Meeting of the Board Committee on Finance & Administration
May 16, 2014
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Oregon State Board of Higher Education

Finance & Administration Committee
May 16, 2014
11:00 a.m.–3:00 p.m.
Boardroom (ASRC 515), 1800 SW 6th Ave, Portland, Oregon

AGENDA

1. CALL TO ORDER/ROLL CALL/WELCOME

2. ACTION ITEMS
   
   a. OUS, 2014-15 Proposed Tuition and Fee Rates and Policy Changes, Amendment of OAR 580-040-0040; 2014-15 Academic Year and 2015 Summer Session Fee Book (Kenton/McGaughy) ................................................................. 1

   b. OUS, Managerial Reporting—Quarterly Management Report (Barkelew) ....................... 51

   c. OUS, Risk Pool—Quarterly Report (Holland) ................................................................. 53

   d. OUS, Quarterly Investment Report (Burgess) .................................................................. 61

   e. EOU Sustainability Plan Update (Davies/Moore) .......................................................... 67

3. OTHER ITEMS
   
   a. Other items put forward by the Committee

4. ADJOURNMENT
OUS, 2014-15 Proposed Tuition and Fee Rates and Policy Changes, Amendment of OAR 580-040-0040; 2014-15 Academic Year and 2015 Summer Session Fee Book

BACKGROUND:
With the passage of Senate Bill (SB) 270 (2013) and effective July 1, 2014, OSU, PSU, and the UO will set their tuition and fee rates under the governance of their own institutional boards, separately from the State Board of Higher Education (SBHE or Board). As these three public universities transition from being governed by the SBHE to their own boards, SB 270 provides that policies in effect at June 30, 2014 will “continue in effect until lawfully superseded or repealed by the standards or policies of the governing board or the university.” SB 270 also provides that the SBHE shall establish a standard process under which each public university may develop and submit proposed enrollment fees for consideration. Accordingly, the SBHE provided guidance to all seven public universities in the submission of their proposed fees, including the required participation of enrolled students and recognized student governments. OSU, PSU, and the UO were asked to review their proposals with members of their institutional boards, in advance of submission to the SBHE. Each institutional board reviewed and endorsed the tuition and fee rates for the public universities to be in effect July 1, 2014.

The OUS 2014-15 Academic Year and 2015 Summer Session Fee Book draft includes proposed tuition and fee changes for the next academic year as well as the succeeding summer term for all seven public universities. Tuition and fee rates for EOU, Oregon Tech, SOU and WOU are contained in the main body of the fee book. Tuition and fee rates for OSU, PSU and UO are contained in appendices A, B, and C, respectively.

Tuition and fee rates and policies contained in OUS 2014-15 Academic Year and 2015 Summer Session Fee Book apply to OSU, PSU and UO until such time that new or changed tuition and fee rates and polices are approved and adopted by their institutional governing boards.

In accordance with guidance provided by the SBHE to the institutions, each institution has submitted additional background information to the Committee in writing (attachments A through G) and each will present their proposed rates to the Committee, with particular attention to resident undergraduate tuition rates and student participation in the development of the proposals.

Attachment A – EOU Proposal Letter
Attachment B – OIT Proposal Letter
Attachment C – SOU Proposal Letter
Attachment D – WOU Proposal Letter
Attachment E – OSU Proposal Letter
Attachment F – PSU Proposal Letter
Attachment G – UO Proposal Letter
For the 2013-15 biennium, the OUS received state appropriations specifically targeted at reducing resident undergraduate tuition rates. During the 2013 Regular Legislative Session, the legislature appropriated $15 million (HB 5008) of general fund to the Oregon University System in support of reducing proposed undergraduate resident tuition rates for the 2013-14 academic year. During the 2013 Special Session, $25 million (HB 5101) of general fund was appropriated to the OUS to further limit tuition increases for resident undergraduate students. The first priority of the funding was to have zero tuition increases for Academic Year 2014-15. Any funds available beyond that were to be used to further reduce increases effective with the Winter 2014 term. As specified in the HB 5101 Budget Note, there are no increases to resident undergraduate per credit base rates for the 2014-15 academic year:

**Oregon University System**

The Committee increased the General Fund appropriation for public university support by $25,000,000 with direction that the money be used to reduce resident undergraduate tuition increases at the state’s seven public universities. The Committee adopted the following budget note to limit tuition increases on resident undergraduate students:

**Budget Note:**

In adopting the additional funding for the Oregon University System, the Legislature intends that increases in the base rates per credit hour paid by resident undergraduate students for the Winter 2014 and Spring 2014 terms on all seven campuses and one branch campus (EOU, OIT, OSU, OSU-Cascades, PSU, SOU, UO, and WOU) may not exceed an average of 2%. For students choosing the Tuition Promise program at WOU, rates of increase over the prior cohort may not exceed 4.3% for the Winter and Spring 2014 terms. For the 2014-15 academic year, the Legislature intends that there be no increases in the base rates per credit hour paid by resident undergraduate students at all seven campuses and one branch campus (EOU, OIT, OSU, OSU-Cascades, PSU, SOU, UO, and WOU). For students choosing the Tuition Promise program at WOU, rates of increase over the prior cohort may not exceed 2.2% for the 2014-15 academic year.

**POLICY RELATED CHANGES:**

There is one proposed change within the policy section, based on legislation passed during the 2014 session.

**HB 4021** amends ORS 352.375 to include graduate students in the current Nonresident Veteran Fee Remission program. In order to minimize the fiscal impact of the bill to the universities, only newly admitted but not continuing graduate students for enrollment on or after September 15, 2014 are eligible for the fee remission program. Graduate students must meet the same eligibility criteria as undergraduate students to qualify for the fee remission program. (See pages 21 and 22 of the Draft Fee Book for full details.)
SUMMARY OF CHANGES BY CAMPUS:

The following narratives summarize the proposed tuition and fee changes for 2014-15, focusing on resident tuition and fees. This Fee Book incorporates Summer Session rates with Academic Year rates. The Summary of Changes will only address Summer Session tuition rates when they vary from the Academic Year rates and Summer Session fee rates if they exceed Academic Year rates. With the exception of the UO, which discounts their summer rate, and OSU-Corvallis and OSU-Cascades, who offer resident rates to non-resident students during the summer, all campuses Summer tuition rates are aligned with the proposed Academic Year rates. Campuses were asked to submit additional information for any new differential tuition rates in accordance with the Differential Fee Policy (Draft Tuition and Fee Book page 33).

As part of the implementation of Senate Bill 242, passed in June 2011, each institution was required to establish a process which integrated student participation in the tuition-setting process in accordance with Board established guidelines (Draft Tuition and Fee Book page 34). All campuses noted compliance with these guidelines with most establishing separate Tuition Advisory Committees. Campuses continue to develop and refine their respective processes.

The following summary of rate changes compare Spring 2014 rates with Fall 2014 rates. When viewed from an academic year perspective, “frozen” rates are actually decreasing due to the higher rates charged in Fall 2013 as compared to Winter and Spring 2014. Comportment with the budget note in HB 5101, is based on Winter/Spring 2014 rates.

**EOU**

Increases over Spring 2014 rates:
- Undergraduate resident: 0.0%
- Undergraduate nonresident: 5.0% ($17.00/credit)
- Graduate resident: 5.0% ($14.25/credit)
- Graduate nonresident: 5.0% ($18.50/credit)

Commensurate with student government approval, EOU is proposing to increase the Incidental Fees by $3 per term (1.2%) from $247 to $250 per term.

**Oregon Tech (OIT)**

Increases over Spring 2014 rates:
- Undergraduate resident: 0.0%
- Undergraduate nonresident: 0.0%
- Graduate resident: 0.0%
- Graduate nonresident: 0.0%

Oregon Tech is proposing no increases to any base tuition rates.
Oregon Tech is continuing the three year phase-in of their Engineering and Technology Majors undergraduate and graduate differentials. The differential rates were new in 2013-14 and were 5% differential over base rates. For 2014-15, the differential rates increase to 10% differential over base rates. The final phase-in of the base rate will be an additional 5% differential over base rates in 2015-16, for a total of 15% differential over base rates.

Commensurate with student government approval, OIT is proposing to increase the Incidental Fees by $5 per term (1.7%) to $300 per term at the Klamath Falls campus and by $34 per term (113.3%) to $64 per term at the Wilsonville campus. OIT-Wilsonville is also adding a Health Services fee at $15 per term.

**SOU**

Increases over Spring 2014 rates:
- Undergraduate resident: 0.0%
- Undergraduate nonresident: 0.0%
- Graduate resident: 0.0%
- Graduate nonresident: 0.0%

SOU is not proposing any increases to their base or differential tuition rates.

Commensurate with student government approval, SOU is proposing a $6 per term increase (2.0%) to the Incidental Fee at all credit levels. Also, SOU is applying the Health Services fee beginning at 6 credit hours rather than beginning at 9 credit hours.

**WOU**

Increases over Spring 2014 rates:
- Undergraduate resident: Base: 0.0%
- Undergraduate resident: 2014 Promise: 2.4% ($4/credit)
- Undergraduate nonresident: 2.0% ($9/credit)
- Graduate resident: 2.1% ($7/credit)
- Graduate nonresident: 3.2% ($18/credit)

WOU continues to offer to incoming resident undergraduate freshmen and transfer students a one-time choice between WOU’s base tuition rate and the WOU’s fixed four-year tuition rate (WOU Promise). There is no increase in the base rate over the 2013-14 base rate. The fixed rate Promise reflects a 2.4% increase over 2013-14 Promise rate. Students electing the Promise rate option will not be subject to increases for a four-year period.

As approved by student government, WOU Incidental Fees are proposed to increase by an average 4.9% ($9.50 per term) and Health Center Fees by 13.6% ($15 per term). Summer term Incidental fee is decreasing from the previous summer term rate of $115 to $112 per term. Summer term
Health Center Fee is increasing from $54 to $125 per term, consistent with the academic year rate. All services, including counseling, will be available to students in the summer.

**OSU – Corvallis and Cascades Campuses**

**Corvallis Campus**
OSU Corvallis Increases over Spring 2014 rates:
- Undergraduate resident: 0.0%
- Undergraduate nonresident: 0.0%
- Graduate resident: 2.1% ($9.00/credit)
- Graduate nonresident: 3.9% ($28.00/credit)

OSU is proposing no increase for resident and nonresident undergraduate students. OSU is continuing its phasing out of the undergraduate plateau over the next two years to reflect a consistent per credit hour charge. The prior years’ 12 to 16 credit hour plateau structure resulted in some students receiving up to a 25% discount from the standard per credit hour rate. As the plateau is phased out, cost for enrollments in credit levels of 13 and above will result in higher percentage increases than the standard per credit hour rate increase. Summer tuition rates have no plateau.

There are no proposed increases to Differential programs for undergraduates. At the graduate level, only the Medical Physics differential program is proposing a change with a 16.2% reduction for residents and a 12.8% increase for non-residents. This program is part of a joint program with OHSU and OHSU sets the rates.

Commensurate with student approval, Academic Year Incidental Fees are increasing by 2.4% ($7.54 per term) with the already significantly discounted summer rates decreasing slightly by 0.5% (-$1.08 for the Summer). OSU is proposing a $1.00 (0.8%) increase to the Health fee and a $50.00 (16%) increase to the one-time Matriculation Fee, for both the academic year and summer term.

OSU resident Summer rates remain consistent with Academic Term rates. For Summer 2015, OSU continues to offer resident rates to nonresidents.

**Cascades Campus**

Cascades resident undergraduate rates remain lower than OSU Corvallis Campus rates. Cascades Nonresident, Graduate, and Differential rates are equivalent to Corvallis Campus rates.

OSU-Cascades increases over Spring 2014 rates:
- Undergraduate resident: 0.0%
- Undergraduate nonresident: 0.0%
- Graduate resident: 2.1% ($9.00/credit)
- Graduate nonresident: 3.9% ($28.00/credit)
OSU Cascades is proposing no increases to their Differential program rates.

OSU Cascades is proposing no increases to Academic Year or Summer 2015 fees.

**PSU**

Increases over Spring 2014 rates:
- Undergraduate resident: 0.0%
- Undergraduate nonresident: 1.0% ($5.00/credit)
- Graduate resident: 1.2% ($4.00/credit)
- Graduate nonresident: 1.1% ($6.00/credit)

In general, mandatory fees are not increasing. The academic year Incidental Fee is increasing $2 per term at each credit level.

PSU is adding two new graduate differentials in the School of Business. These programs are being broken out from the general School of Business graduate differential due to cost differences in the programs. The new **Master of Science in Financial Analysis** differential will be 21.5% lower (-$124/credit) than the general business graduate differential. The new **Master of Science in Global Supply Chain Management** differential will be 13.2% higher ($76/credit hour) than the general business graduate differential. Both differentials are being proposed in accordance with the requirements outlined by the Differential Tuition policy.

**UO**

Increases over Spring 2014 rates:
- Undergrad resident - 0.0%
- Undergrad Non-resident - 3.0% ($19/credit)
- Graduate resident – 0.0% - 5.0% (Varies depending on school)
- Graduate non-resident – 0.0% - 5.0% (Varies depending on school)

Commensurate with the respective student government approval, UO is proposing the following changes to mandatory fees:
- Incidental Fees increasing 3.5% ($7.25 per term)
- Recreation Center Fees increasing 13.2% ($6.50 per term)
- Health Service Fees increasing 0.6% ($1 per term)
- New EMU fee of $67 per term

UO is also proposing a $13 increase to the Matriculation Fee (3.6%).

UO continues to offer substantially discounted Summer tuition rates with Summer fees either consistent with or less than Academic Year rates.
CHANGES IN ANNUAL TUITION & FEES BY CAMPUS FOR RESIDENT UNDERGRADUATES AT 15 CREDIT HOURS PER TERM

PROPOSED RATES

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<td>WOU Promise</td>
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<td>$777</td>
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<td>UO</td>
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<td>Unweighted Average</td>
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<td>2.6%</td>
<td>$8,371</td>
<td>$8,127</td>
<td>$243</td>
<td>3.1%</td>
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[^1] 2013-14 annual rate is based on each distinct term (Fall, Winter, Spring). There was a decrease in the UG Resident rates between Fall and Winter terms. 2014-15 rate changes were based on Spring 2014 rates.

[^2] Mandatory Enrollment Fees include Building, Incidental, Health Services, and Recreation Center/Student Union fees, most of which are recommended by student organizations and/or approved by student referendums.

[^3] OSU has been maintaining a tuition plateau from 12 to 16 credit hours. 2014-15 is the second year of a three year phase out of the plateau. The 12% increase is reflective of this year's reduction to the plateau discount. The actual base per credit hour rate increase for 2014-15 is 0%.

OPPORTUNITY FOR PUBLIC COMMENT

On April 21st, a media alert was issued regarding the available forum for public comment. This year, in light of the governance changes in the university system and no increases in undergraduate tuition, it was decided that the Chancellor’s Office would not host any in-person public hearings. Instead, the public was encouraged to submit their comments via email. Communications about the Fee Book calendar, call for public comments, and draft documents go to the customary interested parties: Student Body Presidents, Budget Directors, Housing Directors, Registrars, Vice Presidents for Student Affairs, and the Oregon Student Association.

The public comment period was April 21st through May 2nd. Only two public comments were received through electronic submission. Neither comment expressly supported nor opposed the tuition and fee rates proposals. Both were concerned with the overall cost of higher education. One focused on...
student debt and one expressed a need for fee caps for online courses. Both comments were from students at WOU. A full report of all comments received is in Attachment H.

STAFF RECOMMENDATIONS TO THE COMMITTEE:
Staff recommends that the Finance and Administration Committee recommend to the Board at its June 6, 2014 meeting the adoption of OAR 580-040-0040 by permanent rule.

OAR 580-040-0040 Academic Year Fee Book
Through this action, the document entitled “2014-15 Academic Year & 2015 Summer Session Fee Book” dated June 6, 2014, is hereby amended by reference as a permanent rule. All prior adoptions of academic year and summer session fee documents are hereby repealed except as to rights and obligations previously acquired or incurred there under. The Chancellor or designated staff is permitted to make revisions as needed to comport with any subsequent legislative actions and is authorized to make minor adjustments to the final document, if necessary.

(Committee action required.)
Eastern Oregon University

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

1. 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.

EOU prides itself in student involvement on issues that directly concern and impact students. Tuition is one of these cases. As recently stated in our Northwest Association of Colleges and Universities most recent accreditation visit, this commitment did not go unnoticed when we received the following commendation in the official report:

The evaluation team commends Eastern Oregon University for its robust, open and inclusive tuition setting process. This process utilizes a broad spectrum of relevant data elements and is truly participatory with active involvement throughout the process from a cross-section of campus including students, staff and faculty via the Tuition Advisory and Budget & Planning Committees as well as through university-wide open forums. The positive impact of this process is evident in the level of student support for proposed increases and complimentary feedback at the Oregon University System level.

We have followed the same approach as we have had in previous years in gaining the insights and suggestions from students in particular. In addition, as we have always viewed tuition as a continuum, not a point-in-time decision, the work of the committee was greatly shaped by previous year’s work and this year’s work will assist and shape next year’s efforts.

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

We closely follow the reports of our fellow “TRU” universities as well as Washington State, Eastern Washington, Central Washington, University of Idaho, and Boise State. In addition, we utilize the reports generated by the Trends in College Pricing, 2013 a comprehensive report that is produced annually by the College Board. It is our goal, is setting tuition, that EOU remain the best value for our students. This requires us to retain our leadership role in college affordability through the “sticker price” of tuition, as well as in the total cost of attendance (room, board, books, etc.) and in our efforts to provide remissions to EOU’s most financially disadvantaged students.

3. 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.
As stated above, EOU strives to be the best value for our students from the selected regions we serve—which includes 93 percent of our students being declared as Pell eligible. As 94 percent of our students receive need based, we strive to meet the financial stresses of our students as best as we possibly can. However, as recently reported in the Oregonian, March 19, 2014, in Oregon College Students face limited opportunity to win Oregon Opportunity Grants, this effort is becoming harder and harder especially with the demographics of the students served by EOU. As first generation college students, our students—especially first time freshman—are not typically well versed in details of these types of programs and, as they routinely decide to attend college well after a majority of the students, are too late in applying for these grants. As a consequence, EOU awards more in self-fund remissions, striving to meet or exceed the Board’s targets, based on need and, as an unintended consequence, this puts pressures on EOU’s already sensitive revenue streams.

4. Provide a summary of how this rate proposal will maintain campus financial sustainability over the fiscal year with projections of Education and General (E&G) fund balance at 6/30/15.

EOU’s opportunity to increase non-resident revenue is a significant effort. We are strategically increasing this amount to gain a reputation for providing great value for students from Alaska, Hawaii, Nevada, Montana, northern California, and Utah in particular. We continue to offer Western Undergraduate Exchange rates and this is proving to be beneficial as we have capacity in programs. Graduate rates increases of 5 percent also maintains a solid and predictable revenue stream while preserving access.

5. Provide the specific tuition and fee rates being proposed.
   - If any new differential tuition rates are being proposed include supporting documentation as specified in the Board’s Differential Tuition Policy.
   - If rate increases are being proposed, discuss how incremental revenues will be deployed.
   - Discuss how proposals comport with the Legislative Budget Note – HB 5101 (2013 Special Session).

   For the 2014-15 academic year, the Legislature intends that there be no increases in the base rates per credit hour paid by resident undergraduate students at all seven campuses and one branch campus (EOU, OIT, OSU, OSU-Cascades, PSU, SOU, UO, and WOU). For students choosing the Tuition Promise program at WOU, rates of increase over the prior cohort may not exceed 2.2% for the 2014-15 academic year.”

EOU conforms to this budget note in that resident undergraduate tuition does not increase.

Incremental increases, in non-resident and graduate tuition rates, will be used to offset increased costs and to provide a foundation for fiscal sustainability.

Our recommended tuition increases for resident undergraduate, non-resident undergraduate, resident graduate and non-resident graduate are attached.
Date: April 4, 2014

To: Oregon Board of Higher Education Finance & Administration Committee

From: Oregon Institute of Technology (Oregon Tech)

Subject: Information to Support Tuition & Fee Requests – Academic Year 2014-2015 and Summer Session 2015

**Tuition Strategy:**
Prior to significant reductions in Oregon State support, Oregon Tech relied on State support to cover the costs of its higher-cost programs. Historically, higher-cost programs have never been fully supported by the tuition charged for them. In developing our 2013-2014 tuition strategy, Oregon Tech’s objectives were 1) to address the disproportionate support provided by students in lower cost programs with lower career starting salaries for programs offered to students in the higher-cost programs with higher career starting salaries; and 2) to sustain and expand the current level of program offerings.

To meet the first objective a 15% differential tuition for engineering and technology programs was proposed last academic year to be phased at an incremental 5% per year over the following three years. For the next academic year 2014-2015, the engineering and technology differential is scheduled to increase to 10% over base tuition rates. This differential tuition will allow the University to continue to provide the hands-on learning experiences that have garnered a #2 ranking of Top Public Schools - Regional Colleges (West) in the 2014 edition of US News and World Reports Best Colleges. Allied Health programs already carry a differential course fee for most courses in the programs. (Please refer to the following Addendum 1 regarding Proposed Differential Tuition Rates)

After analyzing many approaches it was determined that the most realistic approach to the second objective required a two prong strategy 1) to set basic tuition at a rate that kept student costs in line with the educational value, sustained the University operations and did not negatively impact the enrollment growth required to bring the per student education cost down; and 2) to manage enrollment growth with targeted recruitment that provided an optimum mix of 80% resident and 20% non-resident students. Based on guidance (Legislative Budget Note – HB5101) from the state legislature, no increase in base undergraduate resident tuition is proposed.

**Tuition Recommendation Committee Process:**
Throughout the tuition and fee rates-setting process, Oregon Tech students have actively participated. Students comprised 67% (6 students and 3 administrators) of the Tuition Recommendation Committee. The committee reviewed and discussed, trends in staffing, state
funding, and tuition, and projected institutional budgets for this biennium and the next. The committee also reviewed all increased costs associated with attendance next year, which included: differential tuition increase for engineering and technology, changes to mandatory fees, course fee changes, and effect on general fund balance. Differential tuition was also discussed by the Tuition Recommendation Committee with members of the student population that would be impacted by the proposed differential tuition. The students of the Tuition Recommendation Committee presented this information to the Associated Students of Oregon Institute of Technology (ASOIT – student government) to seek input from students at large. The differential tuition was also part of the discussions presented by the students during the forum to discuss the committee’s recommendations. Please refer to attached memo from the Oregon Tech ASOIT president regarding the tuition and fee development process.

Students commented that the educational value provided by Oregon Tech is advantageous to their future career plans. Implementing a differential tuition on Engineering and Technology was considered fair by students based on comparisons with the OSU engineering and technology programs tuition rates. Other student discussions regarding the justification of differential tuition included differential tuition currently charged to other high-cost programs, such as Clinical Lab Science. Based on the higher cost of delivering engineering and technology programs, students concluded that the proposed differential tuition was equitable, considering that the Allied Health programs pay a differential course fee on most of the Allied Health courses.

