



THE UNIVERSITY OF TEXAS SYSTEM

Board of Regents
Meeting

November 13, 2003



What are tuition and fees?

- **Statutory Tuition**
- **Designated Tuition**
- **Differential Tuition**
- **Fees**

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presentation 11/13/03
Board meeting by
Chancellor Yudof



Statutory Tuition

• **Set by the Legislature**

• **Basic rates: stair-step increases since 1985.**

• **Current schedule of increases:**

• **2003 - 2004 = \$46**

• **2004 - 2005 = \$48**

• **2005 - 2006 = \$50**

• **15% set-aside for financial aid (TPEG)**

• **Deposited with the State and subject to appropriations**



Designated Tuition

• **Designated tuition “deregulated” by the Legislature**

• **Formerly called “building use fee”**

• **Previously capped in relation to Statutory Tuition**

• **Now set by Governing Boards**

• **20% set-aside for financial aid**

• **Local funds, not offset by appropriations (except “B-on-Time” funding)**



Differential Tuition

Graduate / Professional Schools

Tied to Statutory Tuition in the past (usually some multiplier)

Now set by Governing Boards (if they choose)

No financial aid set-aside mandated

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Fees

Mandatory, College, and Course-Specific

Some fees mandated for specific institutions

- **Require student approval if increased more than 10%**
- **Proposed by Presidents**
- **Approved by Governing Boards**
- **No financial aid set-aside mandated**
- **Local fees**

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Sample Student Bill

Attending U.T. System Component X

Tuition + Fees = Student Bill

Statutory
Designated
Differential

Mandatory
College
Course-Specific

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OFFICE OF THE CHIEF FINANCIAL OFFICER

November 13, 2003



National Trend

2003 College Board Report:

Tuition and fee increases at public four-year schools averaged \$4,694 (14% increase) last year.

The average "out-of-pocket" bill has barely budged in the past decade after taking grants and scholarships into account.

Students paid on average \$1,682 of the total bill in 2002-03, with the balance covered by aid. Over the past decade, that is a \$340 increase.

Source: College Board: Trends in Aid 2003



Undergraduate Tuition and Required Fees: Major Texas Public Universities (2002-2004)

	FY '02 2001-2002	FY '03 2002-2003	FY '04 Fall 2003 Annual Rate	FY '04 Spring '04 Annual Rate
Texas A&M - New Students	\$3,921	\$5,065	\$5,143	\$5,481
Texas A&M - Continuing	\$3,921	\$4,105	\$4,183	\$4,521
Texas Tech	\$3,674	\$4,075	\$5,009	\$5,329
University of Houston	\$3,352	\$3,544	\$3,932	\$4,786
University of North Texas	\$3,457	\$3,737	\$4,658	\$5,118
UT Austin Flat Rate - L.A.	\$3,978	\$4,714	\$5,016	*
UT Austin Flat Rate - N.S.	\$3,978	\$5,008	\$5,336	*

*Subject to Board of Regents consideration and approval.

Source: Comptroller of Public Accounts Senior College Tuition and Fee Survey¹⁰



Undergraduate Tuition and Required Fees: Major Texas Public Universities - Percent Change (2002-2003)

	FY '02 to FY '03	FY '02 to Fall '03	FY '02 to Spring '04
Texas A&M New Students	29.2%	31.2%	39.8%
Texas A&M Continuing	4.7%	6.7%	15.3%
Texas Tech	10.9%	36.3%	45.0%
University of Houston	5.7%	17.3%	42.8%
University of North Texas	8.1%	34.7%	48.0%
UT Austin Flat Rate - L.A.	18.5%	26.1%	N/A
UT Austin Flat Rate - N.S.	25.9%	34.1%	N/A

Source: Comptroller of Public Accounts Senior College Tuition and Fee Survey

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Undergraduate Tuition and Required Fees: Major Texas Public Universities - Percent Change

