



TABLE OF CONTENTS FOR MEETING OF THE BOARD

Board Meeting: 3/28/2006
Austin, Texas

| | Board Meeting | Page |
|---|--|-------------|
| A. CONVENE | <i>9:00 a.m.</i> | |
| 1. U. T. System Board of Regents: Announcement of appointment of Regent Caven as a member of the Academic Affairs Committee | <i>9:05 a.m.</i> Report <i>Chairman Huffines</i> | 1 |
| 2. U. T. System: Texas Advanced Computing Center (TACC) Lonestar system upgrade - authorization of institutional management, appropriation of funds, authorization of expenditure, and delegation regarding future changes | <i>9:10 a.m.</i> Action <i>Dr. Barnhill</i> | 1 |
| 3. U. T. System: Reimbursement to U. T. Arlington for the purchase price of real property and improvements located at 200 East Loop 820, Fort Worth, Tarrant County, Texas, the site of the Data Center | <i>9:15 a.m.</i> Action <i>Dr. Kelley</i> | 5 |
| 4. U. T. System: Discussion and appropriate action related to renewal of agreement with Deloitte & Touche LLP to provide independent financial audit services for the U. T. System for the fiscal year ending August 31, 2006 | <i>9:20 a.m.</i> Action <i>Regent Estrada</i> | 7 |
| 5. U. T. System: Consideration of possible designation of the U. T. Medical Branch - Galveston Clinic Facility (League City) project as architecturally or historically significant | <i>9:30 a.m.</i> Action <i>Mr. Dixon</i> | 9 |
| 6. U. T. System Board of Regents: Approval of proposed Annual Financial Assessment Schedule for the UT TeleCampus | <i>9:35 a.m.</i> Action <i>Dr. Sullivan</i> <i>Mr. Robert Robinson</i> | 11 |
| 7. U. T. System: Discussion and appropriate action regarding proposed tuition and fee plans | <i>9:45 a.m.</i> Action <i>Chancellor Yudof</i> <i>Dr. Sullivan</i> <i>Dr. Shine</i> <i>Presidents</i> <i>Student Body</i> <i>Presidents</i> | 15 |

B. RECESS TO EXECUTIVE SESSION, IF NEEDED, PURSUANT TO TEXAS GOVERNMENT CODE, CHAPTER 551

11:45 a.m.

1. Consultation with Attorney Regarding Legal Matters or Pending and/or Contemplated Litigation or Settlement Offers – Section 551.071

U. T. System: Discussion with counsel concerning pending legal issues

2. Deliberations Regarding the Purchase, Exchange, Lease, Sale, or Value of Real Property – Section 551.072
3. Negotiated Contracts for Prospective Gifts or Donations – Section 551.073
4. Personnel Matters Relating to Appointment, Employment, Evaluation, Assignment, Duties, Discipline, or Dismissal of Officers or Employees – Section 551.074

U. T. System: Consideration of individual personnel matters relating to appointment, employment, evaluation, compensation, assignment, and duties of presidents and institutional employees, and U. T. System officers and employees

- C. RECONVENE IN OPEN SESSION TO CONSIDER ACTION, IF ANY, ON EXECUTIVE SESSION ITEMS

D. ADJOURN

12:00 noon

1. **U. T. System Board of Regents: Announcement of appointment of Regent Caven as a member of the Academic Affairs Committee**

2. **U. T. System: Texas Advanced Computing Center (TACC) Lonestar system upgrade - authorization of institutional management, appropriation of funds, authorization of expenditure, and delegation regarding future changes**

RECOMMENDATION

The Chancellor concurs with the Vice Chancellor for Research and Technology Transfer, the Executive Vice Chancellor for Academic Affairs, and the Executive Vice Chancellor for Health Affairs that the U. T. System Board of Regents appropriate funds and authorize the purchase of the Texas Advanced Computing Center (TACC) Lonestar system upgrade, including the following:

- a. approve a total equipment upgrade cost of \$1 million annually for three years with funding from Permanent University Fund Bond Proceeds;
- b. authorize TACC to provide high performance computing (HPC) systems and services to U. T. System researchers for an initial period of three years, during which time TACC will train and support researchers from U. T. System universities and health institutions and will measure the impact of HPC resources on their research funding and output;
- c. appropriate and authorize expenditure of funds with the understanding that University of Texas institutions other than U. T. Austin will not pay for computer usage for the first three years; and
- d. delegate to the Chancellor the authority to determine appropriate future charges for institutions other than U. T. Austin.

BACKGROUND INFORMATION

A proposal prepared by the U. T. System Office of Research and Technology Transfer is attached on Pages 2 - 4. The proposed upgrade will make the TACC Lonestar system one of the most powerful academic HPC systems in the U.S., providing U. T. System researchers with a unique capability and competitive edge.

Dell, Inc., is offering U. T. System an opportunity to purchase the upgrade, converting the Lonestar system from 1,000 processors and 6 teraflops to 1,800 dual-core processors (3,600 processor cores total) and at least 35 teraflops.

This proposed upgrade has been endorsed by the President at U. T. Dallas and the Vice Presidents for Research at U. T. Arlington, U. T. Austin, and U. T. El Paso. Current TACC equipment is being utilized by U. T. Southwestern Medical Center - Dallas.

TACC reports to the Vice President for Research at U. T. Austin and is located on the J. J. Pickle Research campus.

Proposal to U. T. System for the Provision of High Performance Computing Resources and Services by the Texas Advanced Computing Center

Background

Knowledge discovery in all fields of science and engineering is crucially dependent on computational techniques and resources. Exploration of the largest, most challenging problems now requires access to high performance computing (HPC) resources and expertise. This has been acknowledged in the Department of Energy by the creation of the ASCI program, in the Department of Defense by the HPC Modernization Office Program, and now in the National Science Foundation (NSF) by a series of massive HPC systems acquisitions solicitations. Universities and states are increasingly investing in HPC resources and talent as a means of out-competing their peers in knowledge discovery and (more practically) in research funding; the pursuit of funding is increasingly dependent on HPC, and the investments in HPC can generate huge returns. Illinois, California, Indiana, Ohio, Louisiana, and North Carolina are among the states now dramatically outspending Texas on HPC for their academic researchers, with investments now surpassing \$10M annually in each state.

TACC and HPC at U. T. Austin

In the past 4 years, the Texas Advanced Computing Center (TACC) has grown significantly in HPC capabilities, staff expertise, and in-house R&D related to HPC. This growth has generated a tremendous increase in its support of externally-funded R&D at U. T. Austin. Based on data reported by the faculty and research staff using TACC resources, *the amount of externally funded research at U. T. Austin now conducted using TACC resources has increased by 6X since 2001*. There are many variables contributing to such a large increase, but the primary two are: 1) TACC's HPC systems now offer tremendous capability and capacity, and 2) U. T. Austin's researchers, like leading researchers nationwide, are increasingly using HPC resources for research. The numbers of users and research publications have also increased dramatically. During this period of growth, TACC has emerged as the leading academic HPC center in Texas and one of the leading centers in the U.S. TACC resources are available to all U. T. Austin researchers and to the national academic community via its participation in the NSF TeraGrid, which is a direct result of its increased capabilities and stature.

U. T. System and HPC Needs and Opportunities

While U. T. Austin is the leading research university in the U. T. System, researchers at other System institutions have increasing need for HPC resources to compete for external funding and establish world-class research programs. Researchers at U. T. San Antonio, U. T. Arlington, U. T. El Paso, U. T. Dallas, and U. T. Brownsville have deployed small HPC systems. The health institutions have also begun using HPC resources for their biomedical research programs, with U. T. Southwestern Medical Center - Dallas among the leader but with activity ramping up at UTHSC San Antonio, U. T. Medical Branch - Galveston, UTHSC Houston, and M. D. Anderson. Researchers from all of these campuses have been in contact with TACC about access to TACC's much larger systems and expertise, but TACC is currently unable to allocate resources for their needs. The U. T. Austin community requires all of the resources (hardware and support personnel) it funds, and U. T. System researchers are not currently expert enough to compete successfully for HPC resource allocations at TACC or elsewhere via the NSF TeraGrid, which is a very competitive national process. (The lone exception is U. T. Southwestern Medical Center - Dallas, which through a special, short-term arrangement with TACC is making tremendous use of TACC in multiple research programs.) However, with support from U. T. System Administration, TACC would be uniquely positioned to help researchers at System institutions adopt and utilize HPC technologies to

enhance their research and competitiveness. *Together, TACC, U. T. Austin, and U. T. System Administration can achieve and sustain leadership in HPC and in research programs System-wide that utilize HPC, increasing external funding and scientific achievement through such leadership.*

Proposal to U. T. System for HPC Resources and Services

TACC has established partnerships with leading technology companies to acquire and deploy HPC systems of increasing size and capability. TACC has a particularly strong partnership with Dell, Inc. (Dell): TACC conducts benchmarking, technology evaluation, and customer consultation activities for Dell, essentially acting as Dell's HPC group, and in return receives funding plus steep discounts and periodic donations of HPC equipment. Coupled with U. T. Austin's annual investment in TACC and various other external funding sources, TACC is able to generate and leverage funding to acquire large-scale HPC systems, especially with Dell technologies (but also with IBM, Inc. and Sun Technologies that complement these Dell clusters). TACC is able to grow these scalable systems for only modest additional funding amounts. Thus, TACC can meet the HPC needs of U. T. System research now and in the future through partnerships and leveraging of other investments.

TACC proposes to provide HPC systems and services to U. T. System researchers for an initial period of three years, during which time TACC will train and support researchers from U. T. System universities and health institutions and will measure the impact of HPC resources on their research funding and output. Because user needs will escalate as more users are trained, the proposed resources and support for U. T. System researchers are staged to increase from Year 1 (starting October 1, 2006) to Year 3, with a total of \$3M over the three (3) years:

| Year | HPC Resources to UT System |
|-------------|-----------------------------------|
| 1 | 7.5 million CPU hours |
| 2 | 10.5 million CPU hours |
| 3 | 14.0 million CPU hours |

These CPU hours will be provided on TACC's leading Dell system, *Lonestar*, which will be upgraded to *at least* 1800 next-generation, dual-core processors in September 2006, providing a theoretical peak performance of at least 35 TFlops. (Pending certain proposals, it might be twice that large.) The pricing for these CPU hours, as part of a complete cluster with lots of memory per node, a high speed interconnect, and a large parallel file system, plus related infrastructure costs (power, cooling, etc.) and staff support costs, is at least 3x better than pricing available to U. T. System institutions due to TACC's partnership with Dell and to U. T. Austin infrastructure and staff investments. (The proposed amounts above are due to these significant leveraged investments.) Furthermore, *Lonestar* is likely to be the ***most powerful academic HPC system in the U.S.*** in October 2006—and certainly in the top 5—and will continue to be upgraded, thus providing U. T. System researchers with a unique *capability* and competitive edge for all three years.

The HPC cycles will be provided to a designated U. T. System committee chaired by the Vice Chancellor for Research and Technology Transfer to allocate to researchers at the institutions. TACC's web site will be used by System researchers to submit requests, and these requests will be collected and forwarded to U. T. System for evaluation, prioritization, and allocation. The allocation decisions will then be implemented by TACC, which will notify the U. T. System users and set up their accounts.

Through the allocations mechanisms and through system accounting tools, TACC will collect data on U. T. System users and utilization, on funding sources for allocated usage, and on publications resulting from usage. TACC will present this information to U. T. System quarterly for use in understanding the impact of the investment and in making future allocations decisions to System researchers.

TACC staff will ensure the impact of this capability by providing training for researchers at U. T. System institutions. TACC staff are experts in parallel programming for science and engineering, and will provide training that is essential for ensuring effective utilization of high-end HPC systems. This training will be provided via multiple mechanisms:

1. Training at TACC will be open to all U. T. System researchers, who will be notified well in advance. This training enables attendees to meet many TACC staff, see the machine room, etc.
2. The classes taught at TACC and will also be broadcast for users who cannot make it to Austin via the Access Grid, the current most widely used remote collaboration technology in computational science. (Many System institutions already have Access Grid nodes; TACC will help others set them up.)
3. TACC staff will travel four times a year to U. T. System institutions to deliver training locally. These trips will help users who cannot travel as well as provide additional opportunities for meeting TACC staff in person. Training at institutions in areas with multiple institutions (e.g. DFW area, Houston area) will be advertised to all local institutions.

In addition to training, TACC staff will provide direct technical support to U. T. System users to ensure that any user questions or problems are resolved quickly. Through provision of *Lonestar* cycles, training, and technical support, U. T. System researchers will have superior access to HPC resources and services to their national peers, and thus enjoy a competitive advantage for knowledge discovery and pursuit of funding.

Beyond Year Three

TACC aims for this to be an ongoing relationship that provides a continuous, persistent advantage for U. T. System researchers. TACC will continue to upgrade HPC capabilities—including upgrades of *Lonestar* and deploying new HPC systems--and thus be able to offer a continuous scientific and competitive advantage for System researchers. The impact on externally-funded research in U. T. System will be as great as it has been at U. T. Austin or even greater, due to the relative lack of adoption to date of HPC in biomedical research but the *tremendous* emerging needs and opportunities for it in proteomics, rational drug design, systems biology, etc. Therefore, it is expected that U. T. System researchers will desire ongoing, an increasing, access to TACC's ever-increasing HPC systems and staff expertise.

TACC will collect data on the utilization of HPC resources and services by all U. T. Systems institutions and researchers during this initial three-year period. Quarterly reports will be provided to U. T. System documenting:

- Number of project allocations, PIs, and users
- HPC cycle usage by projects, PIs, and institutions
- Value of external grants for which TACC resources are supporting the research
- Number of publications produced using TACC resources in support of research

After the second year, TACC, U. T. Austin, and U. T. System leaders will evaluate the degree of impact to discuss models for a persistent partnership, including persistent funding models and sources. It is expected that such a partnership will retain a coordination role at U. T. System rather than devolve into individual partnerships; this is a great strength having an integrated U. T. System. The persistent funding model may at this point be determined in part by the increases in R&D funding across the System institutions and the utilization of some indirect costs generated by this increase.

3. **U. T. System: Reimbursement to U. T. Arlington for the purchase price of real property and improvements located at 200 East Loop 820, Fort Worth, Tarrant County, Texas, the site of the Data Center**

RECOMMENDATION

The Chancellor concurs with the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Health Affairs, and the Executive Vice Chancellor for Business Affairs that the U. T. System Board of Regents

- a. reimburse U. T. Arlington for the purchase price of real property and improvements located at 200 East Loop 820, Fort Worth, Tarrant County, Texas, the site of the Data Center. The reimbursement will be funded with \$8.445 million from Permanent University Fund (PUF) Bond Proceeds;
- b. reflect in the records of the U. T. System Board of Regents that the title to the Data Center is held by the U. T. System Board of Regents for the U. T. System and not for the benefit of any individual institution;
- c. authorize the Executive Vice Chancellor for Business Affairs or the Executive Director of Real Estate to execute all documents, instruments and other agreements, and take all further actions including actions necessary to determine fee and governance structure, if needed, as deemed necessary or advisable to carry out the purpose and intent of the foregoing recommendations; and
- d. appropriate and authorize expenditure of funds.

BACKGROUND INFORMATION

The potential uses for the Data Center for the U. T. System Administration include the colocation of computers currently located in U. T. System Administration buildings. The U. T. System Office of Telecommunication Services may place the servers used to provide backup web services in the Data Center. U. T. Tyler is participating in a study to determine if it can share in an implementation of an enterprise resource planning (ERP) system with U. T. Dallas and U. T. Arlington.

U. T. Austin considered use of the Data Center, but strongly leans to the U. T. M. D. Anderson Cancer Center data center at this time. U. T. Austin will use the selected facility to house an alternate computer and to provide a backup copy of its major data base as well as other data. The copy process would be over the network.

There may be an opportunity to implement centralized course management systems for two or more institutions. U. T. Dallas and U. T. El Paso have both indicated that if such a service were provided, the institutions would like to use it. U. T. Brownsville is a candidate due to current use of a remotely hosted Blackboard site in Washington, D.C.

U. T. Medical Branch - Galveston has a reputation for outsourcing and, while not likely a large user, would consider the Data Center. For the health institutions, a centralized, very secure data storage service that could be used for drug trial data would be timely.

The reimbursement to U. T. Arlington for the purchase of the Data Center using PUF funds, allows all institutions utilizing the Data Center to have free access to the space, subject to an appropriate pro rata operations support fee. Alternatively, U. T. System will explore funding operations of the Data Center from U. T. System funds.

The Data Center was originally leased by U. T. Arlington, with an option to purchase, and was purchased by the U. T. System Board of Regents in January 2006 with funds supplied by U. T. Arlington. The U. T. System Board of Regents approved the purchase at its meeting on August 11, 2005. The purchase was made to preserve U. T. Arlington's investment in improvements previously made to the Data Center and to avoid anticipated increased acquisition costs for purchase of the facility at a later date. The purchase price of the facility, \$8.445 million, was paid for from U. T. Arlington reserves. The structure is a highly desirable and secure facility for use as a data center. In addition, its size (51,200 square feet) gives it capacity to serve needs well beyond those of U. T. Arlington. For the Data Center to be fully utilized, however, upgrades to the HVAC and utility systems are needed.

The planned uses for the Data Center include use as a colocation center by U. T. Dallas and U. T. Southwestern Medical Center - Dallas.

- a. U. T. Dallas plans to move its development systems to the Data Center, add capacity to those systems and use them for 1) computer services that are simultaneously also running on computers on the U. T. Dallas campus, 2) disaster recovery, and 3) computer program development.
- b. U. T. Southwestern Medical Center - Dallas plans to use the Data Center in place of a data center it was considering building approximately three (3) miles from its present location. That site was determined to be too close to the campus data center. U. T. Southwestern Medical Center - Dallas also plans to move computers to the Data Center. The expected uses are 1) computer services that are simultaneously also running on computers on the U. T. Southwestern Medical Center - Dallas campus, 2) disaster recovery, and 3) computer program development.

4. **U. T. System: Discussion and appropriate action related to renewal of agreement with Deloitte & Touche LLP to provide independent financial audit services for the U. T. System for the fiscal year ending August 31, 2006**

DISCUSSION

Regent Estrada, on behalf of the Audit, Compliance, and Management Review Committee, will lead a discussion related to the Board's decision concerning whether to renew the contract with Deloitte & Touche LLP to provide independent financial audit services for the U. T. System Annual Financial Report for the fiscal year ending August 31, 2006, preliminary to a Board vote concerning possible renewal and source of funding for a renewal if directed.