**Comparative Analysis:**
The comparative analysis of Oregon Tech proposed resident tuition for a 12 credit academic year, next to a sampling of our peer universities and OSU Cascades, shows that Oregon Tech has kept tuition on a par with its peers. Oregon Tech’s non-resident tuition rates are also competitive. With lower housing and board costs on the Klamath Falls campus and lower mandatory fees on the Wilsonville campus, Oregon Tech is positioned to draw additional non-resident students.

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<td>$ 5,580</td>
<td>$ 8,523</td>
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<td>Non-resident</td>
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<td>$ 17,451</td>
<td>$ 23,210</td>
<td>$ 22,068</td>
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**Access and Affordability:**
The impact of the tuition increases on students will be addressed with additional institutional remissions, aggressive pursuit of outside financial aid dollars and expanded financial aid and academic advising programs.

According to the 2013-14 Payscale College Salary Report, the typical starting salary for Oregon Tech graduates is $57,000 and the mid-career salary average is $86,600. These salaries and a 90% post-graduate success rate validate a four-year Oregon Tech degree as affordable and valuable as a long-term educational investment.

**Oregon Tech Financial Sustainability:**
Based on 5 year projections that assume a slowdown in the rise of PERS and PEBB costs and inflation rate tuition increases Oregon Tech expects to be able to reverse this negative change to the
fund balance. Under the Oregon Tech University tuition rate proposals and increased enrollment plans, the institution will be able to maintain financial sustainability.

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<th>Forecast 2014-15</th>
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<td>Projected Change in Fund Balance (Revenue less Expenditures)</td>
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<tr>
<td>Beginning Fund Balance (Prior Year Ending Balance)</td>
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<tr>
<td>Ending Fund Balance</td>
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<tr>
<td>Ending Fund Balance % to Revenue</td>
<td>9.8%</td>
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**Proposed Tuition & Fee Rates:**
(as approved by the Tuition Recommendation Committee 2014-15)

No base tuition increase
Differential tuition of 10% in specified Engineering & Technology programs

**BASIC**

<table>
<thead>
<tr>
<th>Credit Hours</th>
<th>Resident Tuition</th>
<th>Fees</th>
<th>Total</th>
<th>Health Service</th>
<th>Total Fees</th>
<th>Total Tuition &amp; Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$ 155.00</td>
<td>$23.00</td>
<td>$160.00</td>
<td>$183.00</td>
<td>n/a</td>
<td>$183.00</td>
</tr>
<tr>
<td>15</td>
<td>$2,325.00</td>
<td>$45.00</td>
<td>$300.00</td>
<td>$345.00</td>
<td>$150.00</td>
<td>$495.00</td>
</tr>
</tbody>
</table>

**BASIC plus DIFFERENTIAL**

<table>
<thead>
<tr>
<th>Credit Hours</th>
<th>Resident Tuition</th>
<th>Fees</th>
<th>Total</th>
<th>Health Service</th>
<th>Total Fees</th>
<th>Total Tuition &amp; Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$ 170.50</td>
<td>$23.00</td>
<td>$160.00</td>
<td>$183.00</td>
<td>n/a</td>
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</tr>
<tr>
<td>15</td>
<td>$2,557.50</td>
<td>$45.00</td>
<td>$300.00</td>
<td>$340.00</td>
<td>$150.00</td>
<td>$495.00</td>
</tr>
</tbody>
</table>

Respectfully submitted,

Mary Ann Zemke, CPA MBA
VP Finance and Administration
Addendum 1

Oregon Institute of Technology – Background for Proposed Differential Tuition Rates

College of Engineering, Technology and Management


Rationale for Differential Tuition

Oregon Tech’s mission, reputation and success is founded on providing students with an applied education that enables them upon graduation to become productive and sought after members of their chosen fields. The efficacy of our applied education approach is demonstrated by a 90% graduate success rate (employed or continuing education 6 months after graduation) and an average annual starting salary for graduates of $57,000. In addition to these performance metrics Oregon Tech’s engineering programs have again received a national ranking of 35th in the 2013 “Best Colleges” edition of U.S. News and World Report.

Oregon Tech provides engineering and technology students with a hands-on learning environment that focuses on application of theory to practice. Smaller class sizes (faculty ratio 20:1), state of the art equipment, upgraded software and rigorous curriculums taught by dedicated faculty give students skills that make them workforce ready upon graduation. In addition to the classroom experience Oregon Tech faculty seek out those grant opportunities that allow students to work on applied research with professors which further increases their hands-on experience. Without differential tuition Oregon Tech is at risk of not being able to maintain the equipment required for these applied science degrees and of not being able to retain or recruit the student-committed faculty that these programs require. For the academic year 2014-2015 Oregon Tech is proposing a 10% differential for these programs which results in an additional $7.75 per credit hour charge for residents and $49.34 for non-residents. For a standard 15 credit hour term a resident will incur an additional $232.50 ($697.50 for the academic year) and a non-resident $740.10 ($2,220.30 for the academic year.)

Ten percent of the differential tuition for undergraduates will be set aside for need-based aid in the programs assessed differential tuition. In addition Oregon Tech does and will continue to pursue additional financial aid for its engineering/technology students through the many initiatives currently available both through federal and private grants and outside sponsorships that are aimed specifically at students enrolled in these programs. The current financial aid and academic advising will be expanded to insure that students are not deterred from enrolling in the programs due to differential tuition costs.
Because of the applied nature of Oregon Tech’s engineering and technology programs the delivery costs both in terms of physical plant and equipment and faculty student ratio are higher than those costs for other programs. Currently without a differential tuition for these programs students enrolled in other programs, that do not always have the same opportunities upon graduation, are in effect carrying a part of these costs. When the state appropriations were higher Oregon Tech was able to mitigate the impact of this disparity but with current levels of state funding it is imperative that those receiving the benefit of these more costly programs pay the additional costs.

Based on a sampling of our peer universities as well as some larger universities within the Pacific Northwest (see table below) the differential tuition will not put Oregon Tech at a market disadvantage in recruiting qualified students to its programs.

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Resident</td>
<td>$7,673</td>
<td>$8,028</td>
<td>$8,523</td>
<td>$8,846</td>
<td>$8,280</td>
<td>$6,344</td>
</tr>
<tr>
<td>Non-resident</td>
<td>$19,537</td>
<td>$23,292</td>
<td>$17,451</td>
<td>$23,210</td>
<td>$23,904</td>
<td>$18,876</td>
</tr>
</tbody>
</table>

Differential tuition discussions were part of the agenda discussed by the Student Tuition Recommendation Committee. During a two week period the impact was discussed by the committee with members of the student population impacted by the proposed differential tuition. The differential tuition was also part of the discussions presented by the Student Tuition Recommendation Committee during the all campus forum to discuss the committee’s recommendations.
DATE: March 21, 2014
To: Dr. Chris Maples, President, Oregon Institute of Technology
CC: Bradley Burda, Maryann Zemke, Erin Foley, & Courtney Tacchini
From: Michael Benedict, President, ASOIT
RE: 2014-2015 Tuition Recommendation Committee

This year's Oregon Tech Tuition Recommendation Committee met on February 28th of 2014 at 1:00 pm. The meeting was comprised of 6 students and 3 non-student members. During our meeting we looked at the history of our tuition setting committee, enrollment numbers, and previous tuition increases. Information from the committee was presented to the student body at the March 10th at the ASOIT general meeting for clubs and programs. This information was presented by Director of Business Affairs, Courtney Tacchini.

On March 14th of 2014 at 1:00pm, and on this day the committee made up of 4 students and 3 non-student members, reconvened to make recommendation to keep the current model which was approved by the previous academic year. The tuition breakdown is as follows:

**Base Tuition (Current Rate)**
Math, Psychology, Communications, Env Science, Biology, Biology Health Sciences, Management, Nursing, Clinical Lab Science, and Paramedic

**10% Differential (Current Rate+10% Differential Tuition)**
All Engineering Majors, Geomatics

**Current Base Rate (maintain the 15% Differential per credit for health classes)**
All Allied Health Majors (excl. those listed above)
To: Cathy Dyck, Associate Vice Chancellor  
From: Mark Denney, Associate Vice President, Budget and Planning  
RE: SOU AY15 and Summer 15 Fee Book  

SOU provides the following information in response to the email request for information supporting our requested tuition changes.

**Tuition Strategy:**
Over the last several years, SOU has had a multi-faceted approach to tuition strategy, including but not limited to the following considerations:

- Continue to keep our tuition as affordable as possible
- Remove plateaus in our tuition structure so students could more easily understand our structure and so implementation would be more efficient
- Increase in order to partially make up for State funding reductions
- Maintain a competitive tuition structure both regionally and within OUS
- Shift away from WUE by offering alternatives

This strategy works hand in hand with the University’s plans to increase enrollment and retention, while maintaining an affordable pricing structure. This whole approach is intended to increase our appeal to Oregonians.

For 2014-15, keeping tuition rate increases low was made simple by the State Legislature’s buy-down of tuition rates. Because of this, no tuition rates are increasing from their 2013-14 levels.

1. 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.

Student involvement is centered on four committees, described below, which strengthen dialogue and understanding through overlapping membership.

A. **Student Fee Committee (SFC)** – composed solely of students (and the SOU AVP, Budget and Planning) as a non-voting member). The SFC’s duties include the following (along with its subcommittees):
   - Creating the budget for the student incidental fee, gaining approval of the student body, student government, and SOU’s President. This fee is then included in the fee book.
• Review of recommended tuition and making suggestions to the SOU Budget Committee and Tuition Advisory Committee.
• Communicating to all students through the use of student meetings and other means.

B. **Budget Committee (BC)** – composed of two student members, one of whom is the chair of the SFC. The BC develops the budget assumptions and makes recommendations on the tuition structure in accordance with the tuition strategy and the university’s goals.
• The student members bring regular feedback and ideas to the BC to assist in development of the tuition.
• The SFC members on the BC then bring information back to the SFC to keep members informed of tuition developments.

C. **Tuition Advisory Committee (TAC)** - composed of eight members, four of whom are students: the VP of Academic and Student Affairs; Associate VP of Enrollment; the VP of Finance and Administration; a faculty member; the President of the student government; the Chair of the Student Fee Committee; one at-large traditional student; and one at-large non-traditional student.
• SOU created the TAC in fall 2011 to increase student involvement in the tuition setting process in keeping with the spirit of recent OUS policies.
• The TAC meets regularly to review the tuition process and recommendations and then provides feedback to the Budget Committee and the Student Fee Committee.

D. **Enrollment Committee (EC)** – composed of several members from all areas and university stakeholders, students fill a vital role on this committee. The AVP of Recruitment and Retention chairs the committee.
• This has been a long standing committee, but has been recently reformed. It includes three sub-committees, with students participating on each:
  • Recruitment – focused on the strategies and outcomes of SOU’s recruitment effort
  • Retention – focused on the strategies and outcomes of SOU’s retention efforts
  • Data – focused on Data Informed decisions and support for the EC.

E. Presentations on the recommendations of all of these committees were made to the Associated Students of SOU Senate and Officers as well as Student Forums around campus.

F. Feedback on proposed rates from Students. For the 2014-15 Fiscal Year, no tuition rate increases are being proposed. Students support this proposal and welcome the State and University’s efforts to keep the cost of attendance down. The Student Incidental Fee is being recommended to increase by 2%. The student’s own process made this recommendation and while they are not pleased with the outcome, they fully support it. The students endorsed the proposed change to the Health Fee, reducing the number of credits at which it applies from six to four. They were happy to see that this action balanced the auxiliary budget of the Student Health and Wellness Center with no impact to the majority of students. The students understood that the rate changes for housing were primarily driven by the obligations incurred with the opening of new housing, though were not overly enthusiastic. They did like the proposed rates and modified plans for meals in the dining facility.
2. Provide benchmarks or peer group comparisons, if any were used to inform your process.

<table>
<thead>
<tr>
<th>Resident UG Tuition at 12 SCH</th>
<th>AY10</th>
<th>AY11</th>
<th>AY12</th>
<th>AY13</th>
<th>AY14</th>
</tr>
</thead>
<tbody>
<tr>
<td>SOU</td>
<td>$1,440</td>
<td>$1,404</td>
<td>$1,500</td>
<td>$1,649</td>
<td>$1,649</td>
</tr>
<tr>
<td>EOU</td>
<td>$1,376</td>
<td>$1,412</td>
<td>$1,494</td>
<td>$1,578</td>
<td>$1,578</td>
</tr>
<tr>
<td>OIT</td>
<td>$1,368</td>
<td>$1,560</td>
<td>$1,700</td>
<td>$1,823</td>
<td>$1,823</td>
</tr>
<tr>
<td>OSU</td>
<td>$1,812</td>
<td>$1,920</td>
<td>$2,076</td>
<td>$2,220</td>
<td>$2,220</td>
</tr>
<tr>
<td>PSU</td>
<td>$1,419</td>
<td>$1,506</td>
<td>$1,642</td>
<td>$1,704</td>
<td>$1,704</td>
</tr>
<tr>
<td>UO</td>
<td>$1,670</td>
<td>$1,848</td>
<td>$2,013</td>
<td>$2,136</td>
<td>$2,136</td>
</tr>
<tr>
<td>WOU</td>
<td>$1,505</td>
<td>$1,637</td>
<td>$1,721</td>
<td>$1,745</td>
<td>$1,745</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Mandatory Fees at 12 SCH</th>
<th>Building</th>
<th>Incidental</th>
<th>Health</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>SOU</td>
<td>$45</td>
<td>$307</td>
<td>$119</td>
<td>0</td>
<td>$471</td>
</tr>
<tr>
<td>EOU</td>
<td>$45</td>
<td>$247</td>
<td>$150</td>
<td>$28</td>
<td>$470</td>
</tr>
<tr>
<td>OIT</td>
<td>$45</td>
<td>$295</td>
<td>$150</td>
<td>0</td>
<td>$490</td>
</tr>
<tr>
<td>OSU</td>
<td>$45</td>
<td>$313</td>
<td>$124</td>
<td>0</td>
<td>$482</td>
</tr>
<tr>
<td>PSU</td>
<td>$45</td>
<td>$216</td>
<td>$119</td>
<td>$41</td>
<td>$421</td>
</tr>
<tr>
<td>UO</td>
<td>$45</td>
<td>$208</td>
<td>$154</td>
<td>$87</td>
<td>$494</td>
</tr>
<tr>
<td>WOU</td>
<td>$45</td>
<td>$306</td>
<td>$110</td>
<td>$42</td>
<td>$503</td>
</tr>
<tr>
<td>Average</td>
<td></td>
<td>$306</td>
<td>$110</td>
<td>$42</td>
<td>$476</td>
</tr>
</tbody>
</table>

With the State buy down of tuition, the focus was on holding down fee rates. The primary focus in considering fee changes was more the impact on access for students rather than how SOU compared to other OUS universities, though the tables shown here did offer guidance and opportunity to engage stakeholders in review.

3. 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.

SOU is currently 3rd lowest of the seven Oregon public universities in regard with total fees paid. The two fee increases proposed, a 2% increase in the Incidental Fee rate. For the Health Fee though, even though it is not increasing, it will now apply to students taking four or more on-campus credits vs. six and will impact approx. 380 additional students.

SOU is committed to keeping the cost of attendance at SOU affordable and as low as possible. The Health Fee proposal reflects the changing demographics of the University, with more students taking a greater portion of their coursework on-line vs. on campus, and the Incidental Fee proposal was a recommendation following a challenging process by the students to reduce budgets for all programs supported by the Incidental Fee.
We are confident that the holding flat for tuition and all fees except the Incidental and Health fees will not impact access for students as SOU remains dedicated to fulfill commitments for funding unmet needs of undergraduate students.

4. Provide a summary of how this rate proposal will maintain campus financial sustainability over the fiscal year with projections of Education and General (E&G) fund balance at 6/30/15.

The current pro forma includes the offsetting revenue from the State to fund the tuition buy-down as well as enrollment projections. The current ending fund balances are projected:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Ending fund balance (in thousands)</td>
<td>$528</td>
<td>$3,428</td>
<td>$4,872</td>
<td>$5,378</td>
</tr>
<tr>
<td>Ending fund balance as a % of Revenue</td>
<td>1.0%</td>
<td>7.0%</td>
<td>9.6%</td>
<td>10.5%</td>
</tr>
</tbody>
</table>

5. Provide the specific tuition and fee rates being proposed.

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Resident UG tuition</td>
<td>AY and Summer</td>
<td>$140.15 per credit</td>
<td></td>
</tr>
<tr>
<td>Non-resident UG tuition</td>
<td>AY and Summer</td>
<td>$441.84 per credit</td>
<td></td>
</tr>
<tr>
<td>Resident graduate tuition</td>
<td>AY and Summer</td>
<td>$378.72 per credit</td>
<td></td>
</tr>
<tr>
<td>Non-resident graduate tuition</td>
<td>AY and Summer</td>
<td>$473.40 per credit</td>
<td></td>
</tr>
<tr>
<td>Mandatory Fees</td>
<td>Summer $188: $69 incidental fee; $85 health/wellness; $34 building fee</td>
<td>$471 per term: $307 incidental; $119 health/wellness; $45 building fee</td>
<td></td>
</tr>
</tbody>
</table>

- If any new differential tuition rates are being proposed include supporting documentation as specified in the Board’s Differential Tuition Policy.
  i. No new differential tuition rates are being proposed
- If rate increases are being proposed, discuss how incremental revenues will be deployed.
  i. No tuition rate increases are being proposed.
  ii. The increased revenue from the increase in the Incidental Fee will go directly to Student programs funded from the Incidental Fee. The most current need is to fund the Student Incidental Fee reserve.
  iii. The increased revenue from the Health Fee will directly fund operations at the Student Health and Wellness Center as well as health-related outreach and awareness campaigns elsewhere at the University.
- Discuss how proposals comport with the Legislative Budget Note – HB 5101 (2013 Special Session).
  i. No tuition rate increases are being proposed.

“For the 2014-15 academic year, the Legislature intends that there be no increases in the base rates per credit hour paid by resident undergraduate students at all seven campuses and one branch campus (EOU, OIT, OSU, OSU-Cascades, PSU, SOU, UO, and WOU). For students choosing the TuitionPromise program at WOU, rates of increase over the prior cohort may not exceed 2.2% for the 2014-15 academic year.”
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 them from tuition increases.

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 a balanced budget becomes problematic and requires significant increases in tuition for each year’s new cohort of incoming students. Consequently, incoming WOU students selecting the Promise are charged near the highest rates in the system and seniors are graduating with the lowest tuition rates in the state.

As a means to offset this high tuition rate for incoming students, WOU also began offering resident undergraduate students a variable rate tuition program in the fall of 2012. While this tuition program provides a lower starting rate than the WOU Promise, it is subject to annual increases and does not provide the planning certainty afforded by the WOU Promise.

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 2014 Tuition Advisory Committee began in the fall of 2013. 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, tuition buy-down, and fund balance information. Portions of this information are provided on a new website dedicated to the purpose of informing students.

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

The planning portion of the these meetings uses 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 and VP of Finance and Administration to provide feedback. The Provost, Associate Provost, and Director of Business Affairs are also available to discuss any questions or concerns students may have. While students would prefer no tuition increase, they generally understand the effects of State disinvestment and have not expressed disapproval with the tuition rates as proposed.

**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 resident students having 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.
Next year’s Promise rate is increased 2.2% and rounded to a $4 increase over the 2013 Promise ($168 vs. $164). This rate will not change for four years and is consistent with the legislative budget note. The non-Promise rate is not increasing over the 2013 non-Promise. We believe students are price sensitive and the majority will elect the lower tuition rate to save from $700 to $1,000 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 17.0% fund balance for fiscal year 2015, well within the Board’s target range for WOU of 10-20%.

**Resident Undergraduate Tuition and Fee Proposal**

- The Traditional (Non-Promise) plan is $148 per credit and is subject to annual increases.

- The Western Promise 2014 is $168 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 0.8%.

- The academic year Incidental fee is $322 per term and the Summer 2014 Incidental fee is $112.

- Health Service fee is $125 a term with mandatory student insurance no longer required. The Summer 2015 Health Service fee is proposed to be $125.

- There is no change in the Recreation Center Building Fee of $42 per term.

- The one-time matriculation fee has no increasing at $300.

Respectfully,
Mark D. Weiss
To whom it may concern:

As President of the Associated Students of Western Oregon University, I have had the privilege to discuss with the Vice President of Business and Finance, Eric Yahnke, and Institutional President, Mark Weiss, about setting the tuition for in-state undergraduates. A council of students I handpicked from various parts of our campus community and I have been meeting monthly to talk and learn about the tuition setting process.

This year we ran into the amazing problem of having little to discuss about the rate of increase for next year due to legislation passed in the fall to have a tuition buy down for the 2014-2015 school year. With this, Western will be able to have a zero percent increase for students on the tuition choice and a 2.2% increase for the tuition promise.

This is great news for next year. I am thankful that we were able to flat line tuition for students on the tuition choice for next year. However, I do have some concerns about this one time endorsement to higher education to stop increases to tuition costs. If we do not have proper investment from the Oregon legislature in future years, we will run into a larger issue of more substantial increases.

I know that there may be concerns of where to find the money for higher education, but this needs to be a center focus of next year to figure out a way to not just flatline but decrease the burden of cost on the student. In my own personal opinion, if 40-40-20 has any chance of succeeding we need to make college more affordable to all students. Western Oregon University has even tried to create a way to help students’ costs with the Tuition Promise, but without the original support from the state that make it an appealing way to afford and pay for college. It is destined to fail and not be an alluring way of helping affordability of higher education.

We will be planning open hearings for students to discuss the tuition for next year in April or May. From the reactions of students on the Tuition Advisory Committee—as well as students I have spoken to—I believe Western Oregon University students will be in support of the set tuition for next year, but still believe that tuition is too large of a burden.

I am thankful for the tuition zero percent increase and have enjoyed working with the administration of Western Oregon University. This will help education in Oregon become more affordable for the next year, but it is only a start.

With respect,

Travis Meuwissen
Associated Students of Western Oregon University President
To: State Board of Higher Education Finance & Administration Committee

From: Glenn Ford
Vice President for Finance & Administration

Date: May 7, 2014

Re: OSU Proposed Tuition and Fees for Academic Year 2014-15 and Summer 2015

We appreciate the State Board of Higher Education Finance and Administration Committee’s consideration of Oregon State University’s proposed tuition and fee rates for the 2014-15 academic year and summer term 2015.

Due to governance changes effective July 1, 2014, this will be the last time that the State Board will review OSU rates, but that should not minimize the importance of this activity. By reviewing and adopting Oregon State’s proposed rates, State Board members will help advance a successful governance transition. Your engagement allows less disruption for our students, as well as provides more lead time for OSU’s institutional board members to consider and address a number of upcoming strategic and policy matters. We are pleased to report that the OSU Board of Trustees reviewed this tuition and fee proposal at its March 13, 2014 meeting and endorsed its submission for your consideration.

