



**Board of Trustees**  
**April 21, 2017**

# **AY 2017-18 Tuition and Fees Process and Recommendation (Action)**

**MEMORANDUM**

DATE: April 14, 2017  
TO: Board of Trustees of Southern Oregon University  
FROM: Dr. Linda Schott, President  
RE: Recommendation of Tuition and Fees for Academic Year 2017-18

By way of this memorandum, I submit to the Board of Trustees of Southern Oregon University my formal recommendation for tuition and fees for the 2017-18 academic year, attached as "Exhibit A." I have thoroughly considered the SOU Tuition Advisory Council's (TAC) proposal and the campus-wide feedback. I endorse the TAC's proposed tuition rate schedule for the 2017-18 academic year and further provide a specific proposal for reducing the tuition rate in the event of increased funding to the Public University Support Fund above the Governor's Recommended Budget (GRB).

For your consideration, included in my recommendation is an increase in tuition of \$18.17 per student credit hour, or \$817.65 per year, for resident undergraduate students. I am also recommending an increase for nonresident undergraduate students of \$28.11 per student credit hour, or \$1,264.95 annually. For academic year 2017-18, this equates to a 12.0 percent increase for resident undergraduate students and a 6.0 percent increase for nonresident students. Students receiving the Western Undergraduate Exchange tuition rate will continue to pay an amount equal to 150 percent of the resident undergraduate rate. For graduate students, I am recommending that current tuition rates increase by 6.0 percent.

I acknowledge that this is a significant increase, and I recommend it to you with a somber heart and only after thorough consideration of other options. Both the TAC and the greater campus community worked extensively through several tuition rate scenarios, ranging from below 5 percent to as high as 14 percent, and concluded that this is the only option that addresses all of the critical challenges currently facing Southern Oregon University. The board itself, through the Finance and Administration Committee, also has spent considerable time reviewing each tuition scenario and the projected impact, both to our students and to this institution.

This recommendation is necessitated primarily because the state has continued disinvestment in higher education. The burden of paying for college has shifted from the state to our students and their families. Despite some recent positive movement toward changing this trend, it continues in the current GRB. The GRB may appear to offer flat funding over the biennium, but it does not provide any increase to address the significantly higher costs for medical and retirement benefits that SOU is facing and that are beyond the university's control.

You will note that I am not recommending significant spending cuts to offset the proposed tuition increase. As I have come to know the SOU campus during my first nine months as president, I have gained a deep appreciation for both the breadth and depth of prior spending reductions and the current efficiency of operations. SOU has already reduced spending on Education and General Operations (E&G) by approximately \$6.5 million or 10.5 percent in permanent reductions. SOU has saved an additional \$7.5 million on one-time reductions for a total of \$14 million or 22 percent of budget. As a result, SOU has achieved the lowest E&G expenditures per student FTE compared to the other Oregon public

universities. SOU is now a model of efficiency, and to make additional reductions would mean depriving our students of services critical to their success and disadvantaging them in comparison to their peers.

Through their actions, SOU students demonstrate their understanding of this situation as well. Rather than cut the critical student support programs they consider vital to the pursuit of their academic goals and student life on campus, the students chose to increase their student incidental fee by 7 percent.

I am, of course, worried about the impact of this tuition increase on our most economically vulnerable students and their families, many of whom have been historically underrepresented in higher education. Because of that concern, SOU will increase the amount of institutional aid allocated to students. We will administer this aid in ways that support our most vulnerable students, incentivize the persistence and the completion of degrees, and reduce time to completion. SOU also will maintain the excellent support programs that we have developed to help our students overcome academic, social, and psychological barriers on the road to graduation.

Finally, it is likely that we will not know the exact level of funding SOU will receive from the state until June or July. For that reason, the TAC has recommended, and I include in my proposal to you, reductions in the recommended tuition rate should the funding SOU receives from the state increase significantly.

My staff and I appreciate the care and concern that you, as our Board of Trustees, have shown for the well-being and success of our students and our University. As leaders in our region and statewide, you understand how SOU serves our state and region, helps to meet the workforce needs of area employers, and stimulates the economy. You all value how SOU models sustainability and cultural diversity in ways that have been nationally recognized. Those of you who are alumni have fond memories of your time as students and a deep understanding of how your education and this institution helped launch your successful careers.

We, the administration, faculty and staff at SOU, want to continue what we are doing well while fully embracing new opportunities for innovation. We have embarked upon an ambitious planning process, and momentum and excitement about the future of SOU is building on campus. We have taken great care to follow your guidance and position our finances to sustain the university; prioritize a comprehensive and excellent educational experience for students; protect those who are most economically vulnerable; and to set SOU on firm footing from which to explore the future.

Thank you for your thoughtful consideration of this proposal and for your service to SOU.



Linda Schott  
President, Southern Oregon University

**Exhibit A**

**Figure 1: Academic Year 2017-18 Tuition and Mandatory Fees Schedule**

Tuition Category	Prior Year Rate	Proposed Rate	\$ Increase/SCH	% increase	Total Annual \$ Increase*
<b>Resident Undergraduate</b>	\$151.41	\$169.58	\$18.17	12%	\$817.65
<b>Western Undergraduate Exch</b>	\$227.12	\$254.37	\$27.25	12%	\$1,226.25
<b>Nonresident Undergraduate</b>	\$476.89	\$505.00	\$28.11	6%	\$1,264.95
<b>Resident Graduate</b>	\$397.00	\$421.00	\$24.00	6%	\$864.00
<b>Nonresident Graduate</b>	\$497.00	\$527.00	\$30.00	6%	\$1,080.00
<b>Masters of Education</b>	\$341.00	\$361.00	\$20.00	6%	\$720.00
<b>Fees</b>					
<b>Student Incidental Fee</b>	\$320.00	\$343.00	\$23.00	7.2%	\$69.00
<b>Student Recreation Center Fee</b>	\$75.00	\$95.00	\$20.00	26.7%	\$60.00
<b>Student Health Fee</b>	\$130.00	\$137.00	\$7.00	5.4%	\$21.00

**Figure 2: Resident Undergraduate Tuition Rate Amendments if PUSF Increases from GRB**

PUSF	Res UG Tuit Inc.	Res UG Tuit Rate	Annual \$	% Rate Inc.
<b>GRB - \$690 M</b>	\$ 18.17	\$ 169.58	\$ 817.61	12.0%
<b>\$691 - \$710 M</b>	\$ 16.66	\$ 168.07	\$ 749.48	11.0%
<b>\$711 - \$730 M</b>	\$ 15.14	\$ 166.55	\$ 681.35	10.0%
<b>\$731 - \$750 M</b>	\$ 13.63	\$ 165.04	\$ 613.21	9.0%
<b>\$751 - \$760 M</b>	\$ 12.87	\$ 164.28	\$ 579.15	8.5%
<b>\$761 M and up</b>	\$ 12.11	\$ 163.52	\$ 544.95	8.0%

SOUTHERN OREGON UNIVERSITY  
 TUITION ADVISORY COUNCIL TUITION RECOMMENDATION  
 For Academic Year 2018 – Fall Term, 2017 through Summer Term, 2018

Date: Tuesday, April 4, 2017  
 To: President Linda Schott  
 From: Provost Susan Walsh, Chair - Tuition Advisory Council

After careful deliberation and consideration of the following principle criteria of affordability, market place, impact upon students, and financial stability for Southern Oregon University, the members of the Tuition Advisory Council propose the following tuition rates for Academic Year 2017-18.

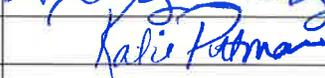
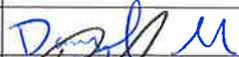
DESCRIPTION OF PROPOSAL  
 Proposed Tuition Rates for Academic Year 2017-18

Tuition Category	Prior Year rate	Proposed Rate	\$ Increase/Student Credit Hour	% increase	Total Annual \$ Increase*
Resident Undergraduate	\$151.41	\$169.58	\$18.17	12%	\$817.65
Western Undergraduate Exchange	\$227.12	\$254.37	\$27.25	12%	\$1,226.25
Nonresident Undergraduate	\$476.89	\$505.00	\$28.11	6%	\$1,264.95
Resident Graduate	\$397.00	\$421.00	\$24.00	6%	\$864.00
Nonresident Graduate	\$497.00	\$527.00	\$30.00	6%	\$1,080.00
Masters of Education	\$341.00	\$361.00	\$20.00	6%	\$720.00

\* For undergraduate students, total annual \$ increase assumes 15 student credit hours per term or 45 per year

\* For graduate students, total annual \$ increase assumes 12 student credit hours per term or 36 per year

Additionally, as it is yet unknown what the total 2017-19 Biennium funding to the Public University Support Fund (PUSF) will be from the Oregon Legislature, should funding rise above the current Governor's Recommended Budget (GRB) funding level of \$667 Million, the TAC recommends consideration of a reduction to the tuition rate increase for all categories to the extent that increased funding from the state, allocated to SOU, would offset the need for tuition revenue.

