a tuition strategy that provides access and affordability for our students;
➢ Have a strategy that is predicable from year to year;
➢ Have a process of establishing annual tuition increases that is open, transparent and inclusive of students and other stakeholders;
➢ Remain focused on total costs of attendance for our students;
➢ While not being “cheap” we strive to be of “great value”; and,
➢ Be cognizant of the long-term implications of the decisions.

A key component of our strategy is to be price competitive relative to our competitors. As a result, a critical strategic goal for EOU is to be among the lowest tier of OUS institutions when ranking tuition and fees. We further this strategy by constantly analyzing our regional competition to ensure that we are priced in the lower quartile in terms of tuition and fees.
Furthermore, not only is the actual annual tuition level important, so is the predictability of future increases. We strive to ensure that we do not have a “yo-yo strategy” as it comes to increases; meaning, that one year the increases are very low and then the next year is high to make up for revenues and funding.

**Financial Aid and Affordability Efforts**

Many of our students come from lower socio-economic status households and are first generation college students. According to the latest OUS Fact Book (2012), 93.1 percent of all EOU students received financial aid, which is 16.5 percentage points above the system average (76.6 percent) and five percentage points higher than the next closest university.

With this in mind, EOU has instituted a very robust tuition remission policy and program that will ensure that we meet the State Board of Higher Education mandate of funding at least 12 percent of unmet need for resident undergraduate students. EOU serves the poorest of our students as measured by family median income levels. Therefore, is not a surprise that approximately 93 percent of EOU’s students receive financial aid—the most of all seven universities in the Oregon University System. We continue to monitor our efforts on an on-going basis as we admit and enroll new students and as current students update their FAFSA and other financial information. In addition, as part of our philanthropic strategies, over 85 percent of our fundraising goal is dedicated to increasing scholarships to meet the financial needs of our students.

**The Tuition Setting Process: Student Involvement and Engagement**

The recommendations that follow are the results of the EOU Tuition Committee. This committee is made up of six individuals: three students who were selected by ASEOU (one of the students also served on last year’s committee); one staff member and two faculty members—these three individuals were approved by the Budget & Planning Committee for the university. The committee, which was appointed in the Fall Term 2012, met frequently—especially in the months of January, February and March—with the President and members of the finance and administration office, admissions, and others to discuss tuition and fee strategies and other cost issues facing our students. Many of the discussions focused on the “total cost of attendance” which included room, board, books, etc. The College Board Report, Trends in College Pricing 2012, along with the Delta Cost Study were used to gain a national perspective combined with the use of regional comparisons and data, was used to frame the discussion. Specific peer universities within the region, as well as the six other OUS institutions, were used extensively in the deliberations of the committee. (See attached spreadsheets)

To gain a broader perspective, I hosted numerous university wide student forums. These forums and gatherings provided for a broad representation of student viewpoints and enabled a vibrant discussion on many factors. These forums followed on last year’s robust
discussion on the implementation of a non-resident tuition schedule. I personally met with
the ASEOU senate—the elected body representing the students—on multiple occasions to
discuss the total costs of attendance and specifically on these final recommendations. It
must also be noted that one of the student members is also the chairperson of the student
fee committee as well as the ASEOU Vice President of Finance. In her role, she frequently
updated the members of ASEOU. Along with the student chairperson of the Tuition
Committee, we jointly presented these recommendations to the Budget & Planning
Committee. It is also important to note the Budget & Planning Committee has significant
student representation. The Budget & Planning Committee provided written comments on
specific elements of the plan and supported the overall proposed increases. The
President’s Cabinet (in which the President of ASEOU is a member) received regular
updates and presentations regarding the progress and discussions of the Tuition
Committee and weighed in on the final recommendations. The Academic Deans of our
colleges also engaged in discussions with students about the proposed changes and
provided feedback to the committee as well as to me personally.

RECOMMENDATIONS

The following are the set of recommendations from the Tuition Committee of which I
concur and propose them for your consideration.

**Important notes for resident undergraduate students as discussed by the committee
and reflected in the total cost of attendance:**

⇒ It was noted that the Student Fee Committee is recommending an increase in
Incidental Fees of $2.
⇒ It was noted that the OUS is not recommending any increase in the Building
Fees.
⇒ The Associated Students of EOU in 2011 passed a referendum to impose a
dedicated Student Fee of up to $30 per term to renovate Hoke Union
Building. This fee will be included in this years fee book and is $28.

**Tuition For undergraduate resident students:**

⇒ For undergraduate resident students (as defined by OAR 580-010-0030) the
committee is recommending a 4.9 percent increase in the base level of tuition
per credit. This will be a $6.50 increase from $131.50 to $138.00.

**Tuition for undergraduate non-resident students:**

⇒ For undergraduate non-resident students (as defined by OAR 580-010-0030)
the committee is recommending a 6.5 percent increase in the base level of
tuition per credit. This will be a $20.75 increase from $320.00 to $340.75.

**Tuition for graduate students for the 2013-14 Academic Year:**

Based specifically on the recommendations of the Tuition Committee, I am proposing the
following tuition levels for graduate programs:
⇒ Tuition for the MBA program increase 5 percent from $273 to $286.75 (a $13.75 increase);
⇒ Tuition for the MAT program will increase 4 percent from $297 to $309 (a $12 increase). This is the same tuition and fee structure approved for the Summer 2013 cohort. Non-Resident rates for the MAT cohort will increase from $350 to $364 (a $14 increase or 4 percent)
⇒ Non-Resident students, who do not fall within the guidelines of OAR 580-010-0030, will increase from $350 to $367.50 (a $17.50 increase or 5 percent) for both the MBA and the MAT and at all locations.

