

Tuition

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the single largest investment. This would enable us to tell families and students, "This is what your cost is going to be," as opposed to fluctuations that we might see as we move through (the years)."

Risk and reward

The concept carries benefits and risks for the university.

It would provide students and families with financial predictability as they look to budget for the expense of college, Thompson said.

Keeping tuition at a fixed rate also would protect the value of scholarships the UO offers, which he said are often for set amounts and don't account for year-to-year tuition increases.

But two major benefits Thompson sees for the UO are in recruiting new students and holding on to existing ones.

The UO essentially works year-round to recruit new students from across the U.S. and other countries, because student tuition and fees is the largest revenue pool to fund operations. Enrollment at UO has been in decline each fall since 2012, its data shows.

Thompson said having guaranteed tuition would be a "game changer" for recruiting and would help students stay and finish out their degree with less financial pressure.

"It removes a major stressor in our students' lives," he said.

For Luallen, the financial stress from tuition hikes first came her second year.

"I started out taking 12 credits per term. I wanted to up it to 16 credits per term and realized I couldn't pay off the registration hold between the first year and the second year as easily," she said, which she found was because of the tuition increase.

In her fourth year, Luallen wanted to take a two-credit internship seminar to have a better chance at an internship at a local software company but found after more increases that instead of getting money back from the UO through financial aid, she actually owed \$2,000, so she couldn't take the seminar.

She got to one of the last rounds for the internships but didn't get it. It was competitive to begin with, she said, but also believes it would have improved her chances if she could have taken the seminar.

The increases also have impacted Luallen in being able to provide basic needs for herself and her companion animal, Dargie. Because Dargie is older, she requires multiple vet visits a year, which cost \$60 each. If tuition were to go up even 2%, it could mean foregoing a vet visit.

"That's usually the first thing that has to go when I'm thinking of priorities," she said. "I have to think of rent and shelter — that has to stay stable. I have to pay my power and water bill. I have to have internet because I'm a student, and I can't be on campus 24 hours a day."

Luallen said she'll never skimp on food for Dargie, so if she can't pay her bills it may mean paying for food first.

"If I had a tuition guarantee for five years, that would have been nothing short of amazing in my situation," she said. "I really do feel like it would give (students) more opportunity."

It would give some relief to students like Luallen, but the model also could pose some issues for UO should the state decide to disinvest in higher education or if enrollment continues to decline.

"In the short term, it would take us more time to come out of a challenging budget situation," said Moffitt, because the university would not be able to use



Lillis Business Complex at the University of Oregon campus. THOMAS BOYD, THE REGISTER-GUARD



Students at Western Oregon University in Monmouth, Ore. ASSOCIATED PRESS FILE

tuition increases as a part of a budget solution.

"In an ideal world, if we move to a program like this, we would want to have some reserves built up so that when we hit that situation — if and when we hit a state recession — that we are able to recover," she said.

It would require UO to build up a solid reserve, which could come from one last increase to tuition before setting the rates and using that extra amount to set aside for that reserve.

But the risk is worth it for students like Luallen.

"I don't see where it could hurt the students and I really think they need to be thinking more about what is good for the students because it seems like we've leveled off on what's good for everybody else," she said. "I think we need to bring more of the focus back to just helping students make it through college."

Precedent

Some schools that currently have a program include University of Arizona, University of Colorado at Boulder and Ohio State University.

The Illinois state university system was the first to really explore the option in 2004, according to Jim Pinkard, director of the office of post secondary finance and capital in the Higher Education Coordinating Commission. It also was attempted in Texas.

Many systems have failed, largely because they were attempted during the Great Recession or didn't account for state investment.

In Oregon, tuition guarantee models have seen limited success.

The latest case in Oregon was at Western Oregon University. In 2010, WOU started a four-year tuition guarantee for in-state students, said David McDonald, WOU's associate vice president for public affairs and strategic initiatives.

When WOU first put the "tuition promise" in place in 2010, the state was experiencing "significant disinvestment in higher education," McDonald said. As a result, universities were increasing tuition every year between 7% and 12%. So, at that time, the change made sense.

al basis, were below 5%."

By 2018, WOU found that students who opted into the fixed tuition rate between 2012 and 2015 actually paid "between 5.6% and 8.1% more in tuition over their four years at WOU" than students who had the traditional tuition structure, according to its Board of Trustees documents. Because of this, the university declared the program "inactive" in April 2018 to suspend the program with the option to revisit it in the future.

"We had unintentionally created a more complicated tuition structure for our students" and staff, McDonald said, because tuition payoff schedules were different for transfer students and for those who had enrolled for different amounts of time.

Many colleges have tried the guaranteed tuition model, he said, but it means the institution and students take a chance. More times than not, this has led to a return to the traditional model.

"Affordability and student success are key goals of our commission," Pinkard said. "So if (institutions) come up with anything that's going to bend in the direction of more affordability for students, we're probably going to jump on board and say, 'hell yes.' But from the data that I've seen, guaranteed tuition plans have more risk than the potential benefit."

Most of the states that have attempted a guaranteed tuition model have discontinued it, he said.

"The devil is in the details. So if you design it well, and if you appropriately account for the risks as an institution, then you probably could pull it off well," Pinkard said. "To date ... nobody has really struck on the right design, the right balance yet."

UO will be seeking input from the community and a recommendation from the tuition and fees advisory board as it continues to explore what its right-balanced model could look like. That community input piece is anticipated to come in February, and President Michael Schill will make his final recommendation to the Board of Trustees in early March, according to board documents.

Pinkard said he would love if the University of Oregon were to be the first institution to make it work.

"The experiment has to start somewhere," he said.

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