



To: EOU Board of Trustees, Finance & Administration Committee

From: Lara Moore, Vice President for Finance & Administration

Re: Proposed 2015-16 Tuition Increase

Enclosed herein is information regarding EOU's proposed tuition increase – information that should aid in our discussion at the F&A Committee meeting on June 4, 2015, as well as at the full Board meeting that same day. On June 5, 2015, our proposed tuition increase for 2015-16 will go before the State Board of Higher Education for final approval, and it is my understanding that the State Board expects the EOU Board of Trustees to also take action on this item at the June 4, 2015 full Board meeting.

Within this document I've provided you with the tuition proposal details, as well as cost comparators from around our region. In addition, I've included the tuition proposal justification (the last document) that we were asked to prepare by the State Board, and what they will be reviewing in preparation for their June 5 decision. We are proposing a 4.9% tuition increase for both undergraduate and graduate residents, and a 3% increase for undergraduate and graduate non-residents. In addition, we are proposing a \$500 tuition differential for our Business program (a full explanation is included within). The following points are driving our recommendation for this level of increase.

- The proposed increase keeps EOU tuition at a highly competitive level, and even with the increase, our tuition will be the lowest of most all public universities in Oregon, Washington, and Idaho.
- Due to legislatively funded tuition buy downs, the last full-year tuition increase our students experienced was in the 2012-13 academic year.
- In regards to the Business differential, there is only one other public university in Oregon who does not currently have tuition differentiation in various higher-cost programs.
- For the average student, a 4.9% increase equates to approximately \$100 per term.
- Our proposed tuition increase equates to approximately \$1,000,000 in additional revenue; however, we are increasing our fee remission (tuition discounting) budget by \$700,000 for next academic year. This means \$700,000 more (\$500,000 in tuition remissions and \$200,000 in housing remissions) will be available to students in the form of remissions to help offset the tuition increase.

- We currently face some unknowns in terms of revenue and as well as some additional expenses going forward, and feel the 4.9% increase is prudent and warranted when considering our current and future financial picture. First, our state allocation is not fully known at this time, and we don't expect to see final numbers from the legislature until late June. Second, our enrollment for fall is also an unknown, and while there are multiple departments working on numerous initiatives on that front, there is still a chance that we could see an enrollment decline in the fall. Finally, the recent PERS ruling has us initially projecting a 600 basis point increase – from 20 to 26% on PERS costs for the 2017-19 biennium. For us, an increase of that size will result in approximately \$1,000,000 of additional, annual expense.
- EOU is slowly rebuilding our reserves, but at this juncture we do not have adequate reserves to justify a smaller tuition increase.
- Based on what we're hearing, the following public universities in Oregon are proposing and/or have already approved the following tuition increases, and as can be seen below, our increase is at par with most of the other public universities in Oregon.

Undergraduate Resident Increases for 2015-16

Eastern Oregon University	4.9%
Oregon Institute of Technology	5.0%
Southern Oregon University	4.9%
Western Oregon University	2.0 - 2.4%
Portland State University	4.8%
Oregon State University	7.0% (OSU eliminated their tuition plateau)
University of Oregon	3.8%

Lastly, I want to give you some information regarding our tuition setting process so that you are better informed about how we approach these increases in a transparent and inclusive manner. Each year near the January-February time frame, the President convenes a tuition committee, comprised of students and staff. The committee meets a few times and tries to come to consensus on a proposed increase. From there, the tuition committee meets with various student groups in open forums and other settings to discuss the proposed increase and listen to feedback. This year the tuition committee met four times, and we also hosted an open student forum, as well as a meeting with ASEOU senators. At this juncture, we have received some support for our increase, and we have also heard from students who would prefer that our increase stay in the 3% range, instead of the proposed 4.9%.

As you review this information, I would be happy to answer any questions you may have – and I welcome your questions prior to our meeting on June 4th.