Tuition Advisory Council 2017 Membership		
Name	Representation	Signature
Dr. Susan Walsh, Provost	SOU, Academic and Student affairs, Council chair	
Dr. Matt Stillman	Enrollment Services	
Roxane Beigel-Coryell	Administration and Finance	
Dr. Katie Pittman	Associated Professors of Southern Oregon University	
Vacant	SOU Faculty Senate	
Daryl Mapleshorpe	Associated Students, Southern Oregon University	
Ricardo Lujan	Associated Students, Southern Oregon University	
John Pascale	Students at large	
Kieryn Eagy	Students at large	
Mark Denney	Budget – ex-officio, non-voting	

Acceptance of the recommended tuition rates for Academic Year 2017-18

Approve     Disapprove

  
 President, Southern Oregon University  
 Linda Schott

  
 Date

SOUTHERN OREGON UNIVERSITY  
 ASSOU INCIDENTAL AND RECREATION CENTER FEE RECOMMENDATION  
 For FY18 – July 1, 2017 through June 30, 2018

Date: Tuesday, April 4, 2017  
 To: President Linda Schott  
 From: Associated Students of Southern Oregon University

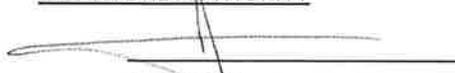
DESCRIPTION OF REQUEST  
 Student Incidental Fee FY18 Budget Proposal  
 Student Recreation Center Fee FY18 Budget Proposal

SOURCE OF FUNDS  
 Student Incidental Fee and Incidental Fee Reserve  
 Student Recreation Center Fee and Recreation Center Fee Reserve

Summary/Description	Index	Budget
Initial Budget Level (IBL)	Athletics Advisory Committee (AAC)	1,385,658
Initial Budget Level (IBL)	Educational Activities Advisory Committee (EAAC)	736,307
Initial Budget Level (IBL)	Stevens Union Advisory Committee (SUAC)	1,726,179
	Subtotal:	<b>3,848,144</b>
Incidental Fee Reserve	IFCRES	40,000
Building/Equipment Reserve	SUBERS/SUIOBR	15,000
Green Tag Fee	SUGNTF/SUGBEF	161,577
Schneider Children's Center	SUCARE	161,577
Athletics Post Season Travel Reserve	ATHRES	-
	Total Initial Budget Level	<b>4,226,298</b>
	Projected Average Student FTE	4,073
	Incidental Fee per Term – Academic Year 2017-18	\$343
	Incidental Fee per term – Academic Year Prior Year	\$320
	\$ Change from Prior Year	\$23
	% Change from Prior Year	7.0%
	Projected Student FTE Summer Term	913
	Incidental Fee – Summer Term 2016	\$88
	Incidental Fee – Summer Term Prior Year	\$82
	\$ Change from Prior Year	\$6
	% Change from Prior Year	7.3%
	Projected Average Student FTE	4,073
	Recreation Center Fee per term – Fall 2017	\$75
	Recreation Center Fee per term – Winter 2018 – Summer 2018	\$95
	Recreation Center Fee – Academic Year Prior Year	\$75
	\$ Change from Prior Year	\$20
	% Change from Prior Year	26.7%

SIGNATURE AUTHORITY

Approve    [ ] Disapprove

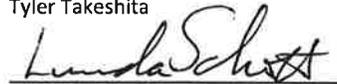


President, Associated Students of  
 Southern Oregon University  
 Tyler Takeshita

4/13/17

Date

Approve    [ ] Disapprove



President, Southern Oregon University  
 Linda Schott

4/14/17

Date

## **Room and Board Rates 2017-18**

*(Rates subject to approval by Southern Oregon University Board)*

### **Southern Oregon University 2017-18**

### **Food Plans (overall rate increase 2.9%)**

<b><u>Plan (Description)</u></b>	<b>Cost per Term</b>	<b>Cost Per Year</b>	<b>Average CPM (Cost Per Meal)</b>	<b>Rate Increase</b>
*Red Plan - Unlimited Meals Weekly / \$100 Raider Cash/ 10 guest	\$1880	\$5640	\$7.39	3.0%
*Black Plan - 17 Meals Weekly / \$150 Raider Cash/ 20 guest	\$1880	\$5640	\$8.36	3.0%
(S) Plan - 14 Meals Weekly / \$150 Raider Cash/ 10 guest	\$1560	\$4680	\$8.60	3.0%
(O) Plan - 12 Meals Weekly / \$250 Raider Cash/ 10 guest	\$1560	\$4680	\$9.23	3.0%
(U) Plan - 10 Meals Weekly / \$350 Raider Cash/ 15 guest	\$1560	\$4680	\$9.68	3.0%
Madrone Plan – All Raider Cash	\$800	\$2400	NA	0.0%
Madrone Hawk Plan – 5 Meals Weekly / \$400 Raider Cash/ 5 guest	\$825	\$2475	\$7.08	3.1%

\*= Only 2 options freshmen (First Year Students) have to pick from

### **Southern Oregon University 2017-18**

### **Room Rates (overall rate increase 2.8%)**

<b><u>Area (Building &amp; Room Type)</u></b>	<b>Cost per Term</b>	<b>Cost Per Year</b>	<b>Per Month Average Cost</b>	<b>Rate Increase</b>
<b>Raider Village – Shasta Hall</b>				
Double Room	\$2708	\$8124	\$903	2.0%
Single Room	\$3266	\$9798	\$1089	5.0%
<b>Raider Village – McLoughlin Hall</b>				
Double Room	\$2851	\$8553	\$950	2.0%
Single Room	\$3507	\$10521	\$1169	5.0%
Super Single Room	\$3821	\$11463	\$1274	6.0%
<b>Madrone Hall</b>				
Single Room	\$3699	\$11097	\$1233	2.9%
<b>Greensprings Hall (Applegate &amp; Bear Creek)</b>				
Double Room	\$2397	\$7191	\$799	1.8%
Double as Single Room	\$3341	\$10023	\$1114	2.0%

#### **Of Note:**

- Required 3% increase overall in Raider Village rooms (as agreed upon with public/private partnership)
- Larger rate increases with single rooms (still in high demand and large waiting list)
- Food increase matches food and labor yearly increase, also always for returning residents to have meal plan at last year's rate. Only new students will see the rate increase on meal plans.

#### **Summary:**

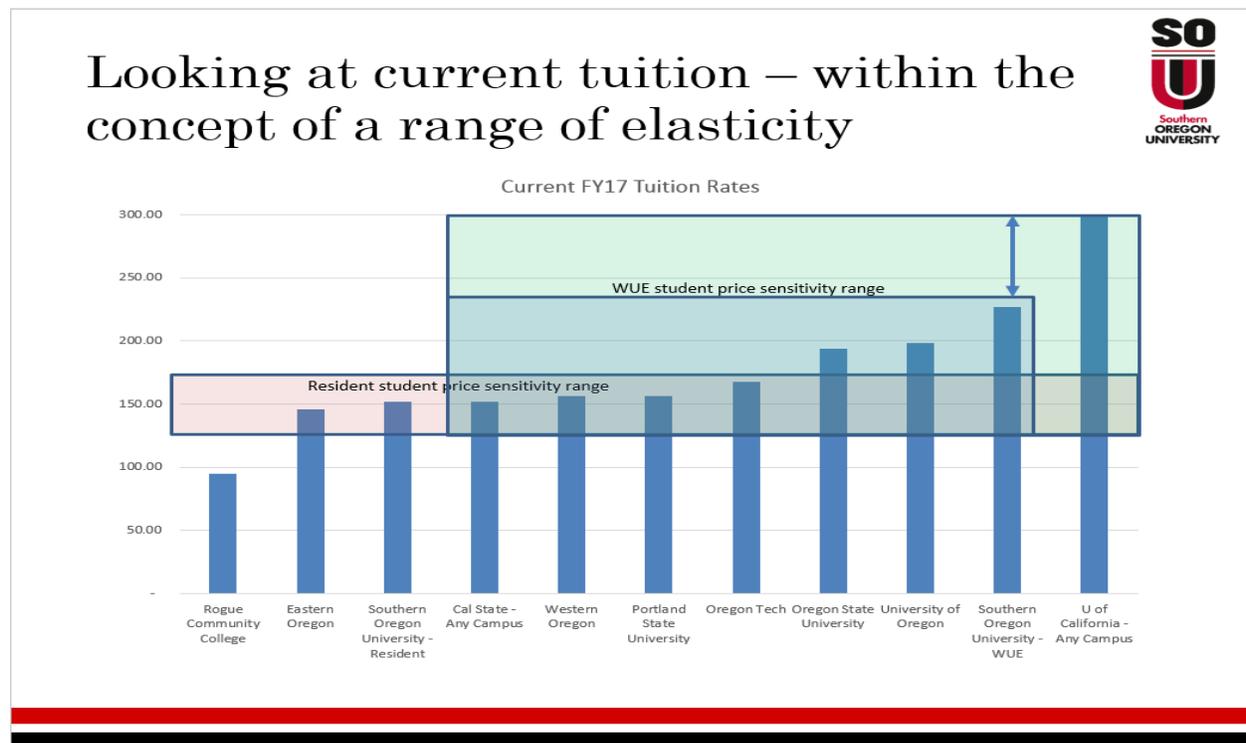
- Room will cost between \$7191 and \$11,097 per year
- Food will cost between \$5640 and \$4680 per year (excluding Madrone which will between \$2400 and \$2475)

Typical Room and Board Total for First Year Student will be \$12,831 per year (\$1426 per month)

