

January 29, 2010

Dr. David B. Prior
Executive Vice Chancellor for Academic Affairs
The University of Texas System
O. Henry Hall 304
1 University Station P4300
CAMPUS MAIL

Dear David:

I write to recommend tuition policy for The University of Texas at Austin for the 2010-11 and 2011-12 academic years. In keeping with House Concurrent Resolution No. 288 of the 81st Texas Legislature, the tuition proposals for resident undergraduate students are limited to a weighted average increase of 3.95%. Section VII, below, includes tables that provide the details of my tuition proposals and a student-initiated proposal for a mandatory fee to cover the costs of the new Student Activity Center. Section VIII, below, includes proposals concerning three existing voluntary fees. Enclosed are two appendices.

- Appendix A The final report of the university's Tuition Policy Advisory Committee, "Tuition Recommendations—Academic Years 2010-11 and 2011-12," December 1, 2009.
- Appendix B A list of the members of the 2009-10 Tuition Policy Advisory Committee.

The enclosed report of the Tuition Policy Advisory Committee (TPAC) gives an accurate picture of the additional resources needed by The University of Texas at Austin to provide educational programs of the highest quality for Texas and to become financially competitive with the leading public research universities in the country. The report is the culmination of a long and complex process that is described under "Tuition and fee proposal development" below. The TPAC report explains the needs for tuition increases and identifies the institutional strategic priorities to which increased tuition revenue will be directed.

The TPAC report was developed prior to the Regents' announcement of an allocation from the Available University Fund (AUF) of \$7 million per year for three years to The University of Texas at Austin. I have consulted members of the TPAC to determine whether this allocation would have altered the tuition proposal. They said an allocation of limited duration would not have changed the proposal, which is based on the need for predictable recurring funds rather than one-time funding.

In the following sections of this letter, I address key items identified in the "Principles and Guidelines for Setting Tuition and Fee Rates at U.T. System Academic Institutions, Academic Years 2010-12." Because we use flat-rate tuition, some items in the guidelines do not apply to The University of Texas at Austin. To include the proposals regarding voluntary fees, I have added a Section VIII.

Section I: Tuition and mandatory fee proposal development

The enclosed tuition recommendations are the result of a long and extensive endeavor that began last spring as the deans prepared for annual meetings with the Executive Vice President and Provost. In August, the Tuition Policy Advisory Committee (TPAC) began to examine strategic needs at the institutional level and at the college and school level. The voting membership of the TPAC includes the Executive Vice President and Provost; Vice President and Chief Financial Officer; the Vice Provost and Dean of Graduate Studies; a college dean (this year, the Dean of the College of Fine Arts); the Chair of the Faculty Advisory Committee on Budgets; one student representative each from Student Government, the Senate of College Councils, and the Graduate Student Assembly; and one additional student. Advisory members without vote include the Executive Vice Provost, the Associate Vice President and Director of Budgets, and the Vice Provost for Information Management and Analysis. (A list of the individuals is enclosed. The guidelines for the committee require that at least one of the student members be a recipient of financial aid, able to reflect the perspectives of students for whom financial aid is vital to the ability to pay college costs.)

The committee met weekly during the 2009 fall semester to develop a report that was submitted to me on December 1. The report had the unanimous support of the TPAC members.

When the TPAC report was submitted to me, the University's Office of Public Affairs issued a press release. At the same time, an announcement of the TPAC report was posted on the University's Web home page, and the full report was posted on the "Tuition Dollars and Sense" page of the University's Web site. ("Tuition Dollars and Sense" is a comprehensive resource for information about tuition at The University of

Texas at Austin and has a link on the University's Web home page.) In addition, the TPAC report received extensive attention from news media throughout the state. That, in turn, helped bring the report to the attention of the public.

After the report was issued, members of the TPAC, including the Executive Vice President and Provost, Vice President and Chief Financial Officer, and student representatives, met with the three principal student governance groups to present the report, answer questions, and receive comment. These meetings were held on December 1 with Student Government, December 2 with the Graduate Student Assembly, and December 3 with the Senate of College Councils. The TPAC also held open forums to explain the report and receive public comment. These forums, which were widely advertised, open to all members of the public, and webcast, were held on January 20 and 26. I attended both public forums.

By university policy, deans are required to consult with students about proposals affecting tuition and fees and do so as part of the process for making recommendations to the Executive Vice President and Provost.

Section II: Cost-saving initiatives

The TPAC report describes the adverse fiscal consequences resulting from limited state support, the limit that was placed on tuition increases in the last tuition and fee cycle, and the decline of money from the Available University Fund. To maintain high quality in the face of dwindling revenues, the University is being forced to take difficult steps. For example, this year we gave no staff salary raises (including administrators at all levels) and had only a limited pool of money for targeted faculty raises. As another cost-saving measure, we have altered our ongoing program to add new faculty positions each year to help reduce the faculty-to-student ratio. Previously, we added thirty new faculty positions each year; for the coming year (2010-11), we will add only fifteen. (These new faculty positions will be funded with existing resources through reprioritization and reallocation and not from the proposed tuition increase.)

For more long-range and sweeping cost-saving measures, the deans and vice presidents are engaged in an extensive reallocation budget process. In this process, each dean and vice president is scrutinizing her or his budget to find ways to eliminate non-essential programs and reallocate money for essential needs and strategic initiatives. The deans are working on this effort with the Executive Vice President and Provost as they develop five-year strategic budget plans. In a similar effort, the vice presidents are working with a team headed by the Vice President and Chief Financial Officer. (One of the first vice presidential portfolios to undertake this effort was Information Technology

Services. The changes made in this portfolio through the reallocation process netted the university a savings of about \$5 million in recurring funds, some of which are being reinvested in the aging technology infrastructure.) In light of this exhaustive process, we expect to provide little or no new central funding for college initiatives and we are significantly reducing centrally funded programs to recruit and retain staff and faculty. Appendix 1, "Operating Forecast for 2009-10 to 2011-12," of the TPAC report provides details of the budget realities we face.

Section III: Financial aid

It is important for us to take whatever measures we can to ensure equitable access to the University. As one source of revenue for financial aid, we are adhering to the statutory requirement that we devote 20% of resident undergraduate tuition revenue to resident undergraduate financial assistance and 15% of resident graduate and professional student tuition revenue to resident graduate and professional student financial assistance. Revenue for financial assistance from these sources will be administered in conformity with the statutes. The University also provides about \$70 million annually in other scholarship and fellowship aid to undergraduate, graduate, and professional students.

Because the new Student Activity Fee discussed below is a fee and not tuition, Student Government asked that no scholarship revenue be set aside from it. The TPAC endorsed that position, and I concur.

Section IV: Tuition innovation

The University of Texas at Austin has been a leader in implementing flat-rate tuition, which provides much greater transparency to parents and students about the full cost of education and provides them with clearer information to plan for educational costs over a several-year period. We have now extended the implementation of flat-rate tuition to include all of our graduate and professional programs as well as all of our undergraduate programs.

Section V: Uses of designated tuition to achieve strategic goals and sustain institutional quality

The TPAC report discusses the adverse consequences on the University's budget of not having any tuition increase. Without the proposed increases, the University would need to implement cuts of \$17.3 million for 2010-11 and \$14.2 million for 2011-12

merely to balance the budget. With cuts of that magnitude, the university would not be able to maintain the high quality of education it offers. Even with the proposed tuition increases, income for operations would remain essentially flat for 2010-11 and rise by only \$3.9 million for the following fiscal year.

Substantial progress to make the University the top public research university in the country would require an increase of about \$50 to \$60 million in recurring funds or a tuition increase of about 18%. As the University attempts to maintain its accessibility to all areas of society, a tuition increase of that magnitude is neither desirable nor realistic. The proposed increases will do little more than keep our income at the status quo.

The quality of a University is directly related to its ability to attract and retain highly talented faculty and staff. This remains among the University's highest strategic goals. But as we continue through this difficult financial period, we are not relying solely on tuition as a source of revenue. The deans and vice presidents are engaged in the extremely difficult effort described above to reallocate existing funds to the best strategic uses. Those uses include faculty and staff compensation, graduate student support, maintenance of the high quality of our academic programs, support of new academic initiatives, and maintenance of our student services.

Section VI: Summary of the impact of the tuition and mandatory fee proposals on total academic costs

Below are the verified and corrected data regarding the total academic costs at The University of Texas at Austin for fall 2009 and the estimated total academic costs for fall 2010 and fall 2011 based on the tuition and mandatory fee proposals contained in this letter. For resident undergraduate students, the proposals conform to the 3.95% tuition limit established by House Concurrent Resolution No. 288 of the 81st Texas Legislature. The costs given in the table include the mandatory Student Activity Center Fee of \$65 per semester that was passed by a student referendum in 2006 and that begins in fall 2010.

