

April 3, 2019

To: President Fuller and the WOU Board of Trustees

Subj: Recommendation from the Tuition & Fee Advisory Committee

Throughout the past two terms, the Tuition & Fee Advisory Committee has been a valuable venue for students to provide their input on next year's tuition rate for undergraduate resident students. We have had the opportunity to learn about the financial workings of Western Oregon University. We have gained insight into the rising personnel costs, the transition of state allocation models, the potential tuition rate increases, and the overall effect of these factors on WOU students. We appreciate the efforts of staff members for taking time to develop and discuss financial models explaining the impact of the potential tuition rate increases for the upcoming school year on the institutional and individual student levels, based on Expected Family Contribution.

We understand that because of the rising cost of the Public Employees Retirement System and flat funding for universities included in the Governor's Recommended Budget, there simply isn't enough money to maintain the current service level. Next year expenses will include the following increases: an average of 4% increase in salaries, an approximately 19% increase in retirement, and an overall Higher Education Price Index (HEPI) of 2.8% for supplies and services. We want to continue to offer a wide range of academic and extracurricular programs to students, without faculty and staff facing pay cuts or layoffs.

In the Tuition & Fee Advisory Committee meetings, we have explored a few alternatives to increasing tuition. One option is to receive increased funding from the State of Oregon. While this appears to be the ideal solution to rising service costs, uncertainty remains on whether or not the legislature will increase financial support to higher education. A second option is to make budget cuts. It is possible that making strategic budget cuts will provide us with the savings necessary to offset rising service costs. WOU's budget managers have already been asked to prepare what 5-10% supplies and services budget efficiencies would look like in their units, borrowing a best practice from the incidental fee process. However, we recommend that the current Education and General Fund reserve be utilized for keeping next year increases below 2.5%.

Our funding from the State of Oregon currently relies on enrollment and graduation rates. Therefore, we believe that it is necessary to invest in increasing both enrollment and graduation rates. We hope that the Administration can work to improve enrollment, retention and graduation rates, by continuing to provide valuable advising, academic support programs, student success services, affordable and free textbooks, career development, and adequate financial aid to incoming and continuing students.

We believe that focusing on enrollment, retention, and graduation rates will have a positive impact on long-term University funding. First, because the State will grant funds based on

enrollment and graduation rates, and second, because an increase in enrollment increases revenue directly. As far as short-term funding, we understand the necessity of increasing tuition rates. We encourage these increases remain below 2.5% and be accompanied with strategic investments to improve overall institutional efficiency.

The Tuition & Fee Advisory Committee would like to thank the Finance and Administration Committee of the Board of Trustees, the Higher Education Coordinating Commission (HECC) members (David Rieves, Frank Goulard, Jim Pinkard, Gabe Dougherty), and those who contribute to the budget of WOU. We greatly appreciate your commitment to the students of Western Oregon University. We hope that you continue to think of students as you reflect on these financial decisions.

Thank you for the opportunity to make comments regarding tuition rates for 2019-20. As you know, we met and discussed tuition and related issues at the following meetings:

- December 6, 2018
- February 15, 2019
- March 8, 2019
- April 3, 2019

In addition, we sponsored all-student forums with President Fuller and VP Karaman on October 31, 2018 and again on March 15, 16, and 17, 2019. Also, we are developing recommendation for continuous improvement of the TFAC process to increase student engagement.

We appreciated the information and opportunities to comment. While it is not easy to recommend any tuition increase for our students, given this information and involvement, we are prepared to endorse a tuition increase not to exceed 2.5% for undergraduate resident tuition.

Again, we appreciate our involvement in this process and we would be happy to address any questions you may have while this is being discussed at the Finance Committee or full Board meeting.