BACKGROUND INFORMATION

A contract with Deloitte & Touche LLP was negotiated to provide the audit of the U. T. System Annual Financial Report for the fiscal year ending August 31, 2005. The contract commenced on August 30, 2004, and will terminate on April 1, 2006. Subject to *Texas Government Code* Section 321.020 and Article IX, Section 6.34 of the 2006-2007 General Appropriations Act, and the approval by the State Auditor for the delegation of authority to U. T. System to contract with a private auditor, the current contract gives the U. T. System the option to renew the contract for two additional one-year terms provided that exercise of the option is conditional upon U. T. System and Deloitte & Touche LLP reaching mutual agreement on the renewal terms.

On July 16, 2004, the U. T. System Board of Regents selected Deloitte & Touche's proposal to perform an audit of the consolidated System-wide financial statements excluding the stand-alone audit of The University of Texas Investment Management Company (UTIMCO) financial statements. A contract was entered into as of August 30, 2004, for the independent audit of the U. T. System Annual Financial Statements for the fiscal year ending August 31, 2005.

On December 20, 2005, Deloitte & Touche LLP issued an unqualified opinion stating that the financial statements presented fairly, in all material respects, the financial position of the U. T. System as of August 31, 2005, and its changes in net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the U.S. The audit report was considered at the February 2006 Board of Regents' meeting.

The contract for the System-wide financial statement audit for FY 2005 was negotiated at \$1,800,000 plus reimbursement for expenses not to exceed \$140,000, for a cumulative fee cap of \$1,940,000. To date, U. T. System has paid the \$1,800,000 and has been billed for expense reimbursements totaling \$92,535. The final bill for the reimbursable expenses has not been received.

The fee schedule in the audit contract estimated about half of the costs would be incurred in FY 2005 and half in FY 2006. This was due to the extensive beginning balance testing that Deloitte & Touche did at the start of FY 2005. U. T. System budgeted and billed the institutions accordingly; however, two different methods were used to determine the allocation percentage.

In FY 2005, the institutions were billed based on budgeted expenditures. As the audit progressed and estimates were available for where most of Deloitte & Touche's time would be spent, a new allocation methodology was introduced. The new allocation was based 50% on budgeted expenditures and 50% on the hours Deloitte & Touche estimated spending at that institution. The allocation was discussed and approved at the May 2005 Business Management Council meeting.

The chart below depicts actual cost allocated in each fiscal year and the total that each institution paid for the FY 2005 audit.

| | Costs in FY 2005 Based on Budgeted Expenditures | Costs in FY 2006 50% Budget & 50% D&T Time Estimate | Total Costs for FY 2005 Audit |
|--|--|---|----------------------------------|
| UT System Admin | \$6,759 | \$42,838 | \$49,597 |
| UT Arlington | 32,227 | 28,956 | 61,183 |
| UT Austin | 187,650 | 153,886 | 341,536 |
| UT Brownsville | 12,670 | 16,943 | 29,613 |
| UT Dallas | 24,165 | 24,742 | 48,907 |
| UT El Paso | 30,131 | 25,223 | 55,354 |
| UT Pan American | 21,483 | 21,936 | 43,419 |
| UT Permian Basin | 3,926 | 12,921 | 16,847 |
| UT San Antonio | 28,459 | 27,936 | 56,395 |
| UT Tyler | 6,085 | 14,003 | 20,088 |
| UT Southwestern | 103,270 | 118,630 | 221,900 |
| UTMB Galveston | 176,429 | 142,132 | 318,561 |
| UT HSC-Houston | 79,283 | 101,917 | 181,200 |
| UT HSC-San Antonio | 62,096 | 77,443 | 139,539 |
| UT M. D. Anderson | 209,103 | 172,152 | 381,255 |
| UT HC-Tyler | 16,264 | 18,342 | 34,606 |
| Total Billed & Collected | \$1,000,000 | \$1,000,000 | \$2,000,000 |
| Audit Fee | | | \$1,800,000 |
| Reimbursement of Expenses Cap | | | \$140,000 |
| To be used for additional audit-related expenses or refunded to institutions | | | \$60,000 |

The fee for a contract for a System-wide audit of FY 2006 is estimated in the range of \$2,000,000 to \$2,050,000 (plus expenses) or approximately 11.1% to 13.8% increase over the previous fee.

In discussing the decision, the Board will want to weigh the potential benefits of renewal (such as improving governance by assuring that reported financial information is accurate and reliable, improving internal controls over financial reporting by benefiting from external assessment reported in the management letters for each institution and U. T. System Administration, and providing regular access to Deloitte's expertise concerning best accounting and auditing practices and ability to reference audited financial statements in debt offerings) against the costs (such as accounting and internal audit time and effort in addition to the fee) and the possible concern that additional audit work is not needed as the first audit did not result in material adjustments to the financial statements.

If the decision is made to engage Deloitte & Touche, subject to the State Auditor's approval and delegation of authority, the Board will need to determine the source of funding for the contract.

5. **U. T. System: Consideration of possible designation of the U. T. Medical Branch - Galveston Clinic Facility (League City) project as architecturally or historically significant**

RECOMMENDATION

It is recommended that the U. T. System Board of Regents review the following project scheduled for architectural selection for possible designation as architecturally or historically significant pursuant to the Regents' *Rules and Regulations*, Series 80302:

U. T. Medical Branch - Galveston

Clinic Facility (League City)

Proposed Project Cost: \$30,000,000

Anticipated Delivery Method: Competitive Sealed Proposals

BACKGROUND INFORMATION

The Clinic Facility project at U. T. Medical Branch - Galveston will be located in League City, Texas, and is the first in the development of outpatient clinics to service North Galveston County. The project will be considered for redesignation as the Victory Lakes Ambulatory Care Center at a future date. Funding will be from Revenue Financing System Bond Proceeds. (More details on the project may be found on the following page.)

Clinic Facility (League City)
U. T. Medical Branch - Galveston

Project Description: The project consists of the construction of approximately 100,000 gross square feet of outpatient clinic space located in League City, Texas, to serve U. T. Medical Branch - Galveston patients in North Galveston County.

Proposed Site: New construction is planned for a 35.5 acre site located west of Interstate 45 (Gulf Freeway) and north of Highway 646 which leads into the Victory Lakes Housing Complex. This is a growing area bound by upscale residential property, secondary schools, and commercial property soon to be developed into senior care and housing for the aged.

Age: This is a new facility.

Current/Past Use of the Building, and Compliance with the Campus Master Plan: This project will be the first construction of a new master plan development on recently acquired property in North Galveston County.

Other Relevant Information: The development of this outpatient clinic is critical to initiatives that support the business plan of U. T. Medical Branch - Galveston and the clinical enterprise. Projections for the service market in the project area in North Galveston County indicate that by 2011 it is likely that there will be over 2 million insured patients in need of healthcare services. This project will support the vision of the Faculty Group Practice School of Medicine and has involved leadership from all facets of U. T. Medical Branch - Galveston healthcare delivery programs. This project will serve one of the fastest growing areas in the State of Texas and will serve the short stay and ambulatory care needs of U. T. Medical Branch - Galveston employees and families, and residents of the region.

6. **U. T. System Board of Regents: Approval of proposed Annual Financial Assessment Schedule for the UT TeleCampus**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs that the U. T. System Board of Regents approve the UT TeleCampus proposed Annual Financial Assessment schedule for the fiscal year ending August 31, 2010, as forth on Page 13.

BACKGROUND INFORMATION

As the centralized support and coordination unit of the U. T. System for online education, the UT TeleCampus (UTTCC) assists the U. T. System institutions in taking their courses and programs online, allowing them to reach new students. The enrollments in these courses generate tuition, fees and formula funding, all of which is retained by the campus offering the class. Since the first semester of operation in Fall 1999, enrollments in TeleCampus classes have generated over \$30,000,000 in tuition, fees and formula funding for the U. T. System institutions. The TeleCampus estimates that approximately 60%-75% of that amount can be considered "new" dollars to the institutions. Some students enrolled in TeleCampus courses may indeed be supplementing their face-to-face course schedule with online courses, but the majority are taking online courses and programs because for various reasons they have chosen not to or are unable to physically attend a campus.

In addition to creating new enrollments to the institutions, the TeleCampus operation is dedicated to providing services and support to the students, faculty, and staff across the U. T. System. Some of these services are identified in the UT TeleCampus Business Model for Academic Courses and Programs on Page 14.

The TeleCampus derives a portion of its annual operating budget by invoicing the institutions for these services via the UT TeleCampus Annual Financial Assessment Schedule. This assessed amount is based on the number of course sections that were offered through the TeleCampus in the previous three semesters combined. The number of sections is converted to a dollar amount based on the TeleCampus Assessment Schedule. The Annual Financial Assessment is not a student fee, as the institutions are solely responsible for this payment to the TeleCampus. The U. T. System institutions have authority to charge a distance education or instructional technology fee, and the majority have done so since before the TeleCampus was established. Many institutions pay the UT TeleCampus Financial Assessment through such fees as well as through the tuition generated by increased enrollments from TeleCampus courses.

This method of returning some of the value generated for the campuses by courses offered through the TeleCampus was created and approved in 2001 by a panel of presidents, provosts, deans, faculty, and U. T. System Administration staff. It was submitted to the Presidents by the Executive Vice Chancellor for Academic Affairs and became effective in FY 2002.

The Assessment Schedule is designed around "steps." Each step represents the total number of course sections offered through the TeleCampus in the previous three semesters. In addition to the steps, there is an annual incremental increase built into the schedule. In the assessment model created and approved in 2002, an institution would pay 9% more each year if it held its course offerings constant. This "ramp-up" feature was built into the schedule by design so that over time, the TeleCampus would become less reliant on the AUF. For example, in FY 2005, the Assessment constituted 19.93% of the TeleCampus budget. With the proposed revision to the Assessment Schedule, the amount received by the TeleCampus in FY 2007 will be approximately 26.03% of our budget. At the current growth rate of courses and programs, the Assessment amounts should constitute 35% or more of the budget by FY 2010.

The current year is the final year of the 2002 assessment schedule. As noted on the attached Schedule, the proposed new values to the schedule add two additional steps to the course section category and continue the annual increases (at 5%) to the Year 2010, when additional review of the model will be appropriate.

This proposed revision to the Annual Financial Assessment Schedule was presented to the academic presidents on January 25, 2006, and was favorably received.

UT TeleCampus Annual Financial Assessment Schedule

Proposed to be effective FY 2006-2007

| # of Course Sections | <u>Current Assessment Values</u> | | | | | | <u>Proposed New Values</u> | | | |
|----------------------|----------------------------------|----------|----------|----------|----------|--------------|----------------------------|--------------|--------------|--|
| | 2001-02 | 2002-03 | 2003-04 | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | |
| 0 | \$5,000 | \$7,800 | \$8,580 | \$9,438 | \$10,382 | \$10,901.10 | \$11,446.16 | \$12,018.46 | \$12,619.39 | |
| 1 to 5 | \$12,000 | \$16,800 | \$18,480 | \$20,328 | \$22,361 | \$23,479.05 | \$24,653.00 | \$25,885.65 | \$27,179.94 | |
| 6 to 10 | \$18,000 | \$21,600 | \$23,760 | \$26,136 | \$28,750 | \$30,187.50 | \$31,696.88 | \$33,281.72 | \$34,945.80 | |
| 11 to 15 | \$24,000 | \$27,600 | \$30,360 | \$33,396 | \$36,736 | \$38,572.80 | \$40,501.44 | \$42,526.51 | \$44,652.84 | |
| 16 to 20 | \$24,000 | \$30,360 | \$33,396 | \$36,736 | \$40,409 | \$42,429.45 | \$44,550.92 | \$46,778.47 | \$49,117.39 | |
| 21 to 25 | \$36,000 | \$41,400 | \$45,540 | \$50,094 | \$55,103 | \$57,858.15 | \$60,751.06 | \$63,788.61 | \$66,978.04 | |
| 26 to 30 | \$36,000 | \$44,298 | \$48,728 | \$53,601 | \$58,961 | \$61,909.05 | \$65,004.50 | \$68,254.73 | \$71,667.46 | |
| 31 to 35 | \$36,000 | \$47,399 | \$52,139 | \$57,353 | \$63,088 | \$66,242.40 | \$69,554.52 | \$73,032.25 | \$76,683.86 | |
| 36 to 40 | \$36,000 | \$50,717 | \$55,788 | \$61,367 | \$67,504 | \$70,879.20 | \$74,423.16 | \$78,144.32 | \$82,051.53 | |
| 41 to 45 | \$36,000 | \$54,267 | \$59,694 | \$65,663 | \$72,229 | \$75,840.45 | \$79,632.47 | \$83,614.10 | \$87,794.80 | |
| 46 to 50 | \$36,000 | \$58,066 | \$63,872 | \$70,259 | \$77,285 | \$81,149.25 | \$85,206.71 | \$89,467.05 | \$93,940.40 | |
| 51 to 55 | \$36,000 | \$62,130 | \$68,343 | \$75,178 | \$82,695 | \$86,829.75 | \$91,171.24 | \$95,729.80 | \$100,516.29 | |
| 56 to 60 | \$36,000 | \$66,479 | \$73,127 | \$80,440 | \$88,484 | \$92,908.20 | \$97,553.61 | \$102,431.29 | \$107,552.86 | |
| 61 to 65 | \$36,000 | \$71,133 | \$78,246 | \$86,071 | \$94,678 | \$99,411.90 | \$104,382.50 | \$109,601.62 | \$115,081.70 | |
| 66 to 70 | ----- | ----- | ----- | ----- | ----- | \$104,382.50 | \$109,601.62 | \$115,081.70 | \$120,835.79 | |
| 71 to 75 | ----- | ----- | ----- | ----- | ----- | \$109,601.62 | \$115,081.70 | \$120,835.79 | \$126,877.58 | |

Prepared by UT TeleCampus
March 2006

UT TeleCampus Business Model for Academic Courses and Programs

| | | |
|---|---|---|
| <p>The UT TeleCampus:</p> <ul style="list-style-type: none"> • Works with institutions to build collaborative degree programs • Trains faculty and campus-based staff • Funds course development • Works with students to advise and solve problems • Administers quality control • Markets & promotes programs, driving new enrollments • Builds and maintains the technical infrastructure to <ul style="list-style-type: none"> ○ Provide accurate information via comprehensive web system ○ Allow students to seamlessly register at multiple institutions ○ Manage enrollments between campuses and courseware system ○ Host online courseware system ○ Provide technical and academic support for students • <u>Charges the campuses annually for these services</u> | <p>The Institutions:</p> <ul style="list-style-type: none"> ▪ Agree to participate in online collaborative degree programs ▪ Support faculty in the design and construction of online courses ▪ Provide course content and jointly hold (with faculty) copyright for course content ▪ Assign faculty (primarily full-time, tenured faculty) to teach online courses ▪ Provide academic leadership in directing the collaborative online degree programs ▪ Provide administrative support for students <ul style="list-style-type: none"> ○ Registrar ○ Financial Aid ○ Veteran's Affairs ○ Library ○ Campus-based distance education offices • <u>Retains 100% of tuition, fees, and state formula funds generated by enrollments in TeleCampus courses.</u> | <p>The Student:</p> <ul style="list-style-type: none"> • Seeks regular admission to the participating campus (the home campus) • Works with home-campus-based academic advisor to craft degree program • Registers for courses via the TeleCampus Information System • <u>Receives and pays the campus-generated fee bill.</u> <ul style="list-style-type: none"> ○ Multiple campus enrollments means multiple fee bills • Engages, participates, learns, and graduates! |
|---|---|---|

7. **U. T. System: Discussion and appropriate action regarding proposed tuition and fee plans**

RECOMMENDATION

Chancellor Yudof, Executive Vice Chancellor Sullivan, and Executive Vice Chancellor Shine will lead a discussion on proposed tuition and fee plans for the next two years. Chancellor Yudof will present his recommendations to the U. T. System Board of Regents at the meeting. The U. T. System Board of Regents will be asked to take appropriate action regarding the proposed tuition and fee plans for each institution. Institutional presidents will outline their proposals; several student government presidents will also address the recommendations.

BACKGROUND INFORMATION

House Bill 3015 passed by the Texas Legislature during the 78th Regular Session modified *Texas Education Code* Section 54.0513 to grant authority to boards of regents to set an appropriate charge to students designated as tuition (Designated Tuition) in addition to tuition rates set by the Legislature and other charges set by boards of regents as previously authorized. The statutory changes increased latitude to implement innovative charge structures.

The proposals for tuition and fee plans for the next two years brought forth by each U. T. System institution for consideration by the U. T. System Board of Regents and relevant background materials, utilizing the most recent available comparison data, are as follows:

| | Page |
|--|------|
| 1. Overview PowerPoint presentation..... | |
| 2. Summary of proposed increases in resident undergraduate tuition and fees for academic institutions..... | |
| 3. Key features of academic institution proposals..... | |
| 4. Institutional tuition and fee proposals including tuition for nonresident graduate and professional students..... | |
| U. T. Arlington..... | |
| U. T. Austin..... | |
| U. T. Brownsville..... | |
| U. T. Dallas..... | |
| U. T. El Paso..... | |
| U. T. Pan American..... | |
| U. T. Permian Basin..... | |
| U. T. San Antonio..... | |
| U. T. Tyler..... | |
| U. T. Southwestern Medical Center - Dallas..... | |
| U. T. Medical Branch - Galveston..... | |
| U. T. Health Science Center - Houston..... | |
| U. T. Health Science Center - San Antonio..... | |
| U. T. M. D. Anderson Cancer Center..... | |

| | Page |
|---|------|
| 5. Utility fees proposals..... | |
| 6. Uses of Designated Tuition..... | |
| 7. Financial aid background information..... | |
| 8. Comparative data for academic institutions' peers..... | |
| 9. Academic presidents' PowerPoint presentations..... | |

(Note: no PowerPoints are planned for U. T. Austin and U. T. Permian Basin.)



THE UNIVERSITY OF TEXAS SYSTEM

Academic Institution Tuition Proposals

Academic Years 2006 - 2008

*UT System Board of Regents' Meeting
March 28, 2006*



Financial/Funding Context for Tuition

- **National support for higher education**
- **State support for higher education**
- **Responsibility of the Board of Regents**



How the board has implemented tuition flexibility...

- **Strengthens the quality of academic programs and student services**
 - *Hire additional faculty, academic advisers, financial aid counselors*
 - *Enhance classrooms and laboratories*
- **Accelerates time to graduation**
 - *Flat rate tuition – adoption of flat rate tuition by more campuses ultimately leads to higher graduation rates*
 - *Tuition rebates – an incentive to take and complete full course loads each semester to qualify for tuition rebate/tuition credits*
 - *Encourages students to remain continuously enrolled*

3



How the board has implemented tuition flexibility...