**The Use of Funds From Increased Tuition and Fees**

The primary use of the funds created by the increased level of resident tuition, as well as the use of the funds generated by the implementation of non-resident tuition, will be to replace the funds lost due to the reduction of state allocations and to offset cost drivers. EOU’s significant cost drivers include the increases in employee benefits (health care and retirement) as well as negotiated salary increases. Inflationary costs, especially in utilities and technology, are also noteworthy cost drivers.

**The Impact of Recommendations on EOU’s Financial Sustainability Plan**

In June 2011, Eastern Oregon University presented “Positioning Eastern Oregon University for Mission Fulfillment and Financial Sustainability” plan. In this plan, it calls for the implementation of many of the issues discussed in this memorandum—from non-resident rates, to increases of tuition at 5 percent and a state allocation growth rate of 3 percent. In order for EOU to remain financially viable, it must implement this practices as well as meet its enrollment goals. There are key aspects of our overall strategy to remain financially that must be continued. This includes the growth of our on-line student population in which tuition prices are absolutely critical (that is why, for example, only very few institutions in the country charge non-resident tuition rates for on-line courses); our aggressive marketing to students out of the region; maintaining our core and growing presence within our region (including Washington and Idaho); and the continued implementation of the Western Undergraduate Exchange program.

At this time, EOU is reviewing the 2011 Sustainability Plan and beginning to implement additional cost saving measures and revenue projections. A key component of this effort is to have a balance between revenue increases and costs containment measures. Specifically, the level of tuition, as a revenue source, continues to grow relative to our total income projections. In order, as the students stated, to maintain the quality of instruction, the realization that tuition will need to increase is abundantly clear. Our immediate goal and focus is to maintain a fund balance for this year at the Board Minimum. Our longer-term goal is to increase our fund balance to a more sustainable level of 8.5 percent.
ADHERENCE TO LEGISLATIVE BUDGET NOTES

The 2011-13 budget note regarding Eastern states:

Increases in the rates for tuition paid by resident undergraduate students at Eastern Oregon University, Southern Oregon University, and Western Oregon University may not exceed an average of 6.5 percent for the two years of the biennium, and 7.5 percent in any given year.

With increases for resident undergraduates of 6.8% in 2011-12 and 5.6% in 2012-13, and the resulting average of 6.2%, EOU was well in compliance with the 2011-13 legislative budget note.

If you applied similar analysis to our proposed rates for the 2013-14 academic year for resident undergraduate students, the increase would be well below a single year limit of 7.5% and the two year average of 5.25% (5.6% in 2012-13 and 4.9% proposed for 2013-14) would also be below a two-year average limit of 6.5%.

CONCLUSION

The proposed fees and tuition increases reinforce Eastern's commitment to providing affordable higher education opportunities for our state and region. In total, for our resident undergraduate students, we are proposing a 4.9 percent increase in tuition. This is $6.50 increase per credit.

I want to again, thank the Tuition Committee for their diligent work and efforts. This process engaged students in a very progressive manner and they were exceptional in providing insights and feedback. They not only informed the process, they truly guided the final recommendations.
### Undergraduate Tuition and Fee Comparison

#### OUS and Geographically Close Universities - Annual Costs

<table>
<thead>
<tr>
<th>Academic Year</th>
<th>University or State</th>
<th>Tuition Only</th>
<th>Term/ Session Unit</th>
<th>Fees</th>
<th>Total Term Fees</th>
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<td>$20,512.75</td>
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</table>

### Sources
- OUS Academic Year Fee Book
- Oregon State University-Online Tuition and Fees
- Oregon State University-Online Tuition and Fees
- Eastern Oregon University-Online Tuition and Fees
- Southern Oregon University-Online Tuition and Fees
- Portland State University-Online Tuition and Fees
- Oregon Institute of Technology-Online Tuition and Fees
- Oregon State University-Cascades-Online Tuition and Fees

### Notes
- FL = Flat Rate Fee per Term
- FS = Fee Step S25.75 per credit hour
- OUS = Oregon State University
- PSU = Portland State University
- SOU = Southern Oregon University
- EOU = Eastern Oregon University
- OIT = Oregon Institute of Technology
- OSU = Oregon State University
- EWU = Eastern Washington University
- WSU = Washington State University
- WWU = Western Washington University
## Graduate Tuition and Fee Comparison

### OUS and Geographically Close Universities - Annual Costs

**AY 2012-13**

### Universities Compared

<table>
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<tr>
<th>Academic Yr.</th>
<th>University</th>
<th>Tuition Cost (AY 2012-13)</th>
<th>Term/Session</th>
<th>Application Buffet</th>
<th>Building Buffet</th>
<th>Detailed Course Fee</th>
<th>Recreational Fee</th>
<th>Incidental Fee</th>
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### Sources

- **OU0** - CA Academic Year Fee Book
- **ISU** - http://www.isu.edu/finance/central.shtml
- **BSU** - http://bsu.boulder.edu/budget/bfees
- **WSU** - http://www.wsu.edu/policy/tuitionfees.html
- **WUE** - "Western Undergraduate Exchange (minimum cumulative GPA requirement - 3.0)"
- **WS1** - Stadium Renovation Fee & Student Union Building Renovation Fee
- **WS2** - WSU Student Travel Fee

**WSU - Border Bill** (max. 8 credits) at resident rate. Only available at WSU-Tricities & WSU Vancouver. No additional fees above - Tri Cities.