Beginning on page three, we answer specific questions posed by the Chancellor’s Office. Several of those questions touch on a significant change being proposed for the 2014-15 academic year: the second step in a three-year plan to phase-out Oregon State’s undergraduate tuition plateau. To aid in your review of this important matter, we provide the following background information.

Undergraduate Tuition and the Plateau Phase-Out

OSU’s tuition proposal freezes the per-credit-hour rates for both resident undergraduate and non-resident undergraduate students, as well as all differential tuition charges. This complies with – and exceeds – the requirements of House Bill 5008 to freeze the base rates per credit hour for resident undergraduate students for the 2014-15 academic year.

Prior to this year, OSU employed a tuition plateau – meaning that students taking 13 to 16 credit hours were not charged additional tuition. As a result, in 2012-13 students taking 12 hours paid an average of $185 per credit and those taking 13 to 16 hours – without having to pay for those additional credit hours – paid an overall average of $139 per credit. This resulted in a subsidy for some students at the expense of students taking class loads above or below the plateau.

As you likely know, Oregon State is the only Oregon University System institution to retain an undergraduate tuition plateau. Over the past many years, all other institutions in OUS eliminated their own tuition plateau.
Last spring, the Oregon State University Budget Committee, which includes student representation, recommended that OSU’s tuition plateau be phased out over three years. The recommendations followed discussions with ASOSU student body representatives, the Faculty Senate Executive Committee, the University’s Faculty Senate, and OSU’s academic and administrative leadership.

The principle reasons for phasing out the plateau include:

- The plateau subsidized students taking credit-hour loads within the plateau and was unfair to students who take lesser credit hour loads for family, work, financial or other reasons.

- The plateau may encourage students to take courses for which they are not prepared or which are not directly linked to their graduate requirements. While there is value in “class experimentation,” the increasing cost of higher education necessitates that the University encourage students to be more focused on their class choices so they can graduate in a timely manner.

- Increased enrollments at Oregon State over the past decade have increased pressures on course access and class sizes. More intentional course enrollment choices by students will, in turn, help provide improved course access for a large number of students.

- Further, additional resources from phasing out the tuition plateau will allow investments in academic programs and support to increase student access to courses and encourage more timely graduation rates.

University officials recognize that eliminating the tuition plateau will result in a significant increase in tuition for some students over the next few years. In response, it was decided to phase out the plateau over three years. For example, this current academic year, students began paying for the 16th credit hour. In fall 2014, the university proposes that one-half of the remaining tuition plateau difference be reduced and that in fall 2015, the plateau will be fully eliminated. Meanwhile, OSU will increase financial aid to help address expected impacts that phasing out the plateau will have for some students.

Oregon State’s decision to move away from a tuition plateau was reviewed last year by the State Board of Higher Education as part of the University’s tuition proposal. The Legislative Fiscal Office also was aware of this plan during tuition discussions held during the 2013 Legislature.
Tuition Rate Proposal for 2014-15 Academic Year: Oregon State University

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

Oregon State University’s tuition strategy is developed to:

- Provide affordable access to degree programs to prepare our students to succeed in career and life and be competitive for career advancement with students who graduated nationally from similar programs.
- Create a diverse student body with representation from a variety of states, nations, and individual circumstances to provide a rich and inclusive cultural and learning environment for all students.
- Provide excellent degree programs at every level in areas critical to Oregon’s and the nation’s economic, social, and environmental health and prosperity.
- Develop and maintain the human and physical infrastructure necessary to support – and help achieve – Oregon’s educational attainment goals.

OSU’s undergraduate, graduate, and professional tuition structure is a key part of advancing the university’s strategic plan to move OSU to rank among the 10 top Land Grant universities in the nation, and to serve and succeed as an internationally-recognized public research university. Key elements of the plan are to:

- Sustain and accelerate improvements in student learning and experience through creation of outstanding academic and student engagement programs.
- Align and strengthen innovative scholarly and research activities to continue discovering new products and technologies that generate economic activity.
- Focus even more intently on enhancing OSU’s ability to produce strategies and solutions for the most important – and intractable – issues facing Oregon, the nation, and the world.

OSU’s Strategic Plan 3.0 defines three goals:

- **GOAL 1**: Provide a transformative educational experience for all learners.
- **GOAL 2**: Demonstrate leadership in research, scholarship and creativity while enhancing preeminence in the three signature areas of distinction [Advancing the Science of Earth Ecosystems; Improving Human Health and Wellness; Promoting Innovation and Economic Prosperity].
- **GOAL 3**: Strengthen OSU’s impact and reach throughout the state and beyond.

The plan rests on an intensive focus within Oregon State University’s three Signature Areas of Distinction: *Advancing the Science of Sustainable Earth Ecosystems; Improving Human Health and Wellness; and Promoting Economic Growth and Social Progress*. All three areas of distinction build upon the University’s core teaching and research strengths; the skill and capacities of OSU’s faculty; and Oregon State’s many established national and international partnerships and collaborations.

Advancing the plan requires recruiting and graduating high-achieving and diverse students from Oregon and the nation; providing high-quality programs to students; maintaining an appropriate infrastructure; and recruiting and retaining high-achieving and diverse faculty to deliver excellent programs. As tuition is the single largest component of University revenue, our tuition strategy is
the key part of our effort to balance affordability with maintaining nationally competitive degree programs.

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.

OSU’s tuition proposal for 2013-14, approved by the State Board of Higher Education, proposed a three-year phase out of the tuition plateau and its replacement by Fall 2015 with a per-credit-hour undergraduate tuition structure similar to that used by all other Oregon University System institutions. The Legislative Fiscal Office also was aware of this plan during tuition discussions last legislative session.

A subcommittee of the University Budget Committee was constituted, which included student government representatives, faculty members and University staff. The group was chaired by Executive Associate Dean of Engineering Jim Lundy and was charged to develop a consensus recommendation for changes in Oregon State’s undergraduate tuition. The subcommittee was charged with recommending the best approach to achieve the final two years of the plateau elimination. The group also discussed issues of projected cost; student demand and course access; tuition affordability; the tuition plateau; and financial projections for the next five years.

The group provided a recommendation to Oregon State’s Provost and Vice President for Finance and Administration that:

- There would be no increases in the base rates per credit hour paid by resident or non-resident undergraduate students in 2014-15.
- The undergraduate tuition plateau would be adjusted in 2014-15 to eliminate one half of the difference between the current charges per credit for 13 to 16 hours and the full amount typically being charged by OSU for other credit hours. This would amount to an additional $94 per credit hour being charged for the 13th, 14th, and 15th credit hour in 2014-15 (see Figure 1), compared to the current policy of not charging for those credit hours. The plateau would then be fully eliminated in 2015-16.

After reviewing the recommendations and following an examination of the impact of these changes on students in different credit hour ranges, OSU’s President, Provost, and Vice President for Finance and Administration endorsed those recommendations.

Additionally, Oregon State University’s proposed tuition changes for 2014-15 were endorsed by the University’s Board of Trustees at its March 13, 2014 meeting for presentation to the State Board of Higher Education.

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

OSU regularly tracks its tuition rates in comparison to peer universities that operate similar types of programs. Full-time tuition rates for OSU compared with relevant peer universities are shown below. The University’s proposed tuition changes keep OSU at or below median resident

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1 The group included Jim Lundy from Engineering, Anita Azarenko from the Graduate School, Jacob Vandever from ASOSU, Sherm Bloomer from Budget and Fiscal Planning, Kate Peterson from Enrollment Management, Kelly Sparks from OSU-Cascades, and Tina Schnell, a student at OSU-Cascades.
undergraduate tuition rates. OSU’s current rates are compared in the following analysis to Oregon State’s strategic plan peers as well as public universities within the PAC-12 Conference (see Figure 2).

Comparison of OSU Tuition and Fees to Strategic Peers and PAC-12
Rates are reported for 2013-14, some campuses may be subject to change
All calculated at 15-credit hour load

<table>
<thead>
<tr>
<th>Strategic Plan Peers:</th>
<th>Annual Tuition</th>
<th></th>
<th></th>
<th>Annual Tuition and Fees</th>
<th></th>
<th></th>
<th>Per term fees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Resident</td>
<td>Non-resident</td>
<td></td>
<td>Resident</td>
<td>Non-resident</td>
<td></td>
<td></td>
</tr>
<tr>
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<td></td>
<td>9,313</td>
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<tr>
<td>Cornell-contract coll</td>
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<td></td>
<td>29,448</td>
<td>45,588</td>
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<td></td>
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<td></td>
<td>8,206</td>
<td>21,661</td>
<td></td>
<td>1,084</td>
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<tr>
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<td>25,757</td>
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<tr>
<td>Penn State</td>
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<td></td>
<td>17,645</td>
<td>30,295</td>
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<tr>
<td>Purdue</td>
<td>9,208</td>
<td>28,010</td>
<td></td>
<td>9,996</td>
<td>28,798</td>
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<td>394</td>
</tr>
<tr>
<td>Texas A&amp;M</td>
<td>5,297</td>
<td>25,126</td>
<td></td>
<td>8,506</td>
<td>28,335</td>
<td></td>
<td>1,605</td>
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<tr>
<td>Arizona</td>
<td>9,388</td>
<td>26,070</td>
<td></td>
<td>10,406</td>
<td>27,088</td>
<td></td>
<td>509</td>
</tr>
<tr>
<td>Oregon State</td>
<td>6,876</td>
<td>22,068</td>
<td></td>
<td>8,322</td>
<td>23,514</td>
<td></td>
<td>482</td>
</tr>
<tr>
<td>UC Davis</td>
<td>11,220</td>
<td>34,098</td>
<td></td>
<td>15,660</td>
<td>38,538</td>
<td></td>
<td>1,480</td>
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<tr>
<td>Illinois</td>
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<td></td>
<td>15,258</td>
<td>29,640</td>
<td></td>
<td>1,712</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>9,273</td>
<td>25,523</td>
<td></td>
<td>10,403</td>
<td>26,653</td>
<td></td>
<td>565</td>
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<tr>
<td><strong>Average:</strong></td>
<td>10,840</td>
<td>27,346</td>
<td></td>
<td>12,468</td>
<td>28,974</td>
<td></td>
<td>744</td>
</tr>
<tr>
<td><strong>Median:</strong></td>
<td>9,241</td>
<td>25,797</td>
<td></td>
<td>10,220</td>
<td>27,711</td>
<td></td>
<td>524</td>
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<td><strong>Standard deviation:</strong></td>
<td>6,084</td>
<td>6,814</td>
<td></td>
<td>5,808</td>
<td>6,745</td>
<td></td>
<td>530</td>
</tr>
</tbody>
</table>

| Pac-12 Schools:                |       |       |       |       |       |       |              |
| Arizona                        | 9,388 | 26,070 |       | 10,406 | 27,088 |       | 509          |
| Arizona St.                    | 9,484 | 23,136 |       | 10,002 | 23,654 |       | 259          |
| Utah                           | 6,549 | 22,931 |       | 7,496  | 23,877 |       | 473          |
| Colorado                       | 8,760 | 30,528 |       | 10,456 | 32,224 |       | 848          |
| USC                            | 45,602| 45,602 |       | 47,798 | 47,798 |       | 1,098        |
| UCLA                           | 11,220| 34,098 |       | 14,227 | 37,105 |       | 1,504        |
| Stanford                       | 42,690| 42,690 |       | 43,245 | 43,245 |       | 185          |
| UC Berkeley                    | 11,220| 34,098 |       | 15,222 | 38,100 |       | 2,001        |
| Oregon                         | 8,010 | 27,354 |       | 9,493  | 28,837 |       | 494          |
| Oregon State                   | 6,876 | 22,068 |       | 8,322  | 23,514 |       | 482          |
| Washington                     | 11,307| 30,882 |       | 12,399 | 31,974 |       | 364          |
| Washington State               | 10,874| 23,956 |       | 11,566 | 24,648 |       | 346          |
| **Average:**                   | 15,165| 30,284 |       | 16,719 | 31,839 |       | 714          |
| **Median:**                    | 10,179| 28,941 |       | 11,011 | 30,405 |       | 488          |
| **Standard deviation:**        | 13,649| 7,729  |       | 13,669 | 8,173  |       | 555          |
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 percent of unmet need of resident undergraduate students.*

Oregon State’s estimated tuition revenue is projected to maintain adequate access to courses at every level of OSU’s curriculum to ensure timely progress toward degree completion and to allow additional investments in faculty and staff in courses with particularly high student enrollment demand. OSU has made significant recent investments to decrease some of the backlog in required, lower-division courses, to expand access in “gateway” courses such as mathematics and chemistry, and to increase the number of tenured and tenure-track faculty available to deliver upper-division and graduate courses and to meet accreditation requirements for professional programs.

While providing student access to courses is the most important component of delivering affordable degrees, OSU officials recognize that the phased elimination of the tuition plateau will create financial challenges for some students. To address such hardships, Oregon State has budgeted to provide an increased allocation in financial aid for 2014-15 from projected tuition revenues. This will ensure OSU’s ability to meet the State Board’s goal of providing institutional aid to address at least 12 percent of the unmet need for resident undergraduate students and to help mitigate the effects of phasing out the tuition plateau.

In addition, OSU will continue its *Bridge to Success* financial aid program, which covers the cost of tuition and fees for students eligible for Pell and Oregon Opportunity grants. The *Bridge to Success* program leverages the federal and state need-based programs in combination with institutional gift aid allowing approximately 3,000 students annually to attend Oregon State without paying any tuition and fees. Approximately one-half of *Bridge to Success* recipients also receive additional gift aid to cover the average cost of books and supplies. Our current estimates for 2014-15 indicate that OSU will exceed the requirement of covering 12 percent unmet need.

5. *Provide a summary of how this rate proposal will maintain campus financial sustainability over the fiscal year with projections of Education and General (E&G) fund balance at 6/30/15.*

OSU develops tuition and enrollment plans as part of five-year budget projections. The University’s current projections are shown on the next page. The proposed rate changes are projected to maintain an approximate nine percent E&G fund balance at the end of the next fiscal year. As changes in the tuition plateau are implemented, the fund balance is projected to increase to approximately 11 percent in FY17. Ideally, University officials seek to maintain an average of a 10-to-15 percent fund balance and are working toward achieving that benchmark.
## OREGON STATE UNIVERSITY

**Education and General Fund (Excludes Cascades Campus)**

**Projection FY12 to FY18**

(Thousands of dollars)

### Revenue

<table>
<thead>
<tr>
<th></th>
<th>FY12 Final</th>
<th>FY13 Final</th>
<th>% inc.</th>
<th>FY14</th>
<th>% inc.</th>
<th>FY15</th>
<th>% inc.</th>
<th>FY16</th>
<th>% inc.</th>
<th>FY17</th>
<th>% inc.</th>
<th>FY18</th>
<th>% inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition and Resource Fees</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Undergrad Resident</td>
<td>65,021</td>
<td>62,121</td>
<td>8.4%</td>
<td>98,917</td>
<td>7.4%</td>
<td>105,036</td>
<td>9.2%</td>
<td>114,432</td>
<td>8.9%</td>
<td>119,691</td>
<td>4.6%</td>
<td>125,165</td>
<td>4.6%</td>
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<tr>
<td>Undergrad Non-Resident</td>
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<td>63,220</td>
<td>22.0%</td>
<td>131,283</td>
<td>21.7%</td>
<td>113,850</td>
<td>12.4%</td>
<td>131,005</td>
<td>15.1%</td>
<td>143,574</td>
<td>9.6%</td>
<td>157,013</td>
<td>0.4%</td>
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<td>Graduate Resident</td>
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<td>24,285</td>
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<td>26,800</td>
<td>0.0%</td>
<td>20,047</td>
<td>4.1%</td>
<td>28,074</td>
<td>4.1%</td>
<td>20,227</td>
<td>4.1%</td>
<td>30,434</td>
<td>4.1%</td>
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<tr>
<td>Graduate Non-Resident</td>
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<td>9,555</td>
<td>18.8%</td>
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<td>25.1%</td>
<td>13,367</td>
<td>8.7%</td>
<td>14,313</td>
<td>6.8%</td>
<td>15,273</td>
<td>6.7%</td>
<td>18,262</td>
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<td>15,030</td>
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<td>15,784</td>
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<td>16,568</td>
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<td>Ecampus</td>
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<td>36,345</td>
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<td>45,003</td>
<td>23.8%</td>
<td>46,737</td>
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<td>49,087</td>
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<td>52,459</td>
<td>6.9%</td>
<td>55,856</td>
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<td>Summer Session</td>
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<td>9,445</td>
<td>24.2%</td>
<td>10,401</td>
<td>10.1%</td>
<td>10,777</td>
<td>3.6%</td>
<td>11,316</td>
<td>5.0%</td>
<td>12,128</td>
<td>7.2%</td>
<td>12,961</td>
<td>7.1%</td>
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<tr>
<td>Misc Tuition &amp; Student Fees</td>
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<td>12,449</td>
<td>5.4%</td>
<td>12,927</td>
<td>3.9%</td>
<td>14,520</td>
<td>12.2%</td>
<td>14,875</td>
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<td>14,851</td>
<td>1.2%</td>
<td>15,300</td>
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<td>Summer Revenue Accrual Mgmt</td>
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<td>200</td>
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<td></td>
<td>200</td>
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<tr>
<td>Fee Waivers</td>
<td>(25,321)</td>
<td>(31,819)</td>
<td>26.7%</td>
<td>(29,960)</td>
<td>-0.0%</td>
<td>(33,129)</td>
<td>10.8%</td>
<td>(35,942)</td>
<td>8.5%</td>
<td>(38,434)</td>
<td>8.9%</td>
<td>(41,145)</td>
<td>7.1%</td>
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<td><strong>Total Tuition &amp; Fees</strong></td>
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<td>250,173</td>
<td>13.6%</td>
<td>291,445</td>
<td>15.5%</td>
<td>313,425</td>
<td>7.5%</td>
<td>342,047</td>
<td>9.4%</td>
<td>365,539</td>
<td>6.6%</td>
<td>388,305</td>
<td>6.5%</td>
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<td>10.2%</td>
<td>96,383</td>
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<td>88,122</td>
<td>1.8%</td>
<td>98,864</td>
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<td>Other Revenue</td>
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<td>51,220</td>
<td>2.5%</td>
<td>49,717</td>
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<td>490,276</td>
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<td>514,880</td>
<td>5.2%</td>
<td>538,816</td>
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### Expense

<table>
<thead>
<tr>
<th></th>
<th>FY12 Final</th>
<th>FY13 Final</th>
<th>% inc.</th>
<th>FY14</th>
<th>% inc.</th>
<th>FY15</th>
<th>% inc.</th>
<th>FY16</th>
<th>% inc.</th>
<th>FY17</th>
<th>% inc.</th>
<th>FY18</th>
<th>% inc.</th>
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<td>Total Salaries and OPE</td>
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<td>6.3%</td>
<td>301,372</td>
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<td>319,124</td>
<td>5.7%</td>
<td>342,019</td>
<td>7.4%</td>
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<tr>
<td>Other Expenses</td>
<td>2,571</td>
<td>5,632</td>
<td>87.5%</td>
<td>1,277</td>
<td>84.4%</td>
<td>10,824</td>
<td>17.6%</td>
<td>10,807</td>
<td>0.7%</td>
<td>10,765</td>
<td>0.7%</td>
<td>11,056</td>
<td>0.7%</td>
</tr>
<tr>
<td><strong>Total Expense</strong></td>
<td>367,608</td>
<td>389,594</td>
<td>5.6%</td>
<td>417,260</td>
<td>7.4%</td>
<td>451,418</td>
<td>9.2%</td>
<td>481,872</td>
<td>6.7%</td>
<td>508,225</td>
<td>5.5%</td>
<td>538,860</td>
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### Net Change From Operations

<table>
<thead>
<tr>
<th></th>
<th>FY12 Final</th>
<th>FY13 Final</th>
<th>% inc.</th>
<th>FY14</th>
<th>% inc.</th>
<th>FY15</th>
<th>% inc.</th>
<th>FY16</th>
<th>% inc.</th>
<th>FY17</th>
<th>% inc.</th>
<th>FY18</th>
<th>% inc.</th>
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</thead>
<tbody>
<tr>
<td>(21,122)</td>
<td>(8,379)</td>
<td></td>
<td>64.8%</td>
<td>8,683</td>
<td>5.3%</td>
<td>5,369</td>
<td>7,866</td>
<td>6,655</td>
<td>3,330</td>
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</table>

### Beginning Fund Balance

<table>
<thead>
<tr>
<th></th>
<th>FY12 Final</th>
<th>FY13 Final</th>
<th>% inc.</th>
<th>FY14</th>
<th>% inc.</th>
<th>FY15</th>
<th>% inc.</th>
<th>FY16</th>
<th>% inc.</th>
<th>FY17</th>
<th>% inc.</th>
<th>FY18</th>
<th>% inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>56,797</td>
<td>38,475</td>
<td></td>
<td></td>
<td>30,096</td>
<td></td>
<td>38,760</td>
<td></td>
<td>44,129</td>
<td></td>
<td>51,735</td>
<td></td>
<td>58,360</td>
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</table>

### Ending Fund Balance

<table>
<thead>
<tr>
<th></th>
<th>FY12 Final</th>
<th>FY13 Final</th>
<th>% inc.</th>
<th>FY14</th>
<th>% inc.</th>
<th>FY15</th>
<th>% inc.</th>
<th>FY16</th>
<th>% inc.</th>
<th>FY17</th>
<th>% inc.</th>
<th>FY18</th>
<th>% inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 38,475</td>
<td>$ 30,096</td>
<td>$ 38,760</td>
<td>$ 44,129</td>
<td>$ 51,735</td>
<td>$ 58,360</td>
<td>$ 51,026</td>
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</tr>
</tbody>
</table>

**F/A Committee**

**Page 31**

**ACTION ITEMS**
6. Provide the specific tuition and fee rates being proposed.

Summary tables of proposed tuition changes are provided in the following pages. Charts that follow show the proposed change in the tuition plateau at Oregon State’s Corvallis campus and tuition rates compared with peer universities.

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

No new differential tuition charges are proposed. All undergraduate differential tuition charges are held constant for 2014-15. Most graduate differential charges are held constant, except for Oregon State’s Medical Physics program. These rates are being adjusted to align the differential rate charges and to provide a better match between the program’s tuition and the rates charged currently at OHSU and other universities.

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

No undergraduate rate changes are proposed. The revenues resulting from the change in the tuition plateau will be used for financial aid, additional faculty and staff, classroom improvements and upgrades, and instructional operating and overhead expenses.

A 2.1 percent increase is proposed in base resident graduate tuition, a 3.9 percent increase for non-resident graduate tuition, and a 3 percent increase for professional programs in the colleges of Pharmacy and Veterinary Medicine. The additional revenues will support cost increases in the delivery and management of those degree programs.

- Discuss how proposals comport with the Legislative Budget Note – HB 5101 (2013 Special Session).