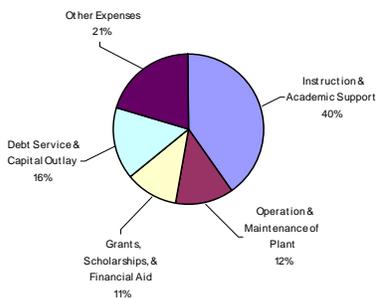
- **Enables better building and facility use**
 - *Reduced tuition rates for off-peak class times*
 - *Discounted weekend classes*
- **Keeps a UT education affordable**
 - *Increased financial aid and financial assistance for students*
 - *Additional student employment opportunities on campus increased “work study” positions*
 - *Book loan programs*

4

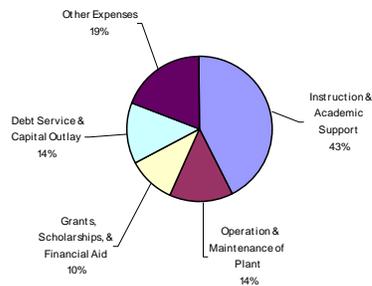


Uses of Designated Tuition revenue increase (2005-06)

FY 2005 Actual



FY 2006 Budget



5



Tuition-setting process

- **An inclusive, consultative process**
 - *Committees with students, faculty, staff and administrators develop proposals*
 - *Institutions evaluate statistical and financial data, including student financial need, and analyze methods of using tuition and fee policies to achieve desired strategic goals.*
 - *Multiple levels of review are designed to ensure wide participation in the process of setting tuition, as well as to help guarantee access and affordability.*
- **Tuition proposals for two academic years (2006-2007 and 2007-2008)**
 - *Student-led initiative to set tuition for two (or more) academic years*
 - *Provides students and their families with more financial predictability*

6



Energy impact on campus proposals

- Energy costs impact campuses just as they do the individual consumer
- Anticipated increases in utility costs must be addressed
- Expiring low-cost contracts

7



Proposed Highlights and Innovations for 2006-08

- Flat-rate tuition at more campuses (UTA, UTB)
- Guaranteed four-year rates (UTD, UTEP)
- Discounted tuition for off-peak classes at more campuses (UTPB, UTT)
- Expanded financial aid assistance (UTA, UTB, UTPA, UTSA)
- Increased non-resident tuition (UT Austin)

8



Proposed Increases in Resident Undergraduate Tuition and Fees (15 SCH) (2006 – 2008)

| | Proposed Percentage Increase for Resident UG at 15 SCHs | | Proposed Dollar Increase for Resident UG at 15 SCHs | | Proposed Energy Charge for Resident UG at 15 SCHs | |
|--|---|------------------|---|------------|---|----------------|
| | FY 2007 | FY 2008 | FY 2007 | FY 2008 | FY 2007 | FY 2008 |
| UT Arlington <i>w/energy charge</i> | 9.10 % 10.81 | 9.95 % 9.78 | \$ 267 | \$ 319 | \$ 50 | \$ 50 |
| UT Austin <i>w/energy charge</i> | 5.13 9.44 | 3.27 .52 | 179 329 | 120 20 | 150 | 50 |
| UT Brownsville/TSC | 12.86 | .23 ¹ | 250 | 5 | N/A | N/A |
| UT Dallas <i>w/energy charge</i> | 7.29 11.68 | 6.00 1.63 | 249 399 | 220 70 | 150 | - ² |
| UT El Paso | 7.67 | 6.67 | 188 | 176 | N/A | N/A |
| UT Pan American | 19.65 | 12.29 | 342 | 256 | N/A | N/A |
| UT Permian Basin <i>w/energy charge</i> | 6.51 8.97 | 7.47 7.30 | 135 186 | 165 165 | 51 | 51 |
| UT San Antonio <i>w/energy charge</i> | 9.95 11.58 | 8.74 8.29 | 279 321 | 266 256 | 45 | 35 |
| UT Tyler | 9.93 | 7.49 | 211 | 175 | N/A | N/A |

¹ UT Brownsville proposes to cap tuition and fees at 14 semester credit hours. A UTB student taking 14 SCHs would see a 6.1% increase.
² UT Dallas proposes to charge the energy fee only in 2006-2007

9



Proposed Increases in Resident Undergraduate Tuition and Fees (15 SCH): 2005-06 vs. 2007

| Institution | Fall 2005 | Fall 2006 | % Increase | Fall 2007 | % Increase |
|--------------------|-----------|-----------|------------|-----------|------------|
| UT Arlington | \$ 2,955 | \$ 3,250 | 10.0 % | \$ 3,568 | 9.8 % |
| UT Austin | \$ 3,486 | \$ 3,815 | 9.4 % | \$ 3,835 | 0.5 % |
| UT Brownsville/TSC | \$ 1,948 | \$ 2,198 | 12.8 % | \$ 2,203 | 0.2 % |
| UT Dallas | \$ 3,416 | \$ 3,665 | 7.3 % | \$ 3,885 | 6.0 % |
| UT El Paso | \$ 2,444 | \$ 2,632 | 7.7 % | \$ 2,807 | 6.6 % |
| UT Pan American | \$ 1,738 | \$ 2,080 | 19.7 % | \$ 2,335 | 12.3 % |
| UT Permian Basin | \$ 2,074 | \$ 2,260 | 9.0 % | \$ 2,425 | 7.3 % |
| UT San Antonio | \$ 2,772 | \$ 3,093 | 11.6 % | \$ 3,349 | 8.3 % |
| UT Tyler | \$ 2,152 | \$ 2,336 | 8.6 % | \$ 2,511 | 7.5 % |

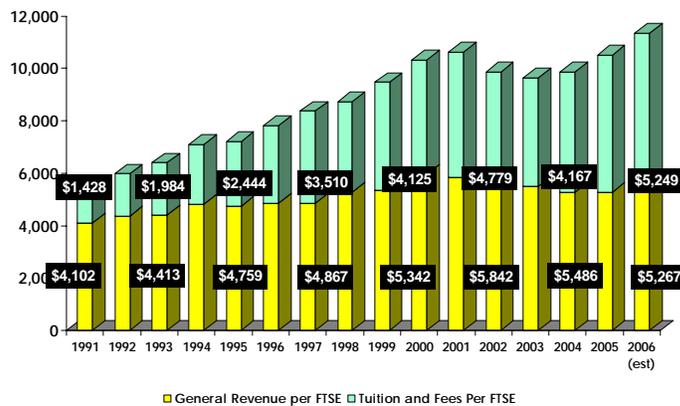
Resident Undergraduate Tuition and Mandatory Fees for a Student Taking 15 Semester Credit Hours (SCH)

10



General Revenue and Tuition and Fees per Full-Time Student Equivalent (1991-2006)

UT Academic Institutions - dollars in millions



11



Enrollment Growth: Biennial Base Period Full-Time Student Equivalents

| | 2002-03 Biennium | 2004-05 Biennium | % Change 2002-03 vs. 2004-05 | 2006-07 Biennium | % Change 2002-03 vs. 2006-07 |
|--------------------|---------------------|---------------------|------------------------------------|---------------------|------------------------------------|
| UT Arlington | 16,421 | 19,339 | 17.8% | 20,693 | 26.0% |
| UT Austin | 44,946 | 47,971 | 6.7% | 46,512 | 3.5% |
| UT Brownsville/TSC | 1,899 | 2,248 | 18.4% | 2,459 | 29.5% |
| UT Dallas | 8,801 | 10,773 | 22.4% | 11,508 | 30.8% |
| UT El Paso | 12,257 | 14,130 | 15.3% | 14,563 | 18.8% |
| UT Pan American | 10,932 | 12,795 | 17.0% | 14,873 | 36.1% |
| UT Permian Basin | 1,794 | 2,097 | 16.9% | 2,540 | 41.6% |
| UT San Antonio | 14,961 | 17,915 | 19.7% | 21,063 | 40.8% |
| UT Tyler | 2,646 | 3,282 | 24.0% | 4,256 | 60.8% |
| Total | 114,657 | 130,550 | 13.9% | 138,467 | 20.8% |

Base Period Semester Credit Hour Data converted to Full-Time Student Equivalents (FTSE) using THECB methodology: 30 hours Lower or Upper Division, 24 hours Masters or Special Profession, or 18 hours Doctoral equals one FTSE. Semester credit hour hours used to compute the FTSE are from the following periods: 2002-03 Biennium – Summer 2000, Fall 2000, Spring 2001; 2004-05 Biennium – Summer 2002, Fall 2002, Spring 2003; 2006-07 Biennium – Spring 2004, Summer 2004, Fall 2004

12

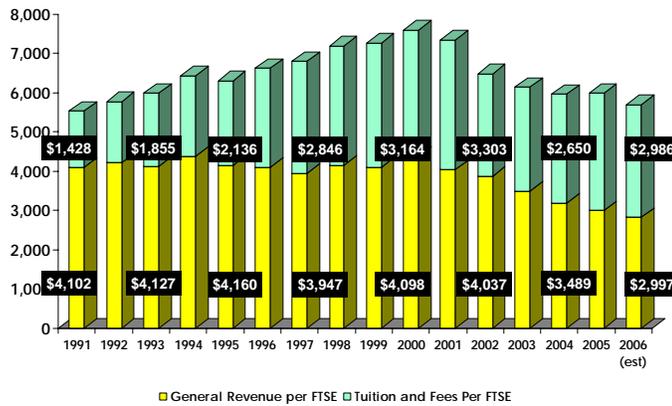


General Revenue and Tuition and Fees per Full-Time Student Equivalent (1991-2006)

UT Academic Institutions

*** Adjusted for Inflation ***

Dollars in millions



Inflation calculated using the Consumer Price Index – All Urban Consumers (U.S. City Average)

13



Biennial GR Appropriation Net of TRB Funding vs. Full-Time Student Equivalents

Dollars noted in millions

| | 2002-03 Biennium | 2004-05 Biennium | GR % Change 2002-03 vs. 2004-05 | FTSE % Change 2002-03 vs. 2004-05 | 2006-07 Biennium | GR % Change 2002-03 vs. 2006-07 | FTSE % Change 2002-03 vs. 2006-07 |
|--------------------|---------------------|---------------------|--|--|---------------------|--|--|
| UT Arlington | \$ 157.5 | \$ 152.5 | -3.2% | 17.8% | \$ 161.3 | 2.4% | 26.0% |
| UT Austin | 469.0 | 471.4 | 0.5% | 6.7% | 490.8 | 4.7% | 3.5% |
| UT Brownsville/TSC | 30.7 | 30.5 | -0.6% | 18.4% | 33.2 | 8.3% | 29.5% |
| UT Dallas | 102.1 | 105.6 | 3.5% | 22.4% | 115.6 | 13.3% | 30.8% |
| UT El Paso | 114.0 | 110.1 | -3.4% | 15.3% | 121.3 | 6.4% | 18.8% |
| UT Pan American | 89.5 | 90.5 | 1.2% | 17.0% | 101.2 | 13.1% | 36.1% |
| UT Permian Basin | 24.0 | 23.1 | -3.5% | 16.9% | 25.2 | 5.2% | 41.6% |
| UT San Antonio | 123.3 | 121.0 | -1.9% | 19.7% | 149.0 | 20.8% | 40.8% |
| UT Tyler | 40.9 | 40.6 | -0.8% | 24.0% | 46.3 | 13.2% | 60.8% |
| | \$ 1,150.8 | \$ 1,145.3 | -0.5% | 13.9% | \$ 1,243.9 | 8.1% | 20.8% |

2002-03 Appropriations Data are per the Legislative Budget Board's "Legislative Budget Estimates for the 2004-2005 Biennium."
 2004-05 Appropriations Data are per the Legislative Budget Board's "Legislative Budget Estimates for the 2006-2007 Biennium."
 2006-07 Appropriations are per SB1, 79th Legislature.
 Amounts reported do not include Higher Education Employees Group Insurance Contribution.

Base Period Semester Credit Hour Data converted to Full-Time Student Equivalents (FTSE) using THECB methodology: 30 hours Lower or Upper Division, 24 hours Masters or Special Profession, or 18 hours Doctoral equals one FTSE. Semester credit hour hours used to compute the FTSE are from the following periods: 2002-03 Biennium – Summer 2000, Fall 2000, Spring 2001; 2004-05 Biennium – Summer 2002, Fall 2002, Spring 2003; 2006-07 Biennium – Spring 2004, Summer 2004, Fall 2004

14



Annual General Revenue per Full-Time Student Equivalent

| | 2002-03 Biennium | 2004-05 Biennium | % Change 2002-03 vs. 2004-05 | 2006-07 Biennium | % Change 2002-03 vs. 2006-07 |
|--------------------|---------------------|---------------------|------------------------------------|---------------------|------------------------------------|
| UT Arlington | \$ 4,795 | \$ 3,943 | -17.8% | \$ 3,897 | -18.7% |
| UT Austin | 5,217 | 4,914 | -5.8% | 5,277 | 1.1% |
| UT Brownsville/TSC | 8,076 | 6,781 | -16.0% | 6,754 | -16.4% |
| UT Dallas | 5,799 | 4,902 | -15.5% | 5,023 | -13.48% |
| UT El Paso | 4,651 | 3,897 | -16.2% | 4,164 | -10.5% |
| UT Pan American | 4,092 | 3,538 | -13.5% | 3,401 | -16.9% |
| UT Permian Basin | 6,678 | 5,513 | -17.5% | 4,962 | -25.7% |
| UT San Antonio | 4,121 | 3,376 | -18.1% | 3,537 | -14.2% |
| UT Tyler | 7,726 | 6,179 | -20.0% | 5,437 | -29.6% |
| | \$ 5,019 | \$ 4,387 | -12.6% | \$ 4,523 | -9.9% |

2002-03 Appropriations Data are per the Legislative Budget Board's "Legislative Budget Estimates for the 2004-2005 Biennium."
 2004-05 Appropriations Data are per the Legislative Budget Board's "Legislative Budget Estimates for the 2006-2007 Biennium."
 2006-07 Appropriations are per SB1, 79th Legislature.
 Amounts reported do not include Tuition Revenue Bond Funding or Higher Education Employees Group Insurance Contribution.

Base Period Semester Credit Hour Data converted to Full-Time Student Equivalents (FTSE) using THECB methodology: 30 hours Lower or Upper Division, 24 hours Masters or Special Profession, or 18 hours Doctoral equals one FTSE. Semester credit hour hours used to compute the FTSE are from the following periods: 2002-03 Biennium - Summer 2000, Fall 2000, Spring 2001; 2004-05 Biennium - Summer 2002, Fall 2002, Spring 2003; 2006-07 Biennium - Spring 2004, Summer 2004, Fall 2004

15



Annual General Revenue per Full-Time Student Equivalent Adjusted for Inflation

Adjusted for Inflation

| | 2002-03 Biennium | 2004-05 Biennium | % Change 2002-03 vs. 2004-05 | 2006-07 Biennium | % Change 2002-03 vs. 2006-07 |
|------------------|---------------------|---------------------|------------------------------------|---------------------|------------------------------------|
| UT Arlington | \$ 4,795 | \$ 3,749 | -21.8% | \$ 3,554 | -25.9% |
| UT Austin | 5,217 | 4,672 | -10.4% | 4,812 | -7.8% |
| UT Brownsville | 8,076 | 6,447 | -20.2% | 6,159 | -23.7% |
| UT Dallas | 5,799 | 4,660 | -19.6% | 4,581 | -21.0% |
| UT El Paso | 4,651 | 3,705 | -20.3% | 3,798 | -18.3% |
| UT Pan American | 4,092 | 3,364 | -17.8% | 3,102 | -24.2% |
| UT Permian Basin | 6,678 | 5,241 | -21.5% | 4,525 | -32.2% |
| UT San Antonio | 4,121 | 3,210 | -22.1% | 3,226 | -21.7% |
| UT Tyler | 7,726 | 5,875 | -24.0% | 4,958 | -35.8% |
| | \$ 5,019 | \$ 4,171 | -16.9% | \$ 4,125 | -17.8% |

2002-03 Appropriations Data are per the Legislative Budget Board's "Legislative Budget Estimates for the 2004-2005 Biennium."
 2004-05 Appropriations Data are per the Legislative Budget Board's "Legislative Budget Estimates for the 2006-07 Biennium."
 2006-07 Appropriations are per SB1, 79th Legislature.
 Amounts reported do not include Tuition Revenue Bond funding or Higher Education Employees Group Insurance Contribution.

Base Period Semester Credit Hour Data converted to Full-Time Student Equivalents (FTSE) using THECB methodology: 30 hours Lower or Upper Division, 24 hours Masters or Special Profession, or 18 hours Doctoral equals one FTSE. Semester credit hour hours used to compute the FTSE are from the following periods: 2002-03 Biennium - Summer 2000, Fall 2000, Spring 2001; 2004-05 Biennium - Summer 2002, Fall 2002, Spring 2003; 2006-07 Biennium - Spring 2004, Summer 2004, Fall 2004

Inflation Adjustments - All amounts per FTSE adjusted to 2002-03 dollars. 2004-05 adjusted using the Consumer Price Index - All Urban Consumers (U.S. City Average) for September 2002 vs. September 2004. 2006-07 inflation factor based on a 3.7% increase over 2004-05. The 3.7% factor is per the formula recommendations made by the THECB.

16



Non-Loan Financial Aid Awards and Total Tuition and Fees (2004-2005)

| | Total Non-Loan Financial Aid | Total Tuition and Fee Charges ¹ | Percentage of Total Charges Covered |
|---------------------------------|------------------------------|--|-------------------------------------|
| UT Arlington | \$ 35,832,205 | \$ 87,210,000 | 41% |
| UT Austin | 133,579,288 | 216,481,000 | 62% |
| UT Brownsville/TSC ² | 24,351,930 | 7,576,000 | 321% |
| UT Dallas | 12,665,754 | 45,676,000 | 28% |
| UT El Paso | 44,381,609 | 50,504,000 | 88% |
| UT Pan American | 57,237,432 | 28,661,000 | 200% |
| UT Permian Basin | 4,878,162 | 7,243,000 | 67% |
| UT San Antonio | 47,837,907 | 92,460,000 | 52% |
| UT Tyler | 8,670,266 | 9,956,000 | 87% |
| TOTAL / AVERAGE | \$ 369,434,553 | \$ 545,767,000 | 68% |

Source: Annual Financial Report, Exhibit B and academic institutions

¹ Figures represent net tuition and fee charges which exclude discounts and allowances

² Tuition and fee charges for UTB only; financial aid awards for UTB and TSC

17



Average Net Tuition and Fees (2004-2005)

| | Tuition and Fees per SCH ¹ | Discounted Amount based on Financial Aid | Average Discounted Tuition & Fees | Percent Discount |
|--------------------|---------------------------------------|--|-----------------------------------|------------------|
| UT Arlington | \$ 177 | \$ 53 | \$ 124 | 30% |
| UT Austin | 234 | 76 | 158 | 32% |
| UT Brownsville/TSC | - | - | - | - |
| UT Dallas | 212 | 52 | 160 | 25% |
| UT El Paso | 155 | 80 | 75 | 52% |
| UT Pan American | 105 | 60 | 45 | 57% |
| UT Permian Basin | 129 | 55 | 74 | 43% |
| UT San Antonio | 176 | 67 | 109 | 38% |
| UT Tyler | 135 | 54 | 81 | 40% |
| AVERAGE | \$ 165 | \$ 62 | \$ 103 | 38% |

Source: UT System Accountability Report (2005-2006)

¹ Includes: Tuition and required fees

² Tuition and Fees per Student Credit Hour includes tuition, required fees, and course-specific fees.

