

Tuition Policy Advisory Council
Meeting Notes
April 29, 2004

The Tuition Policy Advisory Council met on Thursday, April 29, 2004 in the Mattei Room of the Clayton Williams Alumni Center. The meeting was called to order at 4:00 p.m.

The Council has been gathering background information to this point, but the charge of the committee will come into full play in the fall and committee members will be getting assignments and forming subcommittees at that time. Incoming members of the committee were introduced.

The Legislative Budget Board Designated Tuition Survey Fall 2003-2004 was distributed to the committee so that comparisons could be made between what other institutions in Texas charge in tuition per semester credit hour.

Three proposals for graduate tuition increases were presented: frozen policy, thawed policy, and formula policy. Graduate tuition is made up of State Minimum Tuition, University Authorized Tuition (UAT), and a Graduate Increment. Currently, a full-time resident graduate student pays \$1,534.50 in tuition, while a full-time non-resident graduate student pays \$3,856.50. Sixty percent of graduate students at Texas A&M University are non-resident students and the University is foregoing \$20M in tuition waivers at the present time. A proposal is going forward to the State Legislature which would allow graduate tuition to be included in research proposals.

The following proposed methods of increasing graduate tuition assume that only University Authorized Tuition would increase and that the other two components remain constant.

- **Frozen Policy**—University Authorized Tuition would not be increased for three long semesters. This type of policy would provide more predictability for graduate students, as well as providing an incentive for students pursuing a Master's degree to finish on time. However, there would be less flexibility for the University and larger increases would be needed.
- **Thawed Policy**—University Authorized Tuition would not be increased more than a fixed percentage each year. Advantages would include more predictability for graduate students and tuition increases would be more gradual. Drawbacks might include limitations in the University budget and might produce more of a burden for PhD students.
- **Formula Policy**—Under this proposal, graduate students would pay a standard University Authorized Tuition rate multiplied by a factor equal to the highest formula funding coefficient divided by the graduate student's college formula funding coefficient.

$$UAT = \left(\frac{\text{Highest Formula Value}}{\text{Student Formula Value}} \right) UAT$$

Advantages would be that students would have more predictability for financial planning and increases over time would be very small. The primary disadvantage to this policy is its complexity. Different rates would be charged for colleges and degree programs. Other disadvantages would be that a significant initial increase would be needed and there would be less budgetary predictability for the University.

In conclusion, the recommendations made were to introduce tuition cost predictability for graduate students, require all research proposals to include tuition for graduate assistants, use the Authorized University Fund (AUF) to cover the graduate increment for all teaching assistants, and to develop a different policy for providing health care for graduate students.

When proposing a tuition increase, a caveat should be included that states the University will not increase tuition more than a specified percentage unless the Legislature cuts funding. In which case, tuition would have to be increased by the amount of the cut, in addition to the already specified increase.

The following suggestions regarding implementing a fixed tuition policy were noted:

- 1) Announce expected tuition rate well in advance of it taking effect
- 2) Set incremental increases not to exceed 10% per year
- 3) Maintain tuition rate between fall and spring semesters unless undue hardship arises
- 4) Discount summer tuition rate for upper division courses

In making recommendations to the President, the Council must look to the good of the student body and the University as a whole, as well as potential political ramifications.

The five-year incremental budget horizon was discussed. Parameters of the budget include that no one-time costs are included; costs listed here must be funded in perpetuity. Given the recommendations of the Tuition Policy Advisory Council, the determination will need to be made how the budget can be balanced. Assumptions that have been made in the budget include that there will be no increased funding in General Revenue and no increased utility costs, and that total enrollment and total semester credit hours will remain the same. The budget contains three major categories of expenditures: program and plant initiatives, student initiatives, and faculty and staff initiatives.

Meeting Notes
Tuition Policy Advisory Council
April 29, 2004
Page 3 of 3

The FY2004 budget is already in progress and the FY2005 budget process is beginning now. The FY2005 budget will be set when the committee meets again in the fall.

The weight of a course is based on the content of the class rather than the program the course is under or the title of the course. Formula funding is based upon the percentage of weighted semester credit hours (WSCH) that a university produced in the spring in which the legislature meets added to the percentage of WSCH from the previous fall and summer. The Texas State Legislature meets every two years. They will be in session again in the spring of 2005.

The Tuition Policy Advisory Council will begin meeting again in the early fall, at which time the Council will begin deliberating in order to be prepared to bring forth recommendations to the President in January, 2005. The timing of the recommendations will be crucial because the Board of Regents will set the tuition rates in March. When the State Legislature meets in the spring, they will determine higher education appropriations in May.

The meeting was adjourned at 7:20 p.m.