	Estimated Fall 2009	Actual Fall 2009	Estimated Fall 2010	Estimated Fall 2011
Statutory tuition	\$750	\$750	\$750	\$750
Designated tuition	\$2,285	\$2,276	\$2,452	\$2,635
Mandatory fees	\$1,430	\$1,442	\$1,507	\$1,507
Avg. college/course fees	\$0	\$0	\$0	\$0
Total academic cost	\$4,465	\$4,468	\$4,709	\$4,892

Section VII: Proposed tuition and fees for 2010-11 and 2011-12

The following tables provide the details of my final tuition and mandatory Student Activity Fee proposals for academic years 2010-11 and 2011-12. These include:

- Table 1 Proposed flat-rate tuition and mandatory Student Activity Fee for resident and nonresident undergraduate students.
- Table 2 Proposed flat-rate tuition and mandatory Student Activity Fee for resident and nonresident graduate students.
- Table 3 Proposed flat-rate tuition and mandatory Student Activity Fee for resident and nonresident students in professional programs (Doctor of Jurisprudence, Master of Professional Accounting, Master of Business Administration, and Doctor of Pharmacy).
- Table 4 Proposed Flat-Rate Tuition by Semester Credit Hour (SCH) as a Percent of Full Load, Summer Flat-Rate Tuition, and Flat-Rate Tuition for Double Majors.

Tables are not provided for the following items given in the “Principles and Guidelines for Setting Tuition and Fee Rates at U.T. System Academic Institutions”:

- Reduced rate for nonresident undergraduate students attending institutions near the Texas border: This is not applicable to The University of Texas at Austin.
- Tuition for repeated or excessive hours: The University of Texas at Austin does not charge a higher tuition rate for students who repeat a class or who have accumulated excessive semester credit hours.
- Student services fees: Student services fees, medical services fees, and undergraduate course, college, and program fees are incorporated into our flat-rate tuition.
- Energy fee: The University of Texas at Austin does not charge an energy fee.

Table 1: Proposed Flat-Rate Tuition and Mandatory Student Activity Fee for Resident and Nonresident Undergraduate Students

UNDERGRADUATE STUDENTS

Rates shown are for undergraduate students taking a full load of 12 or more semester credit hours (SCH) for one long semester.

2010-11 (Fall semester only)

2011-12 (Fall semester only)

RESIDENCY	COLLEGE	FALL 2009 FLAT-RATE TUITION	PROPOSED DESIGNATED TUITION INCREASE	STUDENT ACTIVITY CENTER FEE	FALL 2010 PROPOSED FLAT-RATE TUITION	FALL 2010 PROPOSED FLAT-RATE TUITION	PROPOSED DESIGNATED TUITION INCREASE	FALL 2011 PROPOSED FLAT-RATE TUITION
RESIDENT	ARCHITECTURE	4,505	178	65	4,748	4,748	185	4,933
	BUSINESS	4,904	194	65	5,163	5,163	201	5,364
	COMMUNICATION	4,407	174	65	4,646	4,646	181	4,827
	EDUCATION	4,414	174	65	4,653	4,653	181	4,834
	ENGINEERING	4,662	184	65	4,911	4,911	191	5,102
	FINE ARTS	4,567	180	65	4,812	4,812	188	5,000
	GEOSCIENCES	4,598	182	65	4,845	4,845	189	5,034
	LIBERAL ARTS	4,260	168	65	4,493	4,493	175	4,668
	NATURAL SCIENCES	4,421	175	65	4,661	4,661	182	4,843
	NURSING	4,730	187	65	4,982	4,982	194	5,176
	SOCIAL WORK	4,465	176	65	4,706	4,706	183	4,889
UNDERGRAD STUDIES	4,477	177	65	4,719	4,719	184	4,903	
CONTINUING NONRESIDENT Entered Spring 2004 or earlier.	ARCHITECTURE	10,325	408	65	10,798	10,798	424	11,222
	BUSINESS	10,733	424	65	11,222	11,222	441	11,663
	COMMUNICATION	10,169	402	65	10,636	10,636	418	11,054
	EDUCATION	10,194	403	65	10,662	10,662	419	11,081
	ENGINEERING	10,362	409	65	10,836	10,836	425	11,261
	FINE ARTS	10,332	408	65	10,805	10,805	424	11,229
	GEOSCIENCES	10,654	421	65	11,140	11,140	437	11,577
	LIBERAL ARTS	10,118	400	65	10,583	10,583	415	10,998
	NATURAL SCIENCES	10,208	403	65	10,676	10,676	419	11,095
	NURSING	10,729	424	65	11,218	11,218	441	11,659
	SOCIAL WORK	10,801	427	65	11,293	11,293	444	11,737
UNDERGRAD STUDIES	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
INTERMEDIATE NONRESIDENT Entered after Spring 2004 and before Summer 2006.	ARCHITECTURE	10,898	430	65	11,393	11,393	447	11,840
	BUSINESS	11,281	446	65	11,792	11,792	463	12,255
	COMMUNICATION	10,711	423	65	11,199	11,199	440	11,639
	EDUCATION	10,736	424	65	11,225	11,225	441	11,666
	ENGINEERING	10,899	431	65	11,395	11,395	448	11,843
	FINE ARTS	10,878	430	65	11,373	11,373	447	11,820
	GEOSCIENCES	11,220	443	65	11,728	11,728	461	12,189
	LIBERAL ARTS	10,669	421	65	11,155	11,155	438	11,593
	NATURAL SCIENCES	10,750	425	65	11,240	11,240	441	11,681
	NURSING	11,307	447	65	11,819	11,819	464	12,283
	SOCIAL WORK	11,357	449	65	11,871	11,871	466	12,337
UNDERGRAD STUDIES	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
NEW NONRESIDENT Entered Summer 2006 or later.	ARCHITECTURE	15,339	606	65	16,010	16,010	630	16,640
	BUSINESS	16,430	649	65	17,144	17,144	675	17,819
	COMMUNICATION	14,738	582	65	15,385	15,385	605	15,990
	EDUCATION	14,767	583	65	15,415	15,415	606	16,021
	ENGINEERING	15,515	613	65	16,193	16,193	637	16,830
	FINE ARTS	15,278	603	65	15,946	15,946	627	16,573
	GEOSCIENCES	15,568	615	65	16,248	16,248	639	16,887
	LIBERAL ARTS	14,327	566	65	14,958	14,958	588	15,546
	NATURAL SCIENCES	14,787	584	65	15,436	15,436	607	16,043
	NURSING	16,116	637	65	16,818	16,818	662	17,480
	SOCIAL WORK	15,052	595	65	15,712	15,712	618	16,330
UNDERGRAD STUDIES	15,017	593	65	15,675	15,675	617	16,292	

Table 2: Proposed Flat-Rate Tuition and Mandatory Student Activity Fee for Resident and Nonresident Graduate Students

GRADUATE STUDENTS

Rates shown are for graduate students taking a full load of 9 semester credit hours (SCH) for one long semester.

2010-11 (Fall semester only)

2011-12 (Fall semester only)

