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Neil Bryant, Chair

Ben Cannon, Executive Director

Higher Education Coordinating Committee

Via Email

Chair Bryant, Director Cannon, and Commissioners:

Today, Portland State University's Finance and Administration Subcommittee took action to adopt a revised tuition schedule. If adopted by the full board, the proposal reduces the tuition increase from 6.5% to 4.97% at the \$100 million state investment level in the Public University Support Fund. The full Board will consider the proposal at the scheduled June 20th meeting. Based on this expected action and the anticipated passage of the HECC budget, PSU will not pursue HECC approval of the 2020 resident undergraduate tuition at this time.

Each public university in Oregon must make decisions based on the unique circumstances faced by the institution. The revised approach gives the university additional time to engage in a thoughtful transition in leadership and work with the commissioners to gain a more detailed understanding of PSU's academic and financial goals.

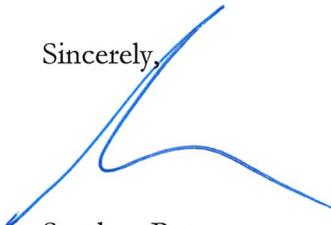
To be clear, this amendment will create significant challenges for Portland State University. PSU will be unable to ameliorate two percent across-the-board institutional cuts. There will be reductions in the anticipated increases to our remissions budget which potentially impacts students. With the continuing softening of enrollment, it will be impossible to augment depleted reserves and will likely necessitate further deficit spending.

On a positive note, Portland State is deeply committed to offering an outstanding education at an affordable price. The change continues PSU's position as the second lowest tuition in the state. Maintaining academic excellence requires investments, however, particularly as the students at PSU become more diverse, more financially challenged, and more first in their family to attend university. Increasing student success requires additional resources. **Without the full \$120 million investment from the state, either this session or in the 2020 session, it may be necessary for PSU to seek HECC approval for a tuition increase over 5% for the 20-21 fiscal year.**

Over the next year, Portland State is committed to working with the HECC and the legislature to demonstrate the transparency of the university's current and future budgets and provide a comprehensive report on cost management measures. More importantly, our approach provides an opportunity to clarify the actions we are taking to respond to the changing higher education landscape and our unique urban mission. It will allow us to share the inspirational stories of Portland State students and the significant increases in university-wide outcomes. Undertaking this work is critical to demonstrating the importance of a university education for Oregonians and Oregon businesses, improving external understanding of the financial constraints on Oregon's public universities and, ultimately, to increasing strong investments from the Legislature to help students and drive Oregon's economy.

Thank you for your support of higher education in Oregon. Please let me know if you have any questions about this action.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Stephen Percy', with a stylized flourish extending to the right.

Stephen Percy
Acting University President