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**Docket Item:**

Commission Criteria for Consideration of University Tuition Increases

**Summary:**

This docket item includes the criteria by which the Commission will evaluate any proposed public university tuition increase greater than five percent, as adopted by the Commission in December 2018 and readopted in December 2020. The criteria are consistent with statute and have been in use since their initial adoption. The appendix includes detailed information on the requirements for the tuition setting process each university must follow.

**Docket Material:**

The public universities are required under statute (ORS 352.025, 352.102 and 352.103) to use a tuition setting body (committee or workgroup) as part of an inclusive and transparent tuition-setting process. The tuition setting body must include a minimum of eight members with two administrators, two faculty, two students representing student government, and two students representing historically underserved students. Most are much larger. Each institution will also post meeting materials and additional information on websites established for this purpose.

The following criteria, as previously adopted by the Commission, can be used in determining whether or not a proposed university increase to its undergraduate resident tuition rate of greater than 5% is “appropriate” pursuant to statute (ORS 350.075 (3)(h)(B)).

It is expected that barring extraordinary circumstances, these criteria shall constitute the only criteria the Commission will employ during the tuition review process. In determining whether or not an institution has met any particular criterion, the Commission will employ a “reasonableness” test; in other words, considering context and constraints, can the institution be understood to have taken all prudent and reasonable measures to meet the standard suggested by the criterion?

When making its final determination whether a university’s above-threshold tuition increase is appropriate, the Commission will consider the totality of the institution’s submission. An institution’s shortcoming or success with respect to any one criterion will not necessarily determine the Commission’s overall conclusion about the appropriateness of the proposed tuition increase.

The public university tuition setting criteria as previously adopted by the Commission include the following focus areas and related goals:

**Focus Area One:** Fostering an inclusive and transparent tuition-setting process

**Goals:** Inclusion; transparency

Why this focus area is important:

Student engagement in tuition-setting decisions is a core priority for students, public universities, the state, and the HECC. The HECC seeks assurance that the tuition-setting process is open, fair and provides ample opportunities for student participation.

In order to assess the criteria in this focus area, evidence must be provided regarding the engagement of students throughout the process and that student engagement informed the development of an institution's final tuition proposal. This impact should be clearly documented by the available materials produced by the tuition setting body as well as the views of students and student organizations involved, either directly or indirectly, in the tuition-setting process.

Criteria for this Focus Area:

- A. The institution can demonstrate that students had multiple opportunity to engage in the tuition-setting process including, but not limited to, participation on the institution's tuition setting body.

*The Commission determines that engagement with students occurred throughout the tuition-setting process and that student input was fully considered in the institution's tuition proposal.*

- B. The institution demonstrates that information about the tuition setting process was easily accessible, that the tuition-setting process was transparent and in compliance with ORS 352.103 as established by House Bill 4141 (2018).

*Information on the institution's process is available and accessible and meets or exceeds the requirements of ORS 352.103. Data that can be used to support this determination include: Tuition setting body structure; student outreach strategies that were undertaken at the institution with a particular focus on outreach to underrepresented student groups; extent of information available to tuition setting body members, particularly students; and how dissenting comments are reflected and incorporated into official tuition deliberations and/or recommendations.*

**Focus Area Two:** Safeguarding the access and support for degree completion by historically underrepresented students

**Goals:** Mitigate equity impacts of tuition increase

Why this focus area is important:

The HECC's strategic plan emphasizes the importance of increasing the participation and completion of historically underrepresented students at every level. At a minimum, the HECC wants to ensure the impact of any tuition increases on these highly vulnerable groups is mitigated.

These criteria allow universities to identify how they will help targeted groups more by approving these increases than by not doing so – for example via targeted remissions or student support programs. In addition, criteria require detailing how tuition would decrease should the final PUSF exceed the funding level upon which the tuition increase is predicated.

Criteria for this Focus Area:

- A. Demonstration of impacts, with and without a tuition increase of more than 5%, on remission programs and support services that bolster retention and completion of underrepresented students.

*The institution demonstrates that it reduced or mitigated impacts on underrepresented students under the proposed increase. Specific examples should be provided as related to programs that support these students, especially resident students.*

- B. (For tuition increases scheduled to take place during an odd-numbered year): The institution has a plan for reducing tuition costs if the legislatively-adopted PUSF exceeds the funding level upon which the tuition increase is predicated.

*The institution provides a plan for linking legislatively-adopted PUSF increases with tuition decreases.*

**Focus Area Three:** Financial conditions demonstrating the need for resident, undergraduate tuition to be increased more than 5%

**Goals:** Explanation of cost drivers and revenue dynamics triggering tuition increase, demonstrated consideration of alternatives, and implementation of cost containment

Why this focus area is important:

The tuition-setting process presents an opportunity to describe the impact of state-mandated cost pressures as well as to understand institutional efforts to contain costs and improve long-run fiscal sustainability. The criteria under this focus area highlight these considerations.

Additionally, although universities establish tuition rates annually, this focus area highlights that decisions about tuition should consider the long-term consequences of annual decisions on the financial health of the institution, programs supporting student success, the quality of academic programs, and the institution's ability to recruit and retain faculty and staff.

Criteria for this Focus Area:

- A. The institution demonstrates that current and projected financial conditions compelling the need for the increase request to meet the critical portions of its HECC-approved mission or goals set in the HECC's strategic plan, including documentation that alternatives to raising tuition above 5% were considered.

*The institution provides a clear explanation, backed up with appropriate quantitative evidence, that the institution's increase in excess of 5% is necessary to support the long-term ability to meet the institution's core mission or its ability to meet the HECC's strategic plan.*

- B. The institution demonstrates it has considered and implemented cost containment efforts for those costs that are within their control.

*The institution has a demonstrable history of cost control efforts, including engaging in a systematic review of cost efficiencies. In addition, these efficiency reviews and the resulting data/monitoring have been incorporated into an institution's budgetary decision-making process for an institution's cost control efforts to receive a passing analysis under this criterion.*

**Staff Recommendation:**

Staff recommends Commission adoption of the tuition approval criteria.

## **Appendix A – Requirements for the Tuition Setting Process**

As required in statute (ORS 352.103), the public universities must accomplish the following as part of the annual tuition setting process:

1. Creation of a tuition advisory body, which must create a written document describing its role and consist of at least the following members:
  - Two Administrators
  - Two Faculty
  - Two Students representing Student Government
  - Two Students representing historically underserved students
2. The university must provide training on the following:
  - The budget of the university
  - The legislative appropriation process
  - Data showing the relationship between tuition and fees to state appropriations
  - The university must provide the council with:
    - A plan for managing costs
    - A plan for how tuition and fees could be decreased if the university receives additional state funding
3. The advisory body must also provide the following opportunities:
  - Provide meaningful opportunities for members of the recognized student government and other students to actively participate in the process and deliberations
  - Provide a written report to the president with recommendations, deliberations and observations about tuition and fees for the upcoming academic year including any sub-reports requested by members of the advisory body or other documentation produced or received by the advisory body
4. The university must ensure that the process is described on the University's website and include downloadable materials such as:
  - The advisory body's role and relationship to the Board
  - Any documentation, agendas, and data considered during deliberations
5. If the council feels a recommendation greater than 5% annually is necessary, the council must document its consideration of:
  - The impact of that increase on students, especially historically underserved students
  - The impact of that increase on the mission of the university
  - Alternative scenarios involving smaller increases