RESIDENCY	COLLEGE	FALL 2009 FLAT-RATE TUITION	PROPOSED DESIGNATED TUITION INCREASE	STUDENT ACTIVITY CENTER FEE	FALL 2010 PROPOSED FLAT-RATE TUITION	FALL 2010 PROPOSED FLAT-RATE TUITION	PROPOSED DESIGNATED TUITION INCREASE	FALL 2011 PROPOSED FLAT-RATE TUITION
RESIDENT	ARCHITECTURE	4,154	164	65	4,383	4,383	171	4,554
	BUSINESS	3,449	136	65	3,650	3,650	142	3,792
	COMMUNICATION	3,981	157	65	4,203	4,203	163	4,366
	EDUCATION	3,688	146	65	3,899	3,899	151	4,050
	ENGINEERING	4,207	166	65	4,438	4,438	173	4,611
	FINE ARTS	4,129	163	65	4,357	4,357	170	4,527
	GEOSCIENCES	3,848	152	65	4,065	4,065	158	4,223
	INFORMATION	4,325	171	65	4,561	4,561	178	4,739
	LIBERAL ARTS	3,547	140	65	3,752	3,752	146	3,898
	NATURAL SCIENCES	3,665	145	65	3,875	3,875	150	4,025
	NURSING	4,170	165	65	4,400	4,400	171	4,571
	PHARMACY	4,005	158	65	4,228	4,228	164	4,392
PUBLIC AFFAIRS	3,922	155	65	4,142	4,142	161	4,303	
SOCIAL WORK	4,120	163	65	4,348	4,348	169	4,517	
CONTINUING NONRESIDENT	ARCHITECTURE	7,213	285	65	7,563	7,563	296	7,859
	BUSINESS	6,486	256	65	6,807	6,807	266	7,073
	First enrolled in Spring 2004 or earlier AND enrolled in their current graduate or professional program prior to Summer 2008.	6,959	275	65	7,299	7,299	286	7,585
	EDUCATION	6,742	266	65	7,073	7,073	277	7,350
	ENGINEERING	7,269	287	65	7,621	7,621	298	7,919
	FINE ARTS	7,187	284	65	7,536	7,536	295	7,831
	GEOSCIENCES	6,927	274	65	7,266	7,266	284	7,550
	INFORMATION	7,453	294	65	7,812	7,812	306	8,118
	LIBERAL ARTS	6,618	261	65	6,944	6,944	272	7,216
	NATURAL SCIENCES	6,771	267	65	7,103	7,103	278	7,381
	NURSING	7,249	286	65	7,600	7,600	298	7,898
	PHARMACY	7,025	277	65	7,367	7,367	288	7,655
PUBLIC AFFAIRS	7,005	277	65	7,347	7,347	288	7,635	
SOCIAL WORK	7,294	288	65	7,647	7,647	299	7,946	
NEW NONRESIDENT	ARCHITECTURE	7,739	306	65	8,110	8,110	318	8,428
	BUSINESS	6,941	274	65	7,280	7,280	285	7,565
	First enrolled after Spring 2004 OR enrolled in their current graduate or professional program after Spring 2008.	7,550	298	65	7,913	7,913	310	8,223
	EDUCATION	7,232	286	65	7,583	7,583	297	7,880
	ENGINEERING	7,755	306	65	8,126	8,126	318	8,444
	FINE ARTS	7,709	305	65	8,079	8,079	317	8,396
	GEOSCIENCES	7,513	297	65	7,875	7,875	308	8,183
	INFORMATION	7,942	314	65	8,321	8,321	326	8,647
	LIBERAL ARTS	7,096	280	65	7,441	7,441	291	7,732
	NATURAL SCIENCES	7,284	288	65	7,637	7,637	299	7,936
	NURSING	7,760	307	65	8,132	8,132	319	8,451
	PHARMACY	7,678	303	65	8,046	8,046	315	8,361
PUBLIC AFFAIRS	7,526	297	65	7,888	7,888	309	8,197	
SOCIAL WORK	7,667	303	65	8,035	8,035	315	8,350	

Table 3: Proposed Flat-Rate Tuition and Mandatory Student Activity Fee for Resident and Nonresident Students in Professional Programs (Doctor of Jurisprudence, Master of Professional Accounting, Master of Business Administration, and Doctor of Pharmacy)

PROFESSIONAL PROGRAMS

Rates shown are for professional students taking a full load of semester credit hours (SCH) for one long semester.

2010-11 (Fall semester only)

2011-12 (Fall semester only)

PROGRAM RESIDENCY	FALL 2009 FLAT-RATE TUITION	PROPOSED DESIGNATED TUITION INCREASE	STUDENT ACTIVITY CENTER FEE	FALL 2010 PROPOSED FLAT-RATE TUITION	FALL 2010 PROPOSED FLAT-RATE TUITION	PROPOSED DESIGNATED TUITION INCREASE	FALL 2011 PROPOSED FLAT-RATE TUITION
LAW (14 SCH)							
RESIDENT GROUP 1	11,280	446	65	11,791	11,791	463	12,254
RESIDENT GROUP 2	13,257	524	65	13,846	13,846	544	14,390
RESIDENT GROUP 3	13,257	663	65	13,985	13,985	696	14,681
RESIDENT GROUP 4	N/A	N/A	N/A	N/A	13,985	1,114	15,099
CONTINUING NONRES	18,476	730	65	19,271	19,271	759	20,030
INTERMEDIATE NONRES	18,919	747	65	19,731	19,731	777	20,508
NEW NONRESIDENT	20,885	825	65	21,775	21,775	858	22,633
MPA (13 SCH)							
RESIDENT	10,152	0	65	10,217	10,217	0	10,217
CONTINUING NONRES	16,549	0	65	16,614	16,614	0	16,614
NEW NONRESIDENT	17,040	0	65	17,105	17,105	0	17,105
MBA (15 SCH)							
RESIDENT	12,595	738	65	13,398	13,398	952	14,350
CONTINUING NONRES	19,819	1,126	65	21,010	21,010	930	21,940
NEW NONRESIDENT	20,276	1,152	65	21,493	21,493	951	22,444
PHARMD (12+ SCH)							
RESIDENT	6,612	386	65	7,063	7,063	401	7,464
CONTINUING NONRES	16,726	786	65	17,577	17,577	817	18,394
NEW NONRESIDENT	17,818	829	65	18,712	18,712	862	19,574

RESIDENCY DEFINITIONS (Law only):

- RESIDENT GROUP 1: First enrolled in law Spring 2008 or earlier.
- RESIDENT GROUP 2: First enrolled in law after Spring 2008 and before Summer 2010.
- RESIDENT GROUP 3: First enrolled in law after Spring 2010 and before Summer 2011.
- RESIDENT GROUP 4: First enrolled in law after Spring 2011.
- CONTINUING NONRES: First entered Spring 2004 or earlier AND enrolled in law prior to Summer 2008.
- INTERMEDIATE NONRES: First entered after Spring 2004 AND enrolled in law prior to Summer 2008.
- NEW NONRESIDENT: First enrolled in law after Spring 2008.

RESIDENCY DEFINITIONS (Excluding law):

- CONTINUING NONRES: First enrolled Spring 2004 or earlier AND enrolled in their current graduate or professional program prior to Summer 2008.
- NEW NONRESIDENT: First enrolled after Spring 2004 OR enrolled in their current graduate or professional program after Spring 2008.

Table 4: Proposed Flat-Rate Tuition by Semester Credit Hour (SCH) as a Percent of Full Load, Summer Flat-Rate Tuition, and Flat-Rate Tuition for Double Majors

UNDERGRADUATE and GRADUATE

SCH	UNDERGRADUATE	GRADUATE		
	RESIDENT & ALL NONRESIDENT	RESIDENT	CONTINUING NONRESIDENT	NEW NONRESIDENT
1	30%	27%	21%	21%
2	37%	38%	33%	33%
3	44%	44%	39%	41%
4	51%	57%	52%	51%
5	58%	68%	61%	60%
6	65%	73%	70%	71%
7	72%	82%	80%	81%
8	80%	96%	90%	93%
9	80%	100%	100%	100%
10	80%	109%	108%	108%
11	80%	115%	113%	115%
12	100%	120%	125%	121%
13	100%	127%	132%	129%
14	100%	132%	140%	133%
15	100%	137%	147%	142%
FULL LOAD =	12+ SCH	9 SCH	9 SCH	9 SCH

PROFESSIONAL

SCH	LAW	MPA		MBA	PHARMD
	RESIDENT & ALL NONRESIDENT	RESIDENT	ALL NONRESIDENT	RESIDENT & ALL NONRESIDENT	RESIDENT & ALL NONRESIDENT
1	22%	30%	27%	30%	30%
2	27%	38%	32%	35%	36%
3	31%	46%	37%	40%	43%
4	39%	53%	44%	45%	49%
5	47%	60%	51%	50%	55%
6	55%	67%	58%	55%	62%
7	62%	73%	65%	60%	68%
8	69%	80%	72%	65%	75%
9	76%	86%	79%	70%	81%
10	81%	89%	85%	75%	87%
11	86%	94%	89%	80%	94%
12	91%	97%	94%	85%	100%
13	95%	100%	100%	90%	100%
14	100%	104%	105%	95%	100%
15	105%	107%	109%	100%	100%
FULL LOAD =	14 SCH	13 SCH	13 SCH	15 SCH	12+ SCH

SUMMER SESSION FLAT-RATE TUITION

For each category of students (undergraduate, graduate, and professional), the charge for the total number of SCH taken in the summer will be 85% of the charge for that number of SCH in the long semesters.

DOUBLE MAJORS

UNDERGRADUATE: The higher of the two colleges' flat-rate tuition is charged.

GRADUATE: The average cost of the flat-rate tuition in the two programs is charged if neither is in a professional program.

PROFESSIONAL: For degrees involving at least one professional program, the flat-rate tuition is proportional to the number of total hours taken in each program.

Section VIII: Proposed voluntary fees

In accordance with Section 54.513 of the *Texas Education Code* and at the direction of The University of Texas System, I am submitting in this letter proposals for increases in three voluntary (cf. “optional”) fees for the 2010-11 and 2011-12 academic years, viz., fees for the “C” and “M” student parking permits, the Department of Theatre and Dance Fee, and the Longhorn All-Sports Package. All other voluntary fees will remain at their current levels.