	FY '03 to Fall '03	FY '03 to Spring '04	Fall '03 to Spring '04
Texas A&M New Students	1.5%	8.2%	6.6%
Texas A&M Continuing	1.9%	10.1%	8.1%
Texas Tech	22.9%	30.8%	6.4%
University of Houston	10.9%	35.0%	21.7%
University of North Texas	24.6%	37.0%	9.9%
UT Austin Flat Rate - L.A.	6.4%	14.0%	N/A
UT Austin Flat Rate - N.S.	6.5%	13.7%	N/A

Source: Comptroller of Public Accounts Senior College Tuition and Fee Survey

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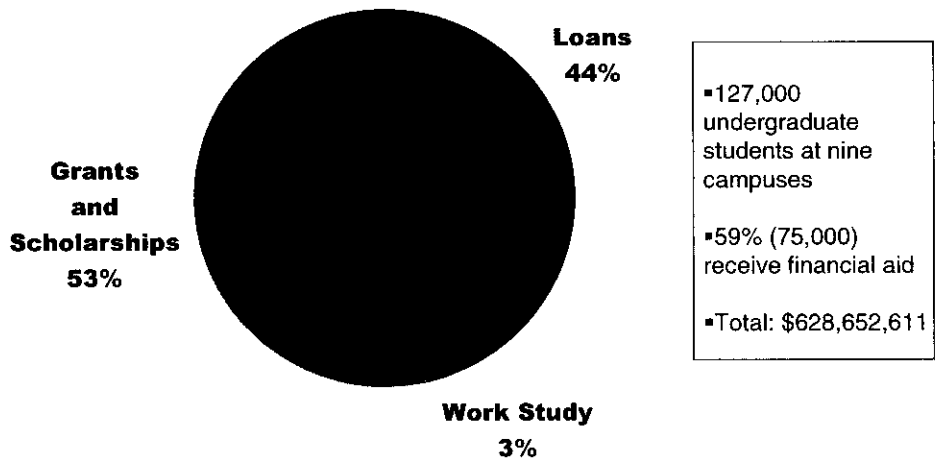


Undergraduate Resident Tuition / Fees at Comparable Main Campuses

	FY 01 2000-2001	FY 02 2001-2002	% Increase FY 01 to FY 02	FY 03 2002-2003	% Increase FY02 to FY 03	% Increase FY01 to FY 03
University of Michigan-Ann Arbor	\$6,926	\$7,375	8.5%	\$7,960	7.9%	14.9%
Michigan State University	\$5,170	\$5,912	14.4%	\$6,704	13.4%	29.7%
University of Illinois-Urbana/Champaign	\$4,994	\$5,754	15.2%	\$6,412	11.4%	28.4%
University of Minnesota-Twin Cities	\$4,877	\$5,536	13.5%	\$6,280	13.4%	28.8%
Indiana University-Bloomington	\$4,405	\$4,788	8.7%	\$5,315	11.0%	20.7%
Ohio State University-Main Campus	\$4,383	\$4,734	8.0%	\$5,217	10.2%	19.0%
University of California-Berkeley	\$4,047	\$4,236	4.7%	\$4,636	9.4%	14.6%
University of Wisconsin-Madison	\$3,788	\$4,123	8.8%	\$4,426	7.3%	16.8%
University of Washington	\$3,761	\$4,089	8.7%	\$4,378	7.1%	16.4%
University of California-Los Angeles	\$3,698	\$3,983	7.7%	\$4,336	8.9%	17.3%
University of Texas-Austin	\$3,678	\$3,766	5.3%	\$3,990	4.9%	10.5%
University of North Carolina-Chapel Hill	\$2,768	\$3,277	18.4%	\$3,856	17.7%	39.3%



U.T. System: Student Financial Aid





Loans and Grants (National)

55% of Undergraduates receive some type of aid (avg. = \$6,206)

40% received grants; 13% received loans; 26% received grants and loans

One of every four received a Stafford loan (avg. = \$3,214)

Source: National Postsecondary Student Aid Study (NCES) 1999-2000

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Net Average Cost Per Semester Credit Hour: Number of Students Fully Covered

