



Andrew Rogers
Director, University Budget & Finance
Higher Education Coordinating Commission
255 Capitol Street NE, Third Floor
Salem, OR 97310

April 27, 2017

Dear Andrew,

In response to your letter dated April 18, 2017 please find below Western Oregon University's response to Governor Brown's request for additional information regarding resident undergraduate tuition and mandatory enrollment fee increases in excess of five percent for the 2017-18 academic year.

1) **Clear and significant evidence that the university gave serious consideration to alternatives that involved tuition and fee increases below the 5% threshold.**

Western Oregon University's student body is comprised significantly of PELL-eligible, first-generation, rural, and underrepresented students. It is necessary—*every academic year*—for WOU to give “serious consideration” to resident undergraduate tuition increases under five percent, like its 2.2% tuition increase in 2016.

Starting in early 2016, Western Oregon University began collaborative work with other Oregon public universities to respond to a legislative directive to develop, **in consultation with the Higher Education Coordinating Commission**, an estimated cost of applying the Community College Support Fund model to the Public University Support Fund. This work, over months, included analysis of multiple tuition increase scenarios of 5% or less.

Demonstrated by the ten funding scenarios submitted to the HECC for consideration, it was ultimately recognized that additional State investment is required to keep tuition increases below 5%.

As stated in the March 30, 2016 letter to the HECC from the Oregon Public University council, *“For universities to keep tuition increases below 5% and also preserve current financial aid and student support services, state investment in the Public University Support Fund (PUSF) would need to increase by roughly 15%—or \$100 million—in the 2017-19 biennium to \$765 million. This is necessary due to large, state-mandated cost increases the universities face in the next biennium related to insurance, retirement, and contracted labor cost increases.”*

<http://www.wou.edu/board/files/2014/10/WOU-Board-of-Trustees-Docket-Meeting-13-April-27-2016-FINAL-1.pdf>

Subsequently, WOU's leadership continues analysis seeking ways to keep tuition increases below 5%. In April 2017, the Finance and Administration Committee considered eight tuition/budget scenarios. At the GRB funding level all scenarios projected a budget deficit ranging from \$1 M to \$5.5M. Four of these scenarios used tuition increases of 5% or less and projected budget deficits ranging from \$2.3M to \$5.5M and demonstrate the impact of the state-mandated cost increases and flat State funding

Given these realities President Fuller has engaged the campus in budget reduction planning of 5-10%. These plans will be vetted with the University Budget Committee before finalizing a budget recommendation to the Board of Trustees.

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- 2) **Clear and significant evidence of 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% threshold.**

With the approval of tuition ranges at the April Board meeting, the university will engage in finalizing plans to mitigate the costs for low-income and underrepresented students. The best policy to ensure opportunity for these students, like all students, is state funding that mitigates tuition increases. But in light of the current funding gap, Western will employ steps to mitigate the impact of tuition increases for low-income and underrepresented students. For example in 2016-17, Western froze tuition for students from families with an EFC of zero. Clearly, tuition increases of less than 5%, accompanied by appropriate state funding, is more beneficial to low-income and underrepresented students than efforts to mitigate increases in tuition beyond 5%.

- 3) **A plan for how the university's board and central administration are managing costs on an ongoing basis.**

Implemented by President Fuller since his arrival in July of 2015, a comprehensive review of all position vacancies is performed throughout each year. Such procedures are expected to result in nearly \$1.0M personnel expense saving this fiscal year; similar savings were realized last fiscal year and any total net improvement in year-end fund balance is targeted, as a one-time measure, to offset the structural deficit projected for next fiscal year, 2018.

The President has also constituted a University Budget Committee (UBC) this year which is charged with much of this work over the next two fiscal years to reposition WOU's already lean operational structure within a sustainable budget. See <http://www.wou.edu/ubc>.

Other fiscal and budgetary information, including budgets and quarterly management reports, may be viewed at the Board's Finance & Administration site: <http://www.wou.edu/board/board-committees/>. See also: <http://www.wou.edu/financeandadministration/documents/>.

Also, Western's Board of Trustees receives quarterly updates with operations and finance reports, including revenue/expense projections and budget-to-actual variances. The reports, in addition to other more detailed finance reports, are part of the quarterly updates for the Board Finance and Administration Committee. Review of cost drivers, as well as revenue inputs is vigorous and ongoing. <http://www.wou.edu/board/board-committees/>

Additional finance and budgetary information is provided to the campus at large via the Finance and Administration website: <http://www.wou.edu/financeandadministration/documents/>

- 4) **A summary of how students, faculty and staff were consulted on the proposed tuition increases.**

WOU engages students via the Student Tuition Advisory Committee. The Committee was formally established in 2011 after the passing of [SB242](#) which required Universities to obtain student input in tuition and enrollment fees.

Vice President for Finance and Administration



The purpose of the Student Tuition Advisory Committee is to provide an opportunity for students to become familiar with university finances and provide meaningful feedback prior to the University formally submitting proposed tuition rates to the Board of Trustees and then to the Higher Education Coordinating Commission.

The Student Tuition Advisory Committee consists of members from the student government (ASWOU), members from the Incidental Fee Committee, and WOU administrators. All meetings are open to any WOU enrolled student that wishes to attend. The following summarized the process this year:

- Meeting announcements began with the early November joint staff meeting Presidents staff / ASWOU announced 11/9/2017
- First of nine meetings began 11/14/2017
- Included two open forums one of which was hosted by President Fuller
- Additional presenters included Danna Richardson – Executive Director of Council of Presidents and Dave McDonald – Vice Provost for Enrollment Management

Meeting materials and minutes are available on the committee website:
<http://www.wou.edu/financeandadministration/tuition-advisory-committee>

5) A summary of how tuition will be affected should additional state funds beyond the number in Governor’s Recommended Budget be appropriated.

On April 26, 2017, the Western Oregon University Board of Trustees approved the following matrix that ties directly any new appropriation for the PUSF in 2017-2019 to a commensurate reduction in resident undergraduate tuition. For every \$20M in the PUSF above the Governor’s Recommended Budget, WOU’s resident undergraduate tuition increase will reduce one percentage point. The following table was a part of the Board’s proposal and was approved on April 26, 2017:

Public University Support Fund (PUSF) Funding Level	Recommended Resident Tuition Increase Per Student Credit Hour (SCH) for Traditional versus Promise Tuition Programs	Rate Increase over 20106-2017 Tuition Rates
Governor’s Recommended Budget (GRB)	\$16/\$18	10%
GRB + at least \$20 million	\$14/\$16	9%
GRB + at least \$40 million	\$12/\$14	8%
GRB + at least \$60 million	\$11/\$13	7%
GRB + at least \$80 million	\$9/\$11	6%
GRB + at least \$100 million	\$8/\$9	5%

Sincerely,

Eric Yahnke
 Vice President for Finance and Administration
 Western Oregon University

Vice President for Finance and Administration