**Eastern Oregon University
2015-16 Tuition Proposals**

Current Tuition for 2014-15

- Resident Undergraduate \$134.00 per credit hour
- Non-Resident Undergraduate \$357.75 per credit hour (2.67x resident)
- Resident Graduate \$301.00 per credit hour
- Non-Resident Graduate \$386.00 per credit hour (1.28x resident)
- On-Line (Res. + Non-Res.) \$200.00 per credit hour (effective Winter term 2015)
- No differentials in tuition by program
- No Advantage program

Proposed Tuition for 2015-16 (resident 4.9% increase; non-resident 3% increase)

- Resident Undergraduate \$140.50 per credit hour
- Non-Resident Undergraduate \$368.00 per credit hour (2.61x resident)
- Resident Graduate \$316.00 per credit hour
- Non-Resident Graduate \$398.00 per credit hour (1.26x resident)
- On-Line (Res. + Non-Res.) \$210.00 per credit hour

- Business Differential (\$500/yr.)
 - Res.UG \$152.00 per credit hour
 - Non-Res. UG \$379.00 per credit hour
 - Res. Masters \$330.00 per credit hour
 - Non-Res. Masters \$412.00 per credit hour
- Eastern Advantage (Optional for Res. Frosh) – 10% above 2014-15
 - Res. UG. \$147.00 per credit hour

See attached for comparisons to other Oregon, and select Idaho and Washington public institutions

2014-15 Tuition Comparisons

	Cost per Credit	Differentials, if any		Notes
		Business	Ed/MFA	
Resident Undergraduate				
Eastern Oregon University	\$134.00			EOU fees approximate \$31.53/cr. For full-time students
Oregon Institute of Technology	\$155.00			
Southern Oregon University	\$140.15			
Western Oregon University	\$153.00			\$170 for Promise
Oregon State University	\$189.00	\$209.00		
Portland State University	\$145.00	\$163.40		
University of Oregon	\$182.00			
Boise State University	\$147.56			includes fees
Lewis-Clark State College	\$131.11			includes fees lowest in Idaho
University of Idaho	\$150.76			includes fees
Central Washington University	\$264.70			includes fees
Eastern Washington University	\$245.73			lowest in WA
Washington State University	\$253.24			excludes \$1,002 annual fees
Resident Graduate				
Eastern Oregon University	\$301.00		\$321.00	
Oregon Institute of Technology	\$368.00			
Southern Oregon University	\$378.72		\$325.00	
Western Oregon University	\$345.00			
Oregon State University	\$441.00	\$690.00		
Portland State University	\$345.00	\$580.00		
University of Oregon	\$512.00	\$761.00	\$539.00	
Boise State University	\$217.33			includes fees
Lewis-Clark State College	n/a			
University of Idaho	\$218.94			includes fees
Central Washington University	\$309.40			includes fees
Eastern Washington University	\$363.98			
Washington State University	\$326.89	\$494.78		excludes fees
Non-Resident Undergraduate				
Eastern Oregon University	\$357.75		\$378.50	
Oregon Institute of Technology	\$155.00			1-6 credits, thereafter \$493.35/cr.
Southern Oregon University	\$441.84			
Western Oregon University	\$459.00			
Oregon State University	\$613.00	\$633.00		
Portland State University	\$490.00	\$509.00		
University of Oregon	\$648.00			
Boise State University	\$433.16			includes fees
Lewis-Clark State College	\$364.84			includes fees
University of Idaho	\$451.42			includes fees
Central Washington University	\$680.20			includes fees
Eastern Washington University	\$682.19			includes fees
Washington State University	\$679.94			excludes annual fees of \$1,002
Non-Resident Graduate				
Eastern Oregon University	\$386.00			
Oregon Institute of Technology	\$368.00			1-6 credits, thereafter \$617.75 per cr.
Southern Oregon University	\$473.40		\$325.00	
Western Oregon University	\$580.00			
Oregon State University	\$739.00	\$1,130.00		
Portland State University	\$539.00	\$699.00		
University of Oregon	\$853.00	\$1,112.00	\$788.00	
Boise State University	\$357.00			includes fees
Lewis-Clark State College	n/a			
University of Idaho	\$594.78			includes fees
Central Washington University	\$631.30			includes fees
Eastern Washington University	\$846.15			
Washington State University	\$700.00	\$922.78		excludes fees