	Number of Students Receiving Full Tuition and Fee Assistance (1)	Percent of Total Undergraduate Students
U.T. Arlington	4,740	26.9%
U.T. Austin	10,140	25.7%
U.T. Dallas	2,219	23.4%
U.T. El Paso	5,953	41.4%
U.T. Pan American	6,191	49.5%
U.T. Permian Basin	1,017	44.4%
U.T. San Antonio	3,633	18.9%
U.T. Tyler	1,042	30.6%
Total	34,935	29.5%

1 Includes only scholarships and grants. Excludes tax credits and deductions, and student loans
Source: 2002-2003 IPEDS Common Data Set (except for UT Brownsville as data set unavailable)

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Net Average Cost Per Semester Credit Hour: Tuition, Required Fees, and Scholarship Aid

	Tuition and Fees Per SCH (1)	Average Discount Based on Financial Aid	Average Discounted SCH	Average Percent Discount
U.T. Arlington	\$148	\$40	\$108	27%
U.T. Austin (2)	\$181	\$47	\$134	26%
U.T. Dallas	\$164	\$38	\$126	23%
U.T. El Paso	\$117	\$48	\$68	41%
U.T. Pan American	\$94	\$46	\$47	49%
U.T. Permian Basin	\$108	\$48	\$60	44%
U.T. San Antonio	\$134	\$25	\$109	19%
U.T. Tyler	\$108	\$33	\$75	31%
Average	\$132	\$41	\$91	31%

1 Includes: Tuition and required fees

2 Tuition and Fees per SCH includes tuition, required fees, and course specific fees.

Source: U.T. System Academic Institutions, IPEDS Common Data Set (except for UT Brownsville as data set unavailable)



Total Tuition and Fee Income and All Sources of Financial Aid Awarded (2002-2003)

	Tuition and Fee Income	Scholarship Awards Only (1)	Total Awards All Sources (2)
U.T. Arlington	\$76,061,503	\$31,088,221	\$78,731,038
U.T. Austin	\$237,247,346	\$91,252,825	\$214,503,976
U.T. Brownsville*	\$3,685,551	\$21,923,621	\$35,202,384
U.T. Dallas	\$49,472,625	\$14,146,583	\$45,898,022
U.T. El Paso	\$36,411,229	\$36,676,817	\$59,899,154
U.T. Pan American	\$20,378,783	\$46,740,029	\$65,898,570
U.T. Permian Basin	\$4,763,616	\$4,510,330	\$10,646,754
U.T. San Antonio	\$51,246,588	\$32,210,964	\$101,389,550
U.T. Tyler	\$6,031,652	\$6,440,901	\$16,483,163
TOTAL	\$481,613,342	\$284,990,291	\$628,652,611

1 Scholarship awards include: PELL Grants, TEXAS Grants, other state and federal scholarship programs, and scholarship funds administered by the institution. These data exclude scholarships paid directly to students by private organizations.

2 Total awards include loans processed by the institution, work-study, and scholarships. These data exclude private loans and scholarships paid directly to students



Tuition-Setting Consultation Process

August September October November December January

U.T. System Organization:

Chancellor

Appoints the Commission on Tuition and the Commission on Tuition Modeling (Aug. 27).

Executive Vice Chancellor of Academic Affairs
Serves as chair of the Commission on Tuition.

U.T. System Commission on Tuition (short-term study of tuition pricing)

First meeting (September 15 video conference).

Second meeting (October 15 video conference).

Third meeting. Forward comments to the Chancellor (November 14-15, Austin).

U.T. System Board of Regents meet to consider campus tuition plans (November 18, Austin).

New tuition rates set by Board of Regents? (January 2004).

U.T. Academic Campus Tuition-Setting Consultation Process

U.T. presidents submit plans for consultative tuition-setting process. (August 1)

Each U.T. campus determines its own tuition policy recommendations through its own methodology. Public hearings, town halls, local tuition committee meetings, etc. are held (August, September, and October).

U.T. academic campus presidents submit recommendations for tuition rates to Board of Regents (November 1).

XXX Committee (long-term study of tuition pricing)

Objective: Create models for alternative pricing structures for the nine academic U.T. universities. Chaired by Robert Peterson, U.T. Austin professor of marketing.

Present final report to the Chancellor (January 2004).



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