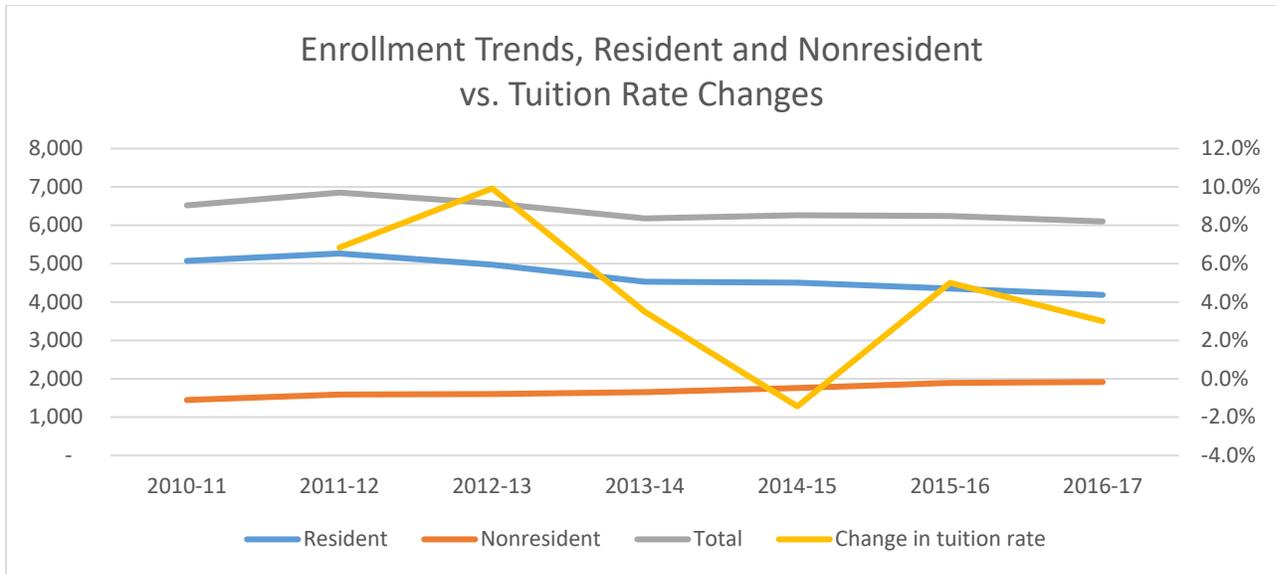
**HISTORY**

Southern Oregon University—a comprehensive regional university—provides high-quality education grounded in the liberal arts, focuses on skills that serve our region’s economic future, and prepares students for innovation and leadership. To achieve these goals, SOU cannot focus exclusively on those most academically qualified or financially capable; the university must remain accessible to and affordable for those we serve. SOU is committed to offering high-quality programs and services to all students.

During their January meeting, members of the Finance and Administration Committee discussed how market placement affects a university’s affordability and accessibility. SOU stands as one of the most affordable options among Oregon’s public universities for both Oregon residents and those of neighboring states. Demand is elastic in nature and while it is important to remain within that band of affordability, there are potential pitfalls in being the least expensive. National and regional data support the notion that students and their families deeply appreciate the affordability of an institution, but care even more about quality and the “fit” of a university with their academic goals.



A February discussion focused on the need to project enrollment based on a market-based model – one that takes into account SOU’s relative population, regional economic influences, recent enrollment trends and the potential impact of tuition rate increases. SOU’s history of tuition rates and enrollment are not linear, as demonstrated through market analyses, elasticity models, demographic trends, tuition policies – nationally and in neighboring states – and the impact of the university’s own tuition assistance practices. As this graph demonstrates, enrollment trends were relatively similar in 2012-13 (9.92 percent tuition increase) and 2014-15 (-1.44 percent tuition decrease). This indicates that as long as tuition stays within a certain range, the exact tuition rate is not the primary decision factor for students; being within an affordability range, other economic factors and the “fit” of a university are significant factors.



A comprehensive communication plan in March was designed to engage students and the broader campus, promote understanding of what drives tuition rates and receive feedback from various campus constituencies. A series of web videos outlined the pressures on SOU’s tuition rate, and 10 publicized and well-attended open campus forums were held.

SOU’s goal of affordability for all students must be considered within the context of the cost drivers that affect the university’s financial picture. To accomplish this, SOU built an interactive pro forma model that enables the projection of multiple factors to forecast their impact for the current budget year and the next two biennia. The Finance and Administration Committee has reviewed the model each month during the budget development process, presenting various budget scenarios and previewing their impacts on the pro forma. This interactive modeling also helped inform the Tuition Advisory Council’s deliberations.

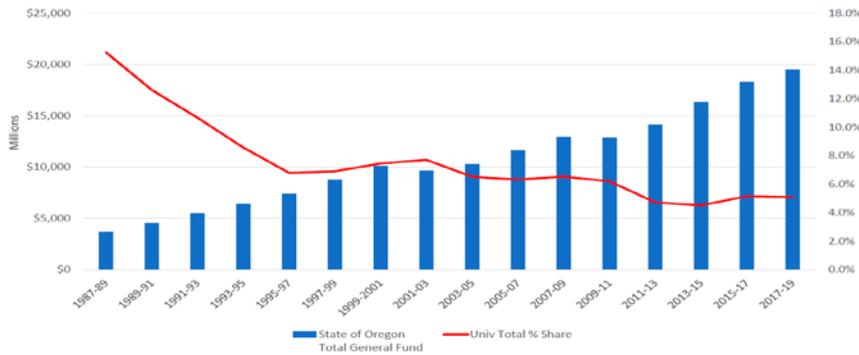
**RETRENCHMENT (past spending cuts)**

The retrenchment metrics already put in place to achieve instructional and administrative efficiencies were built into the pro forma model and budget (see attached Retrenchment Metric Report). Metrics including low-enrolled courses, faculty-to-student ratios, other assigned time and several financial values are incorporated in the pro forma model. It is critical to remember that SOU has undergone the cost-cutting process of retrenchment twice in the past 10 years, each time permanently reducing ongoing costs through faculty and staff layoffs, administrative restructuring and numerous cuts to university operations. The significant cost-cutting measures of retrenchment have enabled SOU to grow its fund balance to the required retrenchment target. Efficiency measures and a culture of austerity have been implemented as part of SOU’s continuous operational review process. Additional significant reductions will have a negative impact on the quality of education and student services.

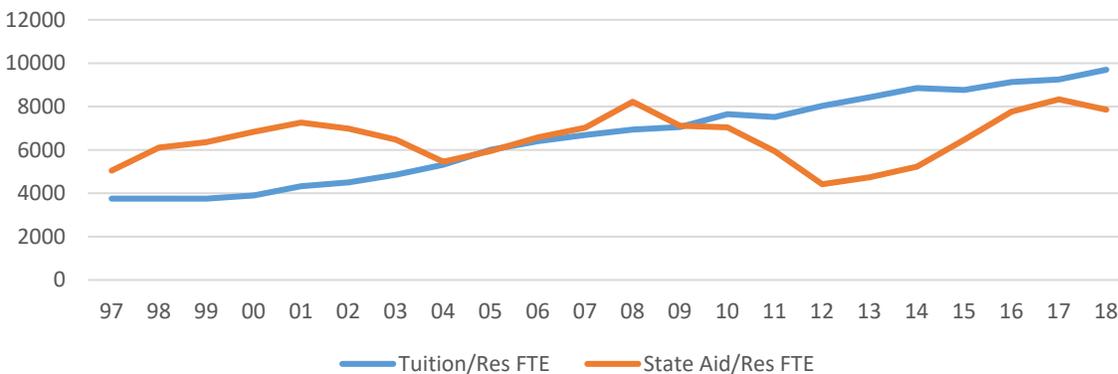
**DRIVERS**

Beginning in the 1980’s, the state began disinvesting in higher education. Changes in property taxes, prison sentencing, and increased PERS and PEBB costs created new budgetary pressures for the state with no offsetting revenue.