“For the 2014-15 academic year, the Legislature intends that there be no increases in the base rates per credit hour paid by resident undergraduate students at all seven campuses and one branch campus (EOU, OIT, OSU, OSU-Cascades, PSU, SOU, UO, and WOU). For students choosing the Tuition Promise program at WOU, rates of increase over the prior cohort may not exceed 2.2% for the 2014-15 academic year.”

No increase in the base rate per credit hour paid by resident Oregon State undergraduate students is proposed.

The proposed student fees are included in the following tables. These were reviewed and recommended by ASOSU’s Student Incidental Fee Committee and approved by President Ray.
### Summary of Proposed Tuition and Fee Changes

**AY 2014-2015, Oregon State University-Corvallis**

#### Undergraduate Rates

<table>
<thead>
<tr>
<th></th>
<th>Winter, AY14 Rate</th>
<th>Cost at 15 credits per term</th>
<th>AY15 Proposed Rate Change</th>
<th>Proposed AY15 Rate</th>
<th>AY15 Cost at 15 credits</th>
<th>$ Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Base Tuition:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resident Undergraduate</td>
<td>$189/SCH</td>
<td>$2,268</td>
<td>0%</td>
<td>$189/SCH</td>
<td>$2,550</td>
<td>$282</td>
<td>12.4%</td>
</tr>
<tr>
<td>Non-resident Undergraduate</td>
<td>$613/SCH</td>
<td>$7,356</td>
<td>0%</td>
<td>$613/SCH</td>
<td>$8,274</td>
<td>$918</td>
<td>12.5%</td>
</tr>
<tr>
<td><strong>Mandatory Fees:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building</td>
<td>$45/term</td>
<td>$45</td>
<td>0.0%</td>
<td>$45</td>
<td>$45</td>
<td>$0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Health</td>
<td>$124/term</td>
<td>$124</td>
<td>0.8%</td>
<td>$125</td>
<td>$125</td>
<td>$1</td>
<td>0.8%</td>
</tr>
<tr>
<td>Incidental</td>
<td>$313/term</td>
<td>$313</td>
<td>2.4%</td>
<td>$320</td>
<td>$320</td>
<td>$8</td>
<td>2.4%</td>
</tr>
<tr>
<td><strong>Differential Tuition Additions:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Honors College</td>
<td>$341/SCH</td>
<td>$341</td>
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<td>$341</td>
<td>$341</td>
<td>$0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Pre-engineering</td>
<td>$34/SCH</td>
<td>$510</td>
<td>0%</td>
<td>$34</td>
<td>$510</td>
<td>$0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Engineering</td>
<td>$51/SCH</td>
<td>$765</td>
<td>0%</td>
<td>$51</td>
<td>$765</td>
<td>$0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Business</td>
<td>$20/SCH</td>
<td>$300</td>
<td>0%</td>
<td>$20</td>
<td>$300</td>
<td>$0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Design and Human Env.</td>
<td>$20/SCH</td>
<td>$300</td>
<td>0%</td>
<td>$20</td>
<td>$300</td>
<td>0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Forestry</td>
<td>$15/SCH</td>
<td>$225</td>
<td>0%</td>
<td>$15</td>
<td>$225</td>
<td>$0</td>
<td>0.0%</td>
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</tbody>
</table>

#### Graduate and Professional Rates

<table>
<thead>
<tr>
<th></th>
<th>Winter, AY14 Rate</th>
<th>Cost at 12 credits per term</th>
<th>AY15 Proposed Rate Change</th>
<th>Proposed AY15 Rate</th>
<th>AY15 Cost at 12 credits</th>
<th>$ Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Base Tuition:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resident Graduate</td>
<td>$432/SCH</td>
<td>$3,888</td>
<td>2.1%</td>
<td>$441</td>
<td>$3,969</td>
<td>$81</td>
<td>2.1%</td>
</tr>
<tr>
<td>Non-resident Graduate</td>
<td>$711/SCH</td>
<td>$6,399</td>
<td>3.9%</td>
<td>$739</td>
<td>$6,651</td>
<td>$252</td>
<td>3.9%</td>
</tr>
<tr>
<td>Resident Pharm D.</td>
<td>$560/SCH</td>
<td>$6,720</td>
<td>3.0%</td>
<td>$577</td>
<td>$6,924</td>
<td>$204</td>
<td>3.0%</td>
</tr>
<tr>
<td>Non-Resident Pharm D. 2008-2010 Cohort</td>
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<td></td>
</tr>
<tr>
<td>Non-Resident Pharm D. 2011+ Cohort</td>
<td>$829/SCH</td>
<td>$9,948</td>
<td>3.0%</td>
<td>$854</td>
<td>$10,248</td>
<td>$300</td>
<td>3.0%</td>
</tr>
<tr>
<td>Resident DVM</td>
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<td>$6,823</td>
<td>$6,823</td>
<td>$199</td>
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<tr>
<td>Non-resident DVM</td>
<td>n/a</td>
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<td>$13,649</td>
<td>$13,649</td>
<td>$398</td>
<td>3.0%</td>
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<tr>
<td><strong>Differential Tuition Additions:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professional Science Masters</td>
<td>$28/SCH</td>
<td>$252</td>
<td>0%</td>
<td>$28/SCH</td>
<td>$252</td>
<td>$0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Engineering</td>
<td>$55/SCH</td>
<td>$660</td>
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<td>$55/SCH</td>
<td>$660</td>
<td>$0</td>
<td>0.0%</td>
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<tr>
<td>Resident Business MBA</td>
<td>$249/SCH</td>
<td>$2,331</td>
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<td>$249/SCH</td>
<td>$2,331</td>
<td>$0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Non-Resident Business MBA</td>
<td>$391/SCH</td>
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<td>$391/SCH</td>
<td>$3,609</td>
<td>$0</td>
<td>0.0%</td>
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<tr>
<td>Resident MPH</td>
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<td>$567</td>
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<td>$63/SCH</td>
<td>$567</td>
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<td>0.0%</td>
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<tr>
<td>Non-resident MPH</td>
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<td>$890</td>
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<td>$101/SCH</td>
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<td>$0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Medical Physics**</td>
<td>$179/SCH</td>
<td>$2,148</td>
<td>-16.2%</td>
<td>$150/SCH</td>
<td>$1,800</td>
<td>-$348</td>
<td>-16.2%</td>
</tr>
<tr>
<td>Non-resident Medical Physics**</td>
<td>$133/SCH</td>
<td>$1,596</td>
<td>12.8%</td>
<td>$150/SCH</td>
<td>$1,800</td>
<td>$204</td>
<td>12.8%</td>
</tr>
<tr>
<td><strong>Mandatory Fees:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building</td>
<td>$45/term</td>
<td>$45</td>
<td>0.0%</td>
<td>$45</td>
<td>$45</td>
<td>$0</td>
<td>0.0%</td>
</tr>
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<td>$124/term</td>
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<td>$125</td>
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<td>$313</td>
<td>2.4%</td>
<td>$320</td>
<td>$320</td>
<td>$8</td>
<td>2.4%</td>
</tr>
</tbody>
</table>

3 For some majors in this program

* Base tuition student credit hour (SCH) rates vary by program and plateau
** The degree is part of a joint program with OHSU
## Summary of Proposed Tuition and Fee Changes

**AY 2014-2015, Oregon State University-Cascades**

### Undergraduate Rates

<table>
<thead>
<tr>
<th></th>
<th>Winter, AY14 Rate</th>
<th>Cost at 15 credits per term</th>
<th>AY15 Proposed Rate Change</th>
<th>Proposed AY15 Rate</th>
<th>AY15 Cost at 15 credits</th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Base Tuition:</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resident Undergraduate</td>
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<td>$2,148</td>
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<td>$2,415</td>
<td>$267</td>
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<tr>
<td>Non-resident Undergraduate</td>
<td>$613/SCH</td>
<td>$7,356</td>
<td>0%</td>
<td>$613</td>
<td>$8,274</td>
<td>$918</td>
<td>12.5%</td>
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<tr>
<td><strong>Fees:</strong></td>
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<tr>
<td>Building</td>
<td>$45/term</td>
<td>$45</td>
<td>0%</td>
<td>$45</td>
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<td>$0</td>
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<tr>
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<td>$140</td>
<td>$140</td>
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<td>0.0%</td>
</tr>
<tr>
<td><strong>Differential Tuition Additions:</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Engineering</td>
<td>$51/SCH</td>
<td>$765</td>
<td>0%</td>
<td>$51</td>
<td>$765</td>
<td>$0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Business</td>
<td>$20/SCH</td>
<td>$300</td>
<td>0%</td>
<td>$20</td>
<td>$300</td>
<td>$0</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

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<td>$81</td>
<td>2.1%</td>
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<td>$252</td>
<td>3.9%</td>
</tr>
<tr>
<td><strong>Mandatory Fees:</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building</td>
<td>$45/term</td>
<td>$45</td>
<td>0%</td>
<td>$45</td>
<td>$45</td>
<td>$0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Incidental</td>
<td>$140/term</td>
<td>$313</td>
<td>0%</td>
<td>$313</td>
<td>$313</td>
<td>$0</td>
<td>0.0%</td>
</tr>
</tbody>
</table>
Figure 1: Comparison of OSU undergraduate tuition charges in AY14 and those proposed for AY15, compared to current charges at the University of Oregon (UO)

Non-resident undergraduate tuition per term

Resident undergraduate tuition per term
Figure 2: Comparisons of OSU Tuition to Peers (excludes any program specific differential tuition or course specific fees)

AY14 Resident Undergraduate Annual Tuition and Fees

AY14 Non-Resident Undergraduate Annual Tuition and Fees
To: Finance & Administration Committee  
From: Monica Rimai, PSU Vice President Finance & Administration  
Re: Tuition Setting Process AY2014-15  
Date: April 3, 2014

Portland State University intends to implement the following tuition and fees for the 2014-15 academic year:

**2014-15 Tuition**

<table>
<thead>
<tr>
<th></th>
<th>2013-14 Per Credit</th>
<th>2014-15 Per Credit</th>
<th>Percent Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resident Undergraduate</td>
<td>$ 145.00</td>
<td>$ 145.00</td>
<td>0.0%</td>
</tr>
<tr>
<td>Resident Graduate*</td>
<td>341.00</td>
<td>345.00</td>
<td>1.2%</td>
</tr>
<tr>
<td>Non-Resident Undergraduate</td>
<td>485.00</td>
<td>490.00</td>
<td>1.0%</td>
</tr>
<tr>
<td>Non-Resident Graduate*</td>
<td>533.00</td>
<td>539.00</td>
<td>1.1%</td>
</tr>
</tbody>
</table>

* - Up to 12 credits

**2014-15 Mandatory Fees**

<table>
<thead>
<tr>
<th>Credits</th>
<th>Building Undergrad</th>
<th>Building Graduate</th>
<th>Incidental Undergrad</th>
<th>Incidental Graduate</th>
<th>Health Service Undergrad</th>
<th>Health Service Graduate</th>
<th>Academic Student Rec Ctr Undergrad</th>
<th>Academic Student Rec Ctr Graduate</th>
<th>Total Fees Undergrad</th>
<th>Total Fees Graduate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>23.00</td>
<td>23.00</td>
<td>53.00</td>
<td>58.00</td>
<td>-</td>
<td>-</td>
<td>41.00</td>
<td>41.00</td>
<td>117.00</td>
<td>122.00</td>
</tr>
<tr>
<td>2</td>
<td>25.00</td>
<td>25.00</td>
<td>68.00</td>
<td>78.00</td>
<td>-</td>
<td>-</td>
<td>41.00</td>
<td>41.00</td>
<td>134.00</td>
<td>144.00</td>
</tr>
<tr>
<td>3</td>
<td>27.00</td>
<td>27.00</td>
<td>83.00</td>
<td>96.00</td>
<td>-</td>
<td>-</td>
<td>41.00</td>
<td>41.00</td>
<td>151.00</td>
<td>166.00</td>
</tr>
<tr>
<td>4</td>
<td>29.00</td>
<td>29.00</td>
<td>98.00</td>
<td>118.00</td>
<td>-</td>
<td>-</td>
<td>41.00</td>
<td>41.00</td>
<td>168.00</td>
<td>188.00</td>
</tr>
<tr>
<td>5</td>
<td>31.00</td>
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PSU presented these tuition and fees to its Finance and Administration Committee of the Board on March 6, 2014, and its full Board on March 12, 2014. The Board approved the recommended tuition and fees, pursuant to the resolution attached to this memo. You have
asked PSU to summarize its tuition setting process for Academic Year 2014-15 (including Summer Session 2015), pursuant to the following questions:

1. A description of our institution’s tuition strategy, and how the strategy fits within the overall strategic plans of the institution and system.

2. A description of 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.

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

4. A description of how the proposed rates will impact access and affordability on our 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.

5. A summary of how the proposed tuition rates will maintain campus financial sustainability over the fiscal year with projections of Education and General (E&G) fund balance at 6/30/15.

6. The specific tuition and fee rates being proposed.
   • If any new differential tuition rates are being proposed include supporting documentation as specified in the Board's Differential Tuition Policy.
   • If rate increases are being proposed, discuss how incremental revenues will be deployed.
   • Discuss how proposals comport with the Legislative Budget Note – HB 5101 (2013 Special Session).

In response to the above items, please note that the below recommendation included consultation with the Student Budget Advisory Committee (SBAC). The SBAC is a standing committee at PSU comprised of both administrators and representatives from student government that meets throughout the academic year to achieve a better understanding of PSU's financial environment. The SBAC is designed to solicit student feedback on a variety of fiscal policy issues, including, but not limited to tuition and fees policy. Ultimately this process resulted in a recommendation to the President from the student members, which was considered during development of this recommendation. The student recommendations are summarized and discussed later in this document, as well as attached to this memorandum, for your information. This recommendation was also presented to the Portland State University Board of Trustees, where it passed 9 ayes, 1 nay, 1 abstention, 3 absent. A copy of the resolution is attached.

Criteria

The criteria used by PSU in establishing this tuition and fees recommendation was as follows:

• The 2013 regular and special sessions of the Oregon State Legislature resulted in a tuition buy-down for 2014-15.
• PSU considered budget, financial outlook, and all available sources and uses.
• PSU had approximately a $15 million structural operating deficit.
• A commitment to a measured and balanced approach to fiscal stability.
• PSU has a population of students with a low ability to pay.
• PSU has recently implemented a more strategic use of remission funds.
• An elasticity study completed by Noel-Levitz in the fall of 2012 showed transfer, non-resident undergraduate, and graduate students are at a sensitivity price point.
• Student involvement was solicited through the Student Budget Advisory Committee (SBAC).

Discussion

The tuition recommendation was generated in the context of the overall PSU budget, looking at all available sources and uses. PSU has limited control over many of the increasing costs; mainly those related to personnel for bargained increases, and PEBB/PERS. There are primarily three mechanisms PSU has to balance its budget: level of enrollment (SCH), tuition rates, and expenditure reductions. It is prudent for each of these “levers” to be used in balancing PSU’s budget. We do not feel it is a responsible strategy to solve a budget deficit only on the backs of the students. Rather a measured and rational approach that uses all three “levers” is the best strategy for long term fiscal stability. State appropriation is a fourth “lever” over which PSU has no control, but has a significant impact on how the other three are utilized.

PSU engaged Noel-Levitz to conduct a price elasticity study in the Fall of 2012. The study showed that PSU’s current full time undergraduate resident tuition is well within what prospective freshmen regard as an acceptable price. However transfer students are at a point of price sensitivity. The current tuition for full time undergraduate non-resident students has reached a threshold that is at or above what an out of state freshman or transfer student would consider acceptable, as is both resident and non-resident graduate tuition.

Entering into budget planning for fiscal year 2014-15 PSU was facing a deficit of approximately $15 million. This deficit will be closed with strategic use of all “levers” with plans for the deficit to be permanently closed by the end of the biennial. Fund balance will be used as long term actions are implemented to balance the PSU budget, however it is not expected the fund balance will drop below the OUS 5% threshold.

Student Input

The SBAC met four times beginning in November. The committee reviewed and discussed E&G revenue and expenditure data and projections through 2016-17. Significant time at the early meetings was spent discussing the sources and uses of PSU’s budget (primarily E&G), and the level of control that PSU has over each of our major revenues and costs.

Additionally, time was spent discussing the current efforts around balancing the University’s budget. The initial meetings helped to set the foundation for students to frame the financial
challenges facing PSU and facilitated thoughtful discussion regarding the current economic environment.

The student members of the SBAC provided the following opinion on tuition rates:

“The Associated Students of Portland State University stand in opposition to the proposed 1% tuition increase that would affect non-resident and graduate students. A January 27th, 2014 Student Senate vote to adopt a stance of opposition to the increase resulted in 18 ‘ayes,’ 2 ‘nays,’ and one abstention.”

Financial Aid

PSU recognizes that our population of students have a low ability to pay and we currently are not able to provide sufficient financial aid to meet OUS recommended levels of unmet need. PSU has engaged with Noel-Levitz to assist in using our fee remissions in a more strategic manner. We have already implemented several changes that have allowed us to be more efficient with remission dollars, and provide the right amount of aid to the right students.

Please contact me if you have any questions regarding the 2014-15 proposed tuition recommendations for PSU.
To: Jay Kenton, Vice Chancellor for Finance & Administration

From: Jamie Moffitt, Vice President for Finance & Administration and CFO, University of Oregon

Cc: Michael Gottfredson, President, University of Oregon
    Chuck Lillis, Chair, University of Oregon Board of Trustees
    Ross Karl, Chair, University of Oregon Finance & Facilities Committee,
    UO Board of Trustees
    Scott Coltrane, Provost & Senior Vice President, University of Oregon
    Brad Shelton, Vice Provost for Budget & Planning, Co-chair Tuition &
    Fee Advisory Board
    Roger Thompson, Vice President for Enrollment Management, Co-
    chair, Tuition & Fee Advisory Board

Re: FY2015 University of Oregon Tuition Proposal

Date: April 4th, 2014

Following is information regarding 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 FY2014, non-resident tuition and fees (45 credits) totaled $29,788 whereas resident tuition and fees (45 credits) was set at $9,703. 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 3.0% increase to non-resident undergraduate tuition. There will be no increase to tuition for resident undergraduate students in FY2015 due to the State tuition buy-down program. While we greatly appreciate this support from the legislature, as we have discussed, it is critical that the buy-down funds provided by the State be allocated on a recurring basis, so that we are not forced to increase resident undergraduate tuition dramatically in the future.

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. 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 the Dean of each individual graduate school or college, and then reviewed by the University Tuition & Fee Advisory Board. This process 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 16 members including three Vice Presidents, two Vice Provosts, one Dean, one Associate Dean and one faculty member. The Board currently has four student members; two students recommended for appointment 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 5.

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.

On March 5th the Provost hosted an open forum on tuition. Student turnout was small but the 90-minute session was very lively, intimate and engaged. The Provost, the Vice President for Student Affairs and the Vice Provost for Budget answered and discussed a number of questions and general concern about the rising price of higher education, student debt loads and the rapid disinvestment of state governments in public higher education. The students did not have a specific objection to the FY2015 proposed tuition increases – but were firm in their beliefs that the overall financial structure that supports higher education is unsustainable. The students asked good questions about cost containment measures, future financial planning, and future growth planning. They were assured, with specific examples and data that the institution is actively engaged in all of these issues.

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

For FY2015, the largest tuition changes were as follows:

In the College of Business there is a 5% proposed increase for graduate students in the following programs: (1) MBA (residents and non-residents) and (2) Accounting - Master's Program (residents).
These increases are part of a multi-year plan to generate necessary revenues to increase the overall quality of the programs. 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.

There are no other proposed graduate tuition increases (resident or non-resident) above 3.0% (see attached schedule of graduate tuition increases).

There is one new proposed fee for FY2015:

**EMU Fee ($67/term):** Last year the students voted to recommend moving forward with a significant renovation project for the Erb Memorial Union ("EMU"). In the Spring, the State Board of Higher Education approved the EMU Renovation Project, which included $84.3 million of F-Bond Debt, financed through a new student fee. This important project will renovate and add new space to the EMU, promote engagement of campus constituencies and provide a venue to welcome the public onto our campus. It will also improve the facilities for student organizations, including unions and ASUO recognized organizations, as well as improve our conference facilities, meeting space, computer lab, and retail food outlets. Both the student referendum and the project materials provided to the State Board outlined that project financing was dependent upon implementing a $67/term student fee, beginning in fall of 2014, to help finance the debt and operations of the building. As fees are not generally approved more than one year in advance, the Chancellor’s office directed the UO to formally forward this fee proposal during the Spring 2014 process.

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, as well as other comparative data (e.g., PAC-12 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 3.0% non-resident undergraduate tuition increase will increase full-time non-resident tuition by approximately $355 per year. This increase will be partially offset by increases in tuition remissions. Resident undergraduate tuition rates will remain the same as the rates used in winter and spring terms of FY2014, effectively lowering annual resident tuition by $30.

By OUS definition, the UO currently meets 19.3% 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 FY2015.

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 6/30/15.*

The University of Oregon began FY2014 with an E&G Fund balance of $62.9 million which represented 14.7% of our operating revenue. At the end of FY2014 we are projecting our E&G fund balance to be approximately 16.8% of projected operating revenue. We expect our E&G fund balance to drop below the 15% policy guidelines by the end of FY2015. This is due to the fact that our two major labor agreements, with faculty and classified staff, both have more significant salary increases occurring in FY15 than in prior years. Rather than increase tuition dramatically in FY15 to cover these cost increases, we expect to use some of our existing revenue streams generated in FY14 (which are projected to lead to our increased fund balance) to cover these increased expenses. We also have continued investments that we need to make to support recent campus growth (e.g., start-up packages for new tenure track faculty, capital projects, IT projects).

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: 0%
Non-resident Undergraduate tuition increase: 3.0%
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 invest in necessary tenure-related faculty and infrastructure to support our growing campus, cover costs associated with our labor agreements for faculty and staff, and also to help cover normal operating inflationary costs, as well as PEBB increases.

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

The institution’s FY2015 proposal is well below the 2011-2013 budget note average increase limitation of 8%.
2014-15 Academic Year & 2015 Summer Session Tuition & Fee Book
Comments

Report of Comments Received During Public Comment Period
April 21, 2014 through May 2, 2014

Public Hearings

In light of the governance changes in the university system and no increases in undergraduate tuition, it was decided that the Chancellor’s Office would not host any in-person public hearings this year. Instead, the public was encouraged to submit their comments via email.

Electronic Submissions (feebookpubliccomment@ous.edu)

This is the fourth year OUS has encouraged online public comment. The Draft Academic Year 2014-15 and 2015 Summer Session Fee Book was posted online and a dedicated email established. Notification of the availability of the online review was published in all communications regarding distribution of the Draft Academic Year 2014-15 and 2015 Summer Session Fee Book. A total of two responses were received via the dedicated email.

