To: Oregon State Board of Higher Education
Finance and Administration Committee

May 24, 2013

As requested, following is WOU's tuition strategy, proposed tuition rates, and other recommendations in consideration of the coming year.

Tuition Strategy
The Oregon State Board of Education approved the Western Oregon University Tuition Promise in 2007. The intent of the Promise is to provide our students and their families with the means to plan for the cost of four years of university education at WOU. The WOU Promise provides students with a guarantee, protecting from unexpectedly high tuition increases that many other universities and colleges impose upon their students.

Implementation of the Promise was predicated on the continuing partnership with state government for a steady base of funding. Because of decreased state funding since 2007 of approximately 25% and increases in salary and benefit costs, WOU's ability to maintain an adequate fund balance becomes problematic and required significant increases in tuition for each year's new cohort of incoming students.

Unlike other OUS institutions, increased in-state tuition rates only apply to the incoming student cohort choosing the fixed rate Promise and those who have opted for the variable rate choice. Because the majority of our students do not receive annual tuition increases, our ability to meet financial challenges is limited. Consequently, incoming WOU students are charged near the highest rates in the system and seniors are graduating with the lowest tuition rates in the state.

Lastly, we have experienced a leveling of the steep enrollment increases experienced in recent years; state demographics and affordability are among the reasons. Outreach efforts to assist the underserved are a necessary part of the state's 40/40/20 strategy. These efforts and support services necessary for success come with a cost. To help meet our fiscal needs and diversify our campus community so that our graduates are successful in competing in the global economy, we also strive to attract students from nations around the world in an increasingly competitive environment.

Student Participation and Feedback
Formation of Western's 2013 Tuition Advisory Committee began late summer of 2012. Student representation is comprised of ASWOU Student Body President, Student Senate President, Incidental Fee Committee Chair, and various students at large.

An objective of the committee is to provide students with an open and informative venue to discuss and understand the substantial amount of information considered by university leadership in the development of resident undergraduate tuition rates. Ultimately we want students to feel comfortable not only with understanding information but also in asking questions and discussing concerns.

To that end, a series of meetings were held throughout the year. The committee was provided with comprehensive financial updates including the University's current financial position and projections of enrollment, tuition revenue, state support, expenses, and fund balance for the coming biennia.

Additionally, student leadership and other student representatives participate in a series of WOU Finance Information Committee meetings open to the campus at large, throughout the year. These meetings provide participants with similar information.

The planning portion of these meetings use an interactive finance model that projects changes to fund balance when key variables such as tuition rates, enrollment FTE, State support, remission funding, salary and benefits are changed.
Once these variables are understood, formal tuition rates are developed for the coming year, which are then vetted with the Tuition Advisory Committee and any other interested students who wish to meet with the President to provide feedback. The Associate Provost, Director of Business Affairs and Director of Budget are also available to discuss any questions or concerns with students.

On May 1, 2013, we received written feedback and questions on the recommendations presented herein. Those questions were responded to on the same day and no further communication has been received. Until receiving these comments, the general response from the committee appeared supportive. And while students would prefer no tuition increase, they generally understood the effects of State disinvestment and had not expressed disapproval with the tuition rates as proposed. I will allow our student representative to comment on our recommendations.

**Benchmarks and Peer Group Tuition Comparisons**
Western Oregon University benchmarks with other OUS institutions as well as a number of private institutions within the state. Of significant concern is the adverse impact for incoming students of now being in the position of having resident tuition rates at or near the top of our OUS peers. On the positive side, our graduating Oregon seniors have the lowest tuition rate in the state.

**Access and Affordability**
Providing affordable access to quality education is of paramount importance to Western Oregon University. As such, there is no tuition increase for resident undergraduate students currently enrolled in the WOU Tuition Promise program.

As of fall of 2012, Western Oregon University began offering incoming resident undergraduate students a choice between a fixed Promise rate with no increases guaranteed for four years or a variable non-Promise rate, which is subject to annual increases, as necessary. Both of these plans comport with the 2011-13 budget note limiting tuition rate increases.

Next year’s Promise rate is increased $11 or 7.0% over the 2012 Promise ($168 vs. $157). This rate will not change for four years. The non-Promise rate is increased $5 or 3.4% over the 2012 non-Promise. We believe students are price sensitive and the majority will elect the lower tuition rate to save from $648 to $810 in the first year of attendance by selecting the non-Promise rate.

These rates are part of a flexible and comprehensive financial plan that provide Oregon residents with an affordable quality education and WOU with the means to meet the Board’s policy of funding at least 12% of unmet financial need for resident undergraduate students.

**Financial Sustainability**
Proposed tuition rates only partially offset increased costs, as WOU encounters the full financial impact of declining State support and increases in salary and benefit costs. WOU is currently projecting an approximate 14.0% fund balance for fiscal year 2014, a decline of more than 1/3 from 2011.

**Resident Undergraduate Tuition and Fee Proposal**
- The Traditional (Non-Promise) plan is $155 per credit and is subject to annual increases.
- The Western Promise 2013 is $173 per credit and is a guaranteed rate for up to four years.
- These rates only affect incoming students, as existing students continue to benefit from prior year’s Promise tuition rates. As such, the average increase for resident undergraduate students is 1.3%.
- The academic year Incidental fee is $306 per term and the Summer 2013 Incidental fee is $115.
- Health Service fee is $110 a term with mandatory student insurance no longer required. The Summer 2014 Health Service fee is proposed to be $54.
- There is no change in the Recreation Center Building Fee of $42 per term.
- The one-time matriculation fee is increasing by $8 to $290.
Respectfully,

Mark D. Weiss