Following is information about our tuition proposal. Please let me know if you have any questions.

1. Describe your institution's tuition strategy. Describe how the strategy fits within the overall strategic plans of the institution and system.

The University of Oregon’s goal is to keep undergraduate tuition increases as low as possible, while maintaining the quality of our academic programs. This has been difficult in recent years due to state budget cuts. There are also many investments that we need to make in tenure-related faculty, classroom facilities, and other infrastructure in order to support the recent growth in our student population.

For FY2013, non-resident tuition and fees totaled $28,660 whereas resident tuition and fees was set at $9,310. We believe that our current non-resident undergraduate pricing is at market and that caution must be used to make sure that we do not raise tuition so high that we see a drop in non-resident demand. For this reason, we are only proposing a 3.45% increase to non-resident undergraduate tuition. While this is a lower percentage increase than the 4.49% proposed for resident undergraduate tuition, the actual dollar increase is higher due to the higher tuition base (i.e., full-time non-resident tuition would increase by $945 per year vs. $360 per year for full-time resident tuition).

As an institution, our undergraduate tuition strategy aligns with our overall strategy to promote institutional excellence as well as accessibility to higher education for Oregonians. While recommendations for undergraduate tuition rates are developed by the University’s Tuition & Fee Advisory Board (see process outlined below), proposals for graduate tuition increases are developed by each individual graduate school or college. This enables the tuition strategy for each program to best align with its programmatic goals, as well as program specific market conditions.
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.*

The University of Oregon utilizes a formal committee structure for the analysis and development of tuition rates – the Tuition and Fee Advisory Board ("TFAB"). The Board has 14 members including three Vice Presidents, two Vice Provosts, one Dean, one Associate Dean and one faculty member. The Board currently has three student members; one undergraduate student appointed by the President of the Associated Students of the University of Oregon, one undergraduate student chosen at large and one graduate student recommended by the Graduate School. The Board is advisory to the Provost and the President.

In addition to the deliberations of the TFAB, meetings are also scheduled each year to discuss planned tuition increases with students. These discussions occur with both central administrative leaders (mainly focused on undergraduate tuition proposals), as well as at the school and college level to discuss proposed graduate tuition increases. The Provost and the Vice Provost for Budget and Planning held an open forum for tuition discussions on March 15.

Throughout the year, students asked important questions about the need for tuition increases. We discussed with students different strategies to keep planned increases as low as possible such as increasing revenue by continuing to grow our student population and institutional cost containment efforts. The recent growth in our student population, however, makes both of these strategies difficult. We have added over four thousand students to our campus since FY2008. We need to make significant investments in tenure-related faculty, space capacity, and infrastructure to support this recent growth before we consider adding new students to our campus. In these discussions it was always stressed that the quality of the education provided by the institution must be preserved.

Students also expressed a concern over the fact that we are proposing a higher percentage increase for residents than for non-residents. It was helpful for them to learn that the net increase for residents in absolute dollars is less than half of the net increase for non-residents. In addition, non-resident tuition rates are at market rates, whereas UO resident tuition is below the tuition charged by many of our peer institutions.

At the March 15th session with the Provost, a small group of students expressed their strong support for proposals to freeze tuition increases.

Graduate student participation in tuition increase discussions happened primarily within the Schools and Colleges.

For FY2014, the substantial (resident) tuition changes were as follows:

In the College of Business there is a large proposed increase in MBA tuition (15%). Continuing students were all informed by the office of the Dean, through personal emails, that their tuition increases would be held to at most 10%, through remissions.
The UO MBA tuition increase is part of a multi-year plan to generate necessary revenues to increase the overall quality of the program. This increase will bring UO tuition closer to market rates and simultaneously generate necessary revenues to invest in tenure-related faculty and increased student services such as career placement.

3. **Provide benchmarks or peer group comparisons, if any were used to inform your process.**

Please see the attached spreadsheet which contains comparative data on state appropriation levels, resident tuition and fees, and non-resident tuition and fees for all 34 Public AAU institutions.

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.**

A 4.49% resident undergraduate tuition increase will increase full-time resident tuition by approximately $360 per year. A 3.45% non-resident undergraduate tuition increase will increase full-time non-resident tuition by approximately $945 per year. Both of these increases will be partially offset by increases in tuition remissions.

It is not anticipated that this resident undergraduate tuition increase will substantively impact either access or affordability for resident undergraduate students at the University of Oregon.

By OUS definition, the UO currently meets 17.8% of unmet financial need for resident undergraduate students. Our tuition remission budget is calculated as a percentage of total undergraduate tuition revenues and therefore rises automatically with tuition increases. We anticipate continuing to exceed the 12% OUS target for this metric in FY2014.

5. **Provide a summary of how this rate proposal will maintain campus fiscal sustainability over the fiscal year with projections of Education and General (E&G) fund balance at 6/30/14.**

The University of Oregon began FY2012 with an E&G Fund balance of a little over $62.9 million which represented 15.6% of our operating revenue. At the end of FY2014 we are projecting our E&G fund balance to be approximately 14% - 15% of projected operating revenue. While we do anticipate our E&G fund balance to drop from our starting point of 15.6%, we will still be within the 5% - 15% policy guidelines. The expected drop is due to investments we need to make to support our growing campus (e.g., start-up packages for new tenure track faculty, capital projects, IT projects) as well as expected PERS / PEBB increases. We are planning to absorb a significant portion of these investments with reserves, rather than increase tuition beyond our proposed rates for FY2014.
6. *Provide the specific tuition and fee rates being proposed.*

The following specific tuition and fee rates are being proposed for the University of Oregon:

- Resident undergraduate tuition increase: 4.49%
- Non-resident Undergraduate tuition increase: 3.45%
- See attached table for proposed graduate tuition increases.
- See attached table for proposed summer school tuition rates.

*If any new differential tuition rates are being proposed include supporting documentation as specified in the Board’s Differential Tuition Policy.*

The UO is not proposing any new differential tuition rates. Many of our graduate programs have their own tuition rate tables. Proposed increases to these rate tables are attached.

*If rate increases are being proposed, discuss how incremental revenues will be deployed.*

Increased tuition will be used to offset recent cuts in state support, invest in necessary tenure-related faculty and infrastructure to support our growing campus, and also help cover normal operating inflationary costs.

*Discuss how your proposal comports with the 2011-2103 budget note limiting tuition rates.*

The institution’s FY2014 proposal is well below the 2011-2013 budget note average increase limitation of 8%.