## Public University Funding<sup>1</sup> as % of State Budget

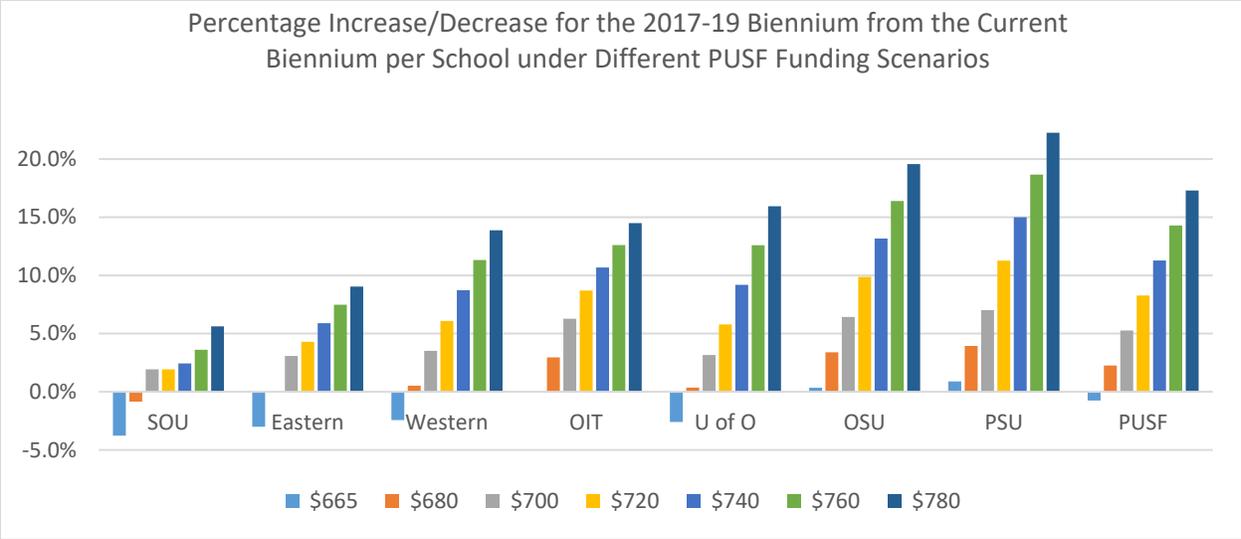


## Tuition/Resident FTE vs. State Support/Resident FTE (Undergrad and Grad Combined)

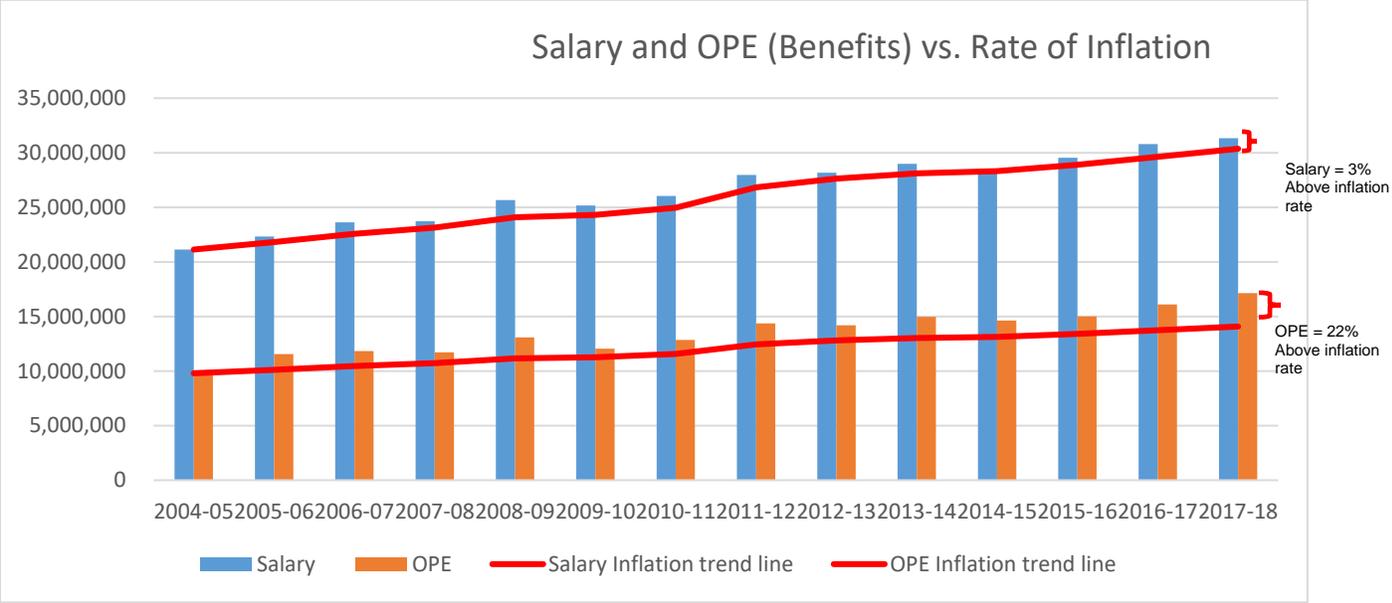


Two factors are significantly different this year, necessitating a large tuition increase:

- The state funding allocation model:** The Student Success and Completion Model (SSCM) was intended to incentivize Oregon’s public universities to prioritize degree completion over enrollment. In its third year of implementation (2017-18), the transition period from an enrollment-based model to a completions-based model has nearly expired and the model’s primary driver – degrees granted – is based on enrollment factors from four to five years prior. The SSCM reduces SOU’s state allocation by approximately 3.8 percent under the current GRB. Beyond 2017-18, SOU’s funding under the SSCM would be reduced more than any of the other public universities. SOU’s enrollment and degrees granted are so small relative to the larger universities that even a significant improvement in outcomes would move the needle at less than two-thirds the rate that it would move for a large university with the same percentage of improvement. At this point in time, a decline in state funding pushes the necessity for revenue growth entirely onto tuition.



- Labor costs:** For SOU, labor accounts for approximately 80 percent of total operating costs. Also in line with most universities, labor costs are rising at rates greater than that of inflation. Over time, the average increase in burdened labor at SOU has been 5 to 6 percent above the inflation rate, driven primarily by the cost of benefits. SOU’s burdened labor costs for 2017-18 are rising by 8 to 9 percent. This is directly due to the significant increase in the Public Employees Retirement System (PERS) rate that SOU is assessed. The PERS rate is increasing by an average of more than 14 percent for all employees due to prior underfunding of the statewide retirement system. The PERS rate increase is contributing to SOU’s total benefit costs being 22 percent above the average rate of inflation. Benefits account for about two-thirds of the year-over-year growth in the total costs of labor at SOU. An increase of 8 percent in the cost of labor – which makes up 80 percent of SOU’s expenses – results in an increase of almost a 7 percent in the university’s total costs. It is important to note that a highly-skilled workforce cannot be automated or outsourced easily, if at all. By comparison, in manufacturing or technology, productivity savings offset labor costs and allow total costs to rise below the rate of inflation.



As mentioned above, the GRB suggests a decline in state funding for SOU of about 3.8 percent. If total costs are rising at 7 percent, the full weight of covering those costs must fall to SOU's second major revenue source – tuition. Tuition accounts for about 62 percent of total revenue, but must cover 100 percent of SOU's increase in total costs (7 percent). A simple mathematical calculation suggests that tuition should increase by more than 14 percent.

## **PROCESS**

Beginning in January, the bodies that formally recommend SOU's tuition and fees began meeting and reviewing data in detail, and developing recommendations. The suggested rates were discussed during the campus forums, and formal feedback on the proposals was received and reviewed.

- **Tuition Rate** – The Tuition Advisory Council (TAC), comprised of three administrators, two faculty members and four students, and is chaired by the provost, began meeting in February. The council reviewed SOU's tuition history and market placement, in Oregon as well as neighboring states. Members also reviewed in detail the financial pro forma that projected SOU's financial picture through the next two biennia. Several tuition rate scenarios were run through the pro forma to inform the TAC; market elasticity modeling was used to consider the impact on enrollment based on each scenario. The TAC drafted its proposal and presented it for feedback to the Associated Students of SOU, ASSOU Senate, Faculty Senate, SOU Budget Committee, University Planning Board, the Executive Council, and the President's Cabinet. After reviewing the feedback, the TAC made its formal proposal to President Schott.
- **Student Incidental Fee** – The Student Fee Committee (SFC) began meeting in November to set its budget priorities and timeline, then provided guidance to its subcommittees. In January, the subcommittees began hearing budget presentations from each of the budget authorities for which they had oversight. The subcommittees then prepared a budget recommendation to the SFC that included detailed justification for the budgets and how those met the criteria as published by the SFC. The budgets were reviewed and accepted by the SFC and proposed to the ASSOU Senate. The senate approved that recommendation and presented a full budget and student fee recommendation to the ASSOU President, who, in turn, proposed the budget and fee rate to President Schott. The SFC and its subcommittees, comprised entirely by students, are governed by the ASSOU Bylaws.
- **Health Center Fee** – The director of the Student Health and Wellness Center works with the Budget Department to review operational costs and revenue projections to determine the fee for the following year. This fee recommendation was presented to the same campus constituent groups at the same time as the tuition rate and all fees, to get feedback and to help finalize a recommendation to the SOU president.
- **Student Recreation Center Fee** – The Student Recreation Center Steering Committee, comprised entirely of students, with staff and faculty support, was newly-formed for this budget cycle. It is charged with setting future operational priorities and approving the Student Recreation Center budget. This student-run committee is responsible for setting the fee for each year, per the guidelines established by the student referendum.
- **Housing/Dining Rates** – The director of housing, with input from the Resident Housing Advising Committee – comprised of students currently residing in SOU on-campus housing, and assisted by the Budget Department – established the housing and dining rates. The rates comply with contractual obligations between the university and the Collegiate Housing Foundation. The goal was to keep the housing rate increase as low as possible, recognizing that housing is a significant component in the total cost of attendance for students living on campus. As with tuition and

other fees, the housing/dining rates were presented to campus constituent groups for feedback before the proposal became formal and was presented to the SOU president.

Throughout the process of recommending the tuition and fee rates, feedback from all campus constituents was requested, gathered and incorporated to the fullest extent possible into the final recommendations to the SOU president. An emphasis was placed on engaging students and including their voices in the process.

### **COMMUNICATION**

In addition to the presentations to campus constituency groups that were part of the feedback process, several open-forum presentations were made around campus and online communication was specifically focused on engaging students. A six-part series of web videos capturing a pointed discussion between the ASSOU president and SOU's associate vice president for budget and planning were recorded and posted at <https://inside.sou.edu/budget/index.html>, along with a survey to collect feedback. Four live presentations of the same material were made directly to students in the Student Union and the SOU main dining facility. Finally, four campus-wide open forums were offered to the greater campus community including faculty and staff, with the presentation posted at: <https://inside.sou.edu/budget/budget-presentations.html>. A total of 10 open presentations and the posted videos were directed at students.

