

COMMITTEE MEETING MINUTES
OF THE BOARD OF REGENTS
OF
THE UNIVERSITY OF TEXAS SYSTEM

February 29, 2016

Austin, Texas

Minutes of Committee meetings are taken as a convenience for research purposes and may be verified by recordings kept in the Office of the Board of Regents or webcasts available online on the Board website.

/s/ Carol A. Felkel
Secretary to the Board of Regents
May 4, 2016

MINUTES
U. T. System Board of Regents
Health Affairs Committee
February 29, 2016

The members of the Health Affairs Committee of the Board of Regents of The University of Texas System convened at 4:32 p.m. on Monday, February 29, 2016, in a special called meeting via telephone conference call in the Board Room, Ninth Floor, Ashbel Smith Hall, 201 West Seventh Street, Austin, Texas, with the following participation:

Attendance

Regent Cranberg, presiding
Vice Chairman Hildebrand
Regent Aliseda
Regent Beck
Regent Tucker

Also present were Chairman Foster, Vice Chairman Hicks, Regent Drake, Regent Hall, Regent Pejovich, and General Counsel to the Board Frederick.

In accordance with a notice being duly posted with the Secretary of State and there being a quorum present, Committee Chairman Cranberg called the meeting to order in Open Session.

U. T. System: Discussion and appropriate action regarding tuition and fee proposals for Fiscal Years 2017 and 2018 for U. T. Southwestern Medical Center, U. T. Medical Branch - Galveston, U. T. Health Science Center - Houston, U. T. Health Science Center - San Antonio, and U. T. M. D. Anderson Cancer Center

Committee Meeting Information

Presenter(s): Committee Chairman Cranberg

Status: Approved

Motion: See the next page for votes taken by institution, which carried unanimously.

Follow-up actions:

1. Regent Cranberg asked that numbers in the tuition and fee proposals be reviewed after scholarship effect when data is available to see if fewer scholarships are being awarded or if net tuition costs are really lower.
2. Regent Cranberg recommended that before tuition and fees are considered the next time, the total tuition cost to students be reviewed.

Discussion at meeting:

Committee Chairman Cranberg commented that the proposed increases in tuition and fees for the U. T. System health institutions are reasonable and well under the prevailing averages for other institutions. For future reference, he asked that the

numbers be reviewed after scholarship effect when data is available to see if fewer scholarships are being awarded or if net tuition costs are really lower. He also recommended that before tuition and fees are considered again, the net cost to students be reviewed.

Committee Chairman Cranberg then took a vote on the proposals by institution as recorded below:

U. T. Southwestern Medical Center – Carried unanimously

U. T. Medical Branch - Galveston – Carried unanimously

U. T. Health Science Center - Houston – Carried unanimously

U. T. Health Science Center - San Antonio – Carried unanimously

U. T. M. D. Anderson Cancer Center – Carried unanimously

U. T. Health Science Center - Tyler did not request tuition or fee plan changes for Fiscal Years 2017 and 2018. Therefore, the tuition and fee plan approved by the Board of Regents on August 23, 2012, remains in effect.

ADJOURNMENT

Committee Chairman Cranberg adjourned the meeting at 4:35 p.m.

MINUTES
U. T. System Board of Regents
Academic Affairs Committee
February 29, 2016

The members of the Academic Affairs Committee of the Board of Regents of The University of Texas System convened at 4:35 p.m. on Monday, February 29, 2016, in a special called meeting via telephone conference call in the Board Room, Ninth Floor, Ashbel Smith Hall, 201 West Seventh Street, Austin, Texas, with the following participation:

Attendance

Chairman Aliseda, presiding
Vice Chairman Hicks
Regent Cranberg
Regent Pejovich
Regent Tucker

Also present were Chairman Foster, Vice Chairman Hildebrand, Regent Beck, Regent Drake, Regent Hall, and General Counsel Frederick.

In accordance with a notice being duly posted with the Secretary of State and there being a quorum present, Committee Chairman Aliseda called the meeting to order in Open Session.

U. T. System: Discussion and appropriate action regarding tuition and fee proposals for Fiscal Years 2017 and 2018 for the academic institutions

Committee Meeting Information

Presenter(s): Committee Chairman Aliseda

Status: Approved

Motion: See Page 4 for votes taken below by institution, which carried.

