Institutional Tuition Proposals for 2003-04 and 2004-05

At the March 21, 2003 Special Meeting the Board approved five recommendations concerning funding priorities, tuition, and enrollment planning for the 2003-2005 biennium. These recommendations included directives to the staff to return in April with tuition plans for each institution for 2003-04 and 2004-05. The proposals incorporate the mid-year tuition surcharges initiated in the 2002-03 academic year.

In developing the proposal for each tuition rate, campuses have had to evaluate its financial conditions in light of several considerations including: 2001-2003 reductions; funding the 4 percent “rainy day” fund directed by the Governor; continued enrollment growth; potential impact on each student category of tuition differentials; ability to support fee remissions; and, the uncertain economics of the 2003-2005 biennium.

Tuition increases for 2003-04 are measured against the annualized 2002-03 Spring term tuition with the tuition surcharges. The 2003-04 tuition plans for the various student categories vary widely by institution. Resident undergraduate rate increases range from 0 percent to 8 percent; non-resident undergraduate rate increases range from 0 percent to 16 percent; resident graduate rate increases range from 3 percent to 16 percent; and non-resident graduate rate increases range from 0 percent to 30 percent. The rates of increase for 2004-05 range between 3.5 percent and 12 percent and are more uniformly applied by institutions to student all categories.

Additionally, institutions are considering alternative ranges to the tuition plateau. Historically students have paid the same tuition as undergraduates from 12-18 credit hours and as graduates from 9-16 credit hours. With the UO being approved to compress the plateau in 2002-03, other institutions are considering similar changes.

The Chancellor will be permitted to authorize minor adjustments to this plan as deemed necessary and report these adjustments to the Board at the earliest opportunity.

Summary
The staff recommends approval of the 2003-04 and 2004-05 tuition plans proposed by the institution presidents. At its March 21, 2003 meeting, the Board directed the staff to return in April with a formal tuition plan for the ensuing biennium. More complete details and proposed fee and policy changes will be brought to the Board in July for adoption of the 2003-04 Academic Year Fee Book as a permanent Administrative Rule.

Background
At the March 21, 2003 Special Meeting the Board approved five recommendations concerning funding priorities, tuition, and enrollment planning for the 2003-2005 biennium.
Recommendation #2 of that proposal ratified, as permanent tuition rates, the temporary tuition surcharges previously approved in December 2002 and January 2003. That recommendation calls for the staff to prepare the necessary Oregon Administrative Rule changes to reflect this tuition rate. The permanent rule change will be done in July 2003 when the Board is presented with the 2003-04 Academic Year Fee Book for its adoption.

Recommendation #3 directed the Chancellor to prepare a formal tuition and enrollment plan to be considered for approval by the Board. The tuition plan, as recommended by the institution Presidents is presented herein. The status of enrollment planning will be reviewed at the Board meeting.

Information
The Board has expressed a goal of limiting tuition increases at predictable minimal levels to maintain access for Oregonians and allow students to better plan and manage costs. The institutions were encouraged to assure that financial aid, through fee remissions, continue to be set aside to fund financial aid for low-income students. Additionally, the commitment to 2004-05 tuition plans will further provide a measure of predictability for students and their families over the 2003-2005 biennium.

In developing the proposal for each tuition rate, campuses have had to evaluate its financial conditions in light of several considerations:
- General fund reductions incurred in 2001-2003 which reduced the state support for operating expenses by over 10 percent;
- The four percent general fund reductions in 2003-2005 off the Governor’s Recommended budget to fund a “rainy day fund” as directed by the Governor;
- Enrollment projections that indicate continued growth in demand;
- Potential impact on each student category from tuition increase differentials;
- Ability to support financial aid through fee remissions to maintain access for financially needy students; and
- The uncertainty of estimating the tuition income needs in 2004-05 in uncertain economic times.

The results are the proposed tuition plans, presented in this report, by the institutions, including a statement of intent for continuing fee remission programs for financial aid. These plans are consistent with the Board’s ratification of incorporating the 2002-03 mid-year tuition surcharges into the tuition base of each institution. It should be noted that the tuition rates in the current proposal do not address any impact that might occur should the Governor’s Recommended budget be reduced by more than the four percent for the “rainy day” fund.

Institution Tuition Plans
The tuition plans for each institution for 2003-04 and 2004-05 are summarized below. Following action of the Board in March to make permanent the tuition surcharges of 2002-03, the increases for 2003-04 are measured against the Spring 2003 tuition levels,
with tuition surcharges, annualized to three terms. The rates are only for tuition and not other mandatory enrollment fees.

Institutions are also considering alternatives to the tuition plateau. Historically, undergraduate students have paid the same tuition for 12-18 credit hours and graduates for 9-16 credit hours. The UO was approved to compress the plateau in 2002-03. Institutions are considering further changes for 2003-04. Details of these changes will be brought to the Board in July with the Academic Year Fee Book.

**Eastern Oregon University**

EOU tuition rates for 2003-04 will increase as follows: resident undergraduates – 3.2 percent to $3,102; non-resident undergraduates – 3.2 percent to $3,102; resident graduates – 15.6 percent to $8,046; nonresident graduates – 30.4 percent to $15,429.