### **MITIGATING THE IMPACT**

A significant amount of thought and effort to address the impact of the tuition increase informs this proposal. As noted above in discussions about SOU's retrenchment, the university already has undergone major operational reductions. If deeper cuts were required, the greatest impact would be on the very student success initiatives put in place to help those most at risk. SOU is committed to retaining these initiatives while adding \$500 thousand in institutional aid. This assistance is aimed specifically at helping students of color, first-generation students, low-income students, and the most vulnerable resident students.

SOU also has kept housing and meal plan increases low in order to offset the proposed tuition increase. This strategy keeps the increase in the total cost of attendance, which includes housing and all mandatory fees, to 5.8 percent or just under \$1,300 for the full year.

Should state funding to the PUSF rise above the current GRB funding level of \$667 million, the TAC recommends consideration of a reduction to the tuition rate increase for all categories to the extent that increased funding from the state, allocated to SOU, would offset the need for tuition revenue. The president endorses the TAC's proposed tuition rate schedule for the 2017-18 academic year and further provides a specific proposal for reducing the tuition increase in the event of increased funding to the PUSF above the GRB.

### **CONCLUSION**

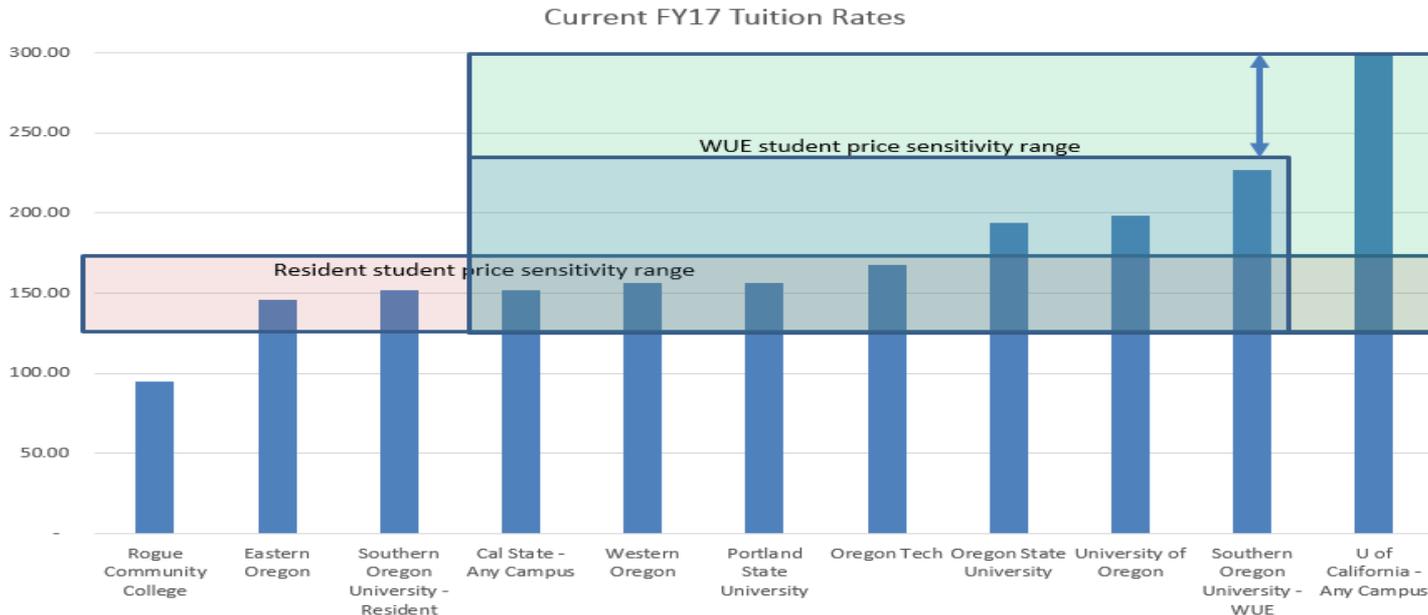
Including the proposed 12 percent increase to tuition, the total cost of attendance at SOU increases 5.8 percent. SOU's tuition rate will remain one of the lowest among Oregon public universities. Access and affordability will remain a top priority with the addition of \$500,000 in institutional aid to the most vulnerable students. SOU is now a model of efficiency, and to make additional reductions would mean depriving our students of services critical to their success and disadvantaging them in comparison to their peers.

# Values Drive the Recommendation

- Quality of Academic / Student Support Programs
- Access for our Region
- Affordability
  - 5.8% Increase for a Resident Undergrad in total cost to attend
- Financial Stability
- Capacity for Strategic Action

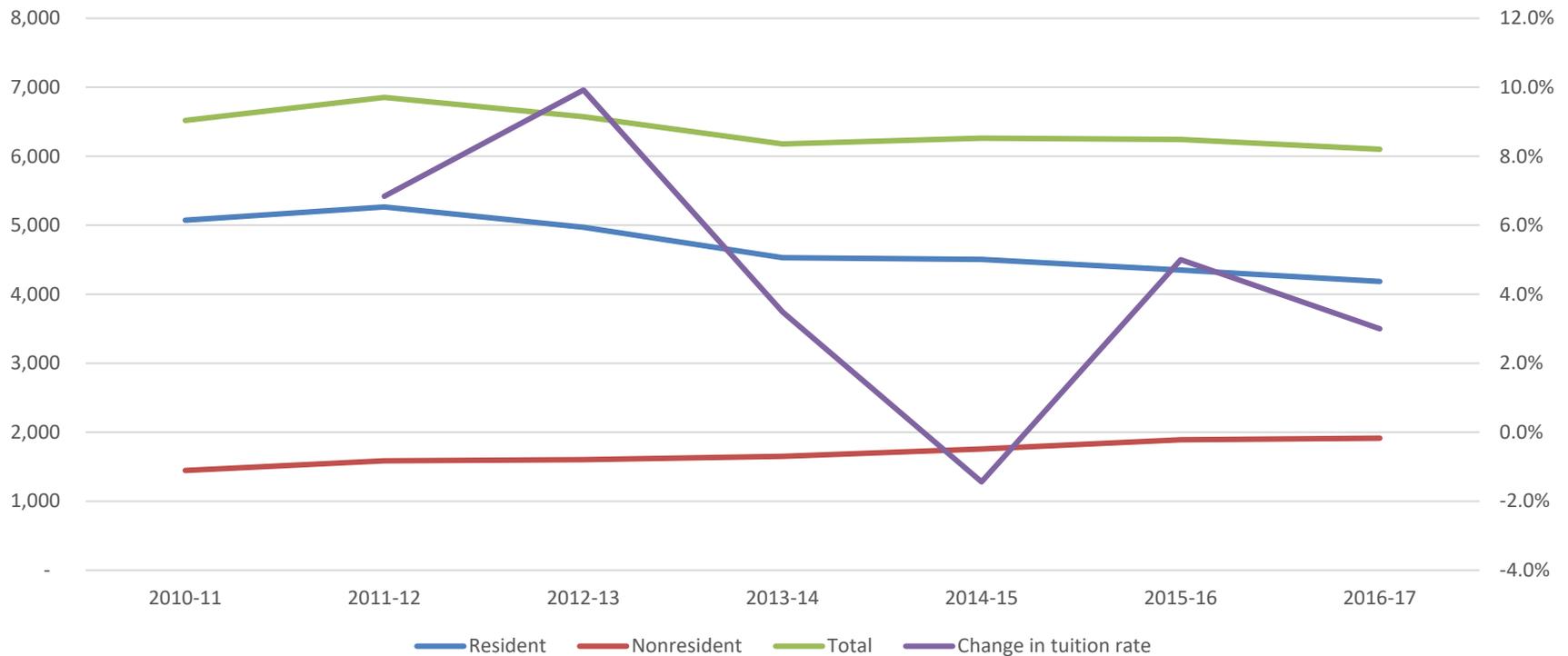
# Sensitivity Toward Elasticity of Demand

Looking at current tuition – within the concept of a range of elasticity



# Enrollment Trends vs. Tuition Rate Increases

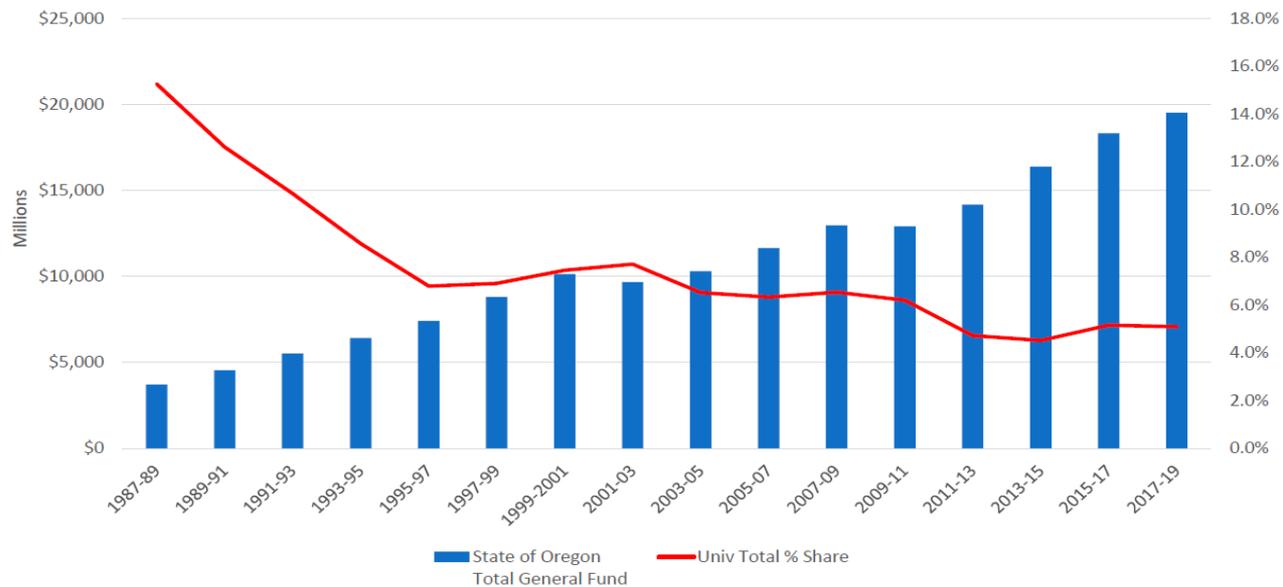
Enrollment Trends, Resident and Nonresident vs. Tuition Rate Changes