The proposed increase in fees for the “C” and “M” student permits is incremental over the next two years. The “C” (general student parking) permit will increase from the current rate of \$110 to \$115 for 2010-11 and to \$121 for 2011-12. The “M” (motorcycle) permit will increase from the current rate of \$66 to \$70 for 2010-11 and to \$73 for 2011-12. The percentages of these increases are given in the table below. (Both of these fees are prorated for permits purchased after September 30.) There has been no increase in the cost of the “C” and “M” parking permits since 2006, although during the same period other parking permits (including staff permits and all garage permits) have increased by 13% to 17%. Since 2006, the cost of parking service operations has risen by 26%. Parking and Transportation Services is a self-funded auxiliary department that must meet all of its operational costs through fees and charges. If the proposals are approved, the “C” and “M” permits will remain the lowest priced parking permits at the University, as has been the case traditionally.

The proposed increase in the Department of Theatre and Dance Fee is from \$30 to \$45 in 2010-11, with no additional increase in 2011-12. Payment of the fee allows students to purchase four tickets to Department of Theatre and Dance productions at a discount. (The fee is prorated at half price for students who choose to pay it only for the spring semester.) The last time this voluntary fee was raised was in 2003. Since that time, the costs of theatre and dance productions have risen and the proposed fee increase is needed to sustain the quality of the productions. The proposed increase is commensurate with increases in individual ticket prices. Even with the proposed increase, students who choose this option will realize a 25% savings over the cost of purchasing four single tickets.

The proposed increase in the Longhorn All-Sports Package (cf. “optional student athletic fee”) is from \$70 to \$80 for 2010-11, with no additional increase in 2011-12. (The fee is prorated at half price for students who choose to pay it only for the spring semester.) Students who pay this fee are given the option of drawing one free ticket to all ticketed regular season home athletics events while tickets are available. Included are football, men’s basketball, women’s basketball, softball, soccer, women’s volleyball, baseball, and the Texas Relays. Students exercising this option realize substantial

savings in comparison to what the public pays for tickets to the same events. There has not been an increase in this voluntary fee for eight years, during which time the cost of operations has risen. Intercollegiate Athletics at The University of Texas at Austin is self-supported and receives no subsidies from the University for operations. Ticket sales are an important source of revenue.

	Current Fall 2009	Proposed Fall 2010 (% increase)	Proposed Fall 2011 (% increase)
Student Parking Permits			
C permit	\$110	\$115 (4.55%)	\$121 (5.22%)
M permit	\$66	\$70 (6.06%)	\$73 (4.29%)
Theatre and Dance Fee	\$30	\$45 (50.00%)	\$45 (0.00%)
Longhorn All-Sports Package	\$70	\$80 (14.29%)	\$80 (0.00%)

The proposed increases in voluntary fees were reviewed and recommended by the Student Service Budget Committee. (This committee, chaired by the Vice President of Student Government, is composed of five students, three administrators, one faculty member, and one non-voting staff adviser.) The proposals were further reviewed and recommended by the Vice President for University Operations (for the “C” and “M” parking fees) and the Vice President for Student Affairs (for the Department of Theatre and Dance Fee and the Longhorn All-Sports Package).

Concluding comments

Having carefully considered the recommendations of the Tuition Policy Advisory Committee regarding tuition and the Student Activity Center mandatory fee and the recommendations of the Student Services Budget Committee regarding voluntary fees, and having listened to public comment in two open forums, I am convinced that these proposed increases are essential for the financial health of the University, and I strongly recommend their approval. Affordability and equitable access for students remain high

Dr. David B. Prior
January 29, 2010
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priorities of The University of Texas at Austin. Those priorities will continue to be integral to our strategic planning, budget development, and tuition policy.

Sincerely,

William Powers, Jr.
President

WP/dwd
Enclosures

cc: Dr. Patricia Clubb, Vice President for University Operations
Dr. Juan González, Vice President for Student Affairs
Dr. Douglas Dempster, Dean, College of Fine Arts
Tuition Policy Advisory Committee
University Budget Council

APPENDIX A

Final Report of The University of Texas at Austin Tuition Policy Advisory Committee,
“Tuition Recommendations—Academic Years 2010-11 and 2011-12”
December 1, 2009



THE UNIVERSITY OF TEXAS AT AUSTIN

Tuition Policy Advisory Committee

December 1, 2009

MEMORANDUM

To: President Bill Powers
From: Tuition Policy Advisory Committee
Subject: Tuition Recommendations – Academic Years 2010-11 and 2011-12

Executive Summary

The Tuition Policy Advisory Committee (TPAC) is submitting tuition recommendations for the two-year period 2010-11 and 2011-12, which are as follows:

- TPAC recommends a **Tuition** increase for all undergraduate and graduate student programs, excluding professional schools, of 3.95% per year for 2010-11 and 2011-12.
- The students voted in a 2006 student-wide referendum to institute a new **Fee** of \$65 per semester beginning in 2010-11 to pay for the Student Activity Center (SAC) presently under construction.
- The combined effect is to increase the weighted average per semester **Total Cost of Education** for a resident undergraduate student by \$241 (5.40%) to \$4,709 in 2010-11 and by \$186 (3.95%) to \$4,895 in 2011-12. For a resident graduate student it is an increase of \$218 (5.62%) to \$4,100 in 2010-11 and \$162 (3.95%) to \$4,262 in 2011-12.

TPAC has reviewed in detail the financial forecast for the University. As a result of a composite decline in the University's net funding sources, without a tuition increase the University will have to cut its current budget by a minimum of -\$17.3 million in 2010-11 and -\$14.2 million in 2011-12 (**Table 2**). Such reductions would be necessary to simply balance the budget. Cutting the University's budget will put at risk the University's ability to continue to provide high quality education and maintain a reasonable level of student services. It is for this reason that TPAC believes it is necessary to increase tuition. The modest increases recommended by TPAC will avoid an overall budget reduction; however, they will not generate incremental funding for such items as salary increases, faculty hiring or increasing graduate student support. Tuition increases on the order of nearly 18% per year over the next two years would be required to fund the critical priorities that would progress the University. However, TPAC feels that its tuition recommendations are within what can reasonably be expected of students and parents financially, given the context of the current economic realities, expectations of tuition affordability and the

legislative policy constraints under which the University must operate. These recommendations provide cost predictability for students and their families, provide transparency in pricing and accountability, maintain accessibility to the University, and encourage timely progress toward degrees.

Upon submission to you, these recommendations will be made available to the University community for review and comment through January 31, 2010, when your final recommendations are due to the University of Texas System. TPAC will host open public forums on campus January 20 and January 26, and will meet with individual student governance groups to discuss these recommendations and receive comments. The comments received during this period will help inform your final recommendations to the UT System and the Board of Regents.

Tuition Recommendations

TPAC recommends that the flat rate tuition for all undergraduate and graduate student programs for 2010-11 and 2011-12 increase by 3.95% each year. For the average resident undergraduate student, this is an increase of \$176 per semester in 2010-11 and an increase of \$186 per semester in 2011-12. For the average resident graduate student, this is an increase of \$153 per semester in 2010-11 and an increase of \$162 per semester in 2011-12.

Additionally, the Provost Office recommends that tuition for professional programs be increased as follows:

- Law – Resident student tuition is proposed to increase 3.95%-5.00% in years 2010-11 and 2011-12 depending on the year first enrolled.
- Business – No tuition increase is proposed for MPA students; resident MBA student tuition is proposed to increase 5.86% in 2010-11 and 7.11% in 2011-12.
- Pharmacy – PharmD program resident student tuition is proposed to increase 5.84% in 2010-11 and 5.68% in 2011-12.

In accord with policy, 20% of the flat rate tuition increase for resident undergraduate students and 15% for resident graduate students will be set aside to provide financial aid grant assistance to Texas residents. The Office of Student Financial Services will be responsible for administering these grant funds.

In February 2006, the student body passed a referendum (67.7% in support) to create a new Student Activity Center (SAC) on campus and pay for the associated capital and operating costs of the SAC by instituting a new fee to all students of \$65 per semester upon its completion. This fee will continue to be charged each semester thereafter. The facility will be completed during the

2010-11 academic year. Accordingly, an SAC fee of \$65 per semester for full-time students (prorated for part-time students) will begin to be assessed at the beginning of the 2010-11 academic year. Student fees are not subject to the aforementioned 20% financial aid set-aside. The treatment of this charge as a new fee rather than a tuition increase is in accord with the *U. T. System Principles and Guidelines for Setting Tuition and Fee Rates at U. T. System Academic Institutions, Academic Years 2010-2012*, which excludes fees approved by a vote of the students through the referendum process.