Note: UT Brownsville/TSC financial aid data were unavailable

18



Tuition and Required Fees at Major Public Institutions in the 10 Most Populous States (2004-2005)

| State | Institution | Resident Tuition & Fees | Rank |
|-----------------------------------|---|-------------------------|------|
| Pennsylvania | Penn State University | \$10,856 | 1 |
| Michigan | University of Michigan - Ann Arbor | \$8,722 | 2 |
| New Jersey | Rutgers University | \$8,564 | 3 |
| Illinois | University of Illinois - Urbana/Champaign | \$7,944 | 4 |
| Ohio | Ohio State University - Main Campus | \$7,542 | 5 |
| California | UC-Berkeley | \$6,730 | 6 |
| New York | University at Buffalo | \$5,966 | 7 |
| North Carolina | UNC - Chapel Hill | \$4,451 | 9 |
| Georgia | U of Georgia | \$4,272 | 10 |
| Florida | U of Florida | \$2,955 | 11 |
| Average (Top 10 except for Texas) | | \$6,800 | |
| Texas | UT Austin | \$5,735 | 8 |

Note: College and course specific fees are not included in these figures.

Source: University of Missouri System Annual 2004-05 Tuition and Required Fees report, 1994-95 to 2004-05

19



Selected Comparison Data for Peer Institutions¹

| Institution | US News Ranking 2006 | Medical School | Fall 2003 Full-time Ranked Instructional Faculty ² | Fall 2003 % of Total Instructional Faculty who are Full-time ³ | 2003-04 FTE Students ⁴ | FY 2003-04 Appropriations per FTE Student ⁵ | FY 2003-04 Tuition & Fees per FTE Student ⁶ | FY 2003-04 Approp. + Tuition & Fees per FTE Student |
|------------------------------|----------------------|----------------|---|---|-----------------------------------|--|--|---|
| UT Arlington | Nat'l Tier 4 | No | 497 | 67% | 19,783 | \$ 4,891 | \$ 4,919 | \$ 9,810 |
| Peer Group Avg. | | | 821 | 73% | 25,085 | \$ 6,391 | \$ 4,799 | \$ 11,190 |
| Difference | | | - 324 | - 6% | - 5,302 | \$ - 1,500 | \$ 120 | \$ - 1,380 |
| UT Austin⁷ | Nat'l - 52nd | No | 1,791 | 92% | 48,397 | \$ 8,204 | \$ 5,722 | \$ 13,926 |
| Peer Group Avg. | | | 1,648 | 83% | 36,627 | \$ 10,706 | \$ 8,378 | \$ 19,084 |
| Difference | | | 143 | 9% | 11,770 | \$ - 2,502 | \$ - 2,656 | \$ - 5,158 |
| UT Brownsville/TSC | Mast. (W) Tier 4 | No | 185 | 55% | 7,091 | \$ 3,332 | \$ 931 | \$ 4,263 |
| Peer Group Avg. | | | 198 | 72% | 6,411 | \$ 6,443 | \$ 2,781 | \$ 9,224 |
| Difference | | | - 13 | - 17% | 680 | \$ - 3,111 | \$ - 1,850 | \$ - 4,962 |
| UT Dallas | Nat'l Tier 3 | No | 319 | 70% | 10,247 | \$ 6,236 | \$ 5,321 | \$ 11,557 |
| Peer Group Avg. | | | 635 | 75% | 15,952 | \$ 7,774 | \$ 6,295 | \$ 14,069 |
| Difference | | | - 316 | - 5% | - 5,705 | \$ - 1,538 | \$ - 974 | \$ - 2,512 |
| UT El Paso | Nat'l Tier 4 | No | 423 | 77% | 14,573 | \$ 4,840 | \$ 3,340 | \$ 8,180 |
| Peer Group Avg. | | | 731 | 69% | 22,756 | \$ 6,271 | \$ 4,701 | \$ 11,422 |
| Difference | | | - 308 | 8% | - 8,183 | \$ - 1,881 | \$ - 1,361 | \$ - 3,242 |

Source: All data from the Integrated Post-Educational Data Peer (IPED) Analysis System, except for the US News Rankings and Medical College Information

20



Selected Comparison Data for Peer Institutions¹

| Institution | US News Ranking 2006 | Medical School | Fall 2003 Full-time Ranked Instructional Faculty ² | Fall 2003 % of Total Instructional Faculty who are Full-time ³ | 2003-04 FTE Students ⁴ | FY 2003-04 Appropriations per FTE Student ⁵ | FY 2003-04 Tuition & Fees per FTE Student ⁶ | FY 2003-04 Approp. + Tuition & Fees per FTE Student |
|-------------------------|----------------------|----------------|---|---|-----------------------------------|--|--|---|
| UT Pan American | Mast. (W) Tier 4 | No | 366 | 77% | 12,403 | \$ 5,230 | \$ 2,329 | \$ 7,559 |
| Peer Group Avg. | | | 509 | 61% | 16,431 | \$ 5,827 | \$ 3,702 | \$ 9,529 |
| Difference | | | - 143 | - 16% | - 4,028 | \$ - 597 | \$ - 1,373 | \$ - 1,970 |
| UT Permian Basin | Mast. (W) Tier 4 | No | 75 | 58% | 2,286 | \$ 6,832 | \$ 2,337 | \$ 9,169 |
| Peer Group Avg. | | | 181 | 59% | 5,449 | \$ 6,678 | \$ 3,040 | \$ 9,718 |
| Difference | | | - 106 | - 1% | - 3,163 | \$ 154 | \$ - 703 | \$ - 549 |
| UT San Antonio | Mast. (W) Tier 4 | No | 409 | 57% | 19,812 | \$ 4,049 | \$ 4,454 | \$ 8,504 |
| Peer Group Avg. | | | 604 | 69% | 18,547 | \$ 5,633 | \$ 4,721 | \$ 10,354 |
| Difference | | | - 195 | - 12% | 1,265 | \$ - 1,584 | \$ - 266 | \$ - 1,850 |
| UT Tyler | Mast. (W) Tier 3 | No | 142 | 69% | 3,612 | \$ 7,227 | \$ 2,899 | \$ 10,126 |
| Peer Group Avg. | | | 353 | 69% | 9,817 | \$ 6,131 | \$ 4,292 | \$ 10,423 |
| Difference | | | - 211 | 0% | - 6,205 | \$ 1,096 | \$ - 1,393 | \$ - 297 |

¹ Peer institutions are those provided by each U. T. System institution for the 2005-06 Accountability Report.

² Full-time instructional faculty holding the rank of professor, associate professor or assistant professor.

³ Instructional faculty, regardless of rank, whose principal activity is instruction or instruction combined with research or public service.

⁴ FTE Students are based on 12-month total semester credit hours divided by 30 for undergraduates and 24 for graduate students or on the number of full-time students, plus one-third of the part-time students enrolled in the fall semester.

⁵ FY 2003-04 state appropriations include all amounts received by the institution through acts of a state legislative body, except grants and contracts and amounts used primarily for acquisition or construction of capital assets.

⁶ FY 2003-04 tuition and fees include revenues for tuition and fees net of discounts & allowances from institutional scholarships, waivers, etc. Tuition and fees that are remitted to the state as an offset to state appropriations are also included.

⁷ State appropriations for U. T. Austin includes \$109,360,000 for operating expenses from the Available University Fund (AUF).

Source: All data from the IPEDS Peer Analysis System, except for the US News Rankings and Medical College Information

UT System Academic Institutions
Proposed Increases in Resident Undergraduate Tuition and Fees
for Full Time Students Taking 15 Semester Credit Hours
2006-2007 and 2007-2008 Academic Years

| | Proposed Percentage Increase for Resident UG Student at 15 SCHs | | Proposed Dollar Increase for Resident UG Student at 15 SCHs | | Proposed Energy Charge for Resident UG Students at 15 SCHs | |
|--|--|--------------------|--|------------------|---|-------------------|
| | <u>FY 2007</u> | <u>FY 2008</u> | <u>FY 2007</u> | <u>FY 2008</u> | <u>FY 2007</u> | <u>FY 2008</u> |
| UT Arlington <i>w/energy charge included</i> | 8.29% 9.98% | 9.95% 9.78% | \$ 245 | \$ 319 | \$ 50 | \$ 50 |
| UT Austin (Liberal Arts) <i>w/energy charge included</i> | 5.13% 9.44% | 3.27% 0.52% | \$ 179 \$ 329 | \$ 120 \$ 20 | \$ 150 | \$ 50 |
| UT Brownsville | 12.86% | 0.23% ¹ | \$ 250 | \$ 5 | N/A | N/A |
| UT Dallas <i>w/energy charge included</i> | 7.29% 11.68% | 6.00% 1.83% | \$ 249 \$ 399 | \$ 220 \$ 70 | \$ 150 | \$ - ² |
| UT El Paso | 7.67% | 6.67% | \$ 188 | \$ 176 | N/A | N/A |
| UT Pan American | 19.65% | 12.29% | \$ 342 | \$ 256 | N/A | N/A |
| UT Permian Basin <i>w/energy charge included</i> | 6.51% 8.97% | 7.47% 7.30% | \$ 135 \$ 186 | \$ 165 \$ 165 | \$ 51 | \$ 51 |
| UT San Antonio <i>w/energy charge included</i> | 9.95% 11.58% | 8.74% 8.29% | \$ 276 \$ 321 | \$ 266 \$ 256 | \$ 45 | \$ 35 |
| UT Tyler | 9.93% | 7.49% | \$ 211 | \$ 175 | N/A | N/A |

¹ UT Brownsville proposes to cap tuition and fees at 14 semester credit hours. A UTB student taking 14 SCHs would see a 6.1% increase.

² UT Dallas proposes to charge the energy fee only in 2006-2007.

UT System Academic Institutions Tuition Proposals for Academic Years 2006-2007 and 2007-2008

Key Features of Institutional Proposals

UT Arlington

UT Arlington proposes to consolidate most course and program fees into a single rate and cap charges at 14 semester credit hours (SCHs); additional hours are at no cost to student. In addition, the College of Business would institute an enhanced designated tuition charge in order to provide funds to hire additional faculty to meet accreditation requirements.

UT Arlington proposes to expand eligibility for its \$200 per year tuition rebates to students completing 28 semester credit hours in two full terms; currently, 30 SCHs are required. The proposal also would set aside an additional \$500,000 for need-based grants (in addition to the required 20 percent set-aside); provide a “bonus grant” of between \$500 and \$1,000 to students who receive need-based grants who attempt at least 14 SCHs per semester; and provide more assistance to middle class students. Additional tuition revenue would allow need-based grants to go to students with up to \$7,500 per year in expected family contribution, up from \$6,000 today.

UT Austin

UT Austin proposes to continue to fix all fees at 2004-2005 levels. Increases in flat rate amounts are charged as designated tuition and are subject to the financial aid set-aside requirements.

UT Austin recommends temporary suspension of enrollment reduction plans to help address its budget shortfall. Enrollment would remain at about 49,500 during the two-year period.

UT Austin will dedicate \$2 million in 2007-2008 to pay for a portion of the cost for replacing the Experimental Sciences Building (additional funding from TRBs or PUF bonds will be required).

UT Austin will continue financial assistance to cover increased tuition costs for students from families making up to \$80,000 per year. Additional funding also would be provided through B-On-Time loans and tuition assistance for teaching assistants.

UT Austin recommends that non-resident undergraduate tuition be comparable to the rates of its competitive peer institutions. On average, nonresident rates at a selected group of peer universities (Berkeley, Michigan, Ohio State, Virginia, and Washington) are 3.2 times the resident rate. UT Austin recommends an increase that would make tuition for *new* non-resident students roughly equal to 3.2 times the resident tuition. The increase

would be phased in over a two-year period, with approximately half the increase to be implemented in 2006-07 and the balance in 2007-08. *Continuing* nonresident students would see an 8 percent increase in 2006-2007 and a four percent increase in 2007-2008. The lower increases for continuing nonresident students will allow them to continue their education and complete their degrees at UT Austin without experiencing an unmanageable increase in the cost of their education.

UT Brownsville

Beginning in Fall 2007, UTB will charge students taking 14 or more semester credit hours a flat rate. Last year, the institution implemented a flat fee for students taking 15 or more credits, leading to a 30.6% increase in students taking 15 or more credits during fall 2005 compared to Fall 2004.

UTB will discount designated tuition and certain fees by 25% for students who enroll in 7:00 a.m. or earlier classes or Saturday classes, and a discount of 10% to students enrolling in classes from noon to 4:00 p.m.

Even with proposed increases, charges at UTB remain among the lowest of any university in Texas.

UT Dallas

New undergraduate students entering UT Dallas for the first time in 2007-08 would be guaranteed fixed tuition and academic fees for four years. The tuition and fee rates for new students in 2007-08 would be 13% higher than the 2006-07 rates, an increase equivalent to an average minimum increase of 5% per year compounded over 4 years.

UTD proposes to move towards flatter tuition and fee charges, with the aim of encouraging students to take more courses per semester and, thus, to save money and graduate sooner. There are no added tuition and fee costs for enrolling for SCH in excess of the full-time level of 15 SCH.

UTD proposes to compensate for the higher costs of engineering and management education by initiating supplemental fees for enrollment in these classes.

UTD plans to develop programs with local community colleges for qualified students who are struggling to afford UTD such that the admitted student can enroll at a community college for 2 years, and then at UTD for their final 2 years, at the tuition rate applicable when they first enrolled at the community college.

UT El Paso

In fall 2006, UTEP will pilot a new voluntary Guaranteed Tuition Rate Plan that will provide entering freshmen who qualify for and select the program a guaranteed tuition and mandatory fee rate of \$194 per credit hour for four years. The plan will require students to take at least 30 credits each academic year and thus will encourage graduation in as close to four years as degree requirements permit. Entering freshmen in fall 2007 will pay \$208 per credit hour.

UT Pan American

UTPA plans to promote timely graduation by offering eligible students a Graduate on Time Tuition Scholarship (GOTTS) upon successful completion of 15 or more hours towards their degree program during a fall or spring semester. For need-based recipients, the scholarship would be funded by the university's financial assistance set-asides. Current projections indicate recipients could be awarded GOTTS scholarships in the amount of \$200 per semester.

UTPA's proposal would raise tuition and fees substantially, but even after the proposed increases, the FY 2008 total tuition and mandatory fees at UTPA will remain below the *current* FY 2006 tuition and mandatory fees charged at many Texas public universities, and would be the second lowest of any UT System institution.

UT Permian Basin

UTPB will continue its rebate program to encourage timely graduation. The Cash for College program begun two years ago is funded with tuition revenues and provides a \$400 senior year credit for each prior year in which a student completes 30 credits between September and August. From spring 2004 through summer 2005, 250 UTPB students have benefited from Cash for College, earning over \$102,000 in tuition rebates.

UT San Antonio

UTSA will use additional funds generated for the set-aside for need-based students to increase work-study opportunities on campus, including the hiring of peer mentors for students on academic probation and part-time student employees in the Child Development Center. The Center offers childcare to children of students, faculty and staff. Funds will also be used to increase grants and scholarships.

UTSA will dedicate \$500,000 in funds for students who do not meet financial aid income guidelines (i.e. "middle income" or international students). UTSA also will provide funds for a loan program for students who plan to teach, with a portion of the loan forgiven each year that a graduate teaches in a Texas public school. Plans are being finalized with the College of Education and Human Development to begin implementing this program in spring 2006.

UT Tyler

Mandated set-asides from increases in designated tuition will provide additional resources in excess of \$250,000 each year for the following financial aid programs: B-On-Time student loan, Education Affordability Grants (middle income students), Working to Success Institutional Work Study Program, Free Senior Semester Tuition Incentive/Rebate, Final Semester Tuition Incentive/Rebate, Graduate Retention Free Tuition Award, and Weekend Course Savings Rebate.

Even with the proposed increases in tuition and required fees, UT Tyler's total tuition and required fees will continue to remain well below the statewide average.

The University of Texas at Arlington Tuition Proposal for FY 2007 and FY 2008

The University of Texas at Arlington proposes a model which combines all tuition, mandatory fees, and most course and college fees into one rate for each credit hour load. Additionally, the plan has a declining rate per SCH which caps at a 14-semester credit hour load. Students taking more than 14 hours will enroll in the extra hours at no additional cost, enabling considerable savings per hour at the higher course loads. The proposed rates are attached (Exhibit A). Benefits of the proposal include: simplification of the University's pricing structure, increased price predictability for parents and students, and incentives for full-time enrollment.

The Tuition Review Committee, chaired by the Student Congress President, met four times during the fall 2005 semester. The committee is composed primarily of students, along with two faculty representatives, one parent, and two University administrators.

One of the meetings was an open forum meeting, attended by the Provost and the Vice President for Business Affairs. This meeting, which lasted over three hours, resulted in a detailed discussion of a wide range of issues. The Tuition Review Committee endorsed the essential ingredients of the University's proposal but also proposed several changes which have been incorporated in this revised proposal presented herein (Exhibit B).

The following core principles guided the development of the tuition proposal: (1) cost control or avoidance, (2) any rate increase must be the minimum needed to meet the University's needs, (3) the rate must become more predictable for parents and students, and (4) the proposal must support the University's strategic goals.

Cost Control

Cost cutting and operational efficiency measures have been implemented on several fronts. In the Physical Plant, a load aggregation agreement for the procurement of electricity with Constellation Energy saved (cost avoidance) the University over \$4.75 million in FY 2005. This agreement was a collaborative effort between UT Arlington, UT Dallas, UTSMC-Dallas, UT Tyler, UTHC-Tyler, and UT Permian Basin that locked in a fixed price of \$0.058 per Kwh compared to market rates of over \$0.12/Kwh. The Physical Plant has adopted additional energy conservation retrofit measures, as well as changes to the vehicle fleet management program and shift changes in the Preventive Maintenance Program that have saved another \$500,000. For future savings, the University will be implementing an Energy Performance Contract in 2006 totaling \$15 million with a payback period of approximately 6.6 years.