Comments Summary

- In total, two comments were received.
- Both comments were from current students at WOU – one undergraduate and one graduate
- Neither expressly supported nor opposed the tuition and fee rate changes for 2014-15:
  - One focused on the overall cost of higher education and increasing student debt
  - One focused on student debt and expressed a need for caps on fees for online classes

Comments follow in their entirety as received.
Testimony Received Online via Email

To Whom it May Concern:

As a junior at Western Oregon University I have thoroughly enjoyed my time within the Oregon higher education system. I came from a rural part of Central Oregon where I was taught to work hard for the things I want, and that debt should be a last resort. With that mind set, I was determined to graduate with as little debt as possible, and am so fortunate to only have taken out one, smaller loan of just $5,500 (plus interest of course). However, I also have worked all three years, and plan to work through my forth. I have put in forty hour work weeks while taking eighteen credits.

I am not going to complain about the increasing costs of higher education. Yes, I do truly believe that higher education is expensive, and that the increasing debt of our young people is a problem. But I also understand that it would be far more expensive without the assistance from the tax payers in Oregon. During class today we were discussing what would happen if a student refuses to pay his or her loans. It sickens me that this happens, and then tax payers have to pay the bill. We have some amazing young people that are going to contribute greatly to our society, but we also have far too many young people with their hands out and the mentality that they don’t need to work for their education, it should all be on the shoulders of tax payers.

I know this doesn’t make your decision any easier, but I wanted to let you know that there are some students in the world that appreciate the assistance that we already receive, and understand that education comes at a price.

Thank you,  
Jessica Hand  
PO Box 70  
Silver Lake, OR 97638  
541-420-1768  
Student at WOU
Name: Sheryl Schiefelbein  
Address: 3853 Fairhaven Drive, West Linn, OR 97068  
Phone number: 503-307-8749  
Association with the University System: WOU student

I was lucky enough to have scholarships to assist with my undergraduate degree. I went to community college first, which helped a lot, and I put any financial aid refund into an account for my undergraduate degree. Now however, that money is gone, I have loans, and I am working on my graduate degree. I am not doing it for fun, I have to because I am a teacher and have to have credits, etc to renew my license. The problem is graduate credits are expensive, there are extra fees for taking classes online (I work 2 jobs, can’t be on campus), and there is no “max out” or cap where I can pay a certain amount in fees for online classes and then stop paying. I can’t afford graduate school, nonetheless 3/4 or full time, but I am put in a situation where I have to. I live with my parents and am unable to move out because tuition replaces rent and utilities and then some. Caps need to be in place for not only current students, but future students, or else we won’t have anyone going to school because it is too expensive.
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OUS, Managerial Reporting—Quarterly Management Report

FY 2014 OVERVIEW:
Attached are the quarterly management reports as of March 31, 2014. After reviewing the Budget Projections Summary received from each university and comparing prior year results, we noted the following:

EDUCATION AND GENERAL:
Revenue collections are projected to be 6 percent above 2012-13 mainly due to a $54 million or 6 percent increase in tuition and resource fee revenues and a $20 million or 7 percent increase in State General Fund. The increase in tuition and resource fee revenues is primarily due to a combination of tuition rate increases and change in the mix of student enrollment.

Revenue collections year-to-date are 7 percent over the prior year due mainly to rate increases in tuition and timing of State General Fund funding. Spending is up 5 percent year-to-date and spending is projected to be 4 percent above the prior year at yearend. The increase in spending is primarily due to salary increases and new staffing due to prior increases in student enrollment.

The ending fund balance of the Education and General fund (which represents net working capital) is projected to be $164 million which is $7 million higher than the prior year. The June 30, 2014 ending fund balance of Education and General is projected to be 12 percent of Operating Revenues, which is the same as the prior year.

AUXILIARY ENTERPRISES:
System-wide, Auxiliary Enterprises are projected to have total revenues of $458 million and expenditures of $451 million, resulting in $7 million of revenues over expenditures. The ending Unrestricted Net Asset balance, which represents net working capital, is projected to increase $7 million to $118 million. Please refer to the explanatory notes on the institution and Chancellor’s Office reports for additional information.

DESIGNATED OPERATIONS, SERVICE DEPARTMENTS, AND CLEARING FUNDS:
The ending Unrestricted Net Asset balance, which represents net working capital, is projected to remain relatively flat at $42 million. Please refer to the explanatory notes on the institution and Chancellor’s Office reports for additional information.

STAFF RECOMMENDATION TO THE COMMITTEE:
Staff recommends that the Committee accept the March 31, 2014 Quarterly Management Report. The next management reports for the quarter ending June 30, 2014, are scheduled to be presented to the Committee in September 2014.

(Committee action required.)
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OUS, Risk Pool—Quarterly Report

EXECUTIVE SUMMARY:
The quarter ending March 31, 2014 for FY’14 associated risk management and financial activities regarding the risk fund are reflected in the following report. This report will review the risk financing, including the current status of incurred losses against expected losses plus those “incurred but not reported” losses as actuarially derived. This report also reviews the risk control activities associated with the program and provides an update regarding the anticipated new “trust” and renewal program for 2014-2015 including cost variances for the new independent universities.

RISK FINANCING:
The third quarter summary page for July 1, 2012 – March 31, 2014 Financial Activity Report, Exhibit 1 shows that our total assets for claims of $22.46M minus expenses and total incurred losses, or total paid plus total reserves plus “incurred but not reported” or IBNR, of $23.270M resulted in total funding of 96%. Please note that the “incurred but not reported” or IBNR factor, according to the actuarial report and adjusted to offset total claims reported, is $5.78M. To note, in order to meet the Trust requirements under ORS 731.036 we must have a 25% surplus in the fund over and above the total liabilities. As of this writing we will be reviewing this further with our actuary and bring in an accountant to weigh in on the formula for calculation and timing of the calculation as the State gives discretion in these areas. The $5.78M as of 3.31.14 was “unallocated” and had no claims against it, noting this changes daily as we go through the insurance cycle. These funds are allotted to those claims that arise beyond 3.31.14. As such, we may have further discussions regarding the 25% surplus funding for our administrative council meeting and trust meetings to provide an additional update to the Board in our May meeting and June Administrative Council meetings.

Regarding Exhibits 2, 3, 4, and 5 showing claims activity for the past three years please note the following by each year. FY’12 and prior years, Exhibit 2, shows the total reserves decreasing $1.18M from the prior quarter and payments increasing $800,000. OSU and PSU had the greatest variances due in part to continued work on long-term claims. This ratio indicates claims were settled at less than initial reserves, yet we also note that additional training was conducted on reserving at OSU, resulting in higher and more accurate reserving for the pool. FY’13 also showed a similar trend, yet less pronounced, with a decrease in reserves of $423,000 and an increase in total paid of $317,000 reflecting a better than anticipated settlement effort. For the FY’14 year-to-date shown in Exhibit 4, reserves increased $2.19M from $1.08M in Q2 to $3.26M noting that $246,000 was attributed to workers’ compensation increases and a significant portion of the balance was as a result of winter storm damage primarily at OSU ($600,000), with additional losses from UO (over $250,000) and SOU (over $200,000). Additional reserves were added for ongoing employment and other casualty claims. Please note that paid expenses on Exhibits 2, 3, and 4 included payments made by the universities while the paid expenses in Exhibit 1 do not include any payments made by the universities.

For workers’ compensation, Exhibit 5, we are just now beginning to see a trend regarding the new cash-based loss retrospective rating program put in place in July of 2012 and with a $2M cap per occurrence vs. per claim. The total frequency continues to remain at its lowest point in a ten-year period showing a one-claim difference between FY’13 and FY’14. That said, the bulk of the claims appear in the fourth-quarter and this could be due to a variety of reasons including move-out of students and cleanup after the moving is finished, additional activities such as graduations, year-end celebrations and awards ceremonies, and an additional work-load to conduct deferred maintenance in this and the first quarters of a year.
**RISK CONTROL:**
The continued attention to resources placed in risk management by the university leadership has been important in the influence of a risk culture throughout the campuses. In time, likely 3-5 years, this will benefit the universities through less downtime, a higher valued reputation if no losses occur, and allowance for potential use of funds in other important areas such as deferred maintenance, business continuity and continued training in employment, regulatory compliance, international and other risk controls.

The Seismic Gas Shut-Off Valve (SGSV) project continues and currently is scheduled for much of the work to be completed prior to September 1, 2014. FM Global engineering inspections and reports for each university are beginning to materialize for the second year noting that these should be reviewed carefully in order to prioritize by: a) life-safety; b) what can reasonably be accomplished within existing resources; and c) reputation, redundancy, and financial resources. FM is a valuable resource that may provide an extra set of eyes, additional training resources for your staff and contractors who work for you, plus ongoing walk-throughs to highlight any outstanding loss control efforts. They are also very reasonable when discussing these reports for plans for the coming year in a “closing conference.” It is very important to include in this meeting the VP of Finance, your Director of Facilities, Plumbers who may do the day-to-day work on these items, Director of Capital Planning, Public Safety, Budget Office or Controller, IT Officer, Environmental Health & Safety and others who are regularly interacting with these issues. Together FM may highlight items, but your team may find ways to resolve these quickly and cost-effectively.

Additional loss control efforts this quarter included continued work on the workers’ compensation program in preparation of the 2014-2015 insurance renewal on the NCCI-or “National Council on Compensation Insurance” ratings which are required in order to compare or benchmark with your peers and have a sense of the direction in which your program is moving. In this sense, our cumulative rating is estimated to be at a .84 for the entire system, but as of this writing is still being finalized by NCCI. The estimated range of our universities is between .64 and .90. Anything below a “1” is deemed better than your peers, as these ratings are configured based off of the size of institution you belong, your losses for the past three full policy years, and a cap on losses at a certain value, changing over the next few years. Congratulations to PSU for having the .64 estimated rating.

**RENEWAL UPDATE FY’15: JULY 1, 2014-JULY 1, 2015:**
As of this writing the Trust is substantially complete, but not yet finalized noting we will submit to the State once finalized for their review and approval. We are working on confirming definitions regarding the state’s ORS and submission of documents reflecting proposed funding. As such, the current allocation model for 2014-2015 may adjust if needed to comply with SB270 in providing insurance in a similar manner as it was in 2013-2014. Note that this is a moving object in several ways: 1) the State’s definitions regarding trust requirements are somewhat subject to interpretation regarding how the financial surplus is configured and we’re reviewing this now which could result in additional assessments; 2) Having separate legal entities will result in the purchase of insurance that in some instances, educators’ legal liability for example, will become a group purchase (OUS plus three special legal entities), thus driving up costs more than as a self-
insured program for as much as 10-11%; 3) As the renewal deadline nears and we have better indications from the market regarding premiums, we will need to charge for these increases in order to maintain the solvency of the Trust at least for this year and meet ORS surplus requirements.

The good news is that there are places where our team of risk managers at each campus and our internal team have provided the right loss prevention efforts such as in workers’ compensation by working to minimize the cost of claims. In addition, by adding the NCCI rating, our workers’ compensation estimated premium will be lowered from the total workers’ compensation cost from FY’14, or $1,150M as revised through a model completed with SAIF in September of 2013 in preparation for our FY’15 model. Final figures will be noted once our NCCI rating is finalized. Estimates are for a 10% decrease in our standard rate as a whole. Further details and figures will be provided as they are finalized to us.

In addition, FM Global, our property insurer, announced May 7th that they are providing a dividend again for 2014 for qualifying members, or $465M in total. Details will be provided to the Risk Council and we will confirm eligibility requirements, noting that last year we were told a full 12-month policy renewal requirement was in place in order to receive the credit should we decide to move to a 9-month policy. For various reasons beyond the credit, it makes sense for all to continue the 12-month policy while noting this may result in a $180,000 plus credit.

**STAFFING:**
The University Shared Services Enterprise/Risk Management Staffing is going through changes at this time. Currently, we have two FTE’s down from four FTE’s a month ago. That said, we’ve reviewed future needs as respects the trust and have decided to add one person who will assist with data entry and claims transaction processing while also working with certificates of insurance and renewal application information gathering. We have a draft job description in place and have identified some potential employees but will work with the OSU system to staff this properly in as early of a time frame as possible. In the meantime, an organization chart has been sent to the risk managers during the risk council call for May 7th and we are working with our vendors and available resources to continue the workflow.

**STAFF RECOMMENDATION TO THE COMMITTEE:**
The staff requests that the committee accept this report.

*(Committee action required.)*
### EXHIBIT 1

USSE Risk Trust  
July 1, 2012 - March 31, 2014 Financial Activity  
3.31.14 Q3 FY14 Docket

#### Claims Activity

<table>
<thead>
<tr>
<th>Notes</th>
<th>Section 1</th>
<th>Description of Activity</th>
<th>FY'12 &amp; Prior</th>
<th>FY'13</th>
<th>FY'14 YTD</th>
<th>Total for all years</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>Total Expected Losses as of June 30 each year</td>
<td>11,097,711</td>
<td>6,699,000</td>
<td>6,241,000</td>
<td>24,037,711</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>Assessments to Campuses (Annual)</td>
<td>9,725,154</td>
<td>11,899,208</td>
<td>13,356,813</td>
<td>34,981,174</td>
</tr>
<tr>
<td></td>
<td>2a</td>
<td>Less Allocated Premiums</td>
<td>(6,830,708)</td>
<td>(5,957,472)</td>
<td>(12,788,179)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2b</td>
<td>Less Operations (Annual Budget)</td>
<td>(246,105)</td>
<td>(838,183)</td>
<td>(850,000)</td>
<td>(1,934,288)</td>
</tr>
<tr>
<td></td>
<td>Dividends</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>SAIF</td>
<td>1,118,481</td>
<td>886,334</td>
<td>2,004,815</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>UE</td>
<td>925</td>
<td>2,200</td>
<td>3,125</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Interest</td>
<td>71,495</td>
<td>119,423</td>
<td>190,918</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Total Assets to Pay Claims</td>
<td>10,597,530</td>
<td>5,189,070</td>
<td>6,670,965</td>
<td>22,457,565</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>Total Paid Claims Expenses</td>
<td>5,813,797</td>
<td>2,987,098</td>
<td>615,478</td>
<td>9,416,373</td>
</tr>
<tr>
<td></td>
<td>Total Accrued Reserve Liabilities</td>
<td>3,103,689</td>
<td>1,712,253</td>
<td>3,260,933</td>
<td>8,076,875</td>
<td></td>
</tr>
<tr>
<td></td>
<td>IBNR 100% (PWC Report Adjusted to Claim Changes)</td>
<td>1,435,293</td>
<td>1,959,221</td>
<td>2,382,319</td>
<td>5,776,833</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sub-Total: Total Incurred (paid + reserves + IBNR)</td>
<td>10,352,779</td>
<td>6,658,572</td>
<td>6,258,730</td>
<td>23,270,081</td>
<td></td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>Total Assets - Total Incurred</td>
<td>244,751</td>
<td>(1,469,502)</td>
<td>412,235</td>
<td>(812,517)</td>
</tr>
<tr>
<td></td>
<td>5a</td>
<td>Total Assets as % of Total Incurred</td>
<td>1.023</td>
<td>0.717</td>
<td>1.062</td>
<td>0.964</td>
</tr>
<tr>
<td></td>
<td>6</td>
<td>Loss Ratio (Total Incurred/Expected Losses above)</td>
<td>0.80</td>
<td>0.70</td>
<td>0.62</td>
<td>0.73</td>
</tr>
</tbody>
</table>

(\(<1\) means the losses were less than expected and favorable for the program)

#### Total reserves (both accrued and unallocated)

<table>
<thead>
<tr>
<th>Notes</th>
<th>Section 1</th>
<th>Description of Activity</th>
<th>FY'12 &amp; Prior</th>
<th>FY'13</th>
<th>FY'14 YTD</th>
<th>Total for all years</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>7</td>
<td>Total Reserve Funds to Pay Claims</td>
<td>4,538,982</td>
<td>3,671,474</td>
<td>5,643,252</td>
<td>13,853,708</td>
</tr>
</tbody>
</table>

**Notes**

- **Section 1** Note 1: FY’14 is based on the 12.18.2014 PWC actuarial study; FY’13 AON study
- **Note 2**: The FY’12 & Prior figure was derived from the DAS carve-out, the FY’13 figure was equal to DAS assessment for 1 year
- **Note 2a**: Equals expected losses minus premiums (including $827K for 1 extra quarter for property premiums)
- **Note 2b**: This reflects FY’12 start-up ($275,793) and FY’13 ($737,000) operations figures
- **Note 3**: The Risk Management Information Systems database is the official record for actual claims count reflected in this section
- **Note 4**: This total reflects flat assessments in the first year, takeover and start-up costs
- **Note 5**: This reflects assets available to pay claims that are incurred but not reported or “IBNR”
- **Note 5a**: The ORS requires 25% surplus funds for a Trust, but is vague on specifics. We are working with accountants to finalize for FY15
- **Note 6**: Loss Ratio = the total incurred divided by expected losses. The lower the % the fewer claims and better the program
- **Note 7**: This reflects the total assessments less expenses for premiums, operations an claims, remaining to pay for outstanding claims
EXHIBIT 2

**OUS Claims Report**
**Prior Policy Years - Pre-July 1, 2012**

**Valuation Date: 3/31/2014**

**Total P&C Incurred**

**P&C Claims Frequency by Claim Type**

- AL: 30
- ELL: 10
- GL: 28
- Other: 6
- PD: 21
- C: 26
- O: 69

**P&C by Campus**

<table>
<thead>
<tr>
<th>Campus</th>
<th>Frequency</th>
<th>Total Reserves</th>
<th>Total Paid</th>
<th>Total Incurred</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eastern Oregon University</td>
<td>6</td>
<td>318,745</td>
<td>1,112,950</td>
<td>1,431,735</td>
</tr>
<tr>
<td>Oregon Institute of Technology</td>
<td>2</td>
<td>43,045</td>
<td>43,045</td>
<td></td>
</tr>
<tr>
<td>Oregon State University</td>
<td>32</td>
<td>702,105</td>
<td>628,176</td>
<td>1,064,371</td>
</tr>
<tr>
<td>Portland State University</td>
<td>35</td>
<td>287,705</td>
<td>625,612</td>
<td>913,406</td>
</tr>
<tr>
<td>Southern Oregon University</td>
<td>6</td>
<td>109,389</td>
<td>399,504</td>
<td>508,893</td>
</tr>
<tr>
<td>University of Oregon</td>
<td>10</td>
<td>20,000</td>
<td>731,289</td>
<td>751,289</td>
</tr>
<tr>
<td>Western Oregon University</td>
<td>4</td>
<td>15,000</td>
<td>180,183</td>
<td>195,183</td>
</tr>
<tr>
<td>Oregon University System P&amp;C Total</td>
<td>95</td>
<td>1,453,123</td>
<td>3,455,599</td>
<td>4,908,722</td>
</tr>
<tr>
<td>Oregon University System WC Total*</td>
<td>180</td>
<td>1,550,566</td>
<td>2,381,203</td>
<td>4,031,769</td>
</tr>
<tr>
<td>Oregon University System Total</td>
<td>275</td>
<td>3,103,689</td>
<td>5,836,802</td>
<td>8,949,491</td>
</tr>
</tbody>
</table>

*Note: Workers' Compensation values are from Workers' Compensation Report*

**OUS Total Incurred Versus Expected Incurred Claim Costs**

- Casualty Total Incurred: 4,604,946
- Casualty Expected Incurred: 4,097,509
- Property Total Incurred: 103,776
- Property Expected Incurred: 1,456,613
- WC Total Incurred: 4,031,709
- WC Expected Incurred: 5,541,389
- OUS Total Incurred: 8,940,491
- OUS Expected Incurred: 11,097,711

**Total paid values include payments made by universities.**
EXHIBIT 3

**OUS Claims Report**
*Policy Year 2012-2013*

Valuation Date: 3/31/2014

### Total P&C Incurred

- **Reserves**
- **Paid**

### P&C Claims Frequency by Claim Type

- AL
- ELL
- GL
- Other
- FD

- **P&C Claims Frequency**

### P&C by Campus

<table>
<thead>
<tr>
<th>Campus</th>
<th>Frequency</th>
<th>Total Reserves</th>
<th>Total Paid</th>
<th>Total Incurred</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eastern Oregon University</td>
<td>5</td>
<td>0</td>
<td>19,551</td>
<td>19,551</td>
</tr>
<tr>
<td>Oregon Institute of Technology</td>
<td>10</td>
<td>55,347</td>
<td>27,500</td>
<td>82,847</td>
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<tr>
<td>Oregon State University</td>
<td>76</td>
<td>439,340</td>
<td>224,778</td>
<td>664,118</td>
</tr>
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<td>Portland State University</td>
<td>35</td>
<td>472,544</td>
<td>886,169</td>
<td>1,358,713</td>
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<tr>
<td>Southern Oregon University</td>
<td>21</td>
<td>31,802</td>
<td>81,414</td>
<td>113,216</td>
</tr>
<tr>
<td>University of Oregon</td>
<td>30</td>
<td>107,376</td>
<td>278,513</td>
<td>385,888</td>
</tr>
<tr>
<td>Western Oregon University</td>
<td>5</td>
<td>1,085</td>
<td>8,103</td>
<td>9,188</td>
</tr>
<tr>
<td>Oregon University System P&amp;C Total</td>
<td>182</td>
<td>1,107,494</td>
<td>1,526,128</td>
<td>2,633,622</td>
</tr>
</tbody>
</table>

| Oregon University System WC Total | 418 | 604,759 | 1,599,031 | 2,203,790 |

| Oregon University System Total  | 600 | 1,712,253 | 3,125,159 | 4,837,413 |

*Note: Workers' Compensation values are from Workers' Compensation Report*

### OUS Total Incurred Versus Expected Claim Costs

- Casualty Total Incurred
- Casualty Expected Incurred
- Property Total Incurred
- Property Expected Incurred
- WC Total Incurred
- WC Expected Incurred
- OUS Total Incurred
- OUS Expected Incurred

**Total paid values include payments made by universities.**
EXHIBIT 4

**OUS Claims Report**  
Policy Year 2013-2014  
Valuation Date: 3/31/2014

**Total P&C Incurred**

- Reserves:  
- Paid:

<table>
<thead>
<tr>
<th>P&amp;C by Campus</th>
<th>Frequency</th>
<th>Total Reserves</th>
<th>Total Paid</th>
<th>Total Incurred</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chancellor's Office</td>
<td>2</td>
<td>13,500</td>
<td>0</td>
<td>13,500</td>
</tr>
<tr>
<td>Eastern Oregon University</td>
<td>3</td>
<td>0</td>
<td>8,842</td>
<td>8,842</td>
</tr>
<tr>
<td>Oregon Institute of Technology</td>
<td>4</td>
<td>0</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Oregon State University</td>
<td>37</td>
<td>1,635,837</td>
<td>50,059</td>
<td>1,685,896</td>
</tr>
<tr>
<td>Portland State University</td>
<td>21</td>
<td>112,285</td>
<td>67,467</td>
<td>179,752</td>
</tr>
<tr>
<td>Southern Oregon University</td>
<td>2</td>
<td>400,000</td>
<td>0</td>
<td>400,000</td>
</tr>
<tr>
<td>University of Oregon</td>
<td>25</td>
<td>590,269</td>
<td>51,712</td>
<td>642,000</td>
</tr>
<tr>
<td>Western Oregon University</td>
<td>4</td>
<td>20,000</td>
<td>764</td>
<td>20,764</td>
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<tr>
<td>Oregon University System P&amp;C Total</td>
<td>98</td>
<td>2,771,910</td>
<td>178,852</td>
<td>2,950,763</td>
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<tr>
<td>Oregon University System WC Total*</td>
<td>292</td>
<td>486,023</td>
<td>470,500</td>
<td>956,523</td>
</tr>
</tbody>
</table>

| Oregon University System Total     | 390       | 3,266,933      | 649,352    | 3,910,286      |