The combined effect of the recommended tuition increase and of the new SAC fee will cause the weighted average total cost of education at UT Austin for a resident undergraduate student to increase from \$4,468 per semester in 2009-10 to \$4,709 in 2010-11. The increase is composed of \$176 in tuition (3.95%) and the \$65 (1.45%) new student-initiated SAC fee, representing a 5.40% increase in the total cost of education. For 2011-12, the total cost of education will increase from \$4,709 to \$4,895, a difference of \$186 or 3.95%. For a resident graduate student it is an increase of \$218 (5.62%) to \$4,100 in 2010-11 and by \$162 (3.95%) to \$4,262 in 2011-12.

TABLE 1

	Resident Student Weighted Average Cost Data					
	Total Cost per Semester to Attend			Total Cost per Semester to Attend		Total Cost per Semester to Attend
	2009-10	Tuition Increase	SAC Fee	2010-11	Tuition Increase	2011-12
Undergraduate						
Dollars	\$4,468	\$176	\$65	\$4,709	\$186	\$4,895
Percent		3.95%	1.45%	5.40%	3.95%	3.95%
Graduate						
Dollars	\$3,882	\$153	\$65	\$4,100	\$162	\$4,262
Percent		3.95%	1.67%	5.62%	3.95%	3.95%

Budget Forecast Discussion

In order to fully understand the financial consequences of its tuition recommendations, TPAC reviewed in detail a projection of the revenues needed over the next two years to permit the University to continue its pursuit of becoming one of the best public institutions of higher education in the nation. This priority expenditure budget, together with a realistic projection of income generated from all sources, including the TPAC recommended tuition increase of 3.95% each year, is included in this document as **Appendix 1**.

Projected Income Sources

Table 2 sets forth an estimate of the University budget reduction required, assuming no increase in tuition, and the projected new income or deficit to pay for University operations including TPAC's recommended increase in tuition.

TABLE 2		
<u>Projected New Income / - Deficit to Pay for Operations - by Source</u>		
(In millions)		
	<u>2010-11</u>	<u>2011-12</u>
Change in:		
State appropriations to University	\$1.7	-\$4.6
Available University Fund Endowment	-5.9	-9.6
University cash balances available	-13.1	0.0
Budget reduction required		
assuming no increase in tuition	-17.3	-14.2
Recommended Tuition Increase		
Gross monies generated	20.4	21.3
Less required financial aid set-aside	-3.2	-3.2
Net tuition monies available	17.2	18.1
Projected new - deficit / income for operations		
including TPAC recommended tuition increase	-\$0.1	\$3.9

NOTE: The table excludes approximately \$6.5 million resulting from the student initiated SAC fee which is fully dedicated by referendum to paying the capital and operating costs of the new center.

The following is an explanation of certain line items included in **Table 2**:

- State appropriations for 2010-11 of \$1.7 million were appropriated to the University in the last legislative session. The reduction of -\$4.6 million in 2011-12 consists of a projected increase in general appropriations of \$8.1 million (determined at the University's historical average increase which is 1.8%), fully offset by a projected decline in State appropriated incentive and supplemental funding of -\$12.7 million.
- Available University Fund Endowment reductions are projections provided to the campus by the University of Texas Investment Management Company (UTIMCO) on behalf of the Board of Regents in August 2009, and reflects the financial environment at that time.
- The current 2009-10 budget was partially funded by the use of available University cash balances. Because the cash balances will be spent by the next fiscal year, and the associated costs paid for by the balances will

continue, the University will have -\$13.1 million less available cash in 2010-11 to fund its budget.

- The monies generated from increasing tuition will provide the University approximately \$17.2 million in 2010-11 and \$18.1 million in 2010-11 after deducting the legally required set-aside for additional student financial aid. As was the case for 2008-10 tuition income projections, tuition income for 2010-11 and 2011-12 is based on an enrollment of 49,700 students. Any increase or decrease in the University student population will impact the amount of money generated from tuition. This periodic and unpredictable change is non-recurring and is not included as funding available for the recurring budget of the University.

Table 2 illustrates that without a tuition increase the University will have to cut its budget by a minimum of -\$17.3 million in 2010-11 and -\$14.2 million in 2011-12 simply to balance the budget. TPAC believes that cutting the University's budget will put at risk its ability to continue to provide high quality education and maintain a reasonable level of student services. Therefore, TPAC recommends a tuition increase principally to minimize the negative impact to students and the University that might result from significantly cutting the budget.

Steady-progress Budget

The steady-progress budget is a realistic projection of the priority funding increases needed by the University to continue to make modest progress towards its goal of being one of the finest public institutions of higher education in the nation. The key priority areas of need mirror those identified and funded in recent institutional budgets (see **Appendix 1** for full details) and include:

- Increased funding for Undergraduate Studies, graduate fellowships, teaching assistants and student services;
- Hiring 30 new faculty positions over replacements each year to reduce the student to faculty ratios;
- Funding for college-based initiatives;
- A 2% merit-based salary pool for faculty and staff for 2010-11 and a 3% merit-based salary pool for 2011-12; and
- Funding for specific programs and efforts to recruit and retain talent (students, faculty and staff).

The level of new funding required to accomplish the steady-progress budget is considerably more than the projected new income for each of the next two years. TPAC's recommended tuition increase would essentially avoid cutting the University's budget in 2010-11 and 2011-12, but it produces no additional income with which to fund the priorities included in the steady-progress budget. TPAC estimates that an additional \$56.1 million in new funding would be required to

fully fund the 2010-11 steady-progress budget compared to the shortfall of $-\$0.1$ million after the recommended tuition increase. For 2011-12, TPAC estimates that an additional $\$60.8$ million in new funding would be required to fund the steady-progress budget compared to the $\$3.9$ million of new funding including the recommended tuition increase. These very large budget needs reflect the reality that the University's total academic budget is determined primarily by salaries of highly-trained professionals and by the cost to acquire and maintain sophisticated equipment and facilities.

Including the 3.95% tuition increase recommended by TPAC, the projected annual budget deficit of $-\$0.1$ million and income of $\$3.9$ million (**Table 2**) for the next two years fall far short of the levels required to fund the steady-progress budget. Put in context, tuition would have to increase on the order of nearly 18% per year over the next two years to fully fund the key priority objectives that comprise the University steady-progress budget. However, given the context of the current economic realities, expectations of tuition affordability and the legislative policy constraints under which the University must operate, TPAC will only recommend the maximum allowable tuition increase of 3.95%.

Budget Realities

The impact of limited State support, capped income from tuition, and a decline of funds from the Availability University Fund Endowment reflected in the significant funding shortfalls for the projected steady-progress budget highlight the challenges facing the University as it looks toward the next two years. To achieve a balanced budget for the next two years, that is, to match income with expenditures, the University must make significant reductions to the projected steady-progress budget. At a minimum, these reductions will:

- Eliminate new funding for merit salary increases for both years;
- Reduce the new faculty positions from 30 to 15 in 2010-11;
- Significantly reduce programs and efforts to recruit and retain talent; and
- Provide no funding for college initiatives.

These changes are summarized in **Appendix 1**, and even with these very significant reductions, TPAC estimates that the remaining budget priorities for 2010-11 would require an additional $\$11.6$ million in new funding over the projected deficit of $-\$0.1$ million in new income. For 2011-12, an additional $\$16.8$ million in new funding would be required over the projected new income of $\$3.9$ million. Clearly, even more expenditure reductions or internal budget reallocations must be made in each of the next two years to balance the University's budget.

Students and the University community at large should be made aware that even with prudent management the result of this constrained tuition policy could include the following:

- Reduced course availability;
- Reduced numbers of teaching assistants, assistant instructors, lecturers faculty and staff;
- Reduced equipment and technology availability; and/or
- Reduced academic and student services availability (e.g. academic and career advising; tech support; libraries).

While TPAC encourages the University to make every attempt to minimize the possible negative impacts on students and the University community, it also recognizes that it is not possible to continue "business as usual" given current funding limitations, including a constrained tuition policy.

Conclusion

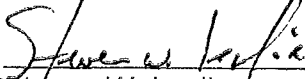
For The University of Texas at Austin to continue as a premier institution of higher education and to move toward its goal of being one of the best public institutions in the nation, it must be funded at a level competitive with its peers. If this is not achieved, the University will face a steady decline in educational quality due to its inability to recruit and retain talent. TPAC believes that such a decline is not acceptable to the students, faculty and staff of the University nor is it in the best interest of the people of the State of Texas.

