To: Tuition and Fees Advisory Board
From: Bruce Blonigen, Edward Maletis Dean, Lundquist College of Business
Date: January 21, 2025
Subject: Proposal to Increase Differential Tuition in the Lundquist College of Business

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The Lundquist College of Business (Lundquist) has continuously strived to provide an exceptional educational experience that prepares students for leadership roles in the ever-evolving business landscape. To maintain and elevate the quality of our educational offerings, enhance student services, and keep pace with industry standards, Lundquist proposes an increase in differential tuition from $20 to $30 per SCH. This fee impacts only the incoming cohort (fall 2025) since differential tuition is a part of the guaranteed tuition package. For existing students there will be no impact on their differential tuition. The full impacts of this increase will not be seen for four years.

Differential tuition was first approved to expand support for advising and career services functions and has not been increased since it was implemented in the 2018-19 academic year. Since that time inflation is up approximately 25% and is continuing to grow. This has reduced the purchasing power of the fee and services that were covered are not being covered by General Fund or Foundation funds which is creating unsustainable pressures in other budget areas. However, the services that we provide with the fee dollars are integral to our students and we will need to increase the fee to catch up for some of these inflationary impacts.

This proposal is broken down into seven sections:

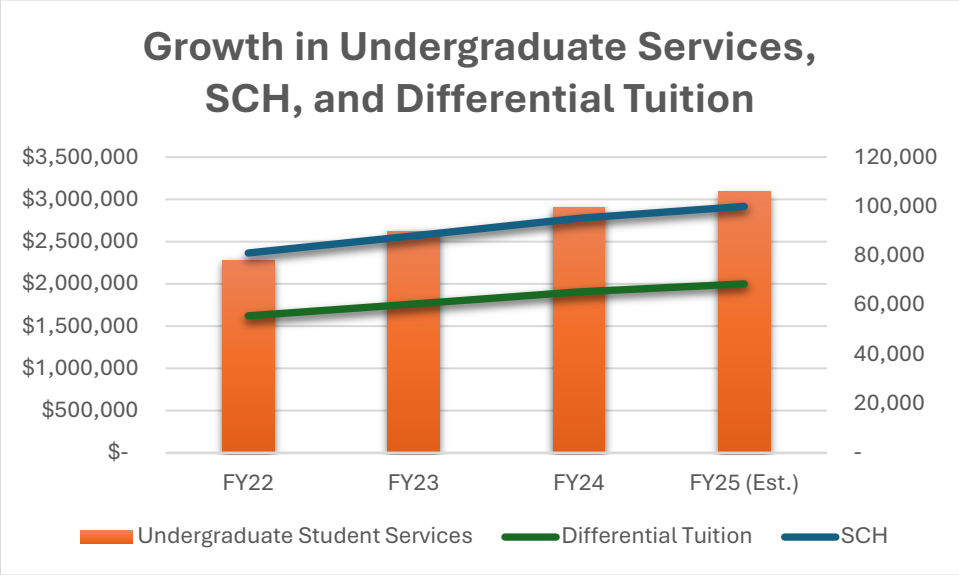
1. Rationale for Increasing Differential Tuition
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Rationale for Increasing Differential Tuition

The evolving business environment requires continual innovation. Advancements in technology, industry demands, and the need for specialized services necessitate increased investment to maintain our competitive edge relative to our comparator business schools. While base tuition covers many essential operating costs, it falls short of funding the strategic enhancements required to maintain excellence in a rapidly changing field, especially in providing the level of career and other student services that students expect from a business education.

Currently, differential tuition supports portions of the Office of Advising and Student Experience (undergraduate and honors programs) and Mohr Career Services (Career Strategy, and the Office of Industry and Alumni Engagement). These offices will receive the balance of new funding generated by increasing the differential tuition and some of the existing general fund revenue will be rededicated to improving class availability, etc. as we have been increasing funding from non-differential tuition sources to improve student services and make up for inflationary cost increases. While the increase is large on a percentage basis, the change in differential tuition from $20 to $30 per SCH starting with the fall 2025 cohort is a strategic

investment to maintain and enhance Lundquist's academic excellence, competitiveness, and ability to provide innovative services to students. As shown, between FY22 and FY25 (estimated), SCH has grown by 30%, and costs for student services has grown by 35%.