*Note: Workers’ Compensation values are from Workers’ Compensation Report

**OUS Total Incurred Versus Expected Claim Costs**

- Casualty Total Incurred  
- Casualty Expected Incurred  
- Property Total Incurred  
- Property Expected Incurred  
- WC Total Incurred  
- WC Expected Incurred  
- OUS Total Incurred  
- OUS Expected Incurred

**Total paid values include payments made by universities.**
EXHIBIT 5

### OUS Workers’ Compensation Report

#### Workers’ Compensation: Policy Year 2013-2014
Valuation Date: 3/31/2014

<table>
<thead>
<tr>
<th>WC by Campus</th>
<th>Frequency</th>
<th>Total Reserves</th>
<th>Total Paid</th>
<th>Total Incurred</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eastern Oregon University</td>
<td>10</td>
<td>86,615</td>
<td>21,502</td>
<td>106,117</td>
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<tr>
<td>Oregon Institute of Technology</td>
<td>8</td>
<td>-</td>
<td>1,526</td>
<td>1,526</td>
</tr>
<tr>
<td>Oregon State University</td>
<td>117</td>
<td>109,213</td>
<td>137,903</td>
<td>247,116</td>
</tr>
<tr>
<td>Portland State University</td>
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<td>29,383</td>
<td>43,922</td>
<td>73,305</td>
</tr>
<tr>
<td>Southern Oregon University</td>
<td>10</td>
<td>85,847</td>
<td>72,933</td>
<td>156,179</td>
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<tr>
<td>University of Oregon</td>
<td>103</td>
<td>164,082</td>
<td>160,900</td>
<td>324,982</td>
</tr>
<tr>
<td>Western Oregon University</td>
<td>14</td>
<td>14,883</td>
<td>31,814</td>
<td>46,297</td>
</tr>
<tr>
<td>Oregon University System WC Total</td>
<td>292</td>
<td>489,023</td>
<td>470,500</td>
<td>956,523</td>
</tr>
</tbody>
</table>

#### Workers’ Compensation: Policy Year 2012-2013
Valuation Date: 3/31/2014

<table>
<thead>
<tr>
<th>WC by Campus</th>
<th>Frequency</th>
<th>Total Reserves</th>
<th>Total Paid</th>
<th>Total Incurred</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eastern Oregon University</td>
<td>14</td>
<td>-</td>
<td>38,672</td>
<td>38,672</td>
</tr>
<tr>
<td>Oregon Institute of Technology</td>
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<td>1,780</td>
<td>18,591</td>
<td>20,370</td>
</tr>
<tr>
<td>Oregon State University</td>
<td>158</td>
<td>364,600</td>
<td>635,166</td>
<td>996,766</td>
</tr>
<tr>
<td>Portland State University</td>
<td>58</td>
<td>97,886</td>
<td>263,347</td>
<td>361,234</td>
</tr>
<tr>
<td>Southern Oregon University</td>
<td>14</td>
<td>17,522</td>
<td>23,932</td>
<td>41,455</td>
</tr>
<tr>
<td>University of Oregon</td>
<td>144</td>
<td>103,586</td>
<td>564,503</td>
<td>668,389</td>
</tr>
<tr>
<td>Western Oregon University</td>
<td>20</td>
<td>19,085</td>
<td>54,620</td>
<td>73,904</td>
</tr>
<tr>
<td>Oregon University System WC Total</td>
<td>418</td>
<td>604,759</td>
<td>1,599,031</td>
<td>2,203,709</td>
</tr>
</tbody>
</table>

#### Workers’ Compensation: Prior Policy Years - Pre-July 1, 2012
Valuation Date: 3/31/2014

<table>
<thead>
<tr>
<th>WC by Campus</th>
<th>Frequency</th>
<th>Total Reserves</th>
<th>Total Paid</th>
<th>Total Incurred</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eastern Oregon University</td>
<td>6</td>
<td>160,958</td>
<td>91,128</td>
<td>252,086</td>
</tr>
<tr>
<td>Oregon Institute of Technology</td>
<td>6</td>
<td>56,535</td>
<td>8,927</td>
<td>65,461</td>
</tr>
<tr>
<td>Oregon State University</td>
<td>61</td>
<td>861,875</td>
<td>815,181</td>
<td>1,677,056</td>
</tr>
<tr>
<td>Portland State University</td>
<td>18</td>
<td>138,413</td>
<td>166,893</td>
<td>303,306</td>
</tr>
<tr>
<td>Southern Oregon University</td>
<td>14</td>
<td>135,199</td>
<td>146,926</td>
<td>282,125</td>
</tr>
<tr>
<td>University of Oregon</td>
<td>58</td>
<td>243,359</td>
<td>1,090,798</td>
<td>1,334,157</td>
</tr>
<tr>
<td>Western Oregon University</td>
<td>17</td>
<td>56,228</td>
<td>61,346</td>
<td>117,576</td>
</tr>
<tr>
<td>Oregon University System WC Total</td>
<td>180</td>
<td>1,660,566</td>
<td>2,381,203</td>
<td>4,031,769</td>
</tr>
</tbody>
</table>

*All payment values in this report reflect the Loss Control Factor (LCF) for each year charged by SAIF to OUS.
2013-2014 LCF: 1.2
2012-2013 LCF: 1.2
Pre-July 1, 2012: varies by year*
OUS Quarterly Investment Report

Report on Investments – As of March 31, 2014

The investment report for the third quarter FY2014 is presented below.

MARKET BACKGROUND:
(Provided by Callan Associates, Oregon Investment Council consultant)

ECONOMIC AND MARKET ENVIRONMENT:
March 6th 2014 marked the 5-year anniversary of the S&P 500’s intraday nadir of 666.79. Since the depth of the great financial crisis, U.S. equity investors have been treated to a robust recovery driving the S&P 500 index to 1,872 at quarter-end. Developed and emerging foreign equities, as measured by the MSCI EAFE and Emerging Markets indices, have also recovered strongly yet remain well below record highs set in 2007.

1Q2014 presented a number of events, both financial and geopolitical, that dominated the news. The Federal Reserve continued to execute its reduction of monthly bond purchases from the $85 billion level in place through much of 2013 to $55 billion, effective in April 2014. The taper process was initiated just before Ben Bernanke’s 12-year term as Fed Chair ended and has been continued as Janet Yellen assumed the Chair on February 3rd. Yellen has indicated that the process is likely to continue although subject to change based on prevailing economic conditions. Yellen spurred a sharp rally on the quarter’s final day by stating that “the economy is still considerably short of the two goals assigned to the Federal Reserve” which are low stable inflation and maximum sustainable employment. With inflation firmly below the Fed’s 2% target and unemployment stubbornly above 6.5%, it is unlikely that the Fed’s zero interest rate policy will end even once the QE bond purchases are terminated.

U.S. GDP slowed somewhat in 4Q13 to a 2.6% annualized growth rate after 3Q13’s robust 4.1% rate. Economists attributed the slowdown in large part to the “polar vortex” severe weather conditions across much of the country, a situation that appears to have kept 1Q GDP growth muted as well. Looking forward, the Fed has trimmed the high end of its GDP growth forecasts slightly with 2016 now estimated at a high of 3.0% versus a high forecast of 3.3% back in September. Baseline and low end forecasts have stayed stable. Outside the U.S., Europe has emerged from its recession and 4Q13 GDP came in at +0.5% led by strength in Germany and France. However, much of southern Europe remains in economic contraction as 4Q13 GDP in Italy, Spain, and Greece all declined.

Employment gains have been made in the U.S.; yet the unemployment rate remains elevated at 6.7% and the long-term unemployed are of particular concern as skills atrophy and earnings power dwindles with time. Overseas employment trends are decidedly worse; for example, Europe has an unemployment rate of 12% with Spain and Greece at startlingly high levels in excess of 25%.
1Q2014 MARKET PERFORMANCE:
U.S. equities achieved muted gains in the 1st quarter with returns for most indices in the low single digits. The environment was bleak in late January as several emerging countries appeared on the edge of a currency crisis and U.S. equities fell by more than 5% in the space of two weeks. Sentiment turned positive in February as stocks recovered and then remained range bound through most of March before a sharp Fed-driven rally on the final day of the quarter kept returns in positive territory. The S&P pushed forward into record territory as the 2nd quarter commenced.

Developed foreign equities fell short of the performance of their U.S. counterparts yet clung to fractionally positive returns. Regionally, Europe was strong as the PIIGS countries enjoyed equity rallies. Results around the Pacific Rim were generally strong as well with the major exception of Japan, which fell more than 5% in U.S. dollar terms and more than 7% in local currency terms. Emerging market equities continued their recent weaknesses and posted fractional losses for the quarter.

Over the course of the quarter, the yield on the 10-year U.S. Treasury Note dropped 31 bps, from a 29-month high of 3.04% at year-end to 2.73% as of March 31st. However, the bigger story was in the flattening of the yield curve. Yields on 30-year U.S. Treasury Bonds fell 40 bps while the 2-year U.S. Treasury Note yield climbed 6 bps. The short end of the curve sold off sharply in March in response to Fed comments suggesting that rates might be hiked sooner than expected.

For the full quarter, longer maturity bonds sharply outperformed short and intermediate maturities due both to falling interest rates and the reshaping of the yield curve. The Barclays Long Treasury index returned 7.1% for the quarter while the Intermediate Treasury index posted a 0.7% return. The Barclays TIPS index returned 1.95% for the quarter, in line with similar duration nominal Treasuries.

CLOSING THOUGHTS:
2014 has commenced with notably improving economic conditions, equity market records, and a currently benign inflationary environment. As such, Callan continues to recommend prudent asset allocation and risk assessment based on future capital needs for both plan sponsors and individual investors.

With an improved economic landscape, Callan sees mildly improving return expectations over the next decade; albeit with elevated volatility across asset classes. As always, adherence to well-developed and sound investment policies remains the most prudent long-term course for investors.
HIED ENDOWMENT FUND:
(Prepared by Oregon State Treasury)
The HIED Endowment Fund returned 1.8 percent for the quarter and 13.9 percent for the year ended March 31, 2014, with a balance of $77.1 million. This one-year performance was approximately 140 basis points above the policy benchmark return of 12.5 percent.

Both the domestic and non-US public equity managers continued their strong performance, returning 21.1 percent and 22.6 percent, respectively, over the most recent 12 month period. On a relative basis, the HIED international managers exceeded the passive MSCI ACWI ex-US benchmark by over 10 percent for the past 12 months. Both Arrowstreet Capital and Genesis Asset continue to exceed their benchmarks by wide margins over the past 12 months, and over longer time periods. On the domestic equity side, Columbia Acorn continued to struggle versus the more “growthy” Russell 2500 Index. However, on an absolute basis, Columbia Acorn returned nearly 19 percent over the past 12 months, and over 23 percent for the trailing five years.

The fixed income mandate managed by Western Asset had a solid quarter, delivering 2.8 percent versus a 1.8 percent return on the Barclays Aggregate Bond Index. The Blackrock TIPS fund was up 1.9 percent for the quarter.

For the five-years ended March 31, the fund returned an average of 16.5 percent annually, 140 basis points above the policy benchmark.

OUS POOLED ENDOWMENT FUND DISTRIBUTIONS AND TRANSACTION ACTIVITY:
(Prepared by OUS Staff)
A capital distribution of $200,000 was received from Capital Dynamics on OUS’s investment in HRJ Growth Capital.

SB 270 requires the State Treasurer return the endowment monies to the independent universities on 7/1/14. Portland State University has elected to receive their portion of the endowment pool, approximately $2,600,000 on 7/1/14. The State Treasurer has indicated assets will be sold to fund a cash transfer to PSU’s custodian. The University of Oregon has requested receipt of their portion of the pool on 10/1/14. The approximate value of $30,900,000 will be transferred in cash and shares to UO’s custodian. Oregon State University has opted to remain invested in the pool until their Board decides upon an investment manager for their portion of the pool; approximately $35,900,000.

A distribution is a payment of proceeds resulting from capital gains realized from the sale of securities, dividends earned on securities held and/or a return of capital investment.
Performance of the OUS Fund:
(Prepared by OUS Staff)
The OUS Fund showed a positive total return for the quarter of 0.4%. Both the intermediate term pool and individually held longer-term investments either matched or outperformed their benchmarks.

In addition to total return, we monitor the accounting return which is used to distribute investment income to the campuses. During the quarter we distributed investment earnings to the campuses totaling $2,718,000.

Comparison with old treasury structure:
Actual investment earnings distributed for the quarter $2,718,000  1.20% annualized
Est. interest earnings using the old treasury structure $1,224,000  .54% annualized

It is anticipated the majority of cash and investment balances held in the OUS Fund on 6/30/14 will transfer to the new Public University Fund on 7/1/14, as granted under HB4018. At least six of the seven universities have indicated interest in participating in the new pooled fund. The independent universities have the option to invest only a portion of their total cash balances and we anticipate some are likely to elect this option. Cash and or securities will be transferred to the independent university requesting a distribution, based upon reconciled and audited June 30, 2014 ending balances.

Staff Recommendation to the Committee:
Staff recommends that the Committee accept the investment report for the third quarter of FY2014.

(Committee action required.)
# Investment Summary

as of March 31, 2014

(Net of Fees)

<table>
<thead>
<tr>
<th></th>
<th>Quarter Ended 3-31-14</th>
<th>Prior Fiscal YTD</th>
<th>Current Fiscal YTD</th>
<th>3 Yr Avg</th>
<th>5 Yr Avg</th>
<th>10 Yr Avg</th>
<th>Market Value</th>
<th>Actual Asset Allocation</th>
<th>Policy Allocation Range</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OUS Fund</strong></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oregon Short Term Fund</td>
<td>0.1%</td>
<td>0.4%</td>
<td>0.4%</td>
<td>0.5%</td>
<td>0.6%</td>
<td>2.1%</td>
<td>$ 518,718,707</td>
<td>60.5%</td>
<td>Min. $200 mm</td>
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<tr>
<td>Benchmark - 91 day T-Bill</td>
<td>0.0%</td>
<td>0.1%</td>
<td>0.0%</td>
<td>0.1%</td>
<td>0.1%</td>
<td>1.7%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oregon Intermediate Term Pool</td>
<td>0.7%</td>
<td>3.3%</td>
<td>2.0%</td>
<td>3.3%</td>
<td>N/A</td>
<td>N/A</td>
<td>74,964,145</td>
<td>8.8%</td>
<td>Max. $120 mm</td>
</tr>
<tr>
<td>Benchmark - BAML 1-5Yrs US Corp &amp; Govt A &amp; Above</td>
<td>0.5%</td>
<td>1.2%</td>
<td>1.4%</td>
<td>1.9%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments in Campuses</td>
<td>0.6%</td>
<td>1.7%</td>
<td>2.3%</td>
<td></td>
<td></td>
<td></td>
<td>75,853,332</td>
<td>8.9%</td>
<td></td>
</tr>
<tr>
<td>Individually Held LT Investments</td>
<td>1.2%</td>
<td>3.2%</td>
<td>2.2%</td>
<td>4.2%</td>
<td>N/A</td>
<td>N/A</td>
<td>186,690,168</td>
<td>21.8%</td>
<td>Max. $300 mm</td>
</tr>
<tr>
<td>Benchmark - BAML 5-7Yrs US Corp &amp; Govt AA &amp; Above</td>
<td>1.2%</td>
<td>1.4%</td>
<td>0.8%</td>
<td>3.8%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total OUS Fund</td>
<td>0.4%</td>
<td>1.6%</td>
<td>1.1%</td>
<td></td>
<td></td>
<td></td>
<td>$ 856,226,352</td>
<td>100.0%</td>
<td></td>
</tr>
</tbody>
</table>

| **Total Pooled Endowment Funds** | | | | | | | | |
|----------------------------------|-----------------------|------------------|--------------------|----------|----------|----------|--------------|------------------------|-------------------------|
| OUS Total Endowment             | 1.8%                  | 11.7%            | 14.3%              | 9.6%     | 16.5%    | 6.2%     |              |                        |                         |
| Target Alloc Policy Benchmark   | 2.6%                  | 10.7%            | 12.3%              | 8.8%     | 15.1%    | 6.6%     |              |                        |                         |
| Growth                          |                       |                  |                    |          |          |          |              |                        |                         |
| BlackRock S&P 500 Index         | 1.8%                  | 17.2%            | 18.4%              | 14.7%    | 21.3%    | N/A      | $ 14,548,798 | 18.7%                  |                         |
| Benchmark - S&P 500 Stock Index | 1.8%                  | 17.2%            | 18.4%              | 14.7%    | 21.2%    |          |              |                        |                         |
| Columbia Acorn                  | 0.0%                  | 18.6%            | 18.1%              | 11.6%    | 23.2%    | N/A      | 4,955,695   | 6.4%                   |                         |
| Benchmark - Russell 2500 Index  | 2.3%                  | 22.8%            | 21.3%              | 14.0%    | 25.3%    |          |              |                        |                         |
| Arrowstreet Capital             | 1.6%                  | 24.9%            | 26.5%              | 12.0%    | 23.2%    | N/A      | 15,752,581  | 20.3%                  |                         |
| Benchmark - MSCI World Ex US IMI Net | 1.1%             | 19.4%            | 19.2%              | 6.4%     | 16.5%    |          |              |                        |                         |
| Genesis Asset Management        | 0.3%                  | 15.1%            | 8.4%               | 1.1%     | 20.5%    | N/A      | 3,578,139   | 4.6%                   |                         |
| Benchmark - MSCI Emerging Markets IMI Net | 0.1% | 12.7% | 7.4% | -2.7% | 15.1% |          |              |                        |                         |
| BlackRock ACWI IMI B            | 1.4%                  | 18.0%            | 18.0%              | 9.1%     | N/A      | N/A      | 4,289,050   | 5.5%                   |                         |
| Benchmark - MSCI ACWI IMI Net   | 1.3%                  | 17.6%            | 17.7%              | 8.7%     |          |          |              |                        |                         |
| HRI Growth Capital II           | -0.1%                 | -1.3%            | 8.6%               | 2        |          |          | 3,385,914   | 4.4%                   |                         |
| Benchmark - Russell 3000-300 bps Qtr Lag | 10.8%     | 5.5%             | 22.9%              |          |          |          |              |                        |                         |
| JP Morgan Venture Capital IV    | 19.6%                 | 1.4%             | 26.6%              | 2        |          |          | 3,782,272   | 4.9%                   |                         |
| Benchmark - Russell 3000-300 bps Qtr Lag | 10.9%     | 5.5%             | 22.9%              |          |          |          |              |                        |                         |
| Total Growth                    |                       |                  |                    |          |          |          | 50,287,449  | 64.8%                  | 50%-75%                 |
# Investment Summary

**as of March 31, 2014**

(Net of Fees)

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Diversifiers</strong></td>
<td></td>
<td></td>
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<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Western Asset Core Plus Bond Fund</td>
<td>2.8%</td>
<td>4.3%</td>
<td>3.9%</td>
<td>5.1%</td>
<td>10.8%</td>
<td>5.8%</td>
<td>15,918,126</td>
<td>20.5%</td>
<td></td>
</tr>
<tr>
<td>Benchmark - BC Aggregate Index</td>
<td>1.8%</td>
<td>1.7%</td>
<td>2.3%</td>
<td>3.8%</td>
<td>4.8%</td>
<td>4.5%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>0.1%</td>
<td>0.4%</td>
<td>0.4%</td>
<td>0.5%</td>
<td>0.6%</td>
<td>2.1%</td>
<td>1,332,799</td>
<td>1.7%</td>
<td></td>
</tr>
<tr>
<td>Benchmark - 91 day T-Bill</td>
<td>0.0%</td>
<td>0.1%</td>
<td>0.0%</td>
<td>0.1%</td>
<td>1.7%</td>
<td></td>
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</tr>
<tr>
<td>Total Diversifiers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>17,250,925</td>
<td>22.2%</td>
<td>20%-30%</td>
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<td><strong>Inflation Hedge</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Capital Dynamics GRE III</td>
<td>-0.4%</td>
<td>4.9%</td>
<td>6.3%</td>
<td></td>
<td></td>
<td></td>
<td>2,017,051</td>
<td>3</td>
<td>2.6%</td>
</tr>
<tr>
<td>Benchmark - Russell 3000+300 bps Qtr Lag</td>
<td>10.9%</td>
<td>5.5%</td>
<td>22.9%</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Morgan Stanley Prime Property Fund</td>
<td>2.6%</td>
<td>N/A</td>
<td>10.2%</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>3,671,506</td>
<td>4.7%</td>
<td></td>
</tr>
<tr>
<td>Benchmark - NCREIF Property Index Qtr Lag</td>
<td>2.5%</td>
<td>8.2%</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>BlackRock TIPS NL B</td>
<td>1.9%</td>
<td>2.4%</td>
<td>0.6%</td>
<td>3.4%</td>
<td>N/A</td>
<td>N/A</td>
<td>4,449,883</td>
<td>5.7%</td>
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<tr>
<td>Benchmark - BC TIP Index Total Return</td>
<td>2.0%</td>
<td>2.3%</td>
<td>0.6%</td>
<td>3.3%</td>
<td>N/A</td>
<td>N/A</td>
<td>10,138,440</td>
<td>13.0%</td>
<td>7%-20%</td>
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<tr>
<td>Total Inflation Hedge</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>77,668,814</td>
<td>100.0%</td>
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<tr>
<td><strong>Total Pooled Endowment Fund</strong></td>
<td></td>
<td></td>
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<tr>
<td><strong>Separately Invested Endowment Funds</strong></td>
<td></td>
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<tr>
<td>Forest Land</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2,138,712</td>
<td>5</td>
<td></td>
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<tr>
<td>Other Separately Invested Endowments</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>59,284</td>
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<td></td>
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<tr>
<td>Total Endowment Funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>79,884,810</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. **Notes on Policy Benchmark:**
   - From January 2000 through July 2006 the policy benchmark was 5% 91 Day TBill, 10.5% MSCI EAFE, 59.5% Russell 3000, and 25% BC AGG.
   - From August 2006 to April 2008 the policy benchmark was 42% Russell 3000, 28% MSCI World Ex US, and 30% BC AGG.
   - From May 2008 to current the policy benchmark is 30% Russell 3000, 30% MSCI ACWI Ex US Net, 10% Russell 3000 +300 bps, and 30% BC AGG.