President Bill Powers
December 1, 2009
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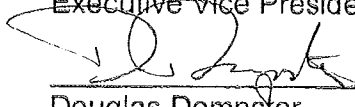
Respectfully submitted,



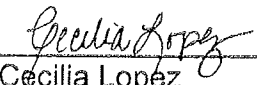
Kevin P. Hegarty
Vice President and Chief Financial Officer, Co-Chair



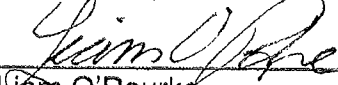
Steven W. Leslie
Executive Vice President and Provost, Co-Chair



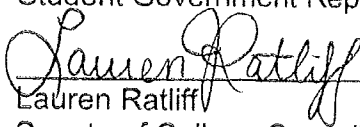
Douglas Dempster
College of Fine Arts, Dean



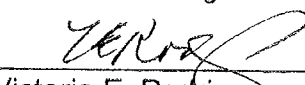
Cecilia Lopez
Student Representative at Large



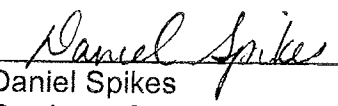
Liam O'Rourke,
Student Government Representative



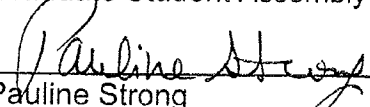
Lauren Ratliff
Senate of College Councils Representative



Victoria E. Rodriguez
Vice Provost and Dean of Graduate Studies



Daniel Spikes
Graduate Student Assembly Representative



Pauline Strong
Chair of the Faculty Advisory Committee on Budgets

Appendix 1: Operating Forecast for 2009-10 to 2011-12

Steady- Progress Budget

(\$ in millions)	Budget 2009-10	Forecast 2010-11	Forecast 2011-12	Change	
				FY 2009-10 to FY 2010-11	FY 2010-11 to FY 2011-12
ACADEMIC CORE BUDGET SOURCES					
State General Revenue (GR)	333.0	335.4	343.5	2.4	8.1
State General Revenue (GR) - NON RECURRING	13.4	12.7	0.0	-0.7	-12.7
<i>Subtotal General Revenue</i>	<i>346.4</i>	<i>348.1</i>	<i>343.5</i>	<i>1.7</i>	<i>-4.6</i>
AUF System Estimate	160.7	154.8	145.2	-5.9	-9.6
Indirect Cost	68.5	68.5	68.5	0.0	0.0
Other Revenue	38.2	38.2	38.2	0.0	0.0
Balances	17.1	4.0	4.0	-13.1	0.0
<i>Subtotal Budget Sources</i>	<i>630.9</i>	<i>613.6</i>	<i>599.4</i>	<i>-17.3</i>	<i>-14.2</i>
Flat Rate Tuition	515.0	535.4	556.6	20.4	21.3
Required Financial Aid Set-Aside		-3.2	-3.2	3.2	3.2
<i>Net Tuition Available</i>	<i>515.0</i>	<i>532.2</i>	<i>553.4</i>	<i>17.2</i>	<i>18.1</i>
Student Activity Center	0.0	6.5	6.5		
Total Budget Sources	1,145.9	1,152.3	1,159.3	-0.1	3.9
ACADEMIC CORE STATUS QUO USES					
Texas Tomorrow shortfall	7.5	7.8	8.1		
TPEG	12.2	12.2	12.2		
Personnel Costs--Salaries	590.3	590.3	568.5		
Personnel Costs--Medical Benefits	63.1	63.1	62.6		
Personnel Costs- Retirement, OASI, Longevty	89.7	89.7	89.7		
Post-retirement Benefits	20.7	20.7	20.7		
Utilities (excluding personnel costs)	53.7	53.9	53.9		
Transfers for Capital Projects	21.6	17.5	19.2		
Transfers for Debt Service	35.5	40.4	39.7		
Financial Aid (incl grandfathered students)	27.7	23.7	23.4		
THECB Incentive Funding	2.4	2.3	0.0		
Law School Clinical Program	0.2	0.2	0.0		
MSI - Estuarine Hold Harmless	0.7	0.0	0.0		
Other Operations	220.5	219.1	219.1		
Other Operations - NON RECURRING	0.0	0.0	0.0		
Total Status Quo Uses	1,145.9	1,140.9	1,137.1		
<i>Total Budget Sources Minus Status Quo Uses</i>		<i>11.4</i>	<i>22.2</i>		
REQUIRED INCREASES					
Prior Year Recurring Required Increases		0.0	14.7		
Baseline Fringe Benefit Increases (Prem Sharing)		5.4	5.9		
Additional Financial Aid (TPEG, TX Tomorrow, etc.)		2.2	4.1		
New Space Maintenance and Utilities		7.1	2.6		
Prior Faculty Commitments (Incl fringes)		0.0	0.0		
New Capital Project Debt Service		0.0	5.1		
<i>Subtotal Required Increases</i>		<i>14.7</i>	<i>32.4</i>		
<i>Status Quo Uses Minus Required Increases</i>	<i>0.0</i>	<i>-3.3</i>	<i>-10.2</i>		
PRIORITY INCREASES					
Prior Year Recurring Priority Increases		0.0	38.8		
Targeted Salary Pool (incl fringe)		13.6	20.8		
New Faculty Positions (15 posns 10-11, Incl fringes, 30 posns)		2.3	2.3		
Undergraduate Studies		1.4	0.0		
Graduate Fellowships		1.0	2.0		
Graduate Teaching Assistant Salary Support (incl fringes)		2.6	2.6		
Three new Admissions Offices (at \$325k each, Incl fringes)		0.4	0.0		
Undergraduate Scholarships		1.0	0.0		
Facility Condition Index		4.0	3.0		
Faculty Research Leaves - Tenured Professor		4.0	0.0		
Faculty Research Leaves - Assistant Professor		1.0	1.0		
Copyright Clearance Center		0.3	0.0		
Provost Reserve (Incl fringes)		3.3	3.3		
Administrative Commitments (Incl fringes)		1.1	1.1		
Student Services Increase (+ associated fringes)		0.3	0.3		
Library Acquisitions		0.5	0.5		
Faculty Travel Grant		0.0	2.0		
<i>Subtotal Priority Increases</i>		<i>36.8</i>	<i>75.6</i>		
<i>Minus Priority Increases</i>	<i>0.0</i>	<i>-40.1</i>	<i>-85.9</i>		
COLLEGE INITIATIVES					
Prior Year Recurring College Increases		0.0	16.0		
College Increase (+ associated fringes)		15.0	15.0		
Liberal Arts Building - Phase II		0.8	0.0		
Communications Building		0.2	0.0		
<i>Subtotal College Initiatives</i>		<i>16.0</i>	<i>31.0</i>		
<i>Minus College Initiatives</i>	<i>0.0</i>	<i>-56.1</i>	<i>-116.9</i>		
Remaining Surplus / (Deficit)	0.0	-56.1	-116.9	-56.1	-60.8

President Bill Powers
 December 1, 2009
 10 of 14

Appendix 1: Operating Forecast for 2009-10 to 2011-12 (continued)