The above reflects investments in General Fund support only. Over the past four fiscal years, approximately $1.5M in Foundation funds will have also been committed to student services. Additionally, Lundquist also provides a robust tutoring program, housed in the Braddock Tutoring Center, which primarily serves students taking key pre-business core courses such introductory Accounting, Math, and Economics courses. This tutoring center is currently funded 100% through donor funds.

Tangible Value of the Differential Tuition Increase

The proposed increase in differential tuition is not just an increase in costs for students; it is an investment in their future success. The enhanced academic resources, improved student services, and stronger program offerings will all contribute to better academic outcomes and long-term financial success for our students. One of the most compelling arguments for the differential tuition is the connection to the university's strategic plan and vision. Lundquist has been a leader on campus in student services and career readiness, often leading the charge. The services provided not only benefit business students, but many programs (such as Professional Edge and the clubs) are open to students across campus. By investing in specialized, high-demand programs such as business, the university can provide students with access to top-tier education, faculty, and industry connections that will significantly impact their future earnings. Additionally, the increase in differential tuition will help students complete their degrees in a timelier manner, which reduces the overall cost of their education and accelerates their entry into the workforce. By providing more resources for academic advising, course availability, and support services, the university can minimize delays and ensure that students stay on track for graduation.

Differential Tuition Increases the Quality of the Student Experience

A differential tuition increase will allow Lundquist to continue to address critical needs, including specialized program development, enhanced student services, and expanded experiential learning opportunities—all of which are necessary to prepare our students for successful careers. The motivation is simply to keep up with

rising costs so that we can continue to provide the student success services enjoyed by our majors and all undergraduate students taking courses in Lundquist.

- **Expanded Experiential Learning Opportunities:** One of the key differentiators of high-quality business programs is the opportunity for students to gain real-world experience while still in school. The differential tuition increase will enable Lundquist to invest in expanding and enhancing experiential learning opportunities, which are critical for student success. Experiential learning is a key differentiator for top-tier business schools.
- **Enhanced Career Services and Industry Partnerships:** To ensure that students are prepared for the workforce and successfully transition into their careers, Lundquist must continue to invest in enhanced career services and stronger industry partnerships. Such services include the provision of dedicated staff for career advising and placement support in the form of Mohr Career Services, which has five FTE of staff dedicated to career advising, as well as the cultivation of internships and job placements through an alumni and industry engagement team.
- **Sustainability and Ethical Business Education:** In an increasingly globalized and ethically aware business environment, the College of Business must invest in sustainability and ethics-focused programs that prepare students to lead businesses with a sense of social responsibility. Funds will be allocated to enhance leadership development programs that integrate ethical decision-making and corporate responsibility, ensuring that students are prepared to lead with integrity in the business world.

Plan to Mitigate the Impact of Differential Tuition on Students with the Greatest Financial Need

The proposed increase in differential tuition is essential for enhancing program quality, student services, and overall educational outcomes. Differential tuition on business courses began in 2018 and has not increased since the initial implementation. Because of guaranteed tuition, it will need to be gradually phased in over 4-5 years as new students come to the University of Oregon. This means that it will not be fully operational across all students until around FY29 (based on a four-year time to degree).