2. Estimated total return as calculated by OUS staff as: [(ending balance + sales - costs - contributions/beginning balance)-1].


5. Physical appraisals completed every five years, with last physical appraisals completed in fy 2009 and 2012 for the two separate forest lands. Valuations in interim years provided by faculty. Land held as separately invested endowments may not be sold. Land use is restricted to teaching and research. Partial harvests, consistent with good forestry management practices, are allowed, with specified uses for ongoing funding for scholarships and an endowed chair.

**Note:** Outlined returns underperformed their benchmark.
EOU Sustainability Plan Update

The DRAFT of the
UPDATE AND CONTINUATION
OF
The Financial Sustainability Plan
Positioning Eastern Oregon University
for
Mission Fulfillment

Presented by:
Robert O. Davies, President
Stephen R. Adkison, Provost
Jay Kenton, Interim President
and
Sarah Witte, Interim Provost

April 30, 2014
EOU 2014 Sustainability Plan Update (DRAFT)

I. Introduction and Executive Summary

This is the third update to the Sustainability Plan for Eastern Oregon University. Over the last five years, our University Community has gone through considerable change and reflection as we, as a community, have dealt with what I initially referred to in my 2010 State of University address as the “Confluence of the Three Rivers of Change.” These changes include: significantly declining state and federal revenues; increased calls of accountability at all levels; and, changes in the competition of universities through advances in technology and other means. This year, we can add a fourth river that represents the shifting demographics served by regional universities and especially by Eastern as well the role of governance structures within our State. All of these factors have, and will continue, to exert immense pressures—fiscally and operationally—on our university.

This past year, while we charted a viable and valid fiscal plan for our University, we experienced—and continue to experience—an unprecedented decline in student enrollment. This year, as previously reported in my memorandums to the university we are seeing a decline of nearly 11 percent in student credit hours. [To view these communications, go to: November 14, 2013 at http://www.eou.edu/president/files/2013/12/Sustainability-Plan-memo_11-14-131.pdf; February 21 at http://www.eou.edu/president/files/2014/03/Enrollment-update_2-21-14.pdf; and March 21 at http://www.eou.edu/president/files/2014/04/Enrollment-update_3-21-14.pdf] And while I would hope to say that this is a one-year phenomenon, I do believe that it is prudent to expect that this trend will continue for at least one more year. This projection is based on 1) the number of applications to EOU for next fall; 2) the number of deposits made by potential new students; 3) the projected freshman retention rates; 4) the size of our 2014 graduating class; 5) the trends of returning students over the past two years; and 6) the ending Spring Term enrollment counts. All of these factors lead to an initial projection of at least an additional 10 percent decrease in student credit hours for the forthcoming academic year. This means that we will be retreating to our historical average of attendance prior to the student enrollment boom that started in 2009. With that said, we are projecting a leveling off of enrollment after next academic year (not a significant increase in students, but not declining either.) This projection is based on the fact that our large freshman and transfer classes that we had from 2009-2012 will have worked their way through to graduation. As a result, while we won’t have historic high numbers of graduates—as we have had the last three years—and our freshman and transfer class have been more in similar sizes, we will not be dealing with the significant swings in our student populations. As such, we must reset our university staffing and faculty to match these levels of enrollment.

As we are a tuition-dependent university, these sharp decreases—especially over a two year time period—have a dramatic impact on our fiscal conditions. As I have stated in my updates to the University in the Fall and Winter terms regarding enrollment, we will need to make significant reductions in our costs structures to account for these declines in revenues. Additionally, a significant proportion of our costs, as a percentage of revenues, are personnel expenditures. Therefore, in order to address our fiscal issues and constraints, we must focus many of our reductions in our staffing levels as well as developing strategies on how we utilize the time of our faculty and staff.
For this upcoming year, in part due to the accounting adjustment we were forced to take last fiscal year and thus lowering our starting fund balance, but also due to our declines in enrollment, we will end the year with a negative Education and General (E&G) fund balance of 1.6% of operating revenues. This does not mean we are insolvent as we do have a positive cash balance; however, it does mean we have a long way to go to reach a level of fiscal stability currently defined by the OUS Board as +5% to +15% E&G fund balance. As we have discussed as well, it is more prudent to look at multiple measures of fiscal condition with a primary one being the difference between total revenues and total expenditures—or net revenues. As we have modeled this plan, it is of primary importance to have positive net revenues at a level that will: A) return EOU to a positive fund balance approaching 5 percent within 3 years; B) provide a financial cushion that will absorb changes in revenues streams or unexpected costs increases; and C) provide funds that can be used for strategic reinvestments in programs that will add value to EOU.

Given our current and projected student enrollments, including investments from the state, and our current expenditure rates, we have concluded that over the next two years, we must develop a recurring cost reduction plan of nearly $4 million. At this level of reductions, we will have a financial foundation that will achieve these three objectives.

There are several assumptions in this plan that are based on conservative revenue projections. For example, this plan does not rely on any additional state funding and, as mentioned above, a reduced student population (and corresponding student credit hours). Both of these assumptions limit the revenues of our University. While I am hopeful, and somewhat confident, that increased state funding will occur—both on a per student basis as well as in total—I believe it would not be responsible to build these increases into the plan as this is an unknown variable over which we have little to no control. Similarly, we have utilized a very conservative approach to forecasting our enrollments and headcounts in the plan.

This plan addresses the next three years, with reductions occurring in the first and second year, (2014-15 and 2015-16), so as to position the university to plan for investment in mission critical areas by the third year, for implementation in the fourth, or 2017-18. The following chart indicates assumptions, forecasts and ending fund balance for each of those years.

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Projected Enrollment Increase/Decrease</td>
<td>-10.40%</td>
<td>-11.10%</td>
<td>0.50%</td>
<td>0.50%</td>
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<td>Projected Revenues</td>
<td>$33,756,000</td>
<td>$33,361,000</td>
<td>$33,389,000</td>
<td>$35,174,000</td>
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<tr>
<td>Projected Expenditures</td>
<td>$34,817,000</td>
<td>$34,104,000</td>
<td>$32,450,000</td>
<td>$33,216,000</td>
</tr>
<tr>
<td>Change in Fund Balance</td>
<td>$(1,061,000)</td>
<td>$(743,000)</td>
<td>$939,000</td>
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<td>-1.60%</td>
<td>-3.80%</td>
<td>-1.00%</td>
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</table>
As we developed these recommendations, we focused our efforts to have the greatest fiscal impact while minimizing, as much as possible, the negative effects of reductions. Building on the progress made with EOU’s 2011 Sustainability Plan and the 2013 Plan Update (NOTE: these plans and associated/subsequent documents may be found at the bottom of the President’s Budget and Planning webpage, [http://www.eou.edu/president/budget/](http://www.eou.edu/president/budget/)), the five primary strategies aimed in EOU’s 2014 sustainability update, focus on the following:

1. Reset of instructional workload release;
2. Elimination of concentrations within degree programs;
3. Academic program reductions and program eliminations;
4. Further reduction of administrative positions;
5. College administrative restructuring;

Each of these strategies and the corresponding recommendations are discussed in this, the first draft of the update to our Sustainability Plan.

As in the past, the leadership of the University analyzed all sectors and staffing levels. It must be noted too that Jay Kenton—in his role as Vice Chancellor and Interim President—has been heavily engaged in the process, as has Interim Provost Sarah Witte, to provide this draft update. Over the past five years, we have grown as a University community in all employment classes—classified, administrative faculty and faculty. And, as predictable and appropriate, the largest growth has been in faculty. At the same time, when we have had to reduce costs in the past, we have first looked at non-instructional activities and staffing levels and reduced there first. Therefore, in initial Sustainability Plan and its update attempted to protect our academic core as best as possible and many of the reductions were seen reductions in administrative areas. As a result, as many duties still must be accomplished, we have combined many functions and placed responsibilities and duties in a few offices. For your review, it maybe helpful to review EOU’s current organizational chart located on the web at [http://www.eou.edu/hr/files/2014/02/Org-Chart-2014.pdf](http://www.eou.edu/hr/files/2014/02/Org-Chart-2014.pdf). As a result of this effort, and the significant decline in students, we are at a tipping point. While we are recommending reductions in non-instructional areas, there are, in fact, not a lot of administrative levers remaining to be pulled. We already have many individuals performing multiple duties and have a very thin bench—to the point that continuation of operations and adequate internal controls are becoming a concern to our internal auditors and other external agencies.

As a consequence of past efforts to protect our academic core, we have reduced our administrative capacity to minimal levels and further reductions will critically inhibit the university’s ability to fulfill its fiduciary responsibilities let alone serve students outside of the classroom. Therefore, many of the recommended reductions deal with our academic capacity and rightsizing our academic resources appropriate for the size of our University. This includes not only the numbers and types of faculty members, but also the program offerings.

In addition to these reductions, with the impending departure of several administrative faculty members, we are analyzing how best to reorganize these positions to more effectively reach our desired results. An example of this is the resignation of the Director of Information Technology and consolidating this unit with Information Services and using the salary savings to expand and hire
much-needed programmers and others who provide direct service to end users—our faculty, staff and students. Other directors are also ingrained in their own restructuring to provide additional savings and creating efficiencies. In addition, I know Interim President Jay Kenton will be thinking about our administrative organizational structures. Based on his assessment, he will be initiating and conducting the appropriate dialogs to further refine and focus these efforts which may lead to additional savings and efficiencies throughout the year.

In determining the recommendations for the reduction or elimination of program offerings, great energy was expended to analyze past, current and future enrollments, graduation rates, support for other programs and connection and service to the community as well as a direct tie to our three core themes and mission.

None of the recommendations made within this document were easy and the implementation of these recommendations will likewise not be easy. However, as stated by the Budget & Planning Committee, and in multiple forums across campus, we have built into this plan reductions that go beyond what may be necessary to simply balance the budget. This will ensure that our plan is conservative in the event that projected savings are not actualized or revenues fall below the levels now being conservatively estimated.

Our goal, in the development of these recommendations, is to provide a clear pathway forward for the University to focus on a distinct set of core programs and activities and to direct our limited resources to what is most desired by our students and the regions we serve. We have grown and expanded into many ventures, and in this time of consolidation, we must focus our energies on those efforts that will provide the greatest value and return to our students and other stakeholders.

We know that the recommendations will not be accepted by all and that a great deal of debate and second-guessing will commence with this release. We hope that each of you will take this opportunity to reflect on these recommendations and provide alternative solutions and ideas. As in the past, we do hope that ideas are generated that will provide new solutions and avenues to pursue. The Provost and I, along with our successors, will be holding multiple forums (with faculty, staff and students), you can always send an email, or call either one of us to discuss your ideas and thoughts. The academy is built on a foundation of asking questions and presenting new ideas in a civil and professional way and it is our desire and hope that that will occur with the release of this, a draft plan and recommendations.

We will accept your suggestions and alternatives up through May 28, 2014. After that time, we will prepare and finalize the update to be released to the University Community the following week.

Bob Davies, President
II. Goals and Guidelines for the DRAFT Plan

As noted in President Davies’ Fall 2013 progress report on our Sustainability Plan Update of last June http://www.eou.edu/president/files/2013/06/Sustainability-Plan-Update-2013-Final.pdf, the three key goals of our instructional and program management were articulated as follows:

1. Programs structured to support student entrance, retention and completion, regardless of location.
2. Programs structured to reflect sustainable faculty staffing levels, both regular and fixed term, relative to benchmarked faculty FTE data from comparable programs.
3. Programs structured to reflect sustainable faculty workload assignment, avoiding reliance on regular and fixed term overload.

As we discussed in the plan update, the key broad strategy areas for our instructional programs focused on 1) Management of low-enrolled courses; 2) Management of instructional load and overload, and 3) Management of instructional release time and service load. We have come to understand that while all three of these broad areas possess distinct dimensions, these dimensions interact constantly in very profound ways; ways which mark the underlying financial health and long-term sustainability of our academic enterprise, and thus of our institution.

To date, our efforts to focus on better managing the first two of these three areas—management of low-enrolled courses and management of instructional load and overload—have kept us solidly on track with the planning accomplished last spring in our Sustainability Plan Update. Over the course of this year, we have implemented a common practice of cancelling low enrolled (defined as under 11 students) that are in-loaded classes unless they are required for graduation or these courses could be run as over-load or taught by an adjunct. Given the combination of all of our efforts to manage load, the revised pay scales for adjuncts, overload and course management of balancing and over-load and inload, we have seen very positive early results that demonstrate we are tracking on the projections set forth in the 2011 Sustainability Plan and the 2013 Update.

Relative to the program-specific recommendations, with respect to both the specific recommendations and to the broader curricular recommendations, we have seen an enormous amount of committed effort devoted to facilitating the necessary discussions by program faculty across all three colleges. However, these collective efforts have been accomplished in the face of continuing fiscal challenges connected to our declining enrollments, both on- and off-campus. In light of our current enrollment trends which are outlined above, perhaps the greatest gains we can yet realize relative to the goals we developed for our Sustainability Plan Update center on our handling of faculty workload release and on the three follow-on operational areas noted at the end of the Broad Instructional Review and Recommendations in our 2013 Update.

As has been previously articulated, over time these practices would further streamline and bring greater efficiencies to our academic enterprise. These operational areas and accompanying practices are bounded by the general principles discussed in the Spring 2013 Update, updated and added to, as follows:
1. **Program completion streamlining & access for students at-a-distance.**
   a. Eliminate hidden prerequisites for all program areas; clearly list prerequisites for program requirements on program checksheets.
   b. Avoid bi-annual/annual/term scheduling conflicts for program requirements both within programs and across closely connected programs.
   c. Maintain close control of the total number of required major and minor credits. Generally speaking, for students graduating with 180 credits, a major should require generally 65-70 credits. (The ability to partake of general electives, particularly at the mid- and upper-divisions lies at the very core of liberal arts institutions.)
   d. Take care that alternate year courses—especially program requirements and even more especially program requirements that are sequenced—maintain student access reflected by the prevailing need in those course areas.
   e. Drop DFL (Deficient Foreign Language) Requirement for transfer students.

2. **Resource-based approach to curricular management and scheduling.**
   a. “Add one/drop one” approach to curricular development.
   b. Minors should be subsets of majors, not separate curricula with differing requirements.
   c. Eliminate all concentrations within a given program area. Concentrations include emphases, groupings, tracks, or any other disciplinary specialization that segments and diffuses student enrollment in lower- and upper-division coursework.
   d. All courses offered in a program area in a given term should be part of that program area’s major/minor.
   e. Adhere to schedule blocks & utilize ENTIRE instructional day, not just “prime-time” in the middle of the day.
   f. Scheduled class meeting times align with the number of credits carried by the course.

3. **Program marketing and communications planning.**
   a. Develop both university-level and program-level communications strategies focused on university and program strengths, aka undergraduate and graduate success.
   b. Highlight the successes of our students and tie those successes to their program-specific experiences.
   c. Develop more specific resources at the college and university levels for faculty support with program area web development and maintenance.
   d. Further extend efforts and dialogue aimed at more robustly and more frequently connecting prospective students with program area faculty.

In concert with continuing and further efforts in these areas, however, our current and projected enrollments suggest the wisdom of not only pressing as far with these efforts as possible--we also need to prepare for further reducing and streamlining our program-level curricula as we seek to better match our program mix with our enrollment levels and student needs.

4. **Determination of Sustainable Scheduling of Disciplinary Curricula**
Disciplines will maintain the number of credits required for graduation, but will no longer offer elective courses beyond the required total for degree completion.

a. Each program will identify the set list of courses from their check-sheet to be scheduled during the following year and any interim period required by sustainability efforts.

b. Service course offerings, defined as courses needed for institutional requirement at EOU (Gen. Ed., DPD, UWR), will be balanced by program needs, and meet both on-campus and online needs.

c. All courses offered will be part of the major, embedded minor, or the stand alone minor, as pre-requisite or required courses, or institutional service courses.

5. Course Offerings by Frequency and Demand for Multiple Sections
Each course will be offered as needed based on program size and number of majors. This could mean that certain classes will be offered every term, others only once a year. It could also mean for smaller programs that selected courses will be offered once every other year.

a. Based on enrollments trends and with particular attention to 2014-15 enrollments, those courses needing to be offered with greater than annual frequency will be identified and determined in the schedule based on enrollment outlook for on-campus and online offering.

b. Multiple sections of course offerings will be opened as needed, with extra sections listed in the schedule as suppressed. Advising staff will be consulted on the optimal time schedules to aid flexibility in students’ planning.

c. Disciplines with service course obligations requiring multiple sections may need to schedule required courses in the degree program in alternating year scheduling in order to maximize instructional and enrollment capacity.

d. Courses that are not part of a major or minor, do not serve another major on campus, or are not EOU graduation requirements should be eliminated from the schedule at this time.

6. Institutional Determinations and Outcomes
Substitutions or waivers to accommodate curricular shifts and/or teach outs may be necessary, and will be requested at the Discipline program level as a first priority.

a. Catalog determination of a minor consisting of 15 lower division and 15 upper division credits may be applied where there is no expectation of Capstone work by the student.

b. Expected outcome of sustainable scheduling of disciplinary curricula and institutional service courses as listed above: Students will select courses from broader disciplinary areas, as they will not have additional courses beyond requirements within a given major or minor.

These goals and the curricular and operational principles that underlie them will help us to ensure not only that we have an appropriate mix of academic programs, but the resources to sustain them over the long-term as well.
With regard to these resources, it remains highly unlikely that we will enjoy the level of State support and tuition revenues that would allow us to maintain our current slate of programs and our current regular instructional staff. Nor can we continue to add more adjunct faculty through maintaining or even increasing our current online adjunct/overload levels without deep damage to the high quality of teaching and learning that our students currently enjoy.

The answer, then, must lie in reviewing our current academic program mix to ensure that what we are offering matches regional and student needs and does so in ways that reflect long-term sustainability relative to the resources we have available to support those programs and to maintain the instructional integrity and quality that are our hallmarks at EOU. We cannot continue to be all things to all people and must seek to focus on doing what we need to do and doing it well.

We need to take a hard look at the totality of the courses we offer and how each one of those course offerings relates to program requirements, program electives, and university and general education requirements. The course inventory data and tool at http://www.eou.edu/provost/eou-course-inventory-data-as-of-april-2014 demonstrates our initial effort at this very granular undertaking. Slicing the course inventory data according to coding identify those courses which are not immediately identifiable as either program requirements or university/general education requirements results in a huge number of courses that are offered outside of the program requirements.

These courses are identified in both summary form and detail in the spreadsheet at http://www.eou.edu/provost/eou-course-inventory-data-as-of-april-2014. As the spreadsheet data illustrates, there are roughly 1,820 course credits tied to the courses in the list, though not all courses can be eliminated, as some may be appropriate for general education requirements, general electives etc. Having noted that, though, many of the courses on the list should be eliminated as these courses diffuse enrollments from other required (and often low-enrolled) courses. Please note that the list excludes courses such as practicum, capstone, thesis, etc.

Building on the progress made with EOU’s 2011 Sustainability Plan and the 2013 Plan Update (NOTE: these plans and associated/subsequent documents may be found at the bottom of the President’s Budget and Planning webpage, http://www.eou.edu/president/budget/), the five primary strategies aimed at this, EOU’s 2014 sustainability update, focus on the following:

1. Reset of instructional workload release.
2. Elimination of concentrations in degree programs.
3. Academic program reductions and eliminations.
4. Further reduction of administrative positions.
5. College administrative restructure.

Discussion of each of these strategies and associated DRAFT recommendations follow in the Strategies section.
III. Strategies and Recommendations

1. Reset of instructional workload release.

The Spring 2013 Update recommended that the academic dean of each college will conduct a case-by-case review of all assigned instructional release time. This academic year, the amount of instructional workload release granted across all three colleges, exclusive of those two faculty positions which are articulated as having administrative duties (Writing Center Director and Art Gallery Director) and of the reassignment associated with our current half-time associate deans totals 179 credits or 4.0 FTE (assuming 45 total workload credits) or 5.0 FTE (assuming 36 instructional workload credits). This workload release is distributed as follows:

- 41 credits in the College of Arts & Sciences.
- 27 in the College of Business.
- 111 in the College of Education.

While the total hours of release time in the College of Education total 111, not all of these are non-instructional. Given the structure of Education curricula, many of these release hours are in actuality instructional duties related to the program, though served outside of more typical course/class boundaries. Examination of these workload release hours in Education have aimed at distinguishing between those granted for instructional vs. non-instructional reasons. The first pass suggests approximately one-half of those hours are for non-instructional purposes, consistent with the inflated costs structures demonstrated by the program relative to program peers.

This recommendation focuses on suspending all current instructional release time granted for non-instructional duties for the 2014-2015 academic year. The suspension/elimination of instructional workload release across all three colleges should result in the reduction of the need for 3.0 FTE, primarily in the overload/adjunct category.

On a case-by-case basis over the next year, the deans will review (subject to provost’s approval) the need for instructional release time, according to the following general principles:

1. Instructional release time granted should be tied to specific duties and/or tasks that are clearly articulated and connected to the time frame for which the instructional release is granted. Duties or tasks which cannot be articulated should not be granted instructional release time. To do otherwise may not be fair to the larger program area faculty and may, in fact, harm the program’s health and vitality over the longer term.

2. The college dean, in consultation with the faculty member, will make every effort to load non-instructional duties or tasks as service load or other load in a given year before actually granting additional load credit as instructional release time. If instructional release is inloaded as service/other workload credits, care should be taken to maintain workload space to support ongoing commitment-to-discipline. Such space is key to the quality of our teaching and learning across our academic programs and must not be compromised. Similarly, care should be taken to maintain space in service load for service to the institution, particularly with respect to shared governance participation. In order to maintain ongoing commitment to
discipline for our faculty, no more than 6 load credits of the 9 total beyond the 36 for instruction (tenured and tenure-track faculty) should ever be loaded for service in lieu of release time. There should always be load space in a given year available for ongoing commitment-to-discipline and/or shared governance. It should be up to a given faculty member to make those choices in terms of how he/she prefers to balance non-instructional load credits in a given year, so that the appropriate dean may assign workload accordingly.

3. Similarly, the institution (at the program, college, and institutional levels) should remain mindful of realistic expectations for service/other work-loading. It may well be that choices to engage in non-instructional service duties or tasks may preclude participation in other university service for a given timeframe and vice versa.

As instructional workload release is reinstituted case-by-case, consistency for such release must be maintained both across program areas as well as across colleges.

3 FTE = $165,000

2. Elimination of concentrations in degree programs.
The broad recommendation in this section of the draft plan entails eliminating all concentrations in major/degree program curricula—including emphases, groupings, tracks, or any other disciplinary specialization that segments and diffuses student enrollment in lower- and upper-division coursework—and moving all programs institution-wide to a set number of courses for each major or minor with only selected elective courses.