Discussion at meeting:

Regent Tucker thanked the U. T. System team and leadership for their work on the tuition and fee proposals. Regent Drake asked about the additional proposed changes for U. T. Dallas and U. T. San Antonio. President Romo described the rate adjustments that had occurred in response to discussions held with students and others. He concluded that the initial recommendation included too many fees. He noted that fees have not changed in eight years, and some of the new proposed fees were logical, while others had been included under an assumption that students would vote to approve them later. Following discussions with student leaders about campus priorities, a final proposed increase of \$162 for resident undergraduates over Fiscal Year 2015 was reached, which was consistent with other schools.

Interim President Wildenthal explained that the U. T. Dallas proposal was changed because the four-year fixed tuition plan, which was the only plan, inevitably resulted in a percentage and dollar hike that looked large in comparison to the prevailing standard this year. It was concluded that position would be a problem, thus an annual increase of 2.9% was proposed, and that was further adjusted to an increase of 2.9% on the four-year plan.

Regent Cranberg expressed concern about the impact on students of increases above inflation. He said he is pleased there has been a reasonable amount of forbearance that has kept rates down, particularly at some institutions, and while the increases may not seem to be significant, if it compounds over years, it can become a debt burden for students. He stated he would be more comfortable in voting to increase costs above inflation if there were serious efforts to bend the cost curve. He noted that in the past, U. T. Austin rates were kept flat, and extra Available University Funds (AUF) were provided with the intent to keep the institution “whole” with the understanding there would be time over the next couple of years to bend the cost curve back. He commented on the work of a Business Productivity Committee that came up with good ideas.

Regent Cranberg explained a brief poll he conducted on social media, and in reviewing the results, he said the concerns are about affordability and student success. He expressed a need to find more ways to bend the cost curve and to encourage other factors in society besides students to pay for what is driving higher tuition levels, which, in his opinion, is driven by a desire to increase rankings, having more research, and that means competing for higher paid faculty. While he agrees there is a need to achieve research excellence, he believes the State Legislature, if it is important for higher education, should provide more funds to chase limited federal research dollars and not put the burden on the back of students who do not have income and whose parents may be struggling financially.

Regent Hall said he remains troubled by the part of the methodology by which the U. T. System institutions consult with current students as a litmus test in making determinations on what prices should be. He believes that is not appropriate and not their role. He said the Board is pushing the decision-making process down to the current students, but should be looking years into the future, long after current students have left. Without looking at any individual institution proposal, he said he was disappointed in the process. He said raising prices is all this Board considers, and this Board has led a more bold effort to reduce the cost of education. He remarked there is a quiet acquiescence that the only solution to increasing quality or accessibility is taking more money from students and their families. He said as Texas enters tougher economic times, as evidenced by the drop in oil prices and reverberations throughout the economy, the Board appears insensitive predominantly to the middle class who is neither able to afford nor benefit from many grants to help with the increasing prices. Students and their families continue to get squeezed. He said he believes a vote in favor of this process invites a reregulation of tuition from many in the Legislature, which he believes is unfortunate but a possibility at this point.

Regent Pejovich said she agreed with much, if not all of what has been said. She also struggled with tuition increases because she believes a better job can be done to control tuition costs by being more creative, being a national leader in higher education, and bending the cost curve more than has been done. She said her focus is outcomes-based,

and her decisions today are heavily weighed on outcomes-based performance, specifically in student success. She said she has difficulty with the proposed increases for some of the campuses, and she believes there are methodologies that can be used to contain costs.

Her exception is U. T. Dallas, with a proposed increase of 2.9% for fixed tuition over four years. At the February 10, 2016 Board meeting, she said that she had commented on the larger increase (6.4%) proposed for U. T. Dallas, wishing it was not so large. Wanting to recognize the successes and outcomes achieved by U. T. Dallas in recent years and the integrity and progress being made, Regent Pejovich thanked the institutional leadership for taking a hard look at the proposal and cost controls. To continue on this trajectory, she proposed a 3.9% four-year fixed tuition rate for U. T. Dallas. She commented that her proposal is outcomes-based and would not be the highest tuition increase being proposed.