EOU Proposal for Differential Tuition in Business

EOU is proposing a differential tuition of \$500 per full-time student per year for undergraduate and graduate students (\$11 per credit hour for part-time undergraduates and \$14 per credit hour for part-time graduate students) admitted to any business degree program. We propose that this differential tuition program start in the summer term 2015. Per the OUS Fee Book, we have addressed the following criteria in developing this differential tuition proposal:

1. Quality of the student experience. The revenue from this differential tuition will be used to enhance advising, career placement/assistance, facilitate more hybrid instructional practices, provide mentoring/tutoring and enhanced assessment services to business majors as follows:
 - a. Enhanced advising – business majors will receive more focused and enhanced advising program from business advisors and faculty as a result of this differential tuition program.
 - b. BA 408: Job Search Skills Class - A one-credit class will be designed and offered to Business majors to assist students in preparing for the job search process. Students will have the opportunity to prepare resumes, write cover letters, practice interviewing skills, and research employers. Class structure will include lecture, discussion and special events. Grade will be based on the satisfactory completion of all assignments. Work must be of high quality and presentable to employers. Students must have at least junior standing to register for this course.
 - c. Launch EOU Career Fair - Proposed EOU Career Fair would be a collaboration with regional and statewide workforce development partners that would invite local, regional, statewide, national and international employers to meet soon-to-be EOU grads and alumni to network and connect to discuss company culture and professional opportunities.
 - d. Career Services Online: EOU Career Network - Online career development database that connects students and alumni to employers and professional opportunities. CSO requires an annual fee of \$3,500 dollars.
 - e. Targeted Internship and Employer Outreach - Develop and focus service and career learning outreach to targeted employers, alumni and service groups that would enhance an EOU business student's opportunities to gain relevant and meaningful career development.
 - f. Enhanced Graduate Assistants in the College of Business – Expand the role of the Business Graduate Assistants (potentially recruit additional graduate assistants) to include mentoring and tutorial services for both undergraduate and graduate business students – resident on campus, on site, and online. With additional resources, graduate assistants could help facilitate more hybrid approaches to instructional

practices - especially with regard to assessment of curricular content relevant to accreditation.

2. Access, affordability and student choice of undergraduate major. As required, 10% of the revenues from this differential tuition will be set aside to be used for need-based fee remissions for business majors. Funds will be awarded based on need as a means to preclude this increased cost from becoming an impediment to the student's choice of majors. This differential tuition will require a new cost of attendance financial aid budget be used for business majors. Through this process, the financial aid office will be able to advise business students regarding the anticipated future costs and to seek additional financial aid resources (including utilization of the fee remissions noted above) to cover those costs.
3. Cost of Instruction. The business programs at EOU carry additional costs as our collective bargaining contracts require a differential salary be paid to faculty in these disciplines that are 25% - 35% higher than faculty receive in other disciplines. In addition, this program has the highest demand of any EOU program, and graduates from these business programs generally earn higher salaries compared to graduates from other programs.
4. Market Pricing – EOU currently has the lowest base tuition of any public university in Oregon. Even with this differential we believe that the program costs will be at or below the prices offered by peer institutions for similar programs.
5. Student Consultation and Support – we have had significant consultation with students enrolled in the business programs and ASEOU representatives about this proposal and we have received no opposition to the proposal to date.

