

Tuition Policy Advisory Council
Meeting Notes
January 22, 2004

The initial meeting Tuition Policy Advisory Council was held on Thursday, January 22, 2004 in room 707 Rudder Tower. The meeting was called to order at 8:30 a.m.

Guest: President Robert M. Gates.

Dr. Gates thanked everyone for agreeing to serve on the council and stated that the Tuition Policy Advisory Council would be an ongoing committee. There are seven students serving on the 15-member council, which also consists of faculty and administrators. Members were selected on the basis of student government office, faculty representation, administrative office, and current presidents of the Association of Former Students and Federation of Texas A&M University Mothers' Clubs.

Dr. Gates stated that there will be three parts to the meeting and that the University budget is open to the committee and nothing will be hidden:

1. PowerPoint presentation depicting a macro picture of the budget
 2. Purpose of the committee
 3. Proposed tuition increase figures and feedback
1. The University has a budget of approximately \$900M for FY2004:
 - 42.79% from E&G (State appropriations);
 - 20.03% from Auxiliaries e.g. Residence Halls, Athletics and Food Services
 - 17.09% Designated Tuition (including fees), which is set by the Board of Regents
 - 12.4% Restricted e.g. Research Grants and Endowments
 - 7.69% from AUF

The State mandated tuition and University Authorized Tuition (UAT) have been tied together by the legislature, but deregulation has given the Board of Regents authorization to set University Authorized Tuition. There are two kinds of fees: mandatory fees, e.g. student services; and college fees, which include course and lab fees.

E&G Revenue by source was listed as follows:

- 52.7% General Revenue
- 14.86% State mandated tuition and lab fees
- 11.68% UAT-operating funds, e.g. student workers
- 9.64% Available University Fund
- 4.75% remissions and exemptions
- 4.51% contracts, gifts and grants
- 1.86% other income

The largest expenditures are for salaries, which account for approximately 73% of the budget and 14.94% for benefits. The number of tenure/tenure-track faculty has been declining since FY1994 because of the squeeze that has been placed on the budget. State support as a percentage of the total budget has declined over the years.

2. Over the next five years, approximately 450 new faculty will be added in order to sustain academic excellence. Therefore, tuition may be increased to achieve this goal. The purpose of the Tuition Policy Advisory Council (TPAC) is to explore options on how best to increase tuition. Other universities are considering a flat tuition rate, but Texas A&M University bases tuition on semester credit hours. TPAC will be asked to consider a flat-rate policy.

Other options which might be considered, as examples, are:

- Differential tuition (programs with higher demand could charge higher tuition)
- Reduced rate for Saturday or evening classes
- Trimester system
- Summer discount
- Frozen tuition for four years (entering freshmen would have tuition frozen for four years)
- \$1,000 rebate if student graduates within 3-6 hours of major
- B-On-Time Program (students who maintain a B average and graduate within four years would have student loan forgiven)

Approximately \$275M is available at Texas A&M University for financial assistance. 73% of the students attending Texas A&M receive some form of financial aid and 40% of these students receive student loans. It is important to keep in mind that students should not be priced out of the market. Dr. Gates reiterated that the committee is welcome to review all University expenditures. A presentation on student financial aid will be given at a future meeting.

Universities report six-year graduation rates to the State, and Texas A&M University has the highest rate, but our four-year graduation rate is average at best, about 35%.

Student priorities that the University plans to implement include:

- New faculty
- Student financial aid
- Leadership studies (with the possibility of degree program)
- Honors programs (perhaps create Honors College or Honors Track)
- Graduate students

Another priority for Texas A&M is to increase diversity among the faculty, students, and scholarships. Dr. James Anderson was recently hired as the Vice President for Institutional Assessment and Diversity. Other universities are also considering creating a similar position.

Proposed scholarship initiatives consist of:

- Regents scholarships
- Scholarships for transfer students
- Graduate student fellowships
- Texas Grant Program Replacement Scholarships
- Independent school districts scholarships
- Scholarship counter offers
- Prospective Student Center
- MEDALS

New budget expenditures for FY2005 will be approximately \$39.5M. Even with new resources, new funding sources, student financial aid and other budget adjustments, the University will still have a budget shortfall of about \$22.8M. Therefore, an increase in tuition is necessary. The increase will be the same for both graduate and undergraduate students.

Impact on the student	FY2004	FY2005	
Undergraduate	\$2383 per semester	\$2509 per semester	Based on 14 semester credit hours
Graduate	\$2251 per semester	\$2454 per semester	Based on 9 semester credit hours

Revenue from the UAT increase would be used in the following manner:

Faculty Reinvestment	\$12.0M
Financial Aid	3.4M
Library	1.0M
Faculty/Staff Merit Program	4.1M
Deferred Maintenance	1.8M

3. The University will propose to increase the University Authorized Tuition by \$19.50/semester credit hour starting in Fall 2004.

The committee should plan to meet at least every week or every other week at least in the beginning and outside presentations will be planned such as:

- PUF/AUF
- Budget/Fees
- Financial Aid
- Formula Funding

The next meeting will be held Thursday, February 5, at which time there will be more information and budget detail.

The meeting was adjourned at 10:30 a.m.