Several initiatives in the Environmental Health and Safety Office resulted in savings or revenue enhancements, including: expansion of the campus recycling program, safety training programs and a Return to Work Program within our Workers' Compensation Insurance Program reducing costs associated with claims and premiums, and substituting in-house personnel for contracting services in our fire alarm maintenance program. In combination, these measures saved the University more than \$200,000 on an annual basis.

We also achieved cost savings within our Telecommunications Department totaling \$261,000 annually by reconfiguring and reprogramming trunk lines and using laser connectivity between buildings rather than hardwire or lease options.

Finally, while the foregoing are specific examples of operational efficiencies achieved in the past year, they represent only selected illustrations of savings achieved. In fact, all campus departments strive for increased operational efficiencies on an ongoing basis.

Minimum Increase

The University's proposal is for the minimum increase necessary for the University to continue to adequately perform its mission. The need for our proposed tuition increase is underscored by the change in the formula weights utilized by the Legislature in the latest appropriation. Those changes cost UT Arlington over \$6 million this year compared to the old formula. Although other UT System institutions were adversely affected too, UT Arlington suffered the greatest proportionate loss in revenue because the new weights reduced funding for Engineering, Nursing and Education, all high enrollment programs.

The proposal provides for \$5 million in anticipated utility rate increases¹, a \$4.9 million faculty and staff merit pool, increased retirement matching for Optional Retirement Program employees hired after 1995, 10 new faculty positions with start up packages, increased compensation for summer school classes, expansion of the merit-based scholarship program, as well as increased debt service costs and insurance premiums. The proposal does not generate any new funds for investment in the University's Physical Plant, nor are there any new funds provided for additional debt retirement.

UTA currently charges "enhanced tuition" in the Colleges of Engineering and Nursing. Both fields have high costs of instruction and also offer relatively high starting salaries for graduates. We propose adding enhanced tuition for the College of Business Administration at the rate of an additional \$15 per SCH for upper division, undergraduate courses and \$30 per SCH for graduate courses.

¹ We request authority to assess a \$50 per student per semester utility fee beginning fall semester 2006 if justified by rising utility costs.

These funds are needed to add faculty lines so that we can meet AACSB accreditation requirements regarding faculty ratios. We also propose increasing the enhanced increment in Nursing from \$10 to \$20 per SCH for upper division undergraduate courses and from \$20 to \$30 per SCH for graduate courses. The highly competitive market in Nursing requires that we generate additional revenue to improve faculty salaries.

We propose adding enhanced tuition for lower-division Engineering courses at the rate of \$10 per SCH, beginning in fall 2007. Also in fall 2007, we propose raising enhanced tuition for upper-division Engineering courses from \$10 per SCH to \$15 per SCH and raising enhanced tuition for graduate Engineering from \$20 per SCH to \$25 per SCH.

The UTA Executive MBA Program

UTA's Executive MBA Program is a 15-month, 4-semester, 13-course module program and is accredited by the American Association of Colleges and Schools of Business. The 36 graduate credit hour program targets candidates with an accepted undergraduate degree, at least eight years of work experience with at least four of those in a managerial position. Classes are held alternating Friday and Saturday weekends for a total of 62 class meetings, one 4-day orientation, and a 13-day residency trip to China.

This program has a turn-key price of \$55,000 price that covers: orientation, tuition, labs, required software, all textbooks and course materials, continental breakfasts, lunches and dinners, the residency trip to China (dinner meals excluded), and computing/library facilities.

UTA's Executive MBA Program is scheduled to begin with an orientation program on August 23, 2006. The program will be offered at a convenient Fort Worth location with graduation in December 2007.

Tuition Predictability

The adoption of the flat rate model will greatly assist students and families in understanding and predicting the cost of attending The University of Texas at Arlington. Students will no longer be charged for course or college level fees. The only fees that will be charged separately are those fees that are not instructionally related, such as late payment fees, transcript fees, or diploma fees, as well as distance education fees, overnight field trip fees, and music fees used to hire private instructors. We also will study the feasibility of establishing four-year tuition price guarantees so that students could enter as freshmen at a specified tuition price and that price would remain in effect for four years leading to expected graduation. A decision on tuition guarantees will be made during the FY 2008 academic year. The Tuition Review Committee requested that the

University defer some of proposed increase from FY 2007 to FY 2008. In response to this request, we shifted some of the proposed increase for FY 2007 to FY 2008. Under this proposal for the first time students will know the exact cost of attendance for the next two academic years.

Proposal Supports UTA's Strategic Goals

Several features of the new tuition proposal encourage students to take more hours and graduate on time. Specifically, the rate per credit hour declines as students take more hours, becoming flat at 14 credit hours. This provides an incentive for students to attend full-time but also encourages those students who can only enroll part-time to take more hours. In addition, the current \$200 tuition credit for students who complete 15 or more hours in two consecutive long semesters with a 2.25 GPA would be expanded to include those who complete 14 or more hours in two consecutive long semesters. In addition, we are proposing an increase in the tuition credit from \$200 per year to \$500 per year as well as raising the minimum required GPA from 2.25 to 2.5. Thus students successfully completing 28 hours over two long semesters would receive a tuition credit of \$500. Over four years students could earn up to \$2000 in tuition credit. This is intended not only to reduce tuition for students but also to encourage timely graduation.

The tuition proposal is designed to provide resources critical to maintain and enhance the quality of academic programs and services. Specifically, revenue from the tuition increase will fund expansion of faculty lines necessary to maintain reasonable class sizes and meet accreditation standards. In addition, tuition revenue will fund a merit pool for faculty and staff salary increases. Faculty turnover has become increasingly problematic in recent years as salaries are below market. Funds for a raise pool will enable us to take an important incremental step toward improving salaries.

The existing \$3 per credit hour discount for on-time payment of tuition proved highly successful and will be continued. Approximately 51% of students paid on time, an increase of nearly 10% over the prior year.

In addition to the mandated need-based set aside, \$500,000 in tuition revenue will be added for merit-based scholarships supporting the strategic goal of enhancing the University's academic profile.

Finally, the University will have expanded financial aid resources available under the proposal. By FY 2008 UTA will redirect more than \$12 million per year towards need-based scholarships, funds that would not have been available without tuition deregulation. Summer grants would be increased by a minimum of \$500 and would vary depending on hours attempted to assist students in taking summer courses.

UTA will expand the number of students who are eligible for grant assistance. Currently the University uses federal methodology to calculate grant eligibility. Students with Expected Family Contributions (EFC) of \$6,000 or less are grant eligible. The University would use a significant portion of these funds to increase the EFC level to \$7,500, enabling us to award grant funds to many middle income students who currently do not meet the eligibility criteria. Minimum annual awards would be \$1,200.

The proposal also increases the need based grant funds available to graduate students by a minimum of \$500 annually.

Conclusion

This two-year flat-rate tuition proposal constitutes a critical component necessary to achieve the strategic goals of UT Arlington. Proposed tuition increases are tempered by enhanced financial aid and incentives for successful completion of higher course loads at reduced costs, thus leading to more timely graduation. Even with the tuition increases proposed, the cost of attending UT Arlington would remain lower than peer institutions.

Exhibit A

| SCH | FY 2007 Rate | FY 2008 Rate |
|------|--------------|--------------|
| 1 | 380 | 414 |
| 2 | 622 | 678 |
| 3 | 840 | 916 |
| 4 | 1,045 | 1,139 |
| 5 | 1,270 | 1,384 |
| 6 | 1,519 | 1,656 |
| 7 | 1,759 | 1,917 |
| 8 | 2,009 | 2,190 |
| 9 | 2,260 | 2,463 |
| 10 | 2,509 | 2,735 |
| 11 | 2,709 | 2,953 |
| 12 | 2,965 | 3,232 |
| 13 | 3,109 | 3,389 |
| 14 * | 3,200 | 3,597 |
| 15 * | 3,200 | 3,597 |
| 16 * | 3,200 | 3,597 |
| 17 * | 3,200 | 3,597 |
| 18 * | 3,200 | 3,597 |
| 19 * | 3,200 | 3,597 |
| 20 * | 3,200 | 3,597 |
| 21 * | 3,200 | 3,597 |

* At credit loads of 14 hours and above students will be eligible for a \$100 per semester credit with a maximum of \$800 by graduation.

This credit reduces the cost of tuition by as much as \$200 per year.

Exhibit B



THE UNIVERSITY OF TEXAS AT ARLINGTON

STUDENT GOVERNANCE AND ORGANIZATIONS OFFICE
STUDENT CONGRESS

MEMORANDUM

December 3, 2005

To: President Jim Spaniolo
From: Joshua Sawyer – Tuition Review Committee Chair
Re: Tuition Review Committee Recommendation for FY 2007-2008

Over the last few weeks, the Tuition Review Committee has held meetings and deliberations for the tuition proposal for FY 2007 – FY 2008 (academic years beginning September 1, 2006). After several question and answer meetings the committee met on December 1, 2005 and came to this final recommendation.

The committee recommends accepting the flat-rate tuition system, with the stipulation that the tuition setting process included with this report be accepted. The committee would like to stress the importance of keeping student involvement in the tuition and fee setting process in the future. They also want to be sure that the Student Service Fee Advisory Committee will continue to operate as it has in the past.

Also, the committee would like to ask for more resources to be put towards the advising and education of students who wish to take 14 hours or more in a semester under the flat-rate system. The committee feels that the flat-rate system could be more successful with better education and counsel on taking over 14 hours. This would ensure that UT-Arlington does not lose students who cannot handle taking 14 hours or more, but try to take such hours due to flat-rate tuition.

As for the tuition increases, the committee would like to see a staggering of tuition increase over the next two years. If it is feasible, we would like to see more of an even increase over the two years, rather than having the increase on the front-end. The committee fears that such an increase, in such short time, could really hinder some students from continuing at a steady pace toward graduation.

The funding from these increases should be used on the following:

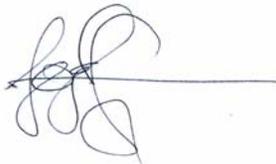
- Merit Scholarships for Graduate & Undergraduate students, both current and new students.
- Provide additional need-based financial aid
- New faculty and staff hiring
- Merit raises for selected faculty and staff
- Increased energy costs
- Implementation of recommendations in the Campus Master Plan Committee
- Increase campus security investment

The committee would also like for some of the funds set aside for merit-based scholarships be put towards current students that may be close to graduating, or do not qualify for need-based financial aid. This could, in effect, help offset some of the burden on these students, rather than giving all the generated funds to just new students.

The committee further recommends that the hour requirement for the tuition credit be changed from 30 hours to 28 hours. This change is asked so that students in more technical fields could benefit from this credit. Many Architecture and Engineering students take 14 hours due to their college's hour structure.

Lastly, the committee recommends the investigation of putting scholarship requirements on any future four year "locked in" or "guaranteed" tuition rates.

All of the before-mentioned recommendations and the tuition setting process proposal were approved unanimously by the Tuition Review Committee. We request they be accepted as a whole document. If you have any questions regarding the recommendations or the tuition setting process proposal, please contact me as soon as possible.



Josh Sawyer
Tuition Review Committee Chair

February 24, 2006

Chancellor Mark G. Yudof
The University of Texas System
OHH 404 (P4100)

Dr. Teresa A. Sullivan
Executive Vice Chancellor for Academic Affairs
The University of Texas System
OHH 3rd Floor (P4300)

Subject: Modification to General Tuition Recommendations

Dear Mark and Terry:

On December 1, 2005, President Faulkner* submitted recommendation regarding tuition for The University of Texas at Austin for the 2006-07 and 2007-08 academic years. I suggest two modifications to the recommendations. Before outlining these modifications, I want to highlight some of the accomplishments that have been made possible from tuition increases in the past.

- *Reducing the Student-Faculty Ratio*--New funds have enabled the University to continue its initiative to add 30 new faculty positions (beyond normal replacement) each year in order to reduce the student-faculty ratio. From 2000 to fall 2005, we have added 129 new tenure and tenure-track faculty, and we are in the process of recruiting nearly two dozen more. This has resulted in improved course availability, greater program innovation, and an enhanced instructional environment for students. These new faculty members and the programmatic initiatives they support have also enhanced our ability to attract Federal research dollars to Texas.
- *Compensation Program Progress*--New funds have enabled the University to provide competitive merit salary increases for our staff and faculty, improving our ability to recruit and retain quality talent. Intense competition throughout higher education makes competitive compensation critical to recruiting and retaining the best. In addition, our ability to make competitive retention packages to counteract outside offers is important because it is much less expensive to retain outstanding faculty than to be forced to recruit new faculty.

- *Repair and Renovation*--We have used a modest amount of new funding to repair and renovate instructional facilities on our aging campus. This is especially critical to efforts to recruit and retain the best faculty in the sciences, engineering, and related laboratory-intensive fields.
- *Flat-rate tuition and increased student course load*--Following the success of our pilot program of flat-rate tuition in the colleges of Natural Sciences and Liberal Arts, a flat-rate tuition billing structure was implemented for all undergraduate students in the fall of 2005. This strategy is increasing average student course load. There was a 12 percent increase in the number of students taking 14 or more semester hours in the pilot program colleges. This will ultimately lead to improved four-year and six-year graduation rates. During the past three years, our four-year graduation rate has increased from 41.7 percent to 46.9 percent.
- *Increased Financial Aid*--As tuition has increased, we have protected students from lower and middle-income families from higher costs by increasing financial aid. Students from families earning \$40,000 per year or less pay no more than they did prior to tuition deregulation. Students from families earning as much as \$80,000, which is one and a half times the median income in Texas, pay only a fraction more than they would have prior to tuition deregulation.

I believe that these highlights demonstrate that the increased monies realized from new tuition have been deployed for the public good and are critical to our mission. Meanwhile, we continue to produce approximately 13,000 degree-holding graduates for the state and the nation each year.

With this progress in mind, I offer for your consideration two modifications of the recommendations contained in President Faulkner's December 1, 2005 letter. The first deals with non-resident tuition, and the second with the linkage of tuition rates to general revenue appropriations.

Non-Resident Undergraduate Tuition: Historically, UT Austin has offered low undergraduate non-resident tuition in comparison with its national peer institutions. The resulting diversity of resident, non-resident, and foreign undergraduates contributes significantly to the educational experience of all students. However, it is reasonable to expect non-residents to pay their fair share of the cost of their education.

I recommend that the 2006-07 flat-rate tuition for **continuing** non-resident undergraduate students be increased by 8 percent above the applicable 2005-06 flat-rate for all colleges--except in the College of Pharmacy. I recommend that tuition in the College of Pharmacy, which already charges a significantly higher rate than other colleges, remain at the rates described in the December 1 letter. (This would represent a 5.8 or 5.9 percent increase depending on when the student entered.) This new 8

percent recommendation will increase costs in excess of the December 1 recommendation by \$3 to \$139 per semester, depending on the college and the semester of entry. For the 2007-08 academic year, I recommend an increase of 4 percent above the 2006-07 rates for all colleges. These increases will permit non-resident students who are already enrolled to continue their education and complete their degrees at UT Austin without experiencing an unmanageable increase in the cost of their education.

However, I have a different recommendation for *new* non-resident undergraduate students. In my view, non-resident undergraduate tuition should be comparable to the rates of our competitive peer institutions. On average, non-resident rates at a selected group of peer universities (Berkeley, Michigan, Ohio State, Virginia, and Washington) are 3.2 times the resident rate. I recommend an increase that would make tuition for new non-resident students roughly equal to 3.2 times our resident tuition. I further recommend that this increase be phased in over a two-year period, with approximately half the increase to be implemented in 2006-07 and the balance in 2007-08.

The undergraduate flat-rate tuition levels and graduate/professional program rates for the 2006-07 and 2007-08 academic years for UT Austin, including the changes recommended here, are provided in Appendix A.

UT-Austin is still a bargain. For 2005-06, the most recent year for which there is complete data, resident undergraduate tuition at UT ranks 9th among the 12 institutions in our national comparison group. Non-resident undergraduate tuition in 2005-06 is the lowest among the national comparison group. With the proposed increases for 2006-07, the resident undergraduate rate will remain in the bottom half of the comparison group. Non-resident undergraduate tuition should fall near the median of the comparison group for 2006-07 and will move higher in 2007-08.

Linkage of Tuition Rates to General Revenue Appropriations: Second, I believe the University must work cooperatively with the Legislature regarding state appropriations for higher education. At the same time, I believe we should work with students and the entire University community to develop our recommendations for changes in tuition. Both appropriations and tuition are important funding sources. However, I do not think that it is productive to link the level of funding from either of these sources to the other.

I have met with the students and other members of the Tuition Policy Advisory Committee and discussed this matter with them. I believe they fully understand and accept my reasoning. Accordingly, I recommend that all proposed linkages between legislative appropriations for higher education and tuition rates be deleted from the final tuition recommendations to the Board of Regents. While eliminating this link may introduce some short-term financial risk for the University, I consider the risk

Chancellor Mark G. Yudof
Executive Vice Chancellor Teresa A. Sullivan
Page 5
February 24, 2006

U. T. Austin Proposed Tuition Plan
3/28/3006
Page 4 of 24

acceptable, and I am confident that we will be able to work with the Legislature to develop an understanding of future legislative funding sufficient to inform long-term financial planning for the University.

I hope this revised recommendation is helpful, and I ask your support. The enclosed charts contain detailed tuition recommendations for all categories of students. Please let me know if you want to discuss this further or want me to provide more information.