EOU tuition rates for 2004-05 will increase as follows: resident undergraduates – 10.0 percent to $3,411; non-resident undergraduates – 10.0 percent to $3,411; resident graduates – 10.0 percent to $8,850; nonresident graduates – 10.0 percent to $16,971.

EOU has increased its long term, ongoing fee remissions programs to maintain parity with historical fee remission rates.

**Oregon Institute of Technology**

OIT tuition rates for 2003-04 will increase as follows: resident undergraduates – 3.3 percent to $3,333; non-resident undergraduates – 0.6 percent to $12,534; resident graduates – 3.3 percent to $5,955; nonresident graduates – 0.3 percent to $10,596.

OIT tuition rates for 2004-05 will increase as follows: resident undergraduates – 9.0 percent to $3,633; non-resident undergraduates – 9.0 percent to $13,662; resident graduates – 9.0 percent to $6,492; nonresident graduates – 9.0 percent to $11,550.

OIT will maintain its fee remission efforts at its historic level of 17 percent of tuition revenues.

**Oregon State University**

OSU tuition rates for 2003-04 will increase as follows: resident undergraduates – 4.0 percent to $3,492; non-resident undergraduates – 14.1 percent to $16,248; resident graduates – 13.1 percent to $8,139; nonresident graduates – 13.6 percent to $14,376.

OSU tuition rates for 2004-05 will increase as follows: resident undergraduates – 5.0 percent to $3,666; non-resident undergraduates – 5.0 percent to $17,061; resident graduates – 5.0 percent to $8,547; nonresident graduates – 5.0 percent to $15,096.

OSU will maintain its fee remission efforts at its historic level of 11 percent of tuition revenues.
Portland State University
PSU tuition rates for 2003-04 will increase as follows: resident undergraduates – 0.0 percent remaining at $3,240; non-resident undergraduates – 2.0 percent to $12,888; resident graduates – 5.7 percent to $6,966; nonresident graduates – 8.4 percent to $12,582.

PSU tuition rates for 2004-05 will increase as follows: resident undergraduates – 8.0 percent to $3,498; non-resident undergraduates – 4.0 percent to $13,404; resident graduates – 8.0 percent to $7,524; nonresident graduates – 8.0 percent to $13,590.

PSU will support fee remission efforts, including Graduate Assistantships, at 13 percent of tuition revenues. However, this level does not provide aid to all of the neediest students.

Southern Oregon University
SOU tuition rates for 2003-04 will increase as follows: resident undergraduates – 3.4 percent to $3,138; non-resident undergraduates – 8.3 percent to $11,811; resident graduates – 9.3 percent to $6,312; nonresident graduates – 7.3 percent to $11,559.

SOU tuition rates for 2004-05 will increase as follows: resident undergraduates – 12.0 percent to $3,516; non-resident undergraduates – 8.0 percent to $12,756; resident graduates – 12.0 percent to $7,068; nonresident graduates – 8.0 percent to $12,483.

SOU will increase the level of fee remissions in both 2003-04 and 2004-05. New scholarship programs are being created from private funds.

University of Oregon
UO tuition rates for 2003-04 will increase as follows: resident undergraduates – 2.0 percent to $3,540; non-resident undergraduates – 0.6 percent to $15,090; resident graduates – 9.0 percent to $7,587; nonresident graduates – 0.2 percent to $12,387. The undergraduate tuition cost can be reduced with a 15 percent discount per credit hour for time-of-day discounts on selected courses.

UO tuition rates for 2004-05 will increase as follows: resident undergraduates – 12.0 percent to $3,966; non-resident undergraduates – 3.5 percent to $15,618; resident graduates – 12.0 percent to $8,496; nonresident graduates – 3.5 percent to $12,822. The undergraduate tuition cost can be reduced with a 15 percent discount per credit hour for time-of-day discounts on selected courses.

UO will maintain its level of fee remissions, but will likely shift some allocation from merit-based awards to the need-based pool.

Western Oregon University
WOU tuition rates for 2003-04 will increase as follows: resident undergraduates – 8.0 percent to $3,240; non-resident undergraduates – 4.1 percent to $11,505; resident graduates – 13.8 percent to $6,549; nonresident graduates – 10.8 percent to $11,793.
WOU tuition rates for 2004-05 will increase as follows: resident undergraduates – 6.0 percent to $3,435; non-resident undergraduates – 3.5 percent to $11,907; resident graduates – 6.0 percent to $6,942; nonresident graduates – 3.5 percent to $12,207.

WOU will set aside 7 percent of the tuition increase for additional fee remissions.

As the Legislative Session continues and further information becomes known, it may be necessary to make minor adjustments to these plans. In such an event the Chancellor would authorize such changes and report to the Board at the next earliest opportunity.

Staff Recommendation to Budget and Finance Committee and Full Board
Staff recommends that the Board Budget and Finance Committee approve the tuition plans for 2003-04 and 2004-05 academic years outlined in this report, direct the staff to incorporate these plans into the Academic Year Fee Book 2003-04 (Administrative Rule OAR 580-040-0040) to be presented to the Board for consideration in July 2003; authorize the Chancellor to make minor adjustments to this plan in its final development; and, recommend approval by the Board.

(Board action required. Roll call vote.)