

Tuition Policy Advisory Council  
MEETING NOTES  
January 29, 2007

The Tuition Policy Advisory Council met on Monday, January 29, 2007 in the Provost's Conference Room, 9<sup>th</sup> floor, Rudder Tower.

The meeting was called to order at 5:40 p.m.

The Designated Tuition Hearing has been moved from Tuesday, February 20 to Wednesday, February 21 at 3:30 p.m. in room 292 of the Memorial Student Center.

A comparison was presented of designated tuition and fees per semester for non-resident undergraduates at the University of Texas, the University of Michigan at Ann-Arbor, and Texas A&M University. If Texas A&M University matched the rate of the University of Texas, it is estimated that annual revenue for TAMU would rise by more than \$4.7 million and matching Michigan's rate would generate approximately \$12.8 million in additional revenue. Over \$8.7 million of incremental revenue could be raised if designated tuition was set at a rate halfway between the combined rate of the University of Texas and the University of Michigan. It was noted that approximately 4% of the undergraduate students at Texas A&M University are non-residents and that fewer than 1,000 students pay out-of-state tuition.

The Division of Finance created a non-resident undergraduate designated tuition increase scenario for the Tuition Policy Advisory Council's consideration. The scenario makes the assumptions that all other costs and enrollment remain constant and that students take 15 semester credit hours each semester. State mandated tuition would not be affected. The proposed increases to designated tuition for non-resident students would apply only to entering students, not current students. Designated non-resident tuition would rise by \$100 per semester credit hour for students entering the University in fall 2007, creating incremental revenue for FY2008 of \$500,000, and students entering TAMU in fall 2008 would pay designated tuition at a rate \$100 per semester credit hour higher than the fall 2007 rate, producing incremental revenue for FY2009 of \$1,000,000. Students entering TAMU in fall 2009 would pay non-resident designated tuition at a rate of \$200 per semester credit hour higher than the fall 2008 rate, generating incremental revenue for FY2010 of \$2,000,000, and students entering the University in fall 2010 would pay designated tuition at a rate \$200 per semester credit hour higher than the fall 2009 rate. Incremental revenue for FY2011 is estimated to be \$3,000,000 and \$4,000,000 for FY2012.

The Tuition Policy Advisory Council has the following options going forward:

- Do nothing.
- Apply non-resident designated tuition increases incrementally.
- Implement non-resident designated tuition increases all at once.

During deliberation, it is important to consider what goals the policy is striving to achieve. Moreover, the role of TPAC is not to set a dollar amount for the tuition increase. That decision will be left to the President.

It was moved to approve an incremental, two-step plan which would increase non-resident designated tuition for entering undergraduate students by \$100 per semester credit hour beginning with fall 2008. Non-resident designated tuition would increase by an additional \$100 per semester credit hour for entering students beginning with fall 2010.

Upon further discussion, this proposal was revised to state that the increase would not exceed \$100 per semester credit hour and would not exceed \$200 per semester credit hour, respectively.

The Council voted and the proposal was approved unanimously.

A report was given to the Council on Senate Bill 100, which has been filed by Senator Shapiro. Senate Bill 100 would stabilize (fix) tuition for incoming freshmen for four years or the length of their degree program, whichever is longer. The Tuition Policy Advisory Council considered fixed tuition and its ramifications in 2004. After careful examination, the Council, at that time, recommended against implementation because fixed tuition places the burden of providing additional revenue on a small groups of students. The existing tuition policy at Texas A&M University spreads the increases across the entire student population, resulting in smaller increases per student. Every \$1,000,000 of additional needs translates into a \$5 per semester credit hour increase for each incoming student under the proposed legislation. Senate Bill 100 does not speak to the responsibility of the Legislature for adequate appropriations.

The Tuition Policy Advisory Council does not endorse Senate Bill 100 in its current form.

It was announced that the initial appropriation for the University is up \$45 million for the biennium, resulting in about \$12 million to \$13 million in additional operating funds per year. Appropriations are based on the weighted semester credit hours for the current semester and the two previous semesters (last fall and spring). The flat rate tuition policy and a small increase in enrollment are responsible for the increase.

The recommendation going forward to the President would be to reduce the student energy fee from the current \$99 per student per semester to a cost of no more than \$65 per student per semester. This recommendation is based on the outlook of purchased power costs. However, only about 4% of the utility rates have been locked in so far and the University will need to consider utility costs for all of the new space being created on campus. The Legislature may appropriate additional funding for utilities.

TPAC needs to meet again before the February 21 tuition hearing, so a time for the meeting will be found that accommodates the majority.

The meeting was adjourned at 7:05 p.m.