Sincerely,

William Powers, Jr.
President

Enclosures

UNDERGRADUATE FLAT-RATE TUITION for 2006-07

Cost of education per semester (Fall and Spring)
 (Submitted Feb. 2006)

Undergraduate Resident per Semester

| | Flat Rate Tuition 2005-06 | Flat Rate Tuition for 2006-07 | Semester Increase | |
|------------------|---------------------------------|-------------------------------------|-------------------|--------------------|
| | | | Energy | Essential Needs |
| Architecture | 3,512 | 3,912 | 150 | 250 |
| Business | 3,856 | 4,344 | 150 | 338 |
| Communication | 3,648 | 3,996 | 150 | 198 |
| Education | 3,587 | 3,990 | 150 | 253 |
| Engineering | 3,842 | 4,216 | 150 | 224 |
| Fine Arts | 3,690 | 4,078 | 150 | 238 |
| Geosciences | 3,646 | 4,021 | 150 | 225 |
| Liberal Arts | 3,486 | 3,815 | 150 | 179 |
| Natural Sciences | 3,646 | 3,988 | 150 | 192 |
| Nursing | 3,652 | 4,045 | 150 | 243 |
| Pharmacy | 4,437 | 4,973 | 150 | 386 |
| Social Work | 3,549 | 3,934 | 150 | 235 |

Undergraduate Early Nonresident per Semester

(Entered Spring 2004 or earlier)

| | Flat Rate Tuition 2005-06 | Flat Rate Tuition for 2006-07 | Semester Increase | |
|------------------|---------------------------------|-------------------------------------|-------------------|--------------------|
| | | | Energy | Essential Needs |
| Architecture | 7,555 | 8,159 | 150 | 454 |
| Business | 8,261 | 8,922 | 150 | 511 |
| Communication | 7,905 | 8,537 | 150 | 482 |
| Education | 7,911 | 8,544 | 150 | 483 |
| Engineering | 8,151 | 8,803 | 150 | 502 |
| Fine Arts | 7,996 | 8,636 | 150 | 490 |
| Geosciences | 7,931 | 8,565 | 150 | 484 |
| Liberal Arts | 7,736 | 8,355 | 150 | 469 |
| Natural Sciences | 7,931 | 8,565 | 150 | 484 |
| Nursing | 7,811 | 8,436 | 150 | 475 |
| Pharmacy | 12,038 | 12,744 | 150 | 556 |
| Social Work | 8,208 | 8,865 | 150 | 507 |

Undergraduate Intermediate Nonresident per Semester

(Entered after Spring 2004 and before Summer 2006)

| | Flat Rate Tuition 2005-06 | Flat Rate Tuition for 2006-07 | Semester Increase | |
|------------------|---------------------------------|-------------------------------------|-------------------|--------------------|
| | | | Energy | Essential Needs |
| Architecture | 7,974 | 8,612 | 150 | 488 |
| Business | 8,680 | 9,374 | 150 | 544 |
| Communication | 8,324 | 8,990 | 150 | 516 |
| Education | 8,330 | 8,996 | 150 | 516 |
| Engineering | 8,570 | 9,256 | 150 | 536 |
| Fine Arts | 8,415 | 9,088 | 150 | 523 |
| Geosciences | 8,350 | 9,018 | 150 | 518 |
| Liberal Arts | 8,155 | 8,807 | 150 | 502 |
| Natural Sciences | 8,350 | 9,018 | 150 | 518 |
| Nursing | 8,230 | 8,888 | 150 | 508 |
| Pharmacy | 12,457 | 13,180 | 150 | 573 |
| Social Work | 8,627 | 9,317 | 150 | 540 |

Undergraduate New Nonresident per Semester

(Entered after Spring 2006)

| | Flat Rate Tuition 2005-06 | Flat Rate Tuition for 2006-07 | Semester Increase | |
|------------------|---------------------------------|-------------------------------------|-------------------|--------------------|
| | | | Energy | Essential Needs |
| Architecture | 7,974 | 10,246 | 150 | 2,122 |
| Business | 8,680 | 11,290 | 150 | 2,460 |
| Communication | 8,324 | 10,556 | 150 | 2,082 |
| Education | 8,330 | 10,549 | 150 | 2,069 |
| Engineering | 8,570 | 11,031 | 150 | 2,311 |
| Fine Arts | 8,415 | 10,732 | 150 | 2,167 |
| Geosciences | 8,350 | 10,609 | 150 | 2,109 |
| Liberal Arts | 8,155 | 10,182 | 150 | 1,877 |
| Natural Sciences | 8,350 | 10,556 | 150 | 2,056 |
| Nursing | 8,230 | 10,587 | 150 | 2,207 |
| Pharmacy | 12,457 | 14,185 | 150 | 1,578 |
| Social Work | 8,627 | 10,608 | 150 | 1,831 |

GRADUATE ACADEMIC SUSTAINABILITY TUITION FOR 2006-07

(Submitted Feb. 2006)

Graduate Resident AST per Semester

| | Average Tuition/Fees 2005-06 | AST 2005-06 | AST 2006-07 | AST Increase | |
|------------------|------------------------------------|----------------|----------------|--------------|--------------------|
| | | | | Energy | Essential Needs |
| Architecture | 3,575 | 834 | 1,220 | 150 | 236 |
| Business | 2,786 | 834 | 1,135 | 150 | 151 |
| Communication | 3,277 | 834 | 1,168 | 150 | 184 |
| Education | 2,950 | 834 | 1,189 | 150 | 205 |
| Engineering | 3,250 | 834 | 1,195 | 150 | 211 |
| Fine Arts | 3,217 | 834 | 1,212 | 150 | 228 |
| Geosciences | 2,914 | 834 | 1,195 | 150 | 211 |
| Information | 3,016 | 834 | 1,202 | 150 | 218 |
| Liberal Arts | 2,764 | 834 | 1,150 | 150 | 166 |
| Natural Sciences | 2,820 | 834 | 1,165 | 150 | 181 |
| Nursing | 3,313 | 834 | 1,213 | 150 | 229 |
| Pharmacy | 2,989 | 834 | 1,135 | 150 | 151 |
| Public Affairs | 3,283 | 834 | 1,218 | 150 | 234 |
| Social Work | 3,638 | 834 | 1,205 | 150 | 221 |

Graduate Continuing Nonresident AST per Semester

(Entered Spring 2004 or earlier)

| | Average Tuition/Fees 2005-06 | AST 2005-06 | AST 2006-07 | AST Increase | |
|------------------|------------------------------------|----------------|----------------|--------------|--------------------|
| | | | | Energy | Essential Needs |
| Architecture | 7,214 | 1,048 | 1,546 | 150 | 348 |
| Business | 5,432 | 1,048 | 1,461 | 150 | 263 |
| Communication | 6,233 | 1,048 | 1,494 | 150 | 296 |
| Education | 6,093 | 1,048 | 1,515 | 150 | 317 |
| Engineering | 6,101 | 1,048 | 1,521 | 150 | 323 |
| Fine Arts | 6,212 | 1,048 | 1,538 | 150 | 340 |
| Geosciences | 6,013 | 1,048 | 1,521 | 150 | 323 |
| Information | 6,267 | 1,048 | 1,528 | 150 | 330 |
| Liberal Arts | 5,530 | 1,048 | 1,476 | 150 | 278 |
| Natural Sciences | 5,571 | 1,048 | 1,491 | 150 | 293 |
| Nursing | 6,423 | 1,048 | 1,539 | 150 | 341 |
| Pharmacy | 5,710 | 1,048 | 1,461 | 150 | 263 |
| Public Affairs | 6,639 | 1,048 | 1,544 | 150 | 346 |
| Social Work | 7,468 | 1,048 | 1,531 | 150 | 333 |

* Academic Sustainability Tuition

Graduate New Nonresident AST per Semester
 (Entered after Spring 2004)

| | Average Tuition/Fees 2005-06 | AST 2005-06 | AST 2006-07 | AST Increase | |
|------------------|------------------------------------|----------------|----------------|--------------|--------------------|
| | | | | Energy | Essential Needs |
| Architecture | 7,633 | 1,467 | 1,982 | 150 | 365 |
| Business | 5,851 | 1,467 | 1,897 | 150 | 280 |
| Communication | 6,652 | 1,467 | 1,930 | 150 | 313 |
| Education | 6,512 | 1,467 | 1,951 | 150 | 334 |
| Engineering | 6,520 | 1,467 | 1,957 | 150 | 340 |
| Fine Arts | 6,631 | 1,467 | 1,974 | 150 | 357 |
| Geosciences | 6,432 | 1,467 | 1,957 | 150 | 340 |
| Information | 6,686 | 1,467 | 1,964 | 150 | 347 |
| Liberal Arts | 5,949 | 1,467 | 1,912 | 150 | 295 |
| Natural Sciences | 5,990 | 1,467 | 1,927 | 150 | 310 |
| Nursing | 6,842 | 1,467 | 1,975 | 150 | 358 |
| Pharmacy | 6,129 | 1,467 | 1,897 | 150 | 280 |
| Public Affairs | 7,058 | 1,467 | 1,980 | 150 | 363 |
| Social Work | 7,887 | 1,467 | 1,967 | 150 | 350 |

PROFESSIONAL PROGRAM ACADEMIC SUSTAINABILITY TUITION FOR 2006-07
 (Submitted Feb. 2006)

LAW AST per Semester

| | Average Tuition/Fees 2005-06 | AST 2005-06 | AST 2006-07 | AST Increase | |
|--|------------------------------|-------------|-------------|--------------|-----------------|
| | | | | Energy | Essential Needs |
| Resident | 8,383 | 1,024 | 1,916 | 150 | 742 |
| Continuing Nonresident (Entered Spring 2004 or before) | 14,057 | 1,379 | 2,861 | 150 | 1,332 |
| New Nonresident (Entered after Spring 2004) | 14,476 | 1,798 | 3,280 | 150 | 1,332 |

MBA/MPA / PPA AST per Semester

| | Average Tuition/Fees 2005-06 | AST 2005-06 | AST 2006-07 | AST Increase | |
|--|------------------------------|-------------|-------------|--------------|-----------------|
| | | | | Energy | Essential Needs |
| Resident | 6,551 | 1,028 | 2,130 | 150 | 952 |
| Continuing Nonresident (Entered Spring 2004 or before) | 15,947 | 1,493 | 2,642 | 150 | 999 |
| New Nonresident (Entered after Spring 2004) | 16,366 | 1,912 | 3,061 | 150 | 999 |

PharmD AST per Semester

| | Average Tuition/Fees 2005-06 | AST 2005-06 | AST 2006-07 | AST Increase | |
|--|------------------------------|-------------|-------------|--------------|-----------------|
| | | | | Energy | Essential Needs |
| Resident | 5,291 | 941 | 1,543 | 150 | 452 |
| Continuing Nonresident (Entered Spring 2004 or before) | 12,096 | 1,484 | 2,358 | 150 | 724 |
| New Nonresident (Entered after Spring 2004) | 12,515 | 1,903 | 2,777 | 150 | 724 |

UNDERGRADUATE FLAT-RATE TUITION for 2007-08

Cost of education per semester (Fall and Spring)

(Submitted Feb. 2006)

Undergraduate Resident per Semester

| | Flat Rate Tuition for 2006-07 | Flat Rate Tuition for 2007-08 | Semester Increase | |
|------------------|-------------------------------------|-------------------------------------|-------------------|--------------------|
| | | | Energy | Essential Needs |
| Architecture | 3,912 | 3,945 | -100 | 133 |
| Business | 4,344 | 4,454 | -100 | 210 |
| Communication | 3,996 | 4,019 | -100 | 123 |
| Education | 3,990 | 4,020 | -100 | 130 |
| Engineering | 4,216 | 4,292 | -100 | 176 |
| Fine Arts | 4,078 | 4,154 | -100 | 176 |
| Geosciences | 4,021 | 4,068 | -100 | 147 |
| Liberal Arts | 3,815 | 3,835 | -100 | 120 |
| Natural Sciences | 3,988 | 4,030 | -100 | 142 |
| Nursing | 4,045 | 4,127 | -100 | 182 |
| Pharmacy | 4,973 | 5,127 | -100 | 254 |
| Social Work | 3,934 | 4,000 | -100 | 166 |

Undergraduate Early Nonresident per Semester

(Entered Spring 2004 or earlier)

| | Flat Rate Tuition for 2006-07 | Flat Rate Tuition for 2007-08 | Semester Increase | |
|------------------|-------------------------------------|-------------------------------------|-------------------|--------------------|
| | | | Energy | Essential Needs |
| Architecture | 8,159 | 8,486 | -100 | 426 |
| Business | 8,922 | 9,279 | -100 | 457 |
| Communication | 8,537 | 8,879 | -100 | 441 |
| Education | 8,544 | 8,886 | -100 | 442 |
| Engineering | 8,803 | 9,155 | -100 | 452 |
| Fine Arts | 8,636 | 8,981 | -100 | 445 |
| Geosciences | 8,565 | 8,908 | -100 | 443 |
| Liberal Arts | 8,355 | 8,689 | -100 | 434 |
| Natural Sciences | 8,565 | 8,908 | -100 | 443 |
| Nursing | 8,436 | 8,773 | -100 | 437 |
| Pharmacy | 12,744 | 13,254 | -100 | 610 |
| Social Work | 8,865 | 9,219 | -100 | 455 |

Undergraduate Intermediate Nonresident per Semester

(Entered after Spring 2004 and before Summer 2006)

| | Flat Rate Tuition for 2006-07 | Flat Rate Tuition for 2007-08 | Semester Increase | |
|------------------|-------------------------------------|-------------------------------------|-------------------|--------------------|
| | | | Energy | Essential Needs |
| Architecture | 8,612 | 8,956 | -100 | 444 |
| Business | 9,374 | 9,749 | -100 | 475 |
| Communication | 8,990 | 9,350 | -100 | 460 |
| Education | 8,996 | 9,356 | -100 | 460 |
| Engineering | 9,256 | 9,626 | -100 | 470 |
| Fine Arts | 9,088 | 9,452 | -100 | 464 |
| Geosciences | 9,018 | 9,379 | -100 | 461 |
| Liberal Arts | 8,807 | 9,160 | -100 | 452 |
| Natural Sciences | 9,018 | 9,379 | -100 | 461 |
| Nursing | 8,888 | 9,244 | -100 | 456 |
| Pharmacy | 13,180 | 13,707 | -100 | 627 |
| Social Work | 9,317 | 9,690 | -100 | 473 |

Undergraduate New Nonresident per Semester

(Entered after Spring 2006)

| | Flat Rate Tuition 2006-07 | Flat Rate Tuition for 2007-08 | Semester Increase | |
|------------------|---------------------------------|-------------------------------------|-------------------|--------------------|
| | | | Energy | Essential Needs |
| Architecture | 10,246 | 12,624 | -100 | 2,478 |
| Business | 11,290 | 14,253 | -100 | 3,062 |
| Communication | 10,556 | 12,861 | -100 | 2,405 |
| Education | 10,549 | 12,864 | -100 | 2,415 |
| Engineering | 11,031 | 13,734 | -100 | 2,804 |
| Fine Arts | 10,732 | 13,293 | -100 | 2,661 |
| Geosciences | 10,609 | 13,018 | -100 | 2,509 |
| Liberal Arts | 10,182 | 12,272 | -100 | 2,191 |
| Natural Sciences | 10,556 | 12,896 | -100 | 2,440 |
| Nursing | 10,587 | 13,206 | -100 | 2,719 |
| Pharmacy | 14,185 | 16,406 | -100 | 2,321 |
| Social Work | 10,608 | 12,800 | -100 | 2,292 |

GRADUATE ACADEMIC SUSTAINABILITY TUITION FOR 2007-08

(Submitted Feb. 2006)

Graduate Resident AST per Semester

| | Average Tuition/Fees 2006-07 | AST 2006-07 | AST 2007-08 | AST Increase | |
|------------------|------------------------------------|----------------|----------------|--------------|--------------------|
| | | | | Energy | Essential Needs |
| Architecture | 3,961 | 1,220 | 1,250 | -100 | 130 |
| Business | 3,087 | 1,135 | 1,127 | -100 | 92 |
| Communication | 3,611 | 1,168 | 1,186 | -100 | 118 |
| Education | 3,305 | 1,189 | 1,198 | -100 | 109 |
| Engineering | 3,611 | 1,195 | 1,267 | -100 | 172 |
| Fine Arts | 3,595 | 1,212 | 1,288 | -100 | 176 |
| Geosciences | 3,275 | 1,195 | 1,237 | -100 | 142 |
| Information | 3,384 | 1,202 | 1,194 | -100 | 92 |
| Liberal Arts | 3,080 | 1,150 | 1,167 | -100 | 117 |
| Natural Sciences | 3,151 | 1,165 | 1,203 | -100 | 138 |
| Nursing | 3,692 | 1,213 | 1,289 | -100 | 176 |
| Pharmacy | 3,290 | 1,135 | 1,127 | -100 | 92 |
| Public Affairs | 3,667 | 1,218 | 1,210 | -100 | 92 |
| Social Work | 4,009 | 1,205 | 1,266 | -100 | 161 |

Graduate Continuing Nonresident AST per Semester

(Entered Spring 2004 or earlier)

| | Average Tuition/Fees 2006-07* | AST 2006-07 | AST 2007-08 | AST Increase | |
|------------------|-------------------------------------|----------------|----------------|--------------|--------------------|
| | | | | Energy | Essential Needs |
| Architecture | 7,712 | 1,546 | 1,633 | -100 | 187 |
| Business | 5,845 | 1,461 | 1,510 | -100 | 149 |
| Communication | 6,679 | 1,494 | 1,569 | -100 | 175 |
| Education | 6,560 | 1,515 | 1,581 | -100 | 166 |
| Engineering | 6,574 | 1,521 | 1,650 | -100 | 229 |
| Fine Arts | 6,702 | 1,538 | 1,671 | -100 | 233 |
| Geosciences | 6,486 | 1,521 | 1,620 | -100 | 199 |
| Information | 6,747 | 1,528 | 1,577 | -100 | 149 |
| Liberal Arts | 5,958 | 1,476 | 1,550 | -100 | 174 |
| Natural Sciences | 6,014 | 1,491 | 1,586 | -100 | 195 |
| Nursing | 6,914 | 1,539 | 1,672 | -100 | 233 |
| Pharmacy | 6,123 | 1,461 | 1,510 | -100 | 149 |
| Public Affairs | 7,135 | 1,544 | 1,574 | -100 | 130 |
| Social Work | 7,951 | 1,531 | 1,649 | -100 | 218 |

* Estimated amount, nonresident statutory tuition to be set by the Coordinating Board in Spring 07

Graduate New Nonresident AST per Semester
 (Entered after Spring 2004)

| | Average Tuition/Fees 2006-07* | AST 2006-07 | AST 2007-08 | AST Increase | |
|------------------|-------------------------------|-------------|-------------|--------------|-----------------|
| | | | | Energy | Essential Needs |
| Architecture | 8,148 | 1,982 | 2,077 | -100 | 195 |
| Business | 6,281 | 1,897 | 1,954 | -100 | 157 |
| Communication | 7,115 | 1,930 | 2,013 | -100 | 183 |
| Education | 6,996 | 1,951 | 2,025 | -100 | 174 |
| Engineering | 7,010 | 1,957 | 2,094 | -100 | 237 |
| Fine Arts | 7,138 | 1,974 | 2,115 | -100 | 241 |
| Geosciences | 6,922 | 1,957 | 2,064 | -100 | 207 |
| Information | 7,183 | 1,964 | 2,021 | -100 | 157 |
| Liberal Arts | 6,394 | 1,912 | 1,994 | -100 | 182 |
| Natural Sciences | 6,450 | 1,927 | 2,030 | -100 | 203 |
| Nursing | 7,350 | 1,975 | 2,116 | -100 | 241 |
| Pharmacy | 6,559 | 1,897 | 1,954 | -100 | 157 |
| Public Affairs | 7,571 | 1,980 | 2,037 | -100 | 157 |
| Social Work | 8,387 | 1,967 | 2,093 | -100 | 226 |