Budget Realities

(\$ in millions)	Budget 2009-10	Forecast 2010-11	Forecast 2011-12	Change	
				FY 2009-10 to FY 2010-11	FY 2010-11 to FY 2011-12
ACADEMIC CORE BUDGET SOURCES					
State General Revenue (GR)	333.0	335.4	343.5	2.4	8.1
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Indirect Cost	68.5	68.5	68.5	0.0	0.0
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<i>Net Tuition Available</i>	<i>515.0</i>	<i>532.2</i>	<i>553.4</i>	<i>17.2</i>	<i>18.1</i>
Student Activity Center	0.0	6.5	6.5		
Total Budget Sources	1,145.9	1,182.3	1,159.3	-0.1	3.9
ACADEMIC CORE STATUS QUO USES					
Texas Tomorrow shortfall	7.5	7.6	8.1		
TPEG	12.2	12.2	12.2		
Personnel Costs--Salaries	590.3	500.3	588.5		
Personnel Costs--Medical Benefits	63.1	63.1	62.6		
Personnel Costs--Retirement, OASD, Longevity	89.7	89.7	89.7		
Post-retirement Benefits	20.7	20.7	20.7		
Utilities (excluding personnel costs)	53.7	53.9	53.9		
Transfers for Capital Projects	21.6	17.5	19.2		
Transfers for Debt Service	35.5	40.4	39.7		
Financial Aid (incl grandfathered students)	27.7	23.7	23.4		
THECB Incentive Funding	2.4	2.3	0.0		
Law School Clinical Program	0.2	0.2	0.0		
MSI - Estuane Hold Hamless	0.7	0.0	0.0		
Other Operations	220.5	219.1	219.1		
Other Operations - NON RECURRING	0.0	0.0	0.0		
Total Status Quo Uses	1,145.9	1,140.9	1,137.1		
Total Budget Sources Minus Status Quo Uses		11.4	22.2		
REQUIRED INCREASES					
Prior Year Recurring Required Increases		0.0	14.7		
Baseline Fringe Benefit Increases (Prem Sharing)		5.4	5.9		
Additional Financial Aid (TPEG, TX Tomorrow, etc.)		2.2	4.1		
New Space Maintenance and Utilities		7.1	2.6		
Prior Faculty Commitments (Incl fringes)		0.0	0.0		
New Capital Project Debt Service		0.0	5.1		
<i>Subtotal Required Increases</i>		<i>14.7</i>	<i>32.4</i>		
Status Quo Uses Minus Required Increases	0.0	-3.3	-10.2		
PRIORITY INCREASES					
Prior Year Recurring Priority Increases		0.0	8.3		
Targeted Salary Pool (incl fringe)		0.0	0.0		
New Faculty Positions (15 posns 10-11, incl fringes, 30 posns)		1.2	2.3		
Undergraduate Studies		1.4	0.0		
Graduate Fellowships		0.5	1.0		
Graduate Teaching Assistant Salary Support (incl fringes)		0.0	0.0		
Three new Admissions Offices (at \$325k each, incl fringes)		0.4	0.0		
Undergraduate Scholarships		0.0	0.0		
Facility Condition Index		0.0	0.0		
Faculty Research Leaves - Tenured Professor		0.0	0.0		
Faculty Research Leaves - Assistant Professor		0.0	0.0		
Copyright Clearance Center		0.3	0.0		
Provost Reserve (incl fringes)		3.3	3.3		
Administrative Commitments (incl fringes)		0.5	0.5		
Student Services Increase (+ associated fringes)		0.3	0.3		
Library Acquisitions		0.5	0.5		
Faculty Travel Grant		0.0	2.0		
<i>Subtotal Priority Increases</i>		<i>8.3</i>	<i>18.2</i>		
Minus Priority Increases	0.0	-11.6	-28.5		
COLLEGE INITIATIVES					
Prior Year Recurring College Increases		0.0	0.0		
College Increase (+ associated fringes)		0.0	0.0		
Liberal Arts Building - Phase II		0.0	0.0		
Communications Building		0.0	0.0		
<i>Subtotal College Initiatives</i>		<i>0.0</i>	<i>0.0</i>		
Minus College Initiatives	0.0	-11.6	-28.5		
Remaining Surplus / (Deficit)	0.0	-11.6	-28.5	-11.6	-16.8

Appendix 2: Tuition Rates per Semester for 2010-11 and for 2011-12

UNDERGRADUATE STUDENTS

Rates shown are for undergraduate students taking a full load of 12 or more semester credit hours (SCH) for one long semester.

2010-11 (Fall semester only)					2011-12 (Fall semester only)			
RESIDENCY	COLLEGE	FALL 2009 FLAT-RATE TUITION	PROPOSED TUITION INCREASE	STUDENT ACTIVITY CENTER FEE	FALL 2010 PROPOSED FLAT-RATE TUITION	FALL 2010 PROPOSED FLAT-RATE TUITION	PROPOSED TUITION INCREASE	FALL 2011 PROPOSED FLAT-RATE TUITION
RESIDENT	ARCHITECTURE	4,505	178	65	4,748	4,748	185	4,933
	BUSINESS	4,904	194	65	5,163	5,163	201	5,364
	COMMUNICATION	4,407	174	65	4,646	4,646	181	4,827
	EDUCATION	4,414	174	65	4,653	4,653	181	4,834
	ENGINEERING	4,662	184	65	4,911	4,911	191	5,102
	FINE ARTS	4,567	180	65	4,812	4,812	188	5,000
	GEOSCIENCES	4,598	182	65	4,845	4,845	189	5,034
	LIBERAL ARTS	4,260	168	65	4,493	4,493	175	4,668
	NATURAL SCIENCES	4,421	175	65	4,661	4,661	182	4,843
	NURSING	4,730	187	65	4,982	4,982	194	5,176
	SOCIAL WORK	4,465	176	65	4,706	4,706	183	4,889
UNDERGRAD STUDIES	4,477	177	65	4,719	4,719	184	4,903	
CONTINUING NONRESIDENT Entered Spring 2004 or earlier.	ARCHITECTURE	10,325	408	65	10,798	10,798	424	11,222
	BUSINESS	10,733	424	65	11,222	11,222	441	11,663
	COMMUNICATION	10,169	402	65	10,636	10,636	418	11,054
	EDUCATION	10,194	403	65	10,662	10,662	419	11,081
	ENGINEERING	10,362	409	65	10,836	10,836	425	11,261
	FINE ARTS	10,332	408	65	10,805	10,805	424	11,229
	GEOSCIENCES	10,654	421	65	11,140	11,140	437	11,577
	LIBERAL ARTS	10,118	400	65	10,583	10,583	415	10,998
	NATURAL SCIENCES	10,208	403	65	10,676	10,676	419	11,095
	NURSING	10,729	424	65	11,218	11,218	441	11,659
	SOCIAL WORK	10,801	427	65	11,293	11,293	444	11,737
UNDERGRAD STUDIES	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
INTERMEDIATE NONRESIDENT Entered after Spring 2004 and before Summer 2006.	ARCHITECTURE	10,898	430	65	11,393	11,393	447	11,840
	BUSINESS	11,281	446	65	11,792	11,792	463	12,255
	COMMUNICATION	10,711	423	65	11,199	11,199	440	11,639
	EDUCATION	10,736	424	65	11,225	11,225	441	11,666
	ENGINEERING	10,899	431	65	11,395	11,395	448	11,843
	FINE ARTS	10,878	430	65	11,373	11,373	447	11,820
	GEOSCIENCES	11,220	443	65	11,728	11,728	461	12,189
	LIBERAL ARTS	10,669	421	65	11,155	11,155	438	11,593
	NATURAL SCIENCES	10,750	425	65	11,240	11,240	441	11,681
	NURSING	11,307	447	65	11,819	11,819	464	12,283
	SOCIAL WORK	11,357	449	65	11,871	11,871	466	12,337
UNDERGRAD STUDIES	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
NEW NONRESIDENT Entered Summer 2006 or later.	ARCHITECTURE	15,339	606	65	16,010	16,010	630	16,640
	BUSINESS	16,430	649	65	17,144	17,144	675	17,819
	COMMUNICATION	14,738	582	65	15,385	15,385	605	15,990
	EDUCATION	14,767	583	65	15,415	15,415	606	16,021
	ENGINEERING	15,515	613	65	16,193	16,193	637	16,830
	FINE ARTS	15,278	603	65	15,946	15,946	627	16,573
	GEOSCIENCES	15,568	615	65	16,248	16,248	639	16,887
	LIBERAL ARTS	14,327	566	65	14,958	14,958	588	15,546
	NATURAL SCIENCES	14,787	584	65	15,436	15,436	607	16,043
	NURSING	16,116	637	65	16,818	16,818	662	17,480
	SOCIAL WORK	15,052	595	65	15,712	15,712	618	16,330
UNDERGRAD STUDIES	15,017	593	65	15,675	15,675	617	16,292	

Appendix 2: Tuition Rates per Semester for 2010-11 and for 2011-12 (continued)

GRADUATE STUDENTS

Rates shown are for graduate students taking a full load of 9 semester credit hours (SCH) for one long semester.