Regent Aliseda asked Regent Pejovich if she is making any other recommendations on tuition proposals, and Regent Pejovich said just the exception for U. T. Dallas.

Vice Chairman Hicks said that as Chairman of the Academic Affairs Committee for four years and having served on the Board for seven years, he believes the presidents of the academic institutions have taken the welfare of students into consideration as a priority. He believes that over the last six or seven years, the members of the Board have been conservative and have taken the welfare of the students seriously.

Regent Drake cast his support for tuition increases and said he speaks for the student leadership he has met with on the campuses. He echoed some comments from Regent Cranberg, including the appearance of a band aid on a bigger problem and the pressures driving the tuition increases. He said his concern is on how tuition increases in the future can be prevented or mitigated.

Vice Chairman Hildebrand spoke about the compounding effect of tuition increases over time. Questioning why tuition increases are proposed for two years instead of one year, he said a one-year budget could take into account new factors. Vice Chairman Hicks explained the U. T. System works on two-year financial planning cycles as does the Legislature, which last year provided the financial numbers for the biennium.

Regent Cranberg addressed the proposal of U. T. Dallas, which, he said, has a 4-5% per year escalator previously built in. Because of the high fixed nature, he said it is not accurate to think of the proposed increase as just 2.9%.

Chairman Foster said he agrees with Regent Hall that it is incumbent on the Board and each U. T. System institution to exercise the most comprehensive cost control measures possible, and said he believes the presidents have done a lot of that. He encouraged the institutions to continue to do everything possible to control costs. Regarding Regent Pejovich's proposal to increase rates at U. T. Dallas, he noted the institution has received large increases the last two times the Board has addressed tuition, and he respectfully disagrees. He commented this would not equate to a 1% per year increase. He said it is a rolling mathematical calculation and not linear.

Committee Chairman Aliseda then called on the Academic Affairs Committee members to vote by institution. Votes are recorded below:

U. T. Arlington – *Vice Chairman Hicks, Regent Pejovich, and Regent Tucker voted in favor, and Regent Cranberg voted against the proposal.*

U. T. Austin – *Vice Chairman Hicks and Regent Tucker voted in favor, and Regents Cranberg and Pejovich voted against the proposal. Regent Aliseda voted in favor to break the tie.*

U. T. Dallas – *Regent Pejovich had proposed a 3.9% tuition and fee plan for resident undergraduates, rather than the 2.9% recommended rate. She asked for a vote on the revised proposal, and Committee Chairman Aliseda administered the vote. Regent Pejovich voted in favor, and Vice Chairman Hicks and Regents Cranberg and Tucker voted “no.”*

Since the revised proposal did not pass, Committee Chairman Aliseda then asked for a vote on the original 2.9% proposed increase for resident undergraduates along with the other U.T. Dallas proposals, and Vice Chairman Hicks and Regents Pejovich and Tucker voted in favor and Regent Cranberg opposed.

U. T. El Paso – *Vice Chairman Hicks and Regent Tucker voted in favor, and Regents Cranberg and Pejovich voted against the proposal. Regent Aliseda voted in favor to break the tie.*

U. T. Permian Basin – *Vice Chairman Hicks and Regent Tucker voted in favor, and Regents Cranberg and Pejovich voted against the proposal. Regent Aliseda voted in favor to break the tie.*

U. T. Rio Grande Valley – *Vice Chairman Hicks and Regents Cranberg and Tucker voted in favor, and Regent Pejovich voted against the proposal.*

U. T. San Antonio – *Vice Chairman Hicks and Regent Tucker voted in favor, and Regents Cranberg and Pejovich voted against the proposal. Regent Aliseda voted in favor to break the tie.*

U. T. Tyler – *Vice Chairman Hicks and Regent Tucker voted in favor, and Regents Cranberg and Pejovich voted against the proposal. Regent Aliseda voted in favor to break the tie.*

All the proposals passed. Committee Chairman Aliseda thanked the presidents for their work, and he noted the Committee members have struggled with the tuition increases that are not taken lightly.

ADJOURNMENT

Committee Chairman Aliseda adjourned the meeting at 5:05 p.m.