

Western Oregon University

Tuition Advisory Committee

February 12th, 2015 from 9-10am

President's Conference Room

MINUTES

Present: Vice President for Finance and Administration Eric Yahnke, Carter Craig, Shannon Haas, Billy Ann Stempel, Katarina Smith, Reina Morgan

The committee took a look at the 10 year projection on page 72 of the [budget book](#). VP Yahnke explained that green represents actual costs, peach represents budgeted costs, and blue represents projected costs. The tuition increase currently being discussed is in the 3-5% range.

The university has fixed costs and variable costs. The salaries for tenured faculty are a fixed cost that the university has to pay because they are guaranteed employment. These salaries are based on a 45 credit hour load per year and there is overload funding that is paid when they exceed that amount. On the other hand, the university is able to fluctuate non tenure track positions as needed to meet the demand of our programs.

The fund balance is essentially what's left in the bank account after the bills are paid. Western is required by the Board of Trustees to maintain a fund balance of between 10 and 20% with a target of 15%. If a school gets down to 5% of their fund balance or below, "retrenchment" is triggered and that initiates a campus wide review to identify areas money can be saved such as from classes with low enrollment. It can result in programs being discontinued, classes being canceled, and online offerings being reduced.

Another significant cost is employee benefits. Public Employee Retirement System (PERS) rates are determined by things we don't control such as an employee's expected lifespan, the number of retirees, and financial returns on the investment by PERS. There will be a big PERS rate increase of 3.12% coming up in 2018.

Shannon asked if it would be possible to offer a loyalty discount where students would pay lower tuition the longer they attend school here. VP Yahnke explained that the tuition promise functions in a similar way by offering students the same rate for all four years so that in the end they are paying less in comparison to the standard rate than what they would otherwise pay. There are also remissions that work similarly. This year there was an extra \$1 million added in remissions targeted at students in the

middle income range who make too much to receive a Pell grant, but who still are in need of financial assistance. Our remissions are about 10% of gross revenue.

Faculty bargaining should be settled soon and hopefully will not lead to a strike or impact the completion of degrees in any way. Information on the offers that have been made can be found on the Faculty Negotiations [website](#). Part of the new structure that has been agreed upon is providing a bigger step increase to junior faculty and then less of an increase as faculty are here longer so that they can get to a higher salary quicker. In order to keep a balanced budget (so students don't have to pay more) we have to offset the cost of salary increases. The ways that have been proposed to keep the budget balanced can be viewed in the university's most recent [proposal](#). There are student seats available in bargaining meetings that are not filled so if there are interested students they are welcome to fill those spots.

The new funding model has a weighting system for each discipline. As part of the new model the universities will be gradually moving to an assessment that is based on the number of diplomas awarded in those areas rather than by enrollment. Because of how the Higher Education Coordinating Commission (HECC) is weighting types of students and programs, more funding will be given to schools that graduate students from programs the state wants to see. In a way it could control what programs are offered on campus because there is a monetary advantage to offering programs that are weighted high and not programs that are weighted low. Funding is also dependent on the state of the other Oregon public universities because if our enrollment goes up our funding could still go down if enrollment goes up more at the other universities than at ours.

If the committee would like to have an open forum for the general student population to come voice their opinion we can set that up.

The next meeting will be February 19th from 9-10am.