2010-11 (Fall semester only)		2011-12 (Fall semester only)						
RESIDENCY	COLLEGE	FALL 2009 FLAT-RATE TUITION	PROPOSED TUITION INCREASE	STUDENT ACTIVITY CENTER FEE	FALL 2010 PROPOSED FLAT-RATE TUITION	FALL 2010 PROPOSED FLAT-RATE TUITION	PROPOSED TUITION INCREASE	FALL 2011 PROPOSED FLAT-RATE TUITION
RESIDENT	ARCHITECTURE	4,154	164	65	4,383	4,383	171	4,554
	BUSINESS	3,449	136	65	3,650	3,650	142	3,792
	COMMUNICATION	3,981	157	65	4,203	4,203	163	4,366
	EDUCATION	3,688	146	65	3,899	3,899	151	4,050
	ENGINEERING	4,207	166	65	4,438	4,438	173	4,611
	FINE ARTS	4,129	163	65	4,357	4,357	170	4,527
	GEOSCIENCES	3,848	152	65	4,065	4,065	158	4,223
	INFORMATION	4,325	171	65	4,561	4,561	178	4,739
	LIBERAL ARTS	3,547	140	65	3,752	3,752	146	3,898
	NATURAL SCIENCES	3,665	145	65	3,875	3,875	150	4,025
	NURSING	4,170	165	65	4,400	4,400	171	4,571
	PHARMACY	4,005	158	65	4,228	4,228	164	4,392
PUBLIC AFFAIRS	3,922	155	65	4,142	4,142	161	4,303	
SOCIAL WORK	4,120	163	65	4,348	4,348	169	4,517	
CONTINUING NONRESIDENT First enrolled in Spring 2004 or earlier AND enrolled in their current graduate or professional program prior to Summer 2008.	ARCHITECTURE	7,213	285	65	7,563	7,563	296	7,859
	BUSINESS	6,486	256	65	6,807	6,807	266	7,073
	COMMUNICATION	6,959	275	65	7,299	7,299	286	7,585
	EDUCATION	6,742	266	65	7,073	7,073	277	7,350
	ENGINEERING	7,269	287	65	7,621	7,621	298	7,919
	FINE ARTS	7,187	284	65	7,536	7,536	295	7,831
	GEOSCIENCES	6,927	274	65	7,266	7,266	284	7,550
	INFORMATION	7,453	294	65	7,812	7,812	306	8,118
	LIBERAL ARTS	6,618	261	65	6,944	6,944	272	7,216
	NATURAL SCIENCES	6,771	267	65	7,103	7,103	278	7,381
	NURSING	7,249	286	65	7,600	7,600	298	7,898
	PHARMACY	7,025	277	65	7,367	7,367	288	7,655
PUBLIC AFFAIRS	7,005	277	65	7,347	7,347	288	7,635	
SOCIAL WORK	7,294	288	65	7,647	7,647	299	7,946	
NEW NONRESIDENT First enrolled after Spring 2004 OR enrolled in their current graduate or professional program after Spring 2008.	ARCHITECTURE	7,739	306	65	8,110	8,110	318	8,428
	BUSINESS	6,941	274	65	7,280	7,280	285	7,565
	COMMUNICATION	7,550	298	65	7,913	7,913	310	8,223
	EDUCATION	7,232	286	65	7,583	7,583	297	7,880
	ENGINEERING	7,755	306	65	8,126	8,126	318	8,444
	FINE ARTS	7,709	305	65	8,079	8,079	317	8,396
	GEOSCIENCES	7,513	297	65	7,875	7,875	308	8,183
	INFORMATION	7,942	314	65	8,321	8,321	326	8,647
	LIBERAL ARTS	7,096	280	65	7,441	7,441	291	7,732
	NATURAL SCIENCES	7,284	288	65	7,637	7,637	299	7,936
	NURSING	7,760	307	65	8,132	8,132	319	8,451
	PHARMACY	7,678	303	65	8,046	8,046	315	8,361
PUBLIC AFFAIRS	7,526	297	65	7,888	7,888	309	8,197	
SOCIAL WORK	7,667	303	65	8,035	8,035	315	8,350	

Appendix 2: Tuition Rates per Semester for 2010-11 and for 2011-12 (continued)

PROFESSIONAL PROGRAMS

Rates shown are for professional students taking a full load of semester credit hours (SCH) for one long semester.

PROGRAM RESIDENCY	2010-11 (Fall semester only)			2011-12 (Fall semester only)			
	FALL 2009 FLAT-RATE TUITION	PROPOSED TUITION INCREASE	STUDENT ACTIVITY CENTER FEE	FALL 2010 PROPOSED FLAT-RATE TUITION	FALL 2010 PROPOSED FLAT-RATE TUITION	PROPOSED TUITION INCREASE	FALL 2011 PROPOSED FLAT-RATE TUITION
LAW (14 SCH)							
RESIDENT GROUP 1	11,280	446	65	11,791	11,791	463	12,254
RESIDENT GROUP 2	13,257	524	65	13,846	13,846	544	14,390
RESIDENT GROUP 3	13,257	663	65	13,985	13,985	696	14,681
RESIDENT GROUP 4	N/A	N/A	N/A	N/A	13,985	1,114	15,099
CONTINUING NONRES	18,476	730	65	19,271	19,271	759	20,030
INTERMEDIATE NONRES	18,919	747	65	19,731	19,731	777	20,508
NEW NONRESIDENT	20,885	825	65	21,775	21,775	858	22,633
MPA (13 SCH)							
RESIDENT	10,152	0	65	10,217	10,217	0	10,217
CONTINUING NONRES	16,549	0	65	16,614	16,614	0	16,614
NEW NONRESIDENT	17,040	0	65	17,105	17,105	0	17,105
MBA (15 SCH)							
RESIDENT	12,595	738	65	13,398	13,398	952	14,350
CONTINUING NONRES	19,819	1,126	65	21,010	21,010	930	21,940
NEW NONRESIDENT	20,276	1,152	65	21,493	21,493	951	22,444
PHARMD (12+ SCH)							
RESIDENT	6,612	386	65	7,063	7,063	401	7,464
CONTINUING NONRES	16,726	786	65	17,577	17,577	817	18,394
NEW NONRESIDENT	17,818	829	65	18,712	18,712	862	19,574

RESIDENCY DEFINITIONS (Law only):

RESIDENT GROUP 1: First enrolled in law Spring 2008 or earlier.
 RESIDENT GROUP 2: First enrolled in law after Spring 2008 and before Summer 2010.
 RESIDENT GROUP 3: First enrolled in law after Spring 2010 and before Summer 2011.
 RESIDENT GROUP 4: First enrolled in law after Spring 2011.
 CONTINUING NONRES: First entered Spring 2004 or earlier AND enrolled in law prior to Summer 2008.
 INTERMEDIATE NONRES: First entered after Spring 2004 AND enrolled in law prior to Summer 2008.
 NEW NONRESIDENT: First enrolled in law after Spring 2008.

RESIDENCY DEFINITIONS (Excluding law):

CONTINUING NONRES: First enrolled Spring 2004 or earlier AND enrolled in their current graduate or professional program prior to Summer 2008.
 NEW NONRESIDENT: First enrolled after Spring 2004 OR enrolled in their current graduate or professional program after Spring 2008.

Appendix 3: Cost of Education Comparison with Peer Institutions

**2009-10 Cost of Education at Peer Institutions
 for Undergraduate Residents**

Institution	2009-10 Annual Tuition	2009-10 Rank
University of Illinois-Urbana/Champaign	12,508	1
University of Michigan-Ann Arbor	12,400	2
Michigan State University	11,383	3
University of Minnesota-Twin Cities	11,293	4
University of California-Berkeley (1)(3)	10,334	5
University of California-Los Angeles (2)(3)	9,736	6
University of Texas-Austin (4)(5)	8,936	7
Ohio State University-Main Campus	8,706	8
Indiana University-Bloomington	8,613	9
University of Wisconsin-Madison	8,314	10
University of Washington	7,692	11
University of North Carolina-Chapel Hill	5,625	12

NOTE:

Undergraduate tuition and fees are based on 30 credit hours enrolled per academic year or full-time tuition as defined by the institution.

- 1) University of California-Berkeley undergraduate fees include a waivable health insurance fee of \$1,396.00.
- 2) University of California-Los Angeles undergraduate fees include a waivable health insurance fee of \$885.00.
- 3) The 2009-10 tuition and fee figures for UC-Berkeley and UCLA include a proposed mid-year fee increase of \$585 for resident undergraduates.
- 4) UT Austin undergraduate rates represent the average academic year cost for an undergraduate student taking exactly 15 semester credit hours per semester.
- 5) UT Austin undergraduate resident tuition figures for the 2009-10 academic year are based on actual tuition cost data from fall 2009.

Sources:

Association of American Universities Data Exchange (AAUDE) Annual Academic Year Tuition and Required Fees report, 2009-10.
 Email and telephone survey of NCG institutions.

APPENDIX B

The University of Texas at Austin Tuition Policy Advisory Committee, 2009-10

Voting Members

Dr. Steve Leslie, Executive Vice President and Provost – Co-Chair
Mr. Kevin Hegarty, Vice President and Chief Financial Officer – Co-Chair
Dr. Victoria Rodriguez, Vice Provost and Dean of Graduate Studies
Dr. Doug Dempster, Dean, College of Fine Arts
Dr. Pauline Strong, Chair of the Faculty Advisory Committee on Budgets
Mr. Liam O'Rourke, Student Government Representative
Ms. Lauren Ratliff, Senate of College Councils Representative
Mr. Daniel Spikes, Graduate Student Assembly Representative
Ms. Cecilia Lopez, Student Representative at Large

Non-Voting Advisory Members

Dr. Steve Monti, Executive Vice Provost
Ms. Mary Knight, Associate Vice President and Budget Director
Dr. John Dollard, Vice Provost