Eastern Oregon University 2015-16 Tuition Proposal

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

EOU's tuition strategy is one that focuses primarily on affordability for the students we serve – students who often come to us with high financial need and low family contribution. Paired with our focus on affordability, EOU has recognized that our pricing strategy in recent years may have contributed to some of our budgetary challenges. Our pricing has resulted in tuition rates that are lower than at most all public universities in Oregon, Idaho and Washington, and therefore have greatly limited our tuition revenue stream. The lack of revenue has resulted in us having less investment capital for academic and student services, which in turn contributes to recruitment and retention struggles. Lastly, our at times artificially low tuition rates may raise questions for prospective students about the quality of the educational experience they might have at EOU. Our strategy this year, then, is to keep our rates at a competitive and affordable level, while enhancing our revenue streams and having tuition rates that are reflective of the high-quality academic experience that we offer.

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.*

EOU prides itself in student involvement on issues that directly concern and impact students. Tuition is one of these cases. Each year near the January-February time frame, the President convenes a tuition committee, comprised of students and staff. The committee meets a few times and tries to come to consensus on a proposed increase. From there, the tuition committee meets with various student groups in open forums and other settings to discuss the proposed increase and listen to feedback. This year the tuition committee met four times, and we also hosted an open student forum, as well as a meeting with ASEOU senators. At this juncture, we have received some support for our increase, and we have also heard from students who would prefer that our increase stay in the 3% range, rather than the proposed 4.9% increase.

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

In our tuition-setting process this year, we compared our rates to the following peers.

Oregon Institute of Technology
Southern Oregon University
Western Oregon University
Oregon State University
Portland State University
University of Oregon

Boise State University
Lewis-Clark State College
University of Idaho
Central Washington University
Eastern Washington University
Washington State University

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.*

Our proposed 4.9% tuition increase will still keep tuition rates at a highly affordable and competitive level. In addition to the tuition increase, EOU is budgeting a significant increase in fee remissions for our students for the 15-16 academic year. In an effort to address the need of our students, and to continue to remain affordable, we are increasing tuition remissions by \$500,000 (from \$1.8M to \$2.3M), and also offering an additional \$200,000 in housing remissions. This level of remissions will place EOU at 12% fee remissions compared to gross tuition for 2015-16.

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 6/30/16.*

Our proposed 4.9% increase greatly assists our overall financial sustainability and results in approximately a \$1M increase in revenue. Based on flat enrollment, the current Legislative funding in the Co-chairs budget and the funding to be provided via the new outcome based funding formula EOU's E&G fund balance should be north of 5% at 6/30/16.

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

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- Eastern Advantage (Optional for Res. Frosh) – 10% above 2014-15
 - Res. UG. \$147.00 per credit hour

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

EOU is proposing a differential tuition of \$500 per full-time student per year for undergraduate and graduate students (\$11 per credit hour for part-time undergraduates and \$14 per credit hour for part-time graduate students) admitted to any business degree program. We propose that this differential tuition program start in the summer term 2015. Per the OUS Fee Book, we have addressed the following criteria in developing this differential tuition proposal:

1. Quality of the student experience. The revenue from this differential tuition will be used to enhance advising, career placement/assistance, facilitate more hybrid instructional practices, provide mentoring/tutoring and enhanced assessment services to business majors as follows:

- a. **Enhanced advising** – business majors will receive more focused and enhanced advising program from business advisors and faculty as a result of this differential tuition program.
 - b. **BA 408: Job Search Skills Class** - A one-credit class will be designed and offered to Business majors to assist students in preparing for the job search process. Students will have the opportunity to prepare resumes, write cover letters, practice interviewing skills, and research employers. Class structure will include lecture, discussion and special events. Grade will be based on the satisfactory completion of all assignments. Work must be of high quality and presentable to employers. Students must have at least junior standing to register for this course.
 - c. **Launch EOU Career Fair** - Proposed EOU Career Fair would be a collaboration with regional and statewide workforce development partners that would invite local, regional, statewide, national and international employers to meet soon-to-be EOU grads and alumni to network and connect to discuss company culture and professional opportunities.
 - d. **Career Services Online: EOU Career Network** - Online career development database that connects students and alumni to employers and professional opportunities. CSO requires an annual fee of \$3,500 dollars.
 - e. **Targeted Internship and Employer Outreach** - Develop and focus service and career learning outreach to targeted employers, alumni and service groups that would enhance an EOU business student's opportunities to gain relevant and meaningful career development.
 - f. **Enhanced Graduate Assistants in the College of Business** – Expand the role of the Business Graduate Assistants (potentially recruit additional graduate assistants) to include mentoring and tutorial services for both undergraduate and graduate business students – resident on campus, on site, and online. With additional resources, graduate assistants could help facilitate more hybrid approaches to instructional practices - especially with regard to assessment of curricular content relevant to accreditation.
2. Access, affordability and student choice of undergraduate major. As required, 10% of the revenues from this differential tuition will be set aside to be used for need-based fee remissions for business majors. Funds will be awarded based on need as a means to preclude this increased cost from becoming an impediment to the student's choice of majors. This differential tuition will require a new cost of attendance financial aid budget be used for business majors. Through this process, the financial aid office will be able to advise business students regarding the anticipated future costs and to seek

additional financial aid resources (including utilization of the fee remissions noted above) to cover those costs.

3. Cost of Instruction. The business programs at EOU carry additional costs as our collective bargaining contracts require a differential salary be paid to faculty in these disciplines that are 25% - 35% higher than faculty receive in other disciplines. In addition, this program has the highest demand of any EOU program, and graduates from these business programs generally earn higher salaries compared to graduates from other programs.
4. Market Pricing – EOU currently has the lowest base tuition of any public university in Oregon. Even with this differential we believe that the program costs will be at or below the prices offered by peer institutions for similar programs.
5. Student Consultation and Support – we have had significant consultation with students enrolled in the business programs and ASEOU representatives about this proposal and we have received no opposition to the proposal to date.

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

Incremental revenues generated by the proposed tuition increase will support ongoing financial stability and sustainability.

Additionally, for this year:

7. *Provide written confirmation that your institution's nominated institutional board has reviewed and endorsed the proposed rates.*

The EOU Board of Trustees will review and take action on the proposed tuition increase at the June 4, 2015 EOU Board meeting.

8. *Provide analytic proof that your institution's proposed rates comport with ORS 351.063 (4)(a) (see below for ORS)*
 - **Important** - *If your institution's proposed tuition rate increases exceed the 5% limit in ORS 351.063 (4)(a), you will need to receive appropriate approval from the HECC prior to presenting your proposed rates to the SBHE on June 5, 2015. The Board CAN NOT approve rates in excess of the ORS without first having written approval from either the HECC or legislature.*

The EOU Advantage is the only component of our proposal that exceeds the annual 5% limit. As such, EOU submitted to HECC and received approval of this tuition program at its February 2015 meeting.

9. *In reference to ORS 351.063 (4) (b), the 2014 Higher Education Price Index (HEPI) preliminary forecast is for a 3% increase. If your institution is proposing increases to resident undergraduate base and/or differential rates of greater than 3%, please provide*

additional information on the justification for a greater than 3% increase.

EOU's tuition strategy is one that focuses primarily on affordability for the students we serve – students who often come to us with high financial need and low family contribution. Paired with our focus on affordability, EOU has recognized that our pricing strategy in recent years may have contributed to some of our budgetary challenges. Our pricing has resulted in tuition rates that are lower than at most all public universities in Oregon, Idaho and Washington, and therefore have greatly limited our tuition revenue stream. The lack of revenue has resulted in us having less investment capital for academic and student services, which in turn contributes to recruitment and retention struggles. Lastly, our at times artificially low tuition rates may raise questions for prospective students about the quality of the educational experience they might have at EOU. Our strategy this year, then, is to keep our rates at a competitive and affordable level, while enhancing our revenue streams and having tuition rates that are reflective of the high-quality academic experience that we offer.