* Estimated amount, nonresident statutory tuition to be set by the Coordinating Board in Spring 07

PROFESSIONAL PROGRAM ACADEMIC SUSTAINABILITY TUITION FOR 2007-08

(Submitted Feb. 2006)

LAW AST per Semester

| | Average Tuition/Fees 2006-07* | AST 2006-06 | AST 2007-08 | AST Increase | |
|--|-------------------------------|-------------|-------------|--------------|-----------------|
| | | | | Energy | Essential Needs |
| Resident | 9,275 | 1,916 | 2,404 | -100 | 588 |
| Continuing Nonresident (Entered Spring 2004 or before) | 15,539 | 2,861 | 3,833 | -100 | 1,072 |
| New Nonresident (Entered after Spring 2004) | 15,958 | 3,280 | 4,252 | -100 | 1,072 |

* Estimated amount, nonresident statutory tuition to be set by the Coordinating Board in Spring 07

MBA/ MPA/ PPA AST per Semester

| | Average Tuition/Fees 2006-07* | AST 2006-06 | AST 2007-08 | AST Increase | |
|--|-------------------------------|-------------|-------------|--------------|-----------------|
| | | | | Energy | Essential Needs |
| Resident | 7,653 | 2,130 | 2,761 | -100 | 731 |
| Continuing Nonresident (Entered Spring 2004 or before) | 17,096 | 2,642 | 3,169 | -100 | 627 |
| New Nonresident (Entered after Spring 2004) | 17,515 | 3,061 | 3,588 | -100 | 627 |

* Estimated amount, nonresident statutory tuition to be set by the Coordinating Board in Spring 07

PharmD AST per Semester

| | Average Tuition/Fees 2006-07* | AST 2006-06 | AST 2007-08 | AST Increase | |
|--|-------------------------------|-------------|-------------|--------------|-----------------|
| | | | | Energy | Essential Needs |
| Resident | 5,893 | 1,543 | 1,730 | -100 | 287 |
| Continuing Nonresident (Entered Spring 2004 or before) | 12,970 | 2,358 | 2,681 | -100 | 423 |
| New Nonresident (Entered after Spring 2004) | 13,389 | 2,777 | 3,100 | -100 | 423 |

* Estimated amount, nonresident statutory tuition to be set by the Coordinating Board in Spring 07

Undergraduate Double Major

Students pursuing a double major in more than one college will be charged the higher college flat rate

Part-time Semester Rates for 2006-07 and for 2007-08

**Undergraduate
 Part-time Fall / Spring Flat-Rate Tuition**

| Semester Credit Hours | Percent of Applicable Flat Rate |
|-----------------------|---------------------------------|
| 1 | 30% |
| 2 | 37% |
| 3 | 44% |
| 4 | 51% |
| 5 | 58% |
| 6 | 65% |
| 7 | 72% |
| 8 | 80% |
| 9 | 80% |
| 10 | 80% |
| 11 | 80% |
| 12 or more | 100% |

**Graduate and Professional
 Part-time Fall / Spring Academic Sustainability Tuition**

| Semester Credit Hours | Percent of Applicable AST |
|-----------------------|---------------------------|
| 1 | 30% |
| 2 | 39% |
| 3 | 48% |
| 4 | 57% |
| 5 | 66% |
| 6 | 75% |
| 7 | 84% |
| 8 | 93% |
| 9 or more | 100% |

Summer Session Rates for 2006-07 and for 2007-08

Undergraduate

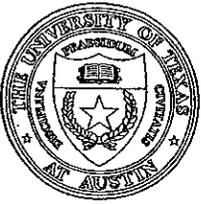
| Semester Credit Hours | Percent of Applicable Flat Rate |
|-----------------------|---------------------------------|
|-----------------------|---------------------------------|

| | |
|------------|-----|
| 1 | 26% |
| 2 | 31% |
| 3 | 37% |
| 4 | 43% |
| 5 | 49% |
| 6 | 55% |
| 7 | 61% |
| 8 | 68% |
| 9 | 68% |
| 10 | 68% |
| 11 | 68% |
| 12 or more | 85% |

Graduate and Professional

| Semester Credit Hours | Percent of Applicable AST |
|-----------------------|---------------------------|
|-----------------------|---------------------------|

| | |
|-----------|-----|
| 1 | 26% |
| 2 | 33% |
| 3 | 41% |
| 4 | 48% |
| 5 | 56% |
| 6 | 64% |
| 7 | 71% |
| 8 | 79% |
| 9 or more | 85% |



OFFICE OF THE PRESIDENT

THE UNIVERSITY OF TEXAS AT AUSTIN

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 (512) 471-1232 • FAX (512) 471-8102

December 1, 2005

Letter included to provide background on process only.
 Appendices referenced are not attached.

Chancellor Mark G. Yudof
 The University of Texas System
 OHH 404 (P4100)

Dr. Teresa A. Sullivan
 Executive Vice Chancellor for Academic Affairs
 The University of Texas System
 OHH 3rd Floor (P4300)

Subject: General Tuition Recommendations

Dear Mark and Terry:

With this document, I am transmitting recommendations from The University of Texas at Austin concerning tuition and related charges for the 2006-2007 and 2007-2008 academic years. Included in Appendix B is a copy of the proposal that was developed and advanced by the University's Tuition Policy Advisory Committee ("TPAC"). I fully endorse and now advance to you this same proposal subject to the modification noted in Item H. What follows is a summary of the major points of this proposal, the underlying process that led to its development, and other items that were requested in Dr. Sullivan's tuition proposal guidelines of October 3, 2005.

- A. Proposal Development Background:** The University developed these recommendations using our well defined, formal Tuition Policy Advisory Committee process. This Committee, consisting of four student leaders, a faculty member, a dean and three officers of the University, reviewed the University's educational goals and budgetary outlook and submitted its report to the campus and me on November 3 (see Appendix B). Subsequent to issuing its report the Committee held public hearings on November 8 and on November 9 to offer students, faculty, staff and the public at large the opportunity to comment. I attended both hearings. Since its release there have also been discussions with interested individuals. All of the material related to this process was prominently posted on the TPAC Web site, which reaches our faculty, staff, students and alumni, as well as many citizens without a formal connection to the University. There was a mechanism for receiving responses to the Web-based presentation. Under the terms of our process, I am responsible for carefully listening to the various comments and formulating a recommendation to you and to the Board of Regents. I am now fulfilling the latter obligation.
- B. Proposed tuition and fee policy for 2006-2007 and 2007-2008:** In the 2005-2006 academic year The University adopted a college- by-college flat tuition rate billing structure covering all tuition, mandatory fees and other required academic charges for all undergraduate students. The Committee recommends continuing this structure. The proposed flat-rates for each of the two ensuing

academic years are provided in Appendix A. There are separate tables for 1) resident undergraduates, 2) non-resident undergraduates entering prior to 2004, and 3) non-resident undergraduates entering Fall 2004 or later, because different principles govern charges for these three groups. The recommended non-resident flat tuition rates will not be adjusted for any changes in non-resident statutory tuition the Coordinating Board may recommend in Spring 2006.

The proposed flat tuition rates for the average resident undergraduate student increase the recurring tuition about 5.5% and 3.9% for academic year 2006-2007 and 2007-2008, respectively. These percentages exclude the impact of a proposed temporary increase in tuition for all students to cover increased utility costs, which is discussed in greater detail below.

Graduate and professional students would continue to pay a combination of tuition and fees based on SCH or headcount, and a flat-rate Academic Sustainability Tuition (AST), and all increases are incorporated into the AST amount with the total cost elevated by roughly the same average percentages noted in the previous paragraph. Any increase in the non-resident statutory tuition proposed by the Coordinating Board in Spring 2006 would apply to graduate and professional students. Additional tables in Appendix A summarize graduate and professional program AST rates for 1) residents, 2) non-residents entering prior to Fall 2004 and 3) non-residents entering Fall 2004 or later.

The income projections on which these tuition recommendations are based include the known increase in State appropriated funds for 2006-2007 of approximately \$0.2 million compared to 2005-2006, and an assumed but unknown increase in new State appropriated funds for 2007-2008 compared to 2006-2007, net of any State mandated but unfunded cost transfers and excluding funds appropriated for specific programmatic purposes and Tuition Revenue Bonds ("net new State appropriations"), of \$9.2 million. It is recommended that the increase in tuition proposed for the 2007-2008 academic year be adjusted, that is, increased, decreased or held unchanged, depending on the amount of net new State appropriations actually received by the University as follows:

- a) If the amount of net new State appropriations is equal to \$9.2 million, tuition for all students would be unchanged from the recommendations in this document;
- b) If the amount of net new appropriations is less than \$9.2 million, tuition for all students will increase in an amount necessary to compensate dollar-for-dollar for the loss taking into consideration the recommended financial aid set aside; or
- c) If the amount of net new appropriations is greater than \$9.2 million, the amount above \$9.2 million and up to \$19.2 million will be used to reduce Texas resident student tuition dollar-for-dollar, and for any amount above \$19.2 million, 50% of that amount will be used to reduce Texas resident student tuition dollar-for-dollar.

Chancellor Mark G. Yudof
Executive Vice Chancellor Teresa A. Sullivan
Page Three
December 1, 2005

The Committee believes that it is important that students recognize the direct impact that State support has on their cost of education. The current proposal to establish tuition rates for a two-year period improves the cost predictability for students and their families. It also highlights some of the difficulties associated with extended financial projections.

In addition to the recurring increases in tuition outlined above, the Committee recommends that tuition be temporarily increased by a flat amount of \$150 per student for each semester in 2006-2007, and the amount be reduced to \$50 per student for each semester of 2007-2008. The 2005-2006 operating budget provides funding for the University's estimated natural gas consumption at \$7.00/MMBTU (the "Base Budget Price"). The budget projections used by the Committee assume natural gas prices of \$10.00/MMBTU (\$3.00/MMBTU above the Base Budget Price) for 2006-2007 and \$8.00/MMBTU (\$1.00/MMBTU above the Base Budget Price) for 2007-2008. Current gas prices are in the \$11.00/MMBTU - \$12.00/MMBTU range but they are expected to decline over time. Any current (2005-2006) budget short-fall resulting from the University's actual buy price exceeding the Base Budget Price will be paid by the University using one-time balances; however, the University does not have sufficient one-time balances to continue fully covering these excess costs. Therefore it is proposed that the flat rate tuition and AST be increased \$150 in 2006-2007 and \$50 in 2007-2008 to pay for the excess cost above the Base Budget Price up to a maximum of \$10/MMBTU in 2006-2007 and the excess above the Base Budget Price up to a maximum of \$8/MMBTU in 2007-2008. It is also recommended that if natural gas prices decline such that the actual incremental buy price is above the Base Budget Price but less than the proposed maximum price for each year, the flat-rate tuition and AST be decreased in the following year to reflect this savings. However, if the actual cost of natural gas exceeds the maximum amounts used in the projections, the University will absorb these additional costs through a combination of reduced expenditures, redirecting funding from other priorities, the use of one-time balances, and requests to the legislature for support.

Part-time undergraduates (enrolled for fewer than 12 SCH) would pay 30% of the corresponding flat-rate for the first hour and an additional round dollar increment closest to 7% of the corresponding flat-rate for each SCH from 2 to 7. They would pay 80% of the corresponding flat-rate for any course load between 8 and 11 SCH.

Part-time graduate or professional students (enrolled for fewer than 9 SCH) would pay 30% of the AST for the first hour and the round dollar increment closest to 9% of the AST for each SCH from 2 to 8. They would also pay per-SCH tuition and individual fees in the established manner.

The undergraduate flat rate and graduate/professional AST rate for the summer session would be 85% of the corresponding long-session rates.

Chancellor Mark G. Yudof
Executive Vice Chancellor Teresa A. Sullivan
Page Four
December 1, 2005

All combined, the total cost to attend the University for the average resident undergraduate student for academic year 2006-2007 would rise approximately 9.6%, including the \$150 temporary increase for utilities costs. If the two-year assumptions for the cost of natural gas are correct, the total costs from 2005-2006 to 2007-2008, including the charge for increased natural gas costs of a flat \$50, will increase by 1.2% (this modest overall increase is due to the significant projected decline in the natural gas component for 2007-2008). If natural gas prices should fall below those assumed in these projections, the proposed tuition increases for 2007-2008 would be adjusted downward accordingly. The average resident undergraduate annual two-year compound percent increase over the base cost for the recurring tuition, excluding the forecasted maximum charge in each period for natural gas costs, is 4.6% total.

All fees will remain fixed at their 2004-2005 level. All increases in student cost will be included in flat-rate tuition and AST (as designated tuition increases). The Committee believes that it is critically important to make any increases in the cost to students through designated tuition for two reasons: 1) it provides for incremental financial aid set-aside which the Committee believes is vitally important to maintaining accessibility of the University to all students regardless of their economic circumstances and 2) it is transparent to the public.

- C. Financial Aid Plan:** The University's plan calls for 21.6% of the new funds generated by tuition increases to be set aside for additional financial aid in support of students from low- and middle-income families who are otherwise receiving financial aid for their educational costs at the University. This is substantially above the approximately 16.3% that would be required by law and sets aside about a third more money than is required by law.

Grants would be provided to offset the increased cost according to the annual incomes of families of students. For an undergraduate Texas resident with a family income of \$40,000 or below, the grant would pay 100% of the added cost for both academic years. The grant would cover 75% if the family income were \$40,001 to \$60,000, and 50% if the income were \$60,001 to \$80,000. For qualifying independent undergraduate students and graduate students, the grants would cover 50% of the increased costs.

This plan is a continuation of the approach developed by the University two years ago. This plan ensures that this University is economically accessible to all students regardless of family financial status.

- D. What the Increase Will Pay For:** The overall goal of the TPAC is to advance the academic quality of the University through support of its people, programs, services and facilities. Actions taken by the University, appropriations made or forecasted from the State and this tuition proposal, including the maximum temporary increase for utilities, are projected to generate an incremental \$80.1 million in 2006-2007 and \$24.7 million in 2007-2008 (see *Recommended Funding Sources* table in TPAC recommendations Appendix B). Of these amounts, this tuition proposal generates \$37.3 million in 2006-2007, 47% of the

Chancellor Mark G. Yudof
Executive Vice Chancellor Teresa A. Sullivan
Page Five
December 1, 2005

total generated, and \$5.4 million in 2007-2008, 22% of the total generated. Monies raised from tuition increases will be used as outlined in Appendix B, and include:

- Continue the University's 10-year effort to add a net 30 new faculty members in each of the two years. Reducing the student/faculty ratio and improving the educational environment are a high priority for the institution.
- Establish an annual merit compensation program for faculty and staff. Recruiting and retaining superior faculty and staff are essential to preserve and enhance the quality of the institution.
- Fund student services initiatives as determined and requested by the Student Services Budget Committee and selected university and college initiatives as determined and requested by each of the colleges and the Provost's Office.
- Fund a portion of the expected utilities cost increase.
- Fund the financial aid set-aside program as described above.

E. Performance Goals: This proposal is, of course, intended to develop financial resources required for the most important operational needs in 2006-2007 and 2007-2008; however, the provisions are also intended to achieve other performance goals of the University:

- **By continuing a flat-rate structure for full-time students, we are discounting semester-hours taken above the minimum required for full-time status.** There is no additional cost for hours taken above the full-time minimum, so students are encouraged to make faster progress toward their degrees. It is a high priority of the University to increase the pace of progress toward graduation, so that space can be made more fully available to the large number of students seeking admission. Timely graduation also substantially reduces the total cost of education to students and their families.
- **By establishing a tiered program of grants-in-aid, we provide both a full safety net for the students most in need and substantial support for middle-class students.** It is important that we attend simultaneously to these two aspects of the financial aid picture, because both relate critically to the preservation of access at a nationally competitive public university.

F. Avoidance of Tuition Increases: I am told that TPAC in its deliberations focused on measures that the University has taken or that could be taken to minimize or altogether avoid the need to increase tuition. The Committee noted in its table of *Recommended Funding Sources* (Appendix B) that the

Chancellor Mark G. Yudof
Executive Vice Chancellor Teresa A. Sullivan
Page Six
December 1, 2005

University's past efficiency actions and future commitments are projected to contribute an incremental \$13.3 million and \$1.8 million for 2006-2007 and 2007-2008, respectively, to fund the future critical needs of the University. The committee complimented the University on its past and continuing efforts to economize and reduce costs.

The committee also spent considerable time examining the University's utility consumption habits given the magnitude of the projected natural gas price increases. The TPAC met with the Vice President for Employee and Campus Services and the staff of the Physical Plant Department and Utilities and Energy Management Department to discuss current energy conservation measures and to explore future options. The TPAC noted in its report that considerable effort has been expended in recent years to upgrade the infrastructure of existing facilities, to incorporate energy efficient designs into the construction of new facilities, to install modern generating equipment in our power plants, and to attain the most cost effective generation of power for the campus. TPAC applauded these efforts and reported that it is convinced that efforts to identify and implement energy conservation measures will continue with renewed vigor.

I note with pride that on October 31 the U.S. Environmental Protection Agency awarded to our Utilities and Energy Management Department its 2005 Energy Star Award for its "excellent leadership in energy use management."

The TPAC also spent considerable time examining the financial impact of continuing the planned reduction in enrollment at the University. The planned reductions in enrollment for 2006-2007 and 2007-2008 would reduce University revenues by \$8.5 million and \$1.1 million, respectively. Given the budget challenges even before the impact of such reductions, the Committee recommends that University enrollment be temporarily stabilized at 49,500 students for the next two years. Since the enrollment reduction would have reduced the University income substantially, this action will restore this amount to the University income sources. While the Committee strongly supports the long-term goal of reducing the University enrollment to 48,000, it reluctantly concluded that it is not financially practical to further reduce the population of the University at this time. Stabilization of the enrollment at its present level will maintain the status quo. I concur with the Committee's recommendation. This action will slow our progress toward improving our student/faculty ratios but this is a necessary budgetary trade-off in my opinion. The campus is today at roughly this population and can be reasonably operated at this level over the next two academic years without a significant long-term negative impact.

G. Outcome of Public Discussion: The questioning in all forums that I witnessed, including both open public forums, was informed and thoughtful. I have received essentially no negative response on the quantitative aspects of the proposal from students, parents, staff, in the general public in hearings, from private conversations, e-mail, or posted letters. Of course, the public would rather avoid any increases in tuition, but current students and those who hold

Chancellor Mark G. Yudof
Executive Vice Chancellor Teresa A. Sullivan
Page Seven
December 1, 2005

degrees from this institution consistently place a higher priority on preserving the value of their degrees.