# The State's Failure to Fund



## Public University Funding<sup>1</sup> as % of State Budget



# Shifting the Burden: from State to Students

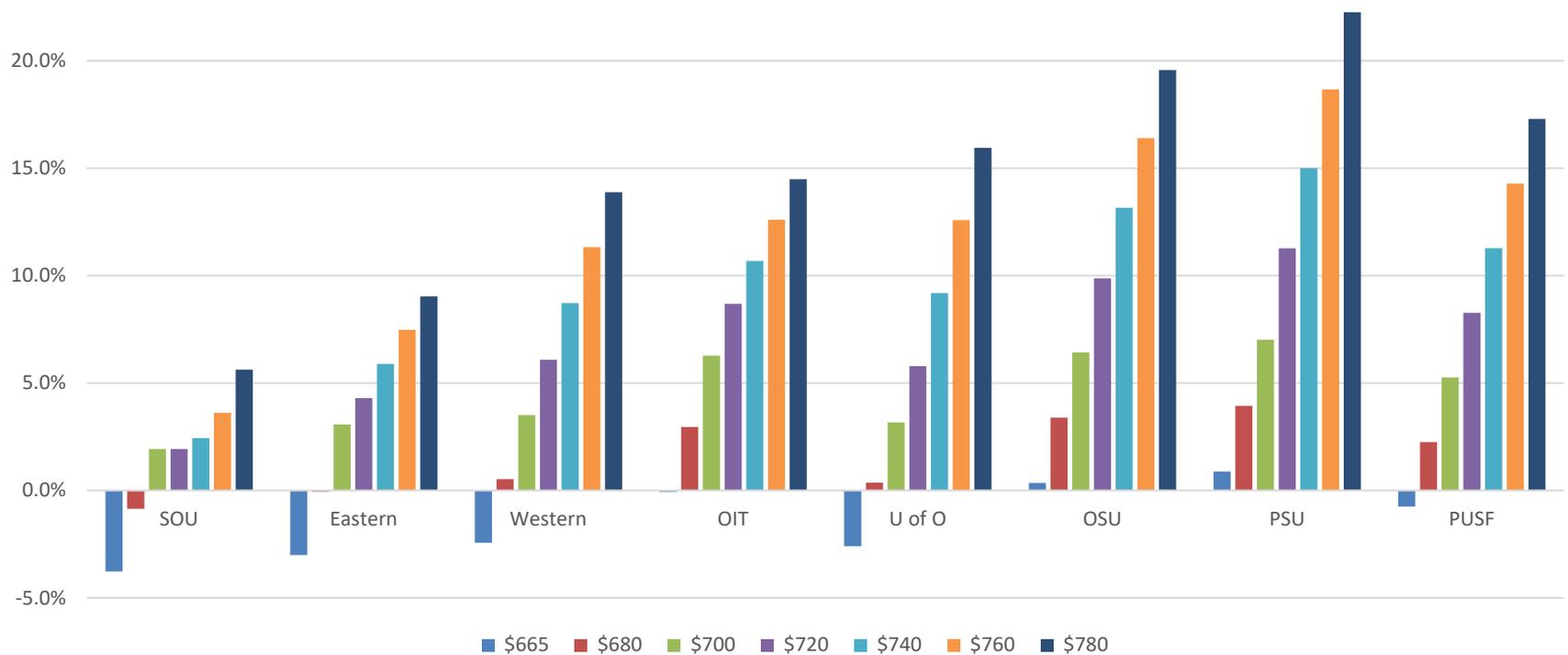


Tuition/Resident FTE vs. State Support/Resident FTE  
(Undergrad and Grad combined)



# Allocation Model Advantages the Larger Universities

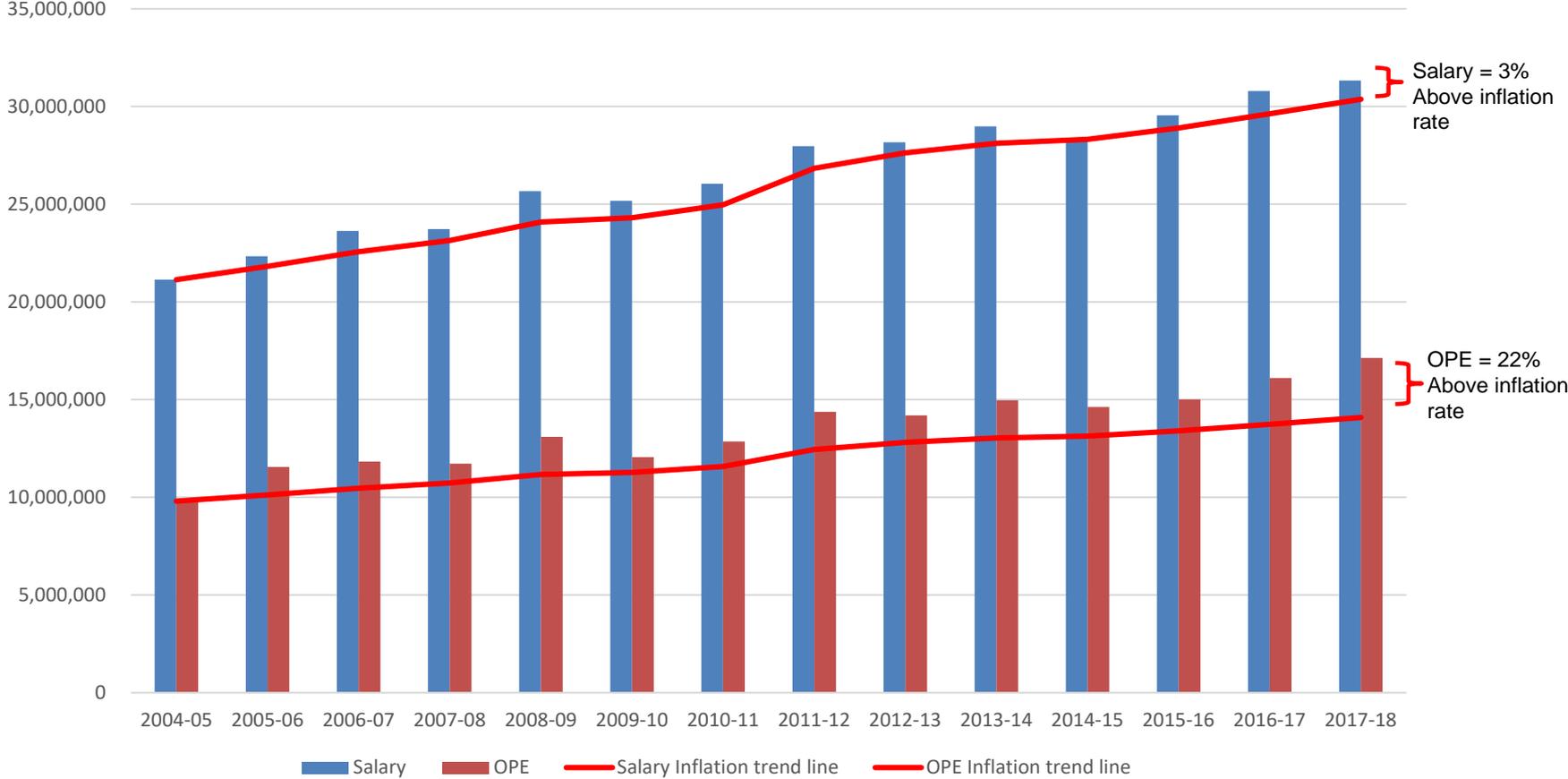
Percentage Increase/Decrease for the 2017-19 Biennium from the Current Biennium per School under Different PUSF Funding Scenarios



# PERS, not Salaries, Drive Labor Costs



Salary and OPE (Benefits) vs. Rate of Inflation



# 2014 Retrenchment: \$14 Million in Cuts

## Academic Reorganization

- Academic Reorganization & Creation of Service Center
  - Increased managerial oversight (more faculty accountability), equity (faculty loading, release, etc.) across academic programs, effective communication, and transparency
  - Increased efficiencies and effectiveness of transactional processes
  - Eliminated administrative and classified positions
  - Created two key positions in Provost's Office: Budget Officer and AVP for Academic Resource Management
  - Moved budget control to Provost's Office and Division Directors and away from departments to allow resources to be focused on institutional priorities and provide spending oversight
  - Saved \$250,000