Estimated Revenue - Differential Tuition Increases (Illustration using AY23/24 SCH)

	SCH/Average Percentages	FY26 Rate	FY26 Income	FY27 Rate	FY27 Income	FY28 Rate	FY28 Income	FY29 Rate	FY29 Income
First-year students	35%	$30	$1,002,876	$30	$1,002,876	$30	$1,002,876	$30	$1,002,876
Sophomore	25%	$20	$477,560	$30	$716,340	$30	$716,340	$30	$716,340
Juniors	20%	$20	$382,048	$20	$382,048	$30	$573,072	$30	$573,072
Seniors	20%	$20	$382,048	$20	$382,048	$20	$382,048	$30	$573,072
AY23/24 SCH	95,512								
Estimated Differential Tuition			**$2,244,532**		**$2,483,312**		**$2,674,336**		**$2,865,360**
Less: 10% for scholarships			-$224,453		-$248,331		-$267,434		-$286,536
Estimated Differential Tuition			**$2,020,079**		**$2,234,981**		**$2,406,902**		**$2,578,824**
Net new differential tuition dollars			**$109,839**		**$324,741**		**$496,662**		**$668,584**

Additionally, the Lundquist College of Business distributes approximately $1.1 million in scholarships to our undergraduate students majoring in business or accounting, with many of these targeted at students with financial need. This level of scholarship is large relative to other colleges and majors on campus and, importantly, helps mitigate the differential tuition charged to business majors.

Market Comparisons and Information

Nearly all top-tier business schools charge differential tuition, as well as the other major universities in Oregon. Application of differential tuition varies; while some still use a per credit charge, others have separate tuition tables for each school/college based on program of study, while others have a set annual fee. Additionally, when these charges are put into motion it also varies. For those that charge a per credit fee such as UO, they are typically applied to all business courses. Others start when the major is declared. As shown on the following table, outside of Portland State, which charges $19 over base per credit (but has a separate table for business), a $30 per credit differential tuition is low relative to comparators.

Differential Tuition Comparators			**Notes**
Per Credit	**Resident**	**Non-Resident**	
Oregon State University	$26.00	$26.00	
University of Oregon Proposed	**$30.00**	**$30.00**	
Arizona State	$50.00	$50.00	
James Madison School of Business	$50.00	$50.00	
University of Nebraska - Lincoln	$64.00	$141.00	
Colorado State	$106.00	$106.00	Not applied to first-year students.
University of Minnesota	$136.00	$136.00	
Utah State University (Upper)	$221.00	$221.00	Applies to upper-level courses only.
Neely School of Business (TCU)	$250.00	$250.00	
By Class (First year; sophomore, etc.)/Area of Study/Per Credit	**Resident**	**Non-Resident**	
Portland State University	$235.40	$665.00	The base rate is $217 for residents; $646 for non-residents)
University Of Michigan (Lower Division)	$1,139.00	$2,938.00	In comparison, Design costs $1,095 and $2,895 for the lower level and $1,187 and $3,073 for the upper level.
University of Michigan (Upper Division)	$1,343.00	$3,245.00	
Per Academic Year	**Resident**	**Non-Resident**	
Purdue	$1,436.00	$1,436.00	
University of Arizona	$1,800.00	$2,600.00	
Wisconsin-Madison	$3,000.00	$3,000.00	
University of Maryland	$3,090.60	$3,090.60	

Discussion with students
Dean Bruce Blonigen met with the Dean's Council for Inter-Club Coordination (DCICC), the student group that oversees all student clubs in the College, in early October to explain this requested increase in differential tuition for courses offered by the Lundquist College of Business. This group has historically served as the dean's student advisory body. The students agreed that preserving these student success services is particularly important and that the motivation for this requested increase was reasonable.

Conclusion
The increase in differential tuition is not just a cost increase—it is a strategic investment in the quality of education and student experience. The university's base tuition cannot sustain the specialized academic programs, high-level faculty expertise, innovative technology, and robust student services needed to prepare students for the competitive workforce. Differential tuition will provide the additional funding required to deliver these critical resources, ensuring students graduate with the skills, experience, and support they need to succeed. This investment will translate into higher-quality education, better career prospects, and improved student outcomes across the board.

The proposed differential tuition increase will enable the Lundquist College of Business to make strategic investments in areas that are crucial for the continued success of our students and the relevance of our programs. From curriculum enhancement and faculty development to expanded experiential learning opportunities and innovative technology, these investments will significantly improve the student experience and position our graduates for success in an increasingly competitive and evolving business landscape. Without these investments, Lundquist risks stagnating, which would have long-term detrimental effects on both students and the institution.