

Tuition Policy Advisory Council
Meeting Notes
February 26, 2004

The Tuition Policy Advisory Council met on Thursday, February 26, 2004 in 504 Rudder Tower. The meeting was called to order at 3:45 p.m.

Guest: Michael O'Quinn, Vice President for Governmental Affairs.

Michael O'Quinn announced that Texas State Representative Geanie Morrison, will visit Texas A&M University on March 5. Ms. Morrison helped support deregulated tuition. However, she is concerned about universities pricing out middle-class students. During her visit on March 5, the University will host a lunch from 12:00-1:00 p.m. to provide six or seven student leaders the opportunity to visit openly with Representative Morrison. No faculty or administrators will be in attendance at the lunch.

An overview of Student Financial Aid was presented. The total operating budget for Texas A&M University is approximately \$900M, with \$275M available for financial aid, which is one of the largest programs in the country.

A comparison of average tuition was made between the four most populous states: New York, Texas, Florida and California. New York charges much higher tuition than the other three states, while California's tuition rate is the lowest. California's rate appears lower because financial aid figures were taken out, so there cannot be an across-the-board analysis of the numbers.

When comparing tuition among peer institutions, the University of Michigan has the highest tuition rate, as well as high financial aid. Texas A&M University has a lower tuition rate than the University of Michigan, Ohio State University and the University of California-Los Angeles. The tuition and fees on the charts illustrated do not include room & board, etc. It was also noted that UCLA sets aside 40% of its undergraduate places for non-residents, but the figures shown on the chart are resident tuition only.

Texas A&M University tuition and fees & General Revenue as a percentage of total current fund expenditures have been steadily declining in the last decade. Additionally, the Hispanic population is projected to grow significantly in Texas over the next several decades.

Financial aid has seen consistent growth in the last 8 years. In 1995, 27,940 students received \$160M in financial aid, and in 2003, those figures had increased to 33,125 students receiving approximately \$275M. The Council was cautioned that these figures include loans as well as scholarships, and that the cost of living is not accounted for. The average unmet financial need for students in 2002 was \$5,500. Unmet need is determined by subtracting family contribution, employment and financial aid from the student's budget. The unmet need may be met through further financial aid, such as loans.

\$14M-15M is available in Pell Grant funds, which are targeted to lower income students. The maximum Pell grant award is \$4,050 per academic year. The Texas Grant was established to fund 1,800 new scholarships per year. However, the State Legislature started appropriating much less money to this effort, so there is new funding for only 100 new students. Previously, the state allocation was \$4M to fund 1,800 students. Now, \$400,000 is allocated for 100 students. Therefore, the University has had to set aside \$2M to help make up the difference. Families with an average annual income of \$20,000-\$40,000 had received the greatest benefit from the Texas Grant. \$41,000 is the average income in the state. Texas A&M University has 4,548 full-time resident undergraduates that have a family income lower than this average.

Fund distribution for awards has remained constant for the last three years. Distribution was separated as follows:

•	Loans	41%	\$112M
•	Scholarships	19%	\$53M
•	Employment	19%	\$53M
•	Grants	12%	\$33M
•	Waivers	9%	\$23M

It is very expensive to run scholarship programs, but investing in human capital is a good investment and it creates economic stimulus as well because it funnels out to local businesses.

Texas A&M University has one of the strongest employment programs in the United States. However, caution should be used to make sure that students do not overwork. A good balance would be to work no more than 20 hours per week. Working more hours in a week may cause a student's academic record to decline, in addition to the increased cost incurred with the longer time it takes to graduate. At 1.7%, Texas A&M University also has one of the lowest student loan default rates in the nation. The average student loan amount at TAMU is \$15,000-\$16,000.

New scholarship initiatives that have been established include:

- Regents Scholarship-\$5,000/year renewable for four years (for students who are first generation college students with a family income of less than \$40,000).
- Key to Aggieland-Texas Grant offset (based on need).
- Bridge to Aggieland-transfer scholarship for students pursuing a bachelor's degree.

A person who has a bachelor's degree will typically earn \$1.5M more in their lifetime than a person who does not have a degree.

Several new outreach initiatives are being developed in an effort to reach more prospective students. The services that the University has to offer must be marketed in order to generate more interest. Prospective Student Centers are being established in many locations throughout the state, and the University has received a warm reception from the communities involved. These centers will have admissions and financial aid personnel on staff. The purpose of the "Phone-A-Fish" campaign is to follow up with students who have been awarded a financial aid package to see if their needs have been met and to encourage them to attend Texas A&M University. Initiatives such as these will create personalized relationships that will set TAMU apart from other institutions.

The next meeting will be Thursday, March 11. The students should be prepared to discuss the topics they are interested in pursuing at a more in-depth level. A presentation on the five-year rolling finance plan will be given to the Council in the near future.

Flat rate tuition was discussed. It could make financial planning easier because costs could be predicted. However, the actions of the Legislature cannot be predicted and a flat rate tuition could cause fees to greatly increase if not enough revenue is generated.

The meeting was adjourned at 5:40 p.m.