EOU’s academic program curricula, as has been noted in both the 2011 Sustainability Plan and the 2013 Plan Update, have expanded over past decades in all areas while contracting in relatively few (until the 2011 and 2013 plan actions). Climbing student enrollments somewhat masked the effect of this curricular sprawl; off-campus enrollments in particular covered declining enrollments in on-campus programs. A curricular reset will occur across the curriculum through the elimination of separate concentrations, emphases, groupings, or tracks in EOU’s degree programs which will have the dual effect of focusing faculty instructional workload more tightly AND of focusing student pathways to completion and eliminating the diffusion of students across multiple courses within and across program areas. While the reductions related to the elimination of degree programs will primarily reduce the need for large numbers of online adjunct and overload instructional FTE (cost estimates are being developed), it is worth noting that almost HALF of EOU’s student credit hours in any given year are generated through online adjunct/overload instruction. The savings related to the reduction of these FTE will be primarily reductions in online adjunct/overload FTE.

The course inventory data tool [http://www.eou.edu/provost/?attachment_id=523](http://www.eou.edu/provost/?attachment_id=523) and summary spreadsheet [http://www.eou.edu/provost/?attachment_id=532](http://www.eou.edu/provost/?attachment_id=532) strongly support the proposition that we have enormous room to further focus our program curricula through the elimination of both extraneous courses and concentrations in all major programs.

**Overload and adjunct savings across colleges = $1 million**
3. Academic program reductions and eliminations.

Similar to the proliferation of concentrations in degree programs, EOU has seen expansion in numbers of degrees over past decades whose low enrollments and/or graduations were masked by rising student enrollments. EOU’s enrollment decreases have underscored the need to reduce some majors to minors and to further streamline some of our existing minors. These efforts will entail the reduction in force of regular, bargained faculty positions, (the recommendations were developed, through the use of an extensive course-level data tool and are embedded in the recommendations regarding faculty reductions.)

Some EOU programs are either no longer viable or were not originally structured in a sustainable manner. These programs will be eliminated outright, and will also entail the reduction of regular faculty positions. The specific recommendations are detailed in the section pertaining to program reductions and eliminations.

The data sources used for the following recommendations are available in Section IV of this document (Data Sources).

Program Reductions and Eliminations:

In concert with the institution-wide elimination of concentrations,* the following program reductions and/or eliminations are proposed to best position EOU and our overall academic enterprise for long-term sustainability amidst both continuing enrollment and external challenges.

*Concentrations throughout this section of the document include emphases, groupings, tracks, or any other disciplinary specialization that segments and diffuses student enrollment in lower- and upper-division coursework.

A. Anthropology/Sociology

The anthropology / sociology program has been recommended for a more focused curricular design for the major and minors in anthropology and native American studies. The major should be mostly defined by a required set of courses that streamline and focus the major, along with two electives aimed at differentiating between two fully embedded minors (anthropology and native American studies). When recommended curricular revisions are in place, the need for adjuncts will be re-evaluated.

B. Art

The art program has been recommended for reduction due to historically low graduation rates (an average of 7 students/year over the past five years) and under-enrolled upper-division courses. 4.0 FTE will remain with the program, for a savings of 2.0 FTE realized through the retirement of one faculty member and elimination of one tenure-track position. If the major cannot be sustained in a more focused streamlined manner, it should be reduced to a robust minor, along with general education courses, with reduced FTE. The major would be taught out accordingly in 2014-15.

C. Biology

The biology program has been recommended for elimination of concentrations that have led to low enrollments in the organismal biology courses that are part of the ecological and organismal biology
concentration. A streamlined and focused biology major and minor will be retained utilizing 5.0 FTE, with savings realized from elimination of adjuncts and a 1.0 fixed term FTE position.

D. Business
The business program has been recommended for an elimination of all concentrations within the business degree towards a more focused general business major, plus accounting, until an accounting major is developed. It is recommended that overload MBA courses be inloaded. In addition there will be the elimination of 1.0 FTE in business at MHCC and reduced adjunct costs with a faculty retirement.

E. Chemistry/Biochemistry
The chemistry program has been recommended for reduction due to historically low graduation rates and under-enrolled upper-division courses and labs. The chemistry major, which has graduated an average of 3 students a year in the past five years, will be reduced to a minor curriculum and general education CHEM offerings, which serve the needs of EOU's general population of students. The Biochemistry major will be retained. 4.0 FTE will remain with the program, for a savings of 2.0 FTE realized through the retirement of one faculty member and the elimination of a tenure-track faculty position. The major will be taught out during 2014-15.

F. Computer Science
The computer science program has historically low graduation rates and low-enrolled upper-division courses. Lower-division courses enroll at an acceptable level, but ETIC funding going forward is uncertain unless leveraged into base funding. There is potential to retain a streamlined major with 2.0 FTE, but the major must be redesigned with a focus on the needs of the software employment sector as well as integrative needs across the disciplines. Without ETIC funding, the recommendation is that 0 FTE remain with the program, for a savings of 2.0 FTE realized through the elimination of two tenure-track faculty positions. The major will be taught out during 2014-15 if ETIC funding is not available for continuation of a major.

G. Education
The education program has identified savings through restructuring practicum/lab courses and the elimination of a .49 FTE position at MHCC.

H. English/Writing
The English / writing program has been recommended for elimination of concentration/emphasis areas with the aim to streamline and focus the major with the minor curriculum fully embedded. The program will retain the online Interdisciplinary Writing and Rhetoric minor. A streamlined major, embedded minor, and online IWR minor will utilize 7.0 FTE and result in the elimination of 4.66 FTE, which includes .66 FTE due to resignation, 1.0 FTE due to retirement, and 3.0 fixed term FTE.

I. Fire Services Administration
No recommendations to the Fire Services Administration program are made at this time.
J. General Education
With reference to the March 12, 2014 slate of General Education recommendations from the Academic Futures Taskforce workgroup, it is recommended that an EOU team of faculty and administrators attending the 2014 AAC&U Institute on Integrative Learning and the Departments return to campus in fall with the following:

- a clear understanding of integrative learning,
- a concept map for general education curriculum at EOU that emphasizes 21st century learning outcomes consistent with EOU’s GEC learning outcomes,
- curriculum design options and associated review criteria that intentionally integrate GEC offerings in breadth and skill areas with information literacy and first- and second-year experience curricula.
- a communication plan for vetting options with faculty, an implementation plan, an assessment plan and cycle, and a recommendation for infrastructure needed for greater faculty oversight of the management, assessment, and reporting of the quality of student learning in the general education learning outcomes.

K. Geography
The geography minor is recommended for elimination. The programs to which geography courses previously contributed have been eliminated. Well-enrolled lower-division geography courses serve the general education needs of students in both the on campus and online environments. 1.0 FTE will remain with the program to teach well enrolled on-campus and online general education courses, for a 1.0 FTE in savings realized through the elimination of an online adjunct position.

L. Geology
The 2013 sustainability plan recommended elimination of the minor with a focus on only those courses for which there is demand and for those modalities in which the demand is reflected. It is recommended that the 1.0 FTE dedicated to geology courses be eliminated, with notification to OSU that their GEOL 201 curricular requirement be changed accordingly. This reduction results in the loss of a 1.0 FTE tenure-track position.

M. History
It is recommended that the history major and fully embedded minor utilize the current envelope of resources at 3.0 FTE, with an additional recommendation to eliminate curricular groupings for a more tightly focused prescribed curriculum with two elective options. Should any x10’s be identified for inclusion in the prescribed curriculum, they need to be converted to permanent course numbers.

N. Liberal Studies
The Liberal Studies capstone has become unsustainable and problematic in terms of financial and human resources required to manage and oversee the quality of the capstone in its current form. Removal of the liberal studies capstone as a barrier to completion will become effective summer 2014, and students should be advised to take an additional 400-level elective in lieu of a capstone. In the absence of the capstone requirement, and until such time as a single culminating capstone course
may be designed to serve all majors, it is imperative that care be given in the design of the minors so that measures of quality and rigor, along with strengthened academic oversight, are in place and that the minors are regularly assessed in accordance with the NWCCU recommendation. Savings in capstone overload costs have already been factored into overall savings in adjunct and overload across the colleges.

O. Library Science
No recommendations to the Library Science program are made at this time.

P. Mathematics
The math program will retain the major and fully embedded minor, but it is recommended that concentrations be eliminated in order to streamline the program and that a strong applied mathematics piece be put in place to enable a 4 + 1 MAT model. Examine student population in online courses and delete those courses from the schedule that do not serve EOU students. At least .5 FTE from the physics area will be reassigned to the math program, with 0.5-1.5 FTE savings in adjunct and fixed term positions.

Q. Media Arts/Communication
Growth in the media arts/communication major and minors over the past two years have been primarily in the communication area. Over the past five years, the media arts minor in film production (eliminated last spring) has yielded only 1 graduate in 2012-13. The newly approved media arts minor is also recommended for elimination. In light of the new curricular direction of the communication program and low enrollments in several upper-division multimedia courses, continuation of the multimedia and media arts curriculum is not sustainable at this time. 3.0 FTE will remain with the communication major and fully embedded minor. 0 FTE will remain with the media arts minor, for a savings of 1.0 FTE tenure-track position in media arts.

R. Modern Languages
In the modern languages program, German and the Spanish minor are recommended for elimination due to lack of enrollment in upper-division courses and little demand. It is recommended that the MODL curriculum be eliminated and the first- and second-year Spanish curriculum be paced appropriately for non-transfer students seeking satisfaction of the DFL requirement and/or two years of a language. 0 FTE in German and 1.0 FTE in Spanish will remain with the program, for a savings of 2 tenure-track FTE positions and adjunct/fixed term FTE associated with MODL and online courses.

S. Music
The music program has been recommended for reduction due to low graduation rates and unsustainable under-enrolled upper division courses. The major, which has graduated an average of 6.6 students a year—including a single year with 15 graduates in 2008-2009—should be streamlined as a BA major to function with 4.0 Faculty FTE, rather than a BM, or should be reduced to a minor program. In any case, 4.0 FTE should remain with the program to serve the cultural engagement needs of the university and regional communities. There will be a savings of 1.0 FTE tenure track position plus fixed term, hourly, and adjunct positions affiliated with the music program. The bachelor of music will be taught out during 2014-15.
T. Physical Education/Health
The PHYSH program has been recommended for an inloading of PES seminar/capstone credits and reducing overload costs by shifting courses to lower cost adjuncts.

U. Physics
The physics minor has been recommended for elimination due to low enrollment in the minor—an average of 1 student a year over the past five years has graduated with a minor in physics. The recommendation is to eliminate the calculus-based physics sequence and to offer only an introductory sequence that satisfies the physical science majors and minors. The FTE no longer required for the physics program will be reassigned to mathematics. This results in the elimination of any adjunct/fixed term position(s) and an 0.5 FTE tenure-track position associated with the physics program.

V. Philosophy/Politics/Economics and Public Administration
With the creation of the economics major, the PPE major and the PA major have been recommended for elimination. The economics major will retain a fully embedded economics minor; the political science minor will be retained; and the philosophy minor will be eliminated. The PPE/PA majors and minors will be taught out during 2014-16.

W. Psychology
No recommendations to the psychology program are made at this time.

X. Religious Studies
The religious studies courses will no longer be part of EOU curricular offerings. 0 FTE will remain, for a savings of 1.0 FTE.

Y. Theatre Arts
The theater program has been recommended for reduction due to low-enrolled upper-division courses and ongoing low graduation rates. The major, which has graduated an average of 6 students a year in the past five years, should be structured to be sustainable with 3.0 Faculty FTE or be reduced to a robust minor, along with general education courses which serve the needs of EOU’s general population of students. 3.0 FTE will remain with the program, for a savings of 1.0 FTE realized through elimination of 1.0 FTE tenure track faculty positions. If the major cannot be streamlined sufficiently, it will be taught out during 2014-15.

Assuming that the aforementioned program-specific recommendations can be accomplished both soundly and expeditiously, we should be able to realize the following targeted savings by June 2015:

- College of Arts and Sciences reductions/eliminations = $1,549,274
- College of Business and Education reductions/eliminations = $171,149

However, should we not be able to realize these actions and their associated savings, or if enrollments continue to decline beyond those levels already projected, then we will need to be prepared for further program reductions/eliminations.
4. Further reduction of administrative positions.
EOU’s administrative infrastructure has been continuously reduced and/or restructured over the past four years in such areas as enrollment management, advising, and other functional areas in all divisions across EOU. For instance, while the BART plans of several years ago resulted in the creation of the Division of Enrollment Services (DES), headed by a Dean of Enrollment Services, decisions both prior to and in connection with the original Sustainability Plan in the Spring of 2011 resulted in the division functions being decentralized, with the Financial Aid office being combined with Student Accounts as Student Financial Services (under Finance & Administration) and the Admissions office being integrated into the Advancement office, as University Admissions & Advancement. The Registrar’s office, intake advising, and overall enrollment management coordination across offices was then combined under the Director of Enrollment Operations, and the Dean of Enrollment Services position was eliminated.

Similarly, these same efforts led to the decentralization of what had been, under DES totally centralized academic advising, with our current model of on-campus college professional advisors reporting through the appropriate academic deans, the off-campus professional advisors reporting through Regional Operations, and our single remaining intake/undecided advisor reporting through the Director of Enrollment Operations.

(For fuller details, review the two prior sustainability plan documents, as well as EOU’s current organizational chart at http://www.eou.edu/hr/files/2014/02/Org-Chart-2014.pdf.)

In any case, despite the numerous restructuring and reduction efforts over the past four years, there remain a few areas where additional cost reductions are possible without unduly impacting the institution’s core role and mission. As our latest round of administrative reviews suggest, these further reductions total approximately 7.0 FTE and are as follows:

- Eliminate director’s position within Student Success and Engagement, **1.0 FTE**.
- Not restoring the Learning Center staffing levels saving **.5 FTE** of directors’ position.
- Reassigned Human Resources Associate Director, **.5 FTE**.
- Reduced Liberal Studies Director position, **.5 FTE**.
- Closure of Baker County & Southwest Oregon Regional Centers, **2.5 FTE**.
- Eliminate OS 2 position at MHCC, **1.0 FTE**.
- Restructure OS 2 position at MHCC, **1.0 FTE**.

The director’s position in Student Success and Engagement is the Director of Housing and Student Involvement, which has been vacant for most of this year. The duties associated with this administrative position have been reassigned to the Assistant Director of Housing and Residence Life and to the Assistant Director of Student Involvement. These two positions were upgraded to Director positions, thus relieving the Division of Student Success and Engagement of the need to refill the third position.

As a consequence of the restructuring of the Division of Student Success and Engagement, some of the Learning Center Director’s position responsibilities were shifted to the Student Success Operations Manager, thus allowing the ongoing reduction of the Director’s position to a .5 FTE basis.
The Associate Director’s responsibilities in Human Resources were shifted this past year to the Director of Human Resources, the Assistant to the HR Director, to the Payroll Operations Manager, and to a new classified data entry technician as the result of the incumbent leaving EOU for another position within the OUS. The temporary reallocation of duties has worked well enough to make it possible to make those shifts permanent, resulting in a savings of .5 FTE.

Similarly the retirement at the end of this year of our current Liberal Studies Director led to a series of discussions concerning both the past and ongoing needs of the program, as well as the tasks required of the institution relative to Liberal Studies as a result of our Year 3 review by the Northwest Commission on Colleges and Universities (NWCCU). The 1.0 FTE Administrative Faculty position supporting Liberal Studies, APEL, and ASL can be restructured as an Office Specialist 2 position dedicated to tactical support needed in the Vice Provost’s office for all university-wide curriculum scheduling and assessment that underpins the Vice Provost’s coordinating and oversight functions in Academic Affairs. The permanent savings for such a shift amounts to .5 of the original director’s FTE. [NOTE: other discussions concerning Liberal Studies curricular management are articulated elsewhere in this DRAFT plan.]

Finally, declining off-campus enrollments combined with operational shifts in both the south coast area in Coos Bay and the Baker County area in Baker City suggest the closing both the Baker County and Southwest Oregon Regional Centers and shifting those students and duties to other regional advisors/directors. While this shift is certainly not an ideal solution, the impact of these closures can be absorbed with little overall negative effect on EOU’s Regional Operations. The positions associated with these reductions total 2.5 FTE.

Administrative Position reductions/eliminations = $499,391

5. College administrative restructure.

Though we explored the single dean model through the 2011 Sustainability Plan process and discarded it as suboptimal at the time, our current falling enrollments and other administrative efficiencies that have been captured over the past two years have led numerous people to suggest that the time is ripe to refocus attention on gaining further administrative reductions through such an approach. Given the larger leadership transitions at the institutional level, however, combined with the still-emerging governance and fiscal pictures at the State level, any concrete explorations or trials of a single dean model are just too risky right now to entertain. (See the College Task Force Deliberations Report at http://www.eou.edu/provost/files/2012/04/EOU-College-Task-Force-Deliberations.pdf)

As was originally articulated in the Provost’s memo to the faculty dated September 9, 2011 http://www.eou.edu/provost/files/2012/04/Provost-Task-Force-Memo-to-Faculty-9-29-11.pdf, the functional responsibilities that a dean’s office must address are clustered around four broad areas:
• Annual faculty evaluations.
• Course scheduling and curricular planning and management.
• Academic programming to serve our distant students.
• Academic advising.

In an effort to better meet these functional responsibilities, in 2012, EOU expanded its two-dean model to include a system of associate deans who oversee the scheduling, personnel evaluation, and day-to-day support operations in the colleges.

With the departure of our CAS Dean, however, it is opportune to reconsider the administrative structures in the colleges in the context of program reductions and eliminations that need to be realized during 2014-2015 and in order to ensure optimal maintenance of quality, stability, and sustainability through the duration and implementation of retrenchment procedures.

Retrenchment measures in the colleges will require careful management by deans who have sufficient authority to implement, oversee, and manage reductions, collaborations, curricular planning, and curricular implementation as set forth in the plan. The two-dean model will be retained for the duration of the implementation of retrenchment measures. Gaining administrative efficiencies while reducing administrative costs across colleges require a reduction in the associate dean structure from 3 FTE to 1.5 FTE, for a total savings of 1.5 FTE in administrative costs. Each college will retain an Associate Dean at 0.5 FTE, for a total of three 0.5 FTE Associate Deans to serve the needs of three colleges.

$182,000 (w/OPE)

Non-Personnel Reductions

Fee Remissions and Service & Supply budgets will be reduced by $250,000. This will be achieved by a several methods, including: a revised cell phone reimbursement policy, the implementation of an electronic time and attendance system in Human Resources, planned restructuring in multiple administrative areas, centralizing additional functions, etc. Fee Remissions will be reduced by a minimum of $100,00.

$250,000

TOTAL Savings = $ 3,816,814

Additional and long-term recommendations include the following:

• Fully consider the implementation of a “one-dean” model. This scenario was proposed in the first version of the Sustainability Plan and was analyzed through the Task Force in 2011. In addition, the President and Provost seriously considered recommending it again in this draft. However, while we both believe that this may in fact be a proper mode, we have reached the conclusion that given the inordinate amount of changes already in motion at Eastern, and the focus of attention on curriculum that will be required over the next year, it is more prudent to maintain two deans this year. At the same time, we believe that the notion of creating a “one-dean” model may be in the best interests of Eastern and as decisions are
made over the next year, that a careful analysis and planning should be made to move in this direction. This model and study should include the consolidation and centralization of support services for the dean, faculty, and the students within the various divisions. Furthermore, as integrative learning and programs will become more common, this model could be a catalyst for such exploration.

- **Differential tuition for the College of Business.** Many universities have a “tuition differential” for programs that have A) market demand and B) different cost structures based on personnel costs. Given the market demand for our business programs, both at undergraduate and the MBA levels, we recommend that Budget & Planning and the Tuition Committee analyze the feasibility of a “differential of tuition” on a per credit basis of up to $10 per undergraduate business courses and up to $20 MBA courses.

- **Differential tuition for the Computer Science major if ETIC funding is leveraged toward base funding.** Given forecasted growth in A) market demand for technology-based software employment and B) different cost structure based on personnel costs, we recommend that the Budget and Planning and the Tuition Committee analyze the feasibility of a “differential of tuition” on a per credit basis of up to $10 per undergraduate computer science courses.
IV. Conclusion

These are difficult times for many universities across the country—especially small to mid-sized regional universities—as we deal with significant changes in our operating environment. This draft update to our Sustainability plan builds on the changes that we have made over the past four years. We have altered our administrative structures immensely and have been extremely creative in how we have combined functions and duties. We have, as well, initiated academic changes along the way. At the same time, we have proven to be innovative in meeting state-wide goals and objectives—the Eastern Promise is a primary example, as are the leading edge grant projects in our College of Education.

As we have monitored our efforts in holding down costs and implementing our plans, we have clear successes we can point to. However, a primary issue we are now dealing with is a significant decline in enrollments this past year as well as a continuing decline projected for next year. These declines will return EOU to pre-great recession enrollment levels. And, as momentous changes in our funding structures—moving from a “student credit hour” funding model to an outcome based model—we must make considerable cost reductions as well as restructure our program offerings to ensure a foundation to build from in the future.

As we, the provost and I, have discussed with many of you over the past six months as the need for reductions became evident, it is clear that we needed to recommend sweeping changes, beyond what will be needed to merely meet the fiscal needs of next year, but truly reposition Eastern for the longer-term. These recommendations represent that effort. We present these recommendations to you with the full expectation that you dissect them and propose alternatives. With each iteration of the Sustainability Plan, this process of providing a draft, seeking ideas, suggestions and alternatives have, in the end, produced better plans. Over the next four weeks, we need your creative and poignant insights so that when the final draft is released, during the second week of June, it needs to be the best effort for our University as it clearly will set the stage for the next era of Eastern. The next president, EOU’s first governing board, along with the initial reviews by the Higher Education Coordinating Council, will use it to gauge EOU’s success. More importantly, it will set the foundation for how we educate and serve the students, current and future, of our University. As always, thank you for your support and dedication to Eastern Oregon University and our students.

Very Respectfully,

Bob
V. Data Sources and Links

The data sources used for the Spring 2013 Plan Update:


http://www.eou.edu/president/files/2013/06/Appendix-B-Instructional-Review-Common-Data-Files.pdf

The Delaware Study data presented by OUS (Brian Fox) this past fall:

Our standing Institutional Research data dashboards:
http://www.eou.edu/ir/historical-data/

http://www.eou.edu/ir/degrees-awarded/

https://isdepot.eou.edu/public/ir/enrollment/Term_Enrollment.html

And the key data source is a course inventory tool and data, along with accompanying instructions:
http://www.eou.edu/provost/files/2014/04/Course-Inventory-Definitions-Other-Required-Column.pdf

The data and tool itself may be downloaded at:
http://www.eou.edu/provost/?attachment_id=523

For information on previous administrative changes, refer to the previous plans. Below is the link to the current Organizational Charts:
http://www.eou.edu/hr/files/2014/02/Org-Chart-2014.pdf

[NOTE: The data and tool at the link above is v.1.0 and can be expected to be in need of correction in some areas. As was the case with our program-specific data last spring and the spring of 2011, please review the data carefully and send corrections to the Provost’s Office at both sadkison@eou.edu and fsultan@eou.edu.]
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