# 2014 Retrenchment: \$14 Million in Cuts (Cont'd)

## Retrenchment (Article 11 of the APSOU CBA)

- Eliminated faculty positions [over 60 FTE (including tenured faculty)] leading to streamlining of curricula and elimination of low-enrolled courses
- Eliminated 32 low-enrolled majors, co-majors, minors, concentrations, certificates and programs
- Reduced faculty re-assigned (release) time and decreased faculty expense attributed to non-teaching activities by 27%
- Reduced number of low-enrolled courses by 30% and increased average class size 7%

# 2014 Retrenchment: \$14 Million in Cuts (Cont'd)

## Enrollment and Recruitment, Overall Outcomes

- Enrollment and Recruitment
  - Established admissions funnel, total headcount and total FTE targets and retention metrics
  - Exceeded targets set for applicants, admits and enrolled students and budgeted student FTE
  - Increased student carrying load
- Overall Outcomes:
  - Experienced cost-of-living, PERS and health care cost increases over the past 3 years, yet held direct instructional expenditures flat
  - **Increased Fund Balance from 2.1% to over 11%**

# Result of SOU Retrenchment: Most Cost Efficient of OPU's

3rd Lowest-to-lowest of Oregon Public Universities, Operating Expenditures per Student FTE



# Arriving at the Recommendation

- January
  - Campus-wide Open Forum: Two presentations
    - Pro forma demonstration
  
- February
  - Tuition Advisory Council began meeting weekly
  - Reviewed historical, market, impact, pro forma, multiple options

# Arriving at the Recommendation, (Cont'd)

- March
  - Tuition Advisory Council continues work – makes draft proposal
  - 12 Campus presentations
    - ASSOU: 2 presentations
    - Students at large: 3 presentations
    - Faculty Senate, Budget Committee, University Planning Board
    - Executive Council, President's Cabinet
    - Campus Wide Open Forms (again): 2 presentations
    - Video series
  
- April
  - Review feedback from all presentations
  - Finalized proposal

# Recommendation:

Tuition Category	Prior Year rate	Proposed Rate	Dollar Increase per SCH	Percent increase	Total Annual Increase
Resident Undergraduate	\$151.41	\$169.58	\$18.17	12%	\$817.65
Western Undergraduate Exch	\$227.12	\$254.37	\$27.25	12%	\$1,226.25
Nonresident Undergraduate	\$476.89	\$505.00	\$28.11	6%	\$1,264.95
Resident Graduate	\$397.00	\$421.00	\$24.00	6%	\$864.00
Nonresident Graduate	\$497.00	\$527.00	\$30.00	6%	\$1,080.00
Masters of Education	\$341.00	\$361.00	\$20.00	6%	\$720.00

# If State Funding Increases . . .

PUSF	Res UG Tuit Inc.	Res UG Tuit Rate	Annual \$	% Rate Inc.
GRB - \$690 M	\$ 18.17	\$ 169.58	\$ 817.61	12.0%
\$691 - \$710 M	\$ 16.66	\$ 168.07	\$ 749.48	11.0%
\$711 - \$730 M	\$ 15.14	\$ 166.55	\$ 681.35	10.0%
\$731 - \$750 M	\$ 13.63	\$ 165.04	\$ 613.21	9.0%
\$751 - \$760 M	\$ 12.87	\$ 164.28	\$ 579.15	8.5%
\$761 M and up	\$ 12.11	\$ 163.52	\$ 544.95	8.0%

# Impact

<u>Resident Undergraduate</u>	SCH/Year	FY17 Rate	Annual	Fy18 Rate	% Inc.	\$ Inc.	Annual \$	Annual Inc. \$
Tuition	45	151.41	6,813.45	169.58	12.0%	18.17	7,631.10	817.65
Building		45.00	135.00	45.00	0.0%	-	135.00	-
Health		130.00	390.00	137.00	5.4%	7.00	411.00	21.00
<b>Report to HECC</b>			7,338.45		<b>11.4%</b>	25.17	8,177.10	838.65
Incidental Fee		320.00	960.00	343.00	7.2%	23.00	1,029.00	69.00
Rec Center Fee		75.00	225.00	88.33	26.7%	13.33	265.00	40.00
Housing: Shasta Double		2,655.00	7,965.00	2,708.00	2.0%	53.00	8,124.00	159.00
Dining: Red Plan		1,825.00	5,475.00	1,880.00	3.0%	55.00	5,640.00	165.00
<b>Total Cost to Attend</b>			<b>21,963.45</b>		<b>5.8%</b>		<b>23,235.10</b>	<b>1,271.65</b>

<u>Western Undergraduate Exch.</u>	SCH/Year	FY17 Rate	Annual	FY18 Rate	% Inc.	\$ Inc.	Annual \$	Annual Inc. \$
Tuition	45	227.12	10,220.40	254.37	12.0%	27.25	11,446.65	1,226.25
Building		45.00	135.00	45.00	0.0%	-	135.00	-
Health		130.00	390.00	137.00	5.4%	7.00	411.00	21.00
Incidental Fee		320.00	960.00	343.00	7.2%	23.00	1,029.00	69.00
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Housing: Shasta Double		2,655.00	7,965.00	2,708.00	2.0%	53.00	8,124.00	159.00
Dining: Red Plan		1,825.00	5,475.00	1,880.00	3.0%	55.00	5,640.00	165.00
<b>Total Cost to Attend</b>			<b>25,370.40</b>		<b>6.6%</b>		<b>27,050.65</b>	<b>1,680.25</b>

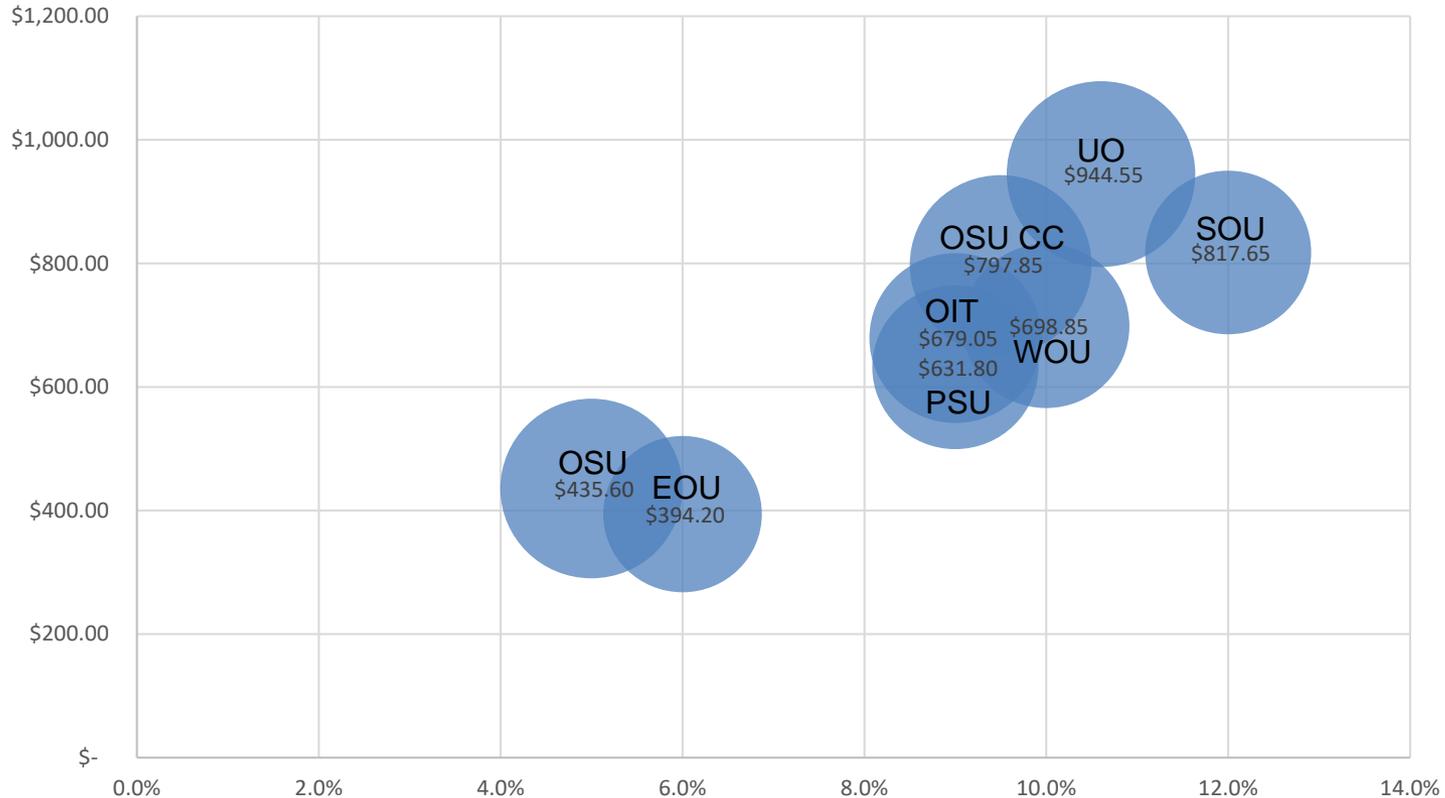
# Increasing Institutional Aid

Grow institutional aid from \$3.5 million to \$4 Million

- Focus on most vulnerable students:
  - At-risk of not completing
  - Students of Color
  - Oregon Residents
  - First Generation
  - Low Income
  - Veterans

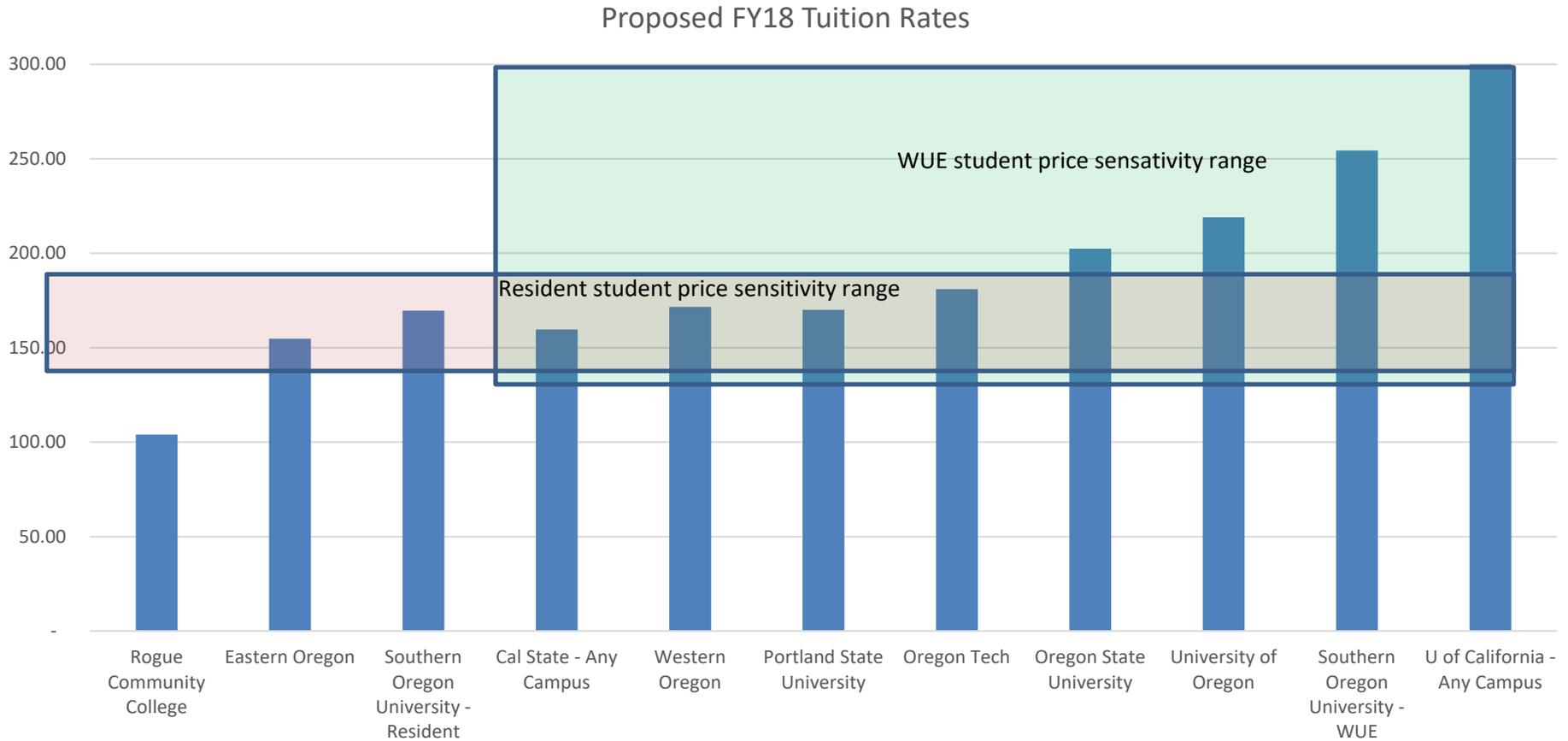
# How SOU Compares

Annual Tuition Dollar Increase for Resident Undergraduate Students



Annual dollar increase based on 45 Student Credit Hours (SCH) per year for an undergraduate student

# Elasticity after Tuition Increases



# Request Approval of Recommended Tuition and Mandatory Fees for AY2017-18

Tuition Category	Prior Year Rate	Proposed Rate	\$ Increase/ SCH	% increase	Total Annual \$ Increase*
Resident Undergraduate	\$151.41	\$169.58	\$18.17	12%	\$817.65
Western Undergraduate Exch	\$227.12	\$254.37	\$27.25	12%	\$1,226.25
Nonresident Undergraduate	\$476.89	\$505.00	\$28.11	6%	\$1,264.95
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Masters of Education	\$341.00	\$361.00	\$20.00	6%	\$720.00
<b>Fees</b>					
Student Incidental Fee	\$320.00	\$343.00	\$23.00	7.2%	\$69.00
Student Recreation Center Fee	\$75.00	\$95.00	\$20.00	26.7%	\$60.00
Student Health Fee	\$130.00	\$137.00	\$7.00	5.4%	\$21.00

\* Annual increase assumes 15 student credit hours per term for undergraduate students, 36 student credit hours per term for graduate students and 3 terms per year for all students. Fees are on a per term basis, not per student credit hour.

**Southern Oregon University  
Board of Trustees**

**RESOLUTION**

**Establishment of Tuition and Mandatory Fees for Academic Year 2017 - 2018**

**Whereas**, the Southern Oregon University Board of Trustees (“the board”) has the authority to establish tuition and mandatory enrollment fees in accordance with ORS. 352.102, ORS 352.105 and other applicable laws and policy, including the Board Statement on Delegation of Authority; and

**Whereas**, the board may authorize the collection of mandatory enrollment fees recommended by the president of the university and the recognized student government, the Associated Students of Southern Oregon University (ASSOU), and established in accordance with provisions outlined in ORS 352.102 and ORS 352.105; and

**Whereas**, the University President, in consultation with students, faculty and staff, has recommended tuition and mandatory enrollment fees for Academic Year 2017-2018 (AY17-18) through the work of campus groups and especially the Tuition Advisory Council, which is comprised of representatives from various campus constituencies including but not limited to students, student government, faculty, and staff; and

**Whereas**, after considering historical tuition and fee trends, comparative data of peer institutions, the university’s budget and projected costs, anticipated funding levels, anticipated state appropriation levels, and applicable fee recommendations from and previously approved by ASSOU, the University President has approved those tuition and mandatory fee recommendations for consideration by the board; and

**Whereas**, the university, in close consultation with the board over several months, has engaged in a thorough process for determining tuition and mandatory enrollment fees; and the president has recommended to the Finance and Administration Committee that the proposed tuition and fee schedule be submitted to the full Board of Trustees for consideration and approval; and

**Whereas**, the board considers a number of factors, including the desire to create affordable access to programs and courses; encourage a diverse student body; maintain quality academic programs; encourage enrollment, retention, and graduation of students; maintain the university infrastructure necessary to support the academic, cultural and physical development of its students; and support the educational goals of the State of Oregon; and

**Whereas**, the board has given special consideration to:

1. Alternatives that involved tuition and fee increases below the 5 percent threshold;

**Southern Oregon University  
Board of Trustees**

**PROPOSED RESOLUTION**

**Establishment of Tuition and Mandatory Fees for Academic Year 2017 - 2018 (Cont'd)**

2. How Oregonians who are underrepresented in higher education, including low-income students and students of color, would benefit more under the university's proposal than one that stays within the 5 percent threshold;
3. How Board of Trustees of Southern Oregon University and the university's central administration are managing costs on an ongoing basis;
4. How students, faculty and staff were consulted on the proposed tuition increases, and
5. How tuition will be affected should additional state funds beyond the number in the Governor's Recommended Budget (GRB) be appropriated.

**Now, therefore, be it resolved,** the Board of Trustees of Southern Oregon University hereby adopts the AY17-18 tuition and mandatory fee schedule as presented in Figure 1 of "Exhibit A," attached hereto, [as proposed] or [as amended], to become effective July 1, 2017.

**Be it further resolved,** that if the Oregon State Legislature increases the Public University Support Fund beyond the levels proposed in the Governor's Recommended Budget, the university shall amend the AY17-18 tuition rates consistent with Figure 2 of Exhibit A.

<b>Trustee</b>	<b>Ayes</b>	<b>Nays</b>
Thorndike	x	
Sevcik	x	
AuCoin	x	
Hennion	x	
Nicholson	x	
Nootenboom	x	
Santos	x	
Sayre	x	
Shih	x	
Slattery	x	
Steinman	x	
Vincent		
Washington	x	

VOTE: Ayes – 13; Nays – 0; Abstentions – 0; Absent -1

DATE: April 21, 2017



University Board Secretary

**Exhibit A**

**Figure 1: Academic Year 2017-18 Tuition and Mandatory Fees Schedule**

<b>Tuition Category</b>	<b>Prior Year Rate</b>	<b>Proposed Rate</b>	<b>\$ Increase/ SCH</b>	<b>% increase</b>	<b>Total Annual \$ Increase*</b>
<b>Resident Undergraduate</b>	\$151.41	\$169.58	\$18.17	12%	\$817.65
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<b>Student Health Fee</b>	\$130.00	\$137.00	\$7.00	5.4%	\$21.00

**Figure 2: Resident Undergraduate Tuition Rate Amendments if PUSF Increases from GRB**

<b>PUSF</b>	<b>Res UG Tuit Inc.</b>	<b>Res UG Tuit Rate</b>	<b>Annual \$</b>	<b>% Rate Inc.</b>
<b>GRB - \$690 M</b>	\$ 18.17	\$ 169.58	\$ 817.61	12.0%
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