Last year, the point of greatest concern with student leadership was the preservation of traditional student oversight of resources allocated to student services through the fees now having been incorporated into a flat-rate tuition structure. Having been completely through the new flat rate tuition setting process, Student Leadership is now fully comfortable that such oversight has in fact been preserved in this new structure.

H. Comparison with Recommendations of the TPAC: The proposal laid out above is essentially the same as the proposal unanimously approved and advanced by the TPAC and included in Appendix B, with one exception. The TPAC recommended all 2007-2008 State appropriated funds in excess of \$9.2 million incremental be used to reduce all student tuition dollar-for-dollar. My recommendation is that the first \$10.0 million above \$9.2 million fully reduce Texas resident tuition, and 50% of any amounts above \$19.2 million reduce Texas resident tuition.

I have communicated with several of the committee members and they are fully supportive of this change. I have every reason to believe that all of the TPAC members would support this minor modification to their proposal.

I report, as I did last year, that the process installed here at UT Austin post tuition deregulation has exceeded my expectations and best hopes. The TPAC continues to prove itself to be ideal for the hard primary work, and its members have established, through three rounds now, superb habits of tough inquiry and thoughtful care. The mechanisms for involving chief constituents, full reporting, and public consultation are well suited to the needs of a large community in reaching recommendations suitable to its future. Therefore, I now convey the University's proposed general tuition policy with high confidence that the right balance of interests has been achieved.

I also recognize that the overall process places the responsibility for subsequent review and ultimate disposition in your hands and in those of the Board of Regents, and I look forward to addressing any questions or concerns with you.

Thank you for your careful consideration of this material.

Sincerely,



Larry R. Faulkner
President

Enclosures

TUITION AND FEES PROPOSAL 2006-2008

The University of Texas at Brownsville and Texas Southmost College

BACKGROUND

The students served at The University of Texas at Brownsville and Texas Southmost College (UTB/TSC) expect a high quality education at a reasonable price with financial assistance available to help meet their needs. The proposed tuition and fee increases will allow UTB/TSC to continue to meet its academic goals of increasing student success, developing programs, and acquiring faculty.

The University strives to remain transparent in budgeting, to make cost savings a part of our budgeting process, and to keep tuition and fee increases to a minimum, recognizing the below-average incomes of most families in the South Texas region. The University uses increases to provide students with tangible benefits and improvements to academic programs and student life, and we keep students informed of predictable costs and financial aid opportunities. Our primary aim is to ensure that the University is accessible and affordable to as many existing and prospective students as possible who desire a quality higher education experience.

Consultative process

After an initial discussion by the 20-member Tuition Policy Advisory Committee, five subcommittees of faculty, staff, and students were established to focus on each of the five core principles that the tuition and fees proposal was designed to reflect. The subcommittees met during November 2005, and further discussions took place at the Provost's Council and the Executive Council. The meetings of the Academic Senate and the Staff Senate on November 18 afforded faculty and staff members an opportunity to contribute to the process. On the same day, a meeting took place with the Student Government Association, and a public hearing was convened to which all students and members of the community were welcomed. A second and a third public hearing followed on November 28, after which the Provost's Council and Executive Council discussed recommendations. Feedback from stakeholders was incorporated into the final proposal, which was recommended to the President.

FIVE CORE PRINCIPLES

1. Cost savings

Over the last four years, UTB/TSC has systematically reallocated resources in the amount of approximately \$1,700,000. These resources have been used to fund campus needs and have allowed us to minimize tuition increases in the past. To further identify potential savings, the Cost Savings Subcommittee

evaluated potential cost savings and determined that budget may be reallocated in FY 2007. Savings from the University's custodial contract may approximate over \$229,000.

The subcommittee also considered potential cost savings to be made on utilities. Work will begin to evaluate the benefits of an on-campus flat electric utility rate. In addition, the process of bringing in an outside consultant to evaluate our HVAC/temperature control systems will be examined along with other recommendations from staff that may result in savings.

2. Smallest possible increases

Currently, tuition and fees at UTB/TSC are lower than those of any other UT System institution. At present, with increased enrollment and many needs, the University is not in a position to fund all necessary budget items. Benchmarking with peer institutions in Texas has shown that UTB/TSC is severely understaffed and under-resourced--for example, while the average faculty member in other universities teaches three classes a semester, faculty at UTB/TSC teach four classes. In the area of Financial Aid, each officer services 611 students as compared to 500 students at other universities.

The proposed changes are as lean as possible and will merely allow us to keep pace with the present services offered by the University. Our proposed tuition policy will allow us to fund budget needs on a limited basis while maintaining affordability for our students.

3. Tuition and Fees Predictability

The subcommittee charged with proposing strategies for predictability examined the possibility of establishing a four-year tuition guarantee plan, but concluded that such a plan was not ideal for the students of UTB/TSC. The University is already at the lower end of the tuition scale, and many of our students do not follow the traditional four-year degree model.

By setting fees for the next two years, we will aid our students in predicting their outlay. We plan to initiate an informational campaign to explain to prospective and existing students how much it will cost to attain a degree from UTB/TSC under various student course load scenarios, showing the expected cost of tuition and fees using existing amounts trended over future periods. The campaign will also inform students about the benefits of completing degree programs in four to six years using various financial aid programs.

4. Supporting strategic goals

The subcommittee examined the short-term goals set out in the UTB/TSC Campus Compact. They chose to focus specifically on the goals of (1) developing academic programs across disciplines by increasing faculty numbers and program offerings and (2) improving student support services and campus life programs to increase student success by systematically recruiting

and retaining students and increasing retention and graduation rates across degree levels.

The University's 15% increase in enrollment in Fall 2005, which follows approximately 6% and 9% growth in each of the previous years, has increased the pressure from students and the demand for new programs, more courses, and additional faculty members. Raising designated tuition will allow UTB/TSC to hire the necessary faculty and staff needed to support enrollment growth in Fiscal Years 2007 and 2008. The allocation of resources will simply support the growth and not improve the ratios of students to faculty/staff. The proposed tuition increase will sustain and support enrollment growth at a level consistent with the population growth in the South Texas region and the institution's enrollment goal of 20,000 by 2010.

Several components of UTB/TSC's proposed tuition and fees package will give students incentives to graduate in a timely manner. Last year, the institution implemented a flat fee for students taking 15 or more credits. This has resulted in a 30.6% increase in students taking 15 or more credits during Fall 2005 compared to Fall 2004. **The continuation of this tuition incentive is proposed, however, the incentive will be piloted at 14 or more credits in FY 2008.**

Additionally, we plan to offer a discount of 25% to students who enroll in 7:00 a.m. or Saturday classes, and a discount of 10% to students enrolling in classes from noon to 4:00 p.m. The discount will apply to designated tuition and to certain fees.¹ This should help maximize use of classroom space, provide increased efficiency in enrollment and demonstrate goodwill toward the student population.

The B-On-Time loan program, as detailed below, will help encourage students to complete their degrees in four years. As an institution with a larger than average number of students who do not follow the traditional four-year pattern, this is of special concern to UTB/TSC.

5. Financial aid services

The Pell Grant has been stagnant at \$4,050 since 2003. Although President Bush has proposed a \$100 increase in 2006, the Senate bill proposes no increase and the House bill offers a \$50 increase.

No increase is recommended for the federal Supplemental Education Opportunity Grant, and federal work-study allocations have remained relatively stagnant for the last decade. In addition, proposed budget cuts include a \$14.3 billion reduction to federal student aid programs and new charges that will raise

¹ Discount applies to the following fees: Student service fee, computer use fee, records fee, automation fee, academic advising fee, library fee, international education fee, and medical services fee. A 10% discount for a student with 3 semester hours would amount to \$28 while a 25% discount would be \$68 in total.

the cost of student loans. Current law that sets the maximum loan interest rate at 6.8% for Stafford loans would be repealed under the proposal.

A proposal to increase annual limits for freshmen and sophomores may cover rising tuition and fees, but it will increase debt for the highest-risk students. If this proposal does not pass, a freshman student eligible only for a Stafford loan would not be able to afford a 12-hour course load.

As other expenses that impact our students have risen, such as cost-of-living, transportation and utilities, students have seen similar increases in textbook costs. **To assist students with funding for textbooks, the university will evaluate the establishment of a fund for book scholarships.**

Fifty-seven percent of UTB/TSC students are enrolled on a part-time basis, and this could be a result of increased tuition and fees. Although Pell is pro-rated according to course load, student loans are not.

The University continues to participate in the STARS Scholarship program – South Texas Academic Rising Scholars. This program provided \$400,000 from STARS and matching funds to give scholarships to existing students, who were selected based on academic merit, extracurricular activities and financial need. Texas Southmost College also provided a tuition scholarship to in-district students taking lower level courses in the amount of \$2.7M. This represents 39% of tuition scholarship dollars. TSC will continue to provide this scholarship.

We also plan to continue supporting the concept of providing predictability through the B-On-Time loan program, which offers financial aid to qualifying students who may receive loan forgiveness upon successful completion of forgiveness requirements. We can demonstrate to students that by qualifying for a B-On-Time loan and then achieving loan forgiveness, they can complete their undergraduate degree at a significant savings.

The proposed increase in designated tuition at UTB/TSC to \$56 in 2007 and \$62 in 2008 would require mandatory set-aside scholarship funds. A strong emphasis will be placed on programs to assist students in applying to the state for these scholarships.

PROPOSED TUITION AND FEE INCREASES AND PROJECTED REVENUE

Designated tuition

To help meet campus goals, it is proposed to raise designated tuition at the University from \$44.00 to \$56.00 per credit hour in 2007 and \$62.00 in 2008 - a level that continues to be below the tuition charged by other UT institutions. For a student with 15 credit hours, this amounts to an increase per semester of 27.3% in 2007 and 10.7% in 2008.

This increase is needed to sustain the present faculty and staff to student ratios, accommodate rising utilities, provide improvement in advising, and increase student life opportunities.

Compulsory fees

- Library fee – increase from \$2.00 to \$3.00 per credit hour in FY 2007 to cover service fees, equipment, materials, maintenance, and personnel. Estimated revenue increase of \$284,600.00 in FY 2007.
- Undergraduate advising fee – increase from \$25.00 to \$50.00 per semester in FY 2007 to provide 10 additional advisors (reducing our student to advisor ratio from 646:1 to 411:1), improve the automated system, provide longer advising hours, and fund 7-10 peer advisor positions. Estimated revenue increase of \$643,375.00 in FY 2007.
- Athletic fee – new fee of \$1.00 per semester credit hour in FY 2007 to fund two soccer programs. Estimated new annual revenue of \$284,600.00 in FY 2007.
- Student services fee – increase from \$10.00 to \$11.00 in FY 2007 to expand services in current athletic programs and provide staff fund-raising opportunities. Estimated revenue increase of \$284,600.00 in FY 2007.
- Computer access fee – increase from \$10.00 to \$11.00 per credit hour in FY 2008 to cover cost of providing all students with access to a secure online space for an e-portfolio. Estimated revenue increase of \$284,600.00 in FY 2008.

Total estimated increase in revenue from additional compulsory fees:
\$1,497,175.00 in FY 2007 and \$1,781,775.00 in FY 2008.

Incidental fees

Library

- Computer lab printing fee – increase from \$0.05 to \$0.10 per copy to cover the cost of paper, toner, and maintenance. Estimated revenue increase of \$40,000.

School of Health Sciences

- Nursing – new fee of \$29.00 for students taking the LSRN class to defray exam costs; increased fees from \$17.00 to \$19.00 for students taking HESI-OB, HESI-Pedi, and HESI – Mental Health exams; and increase from \$30.00 to \$35.00 for students taking the HESI Exit exam. Estimated revenue increase of \$2,600.00.

College of Science, Mathematics and Technology

- Physics and Astronomy Department fee – existing \$12.00 fee added to two additional courses.

Department of Industrial Technology

- Automotive Technology – all class fees to be standardized to \$30 per student per class to help cover costs of supplies, materials, equipment, maintenance, and personnel. Total estimated revenue increase of \$19,500.00.
- Air Conditioning – all class fees to be standardized to \$30 per student per class to help cover costs of supplies, materials, equipment, maintenance, and personnel. Total estimated revenue increase of \$4,875.00.
- Building Trades – all class fees to be standardized to \$25 per student per class to help cover costs of supplies, materials, equipment, maintenance, and personnel. Total estimated revenue increase of \$5,625.00.
- Machine Shop – all class fees to be standardized to \$30 per student per class to help cover costs of supplies, materials, equipment, maintenance, and personnel. Total estimated revenue increase of \$4,875.00.

School of Graduate Studies

- Graduate student advising and services fee – allocate existing fee of \$25.00 per semester to cover the cost of coordination of graduate student advising, recruiting, and orientation activities.
- Graduate tuition differential – increase from \$19.00 to \$30.00 per semester hour to cover the cost of 11 additional graduate assistants. Estimated revenue increase of \$121,000.00.

**Summary of projected undergraduate Tuition and Fees
 per semester credit hour**

Projected Undergraduate 2007

| Hours | Resident In-State Tuition | Required Fees | Total |
|--------------|--------------------------------------|----------------------|--------------|
| 1 | \$ 108.00 | \$ 257.56 | \$ 365.56 |
| 2 | 216.00 | 282.56 | 498.56 |
| 3 | 324.00 | 307.56 | 631.56 |
| 4 | 432.00 | 332.56 | 764.56 |
| 5 | 540.00 | 357.56 | 897.56 |
| 6 | 648.00 | 382.56 | 1,030.56 |
| 7 | 756.00 | 407.56 | 1,163.56 |
| 8 | 864.00 | 432.56 | 1,296.56 |
| 9 | 972.00 | 457.56 | 1,429.56 |
| 10 | 1,080.00 | 482.56 | 1,562.56 |
| 11 | 1,188.00 | 507.56 | 1,695.56 |
| 12 | 1,296.00 | 532.56 | 1,828.56 |
| 13 | 1,404.00 | 551.56 | 1,955.56 |
| 14 | 1,512.00 | 564.56 | 2,076.56 |
| 15 | 1,620.00 | 577.56 | 2,197.56 |

Projected Undergraduate 2008

| Hours | Resident In-State Tuition | Required Fees | Total |
|--------------|--------------------------------------|----------------------|--------------|
| 1 | \$ 116.00 | \$ 258.56 | \$ 374.56 |
| 2 | 232.00 | 284.56 | 516.56 |
| 3 | 348.00 | 310.56 | 658.56 |
| 4 | 464.00 | 336.56 | 800.56 |
| 5 | 580.00 | 362.56 | 942.56 |
| 6 | 696.00 | 388.56 | 1,084.56 |
| 7 | 812.00 | 414.56 | 1,226.56 |
| 8 | 928.00 | 440.56 | 1,368.56 |
| 9 | 1,044.00 | 466.56 | 1,510.56 |
| 10 | 1,160.00 | 492.56 | 1,652.56 |
| 11 | 1,276.00 | 518.56 | 1,794.56 |
| 12 | 1,392.00 | 544.56 | 1,936.56 |
| 13 | 1,508.00 | 564.56 | 2,072.56 |
| 14 | 1,624.00 | 578.56 | 2,202.56 |
| 15 | 1,639.95 | 562.61 | 2,202.56 |

Recommendations of the UT Dallas Tuition and Fee Policy Review Committee

Process of formulating recommendations for UTD Tuition and Fee charges for FY 2006-07 and 2007-08

The process by which the UTD recommendations on 2006-07 and 2007-08 tuition and fee charges were determined incorporated a high degree of interaction with students, faculty, staff and community supporters. A committee was appointed by President Daniel to formulate for his consideration recommendations for the university's tuition and fee policies that would address basic university needs in the context of the guidelines of the U.T. System. The faculty and staff members of the committee were selected in consultation with the leadership of the Faculty Senate and with central university administrators, while the student members were selected by the President of the Student Government and his advisors. The members of the committee and their ranks and affiliations in the university are listed below.

UTD Tuition and Fee Policy Review Committee

Hobson Wildenthal, Executive Vice President and Provost; Chair
Michael Coleman, Associate Provost and Dean of Undergraduate Education
Jennifer Holmes, Assistant Professor, Political Science
Mark Anderson, Associate Professor, Accounting
Kimberly Leonard, Professor, Criminology
Gopal Gupta, Professor, Computer Science, Faculty Council
Mary Chaffin, Senior Lecturer and Associate Dean, Management
Diana Wilson-Willis, School Fiscal Officer, NS&M
Sue Sherbet, Assistant Vice President for Student Affairs
Basheer Benhalim, Junior in Government, President of Student Government
Michelle Wyatt, Senior in Teacher Preparation
Raymond Johnson, Junior in Art and Technology
Eric Torres, Junior in Business Administration
Bryan Roof, Junior in Psychology
Iris Leony, Freshman in Computer Science
Laura Rashedi, MBA candidate, Past President of Student Government

The committee was appointed by President Daniel on October 7, 2005, and convened and charged by him on October 20. At that initial meeting, Provost Wildenthal distributed copies of Executive Vice Chancellor Sullivan's memorandum of September 27, 2005, to Presidents of The University of Texas System's general academic institutions, together with a variety of information on national trends in public university tuition and fee policies and detailed data on current tuition and fee charges at other Texas public universities. Significant research work was required to develop some of this information due to the lack of transparency in the manner in which many universities present the costs of many fees.

The Committee then met to review steadily accumulating data and to discuss additional options on November 2, November 9, and November 16. Concurrently, prospective tuition and fee structures were circulated electronically as they evolved under the influence of continuing

discussions. The emergence of the proposal of The University of Texas at Austin during this period provided the committee with very valuable additional insight and guidance.

Concurrent with the meetings of the Committee, Provost Wildenthal met with the Deans' Caucus on November 3 and 17 to apprise them of the committee's work and to request them to hold discussions with the student groups active in their various individual schools, discussions that are ongoing. The Provost also met with the Faculty Council (November 2) and Faculty Senate (November 16) to present status reports and made a presentation on the topic to the meeting of the President's Development Board at its Fall meeting on November 17.

Provost Wildenthal met with a specially called meeting of the Student Senate, attended by approximately 45 members of the Student Government Association, from 5:00 to 6:00 pm on November 15 to present the current status of committee thinking and discuss the background of the need for additional University revenue and the range of options being considered by the committee. Finally, on November 17, at 11 a.m. and 6 p.m., President Daniel and Provost Wildenthal held open student forums for the same purposes.

The last stage in the process of formulating the final recommendations was the concluding meeting of the Student Fee Committee on November 23, at which this student-led committee formulated their recommendations for the various student service fees, fees that had explicitly been held separate from discussions noted above that dealt with increases in the tuition and fee charges that support the university's academic mission.

Foundations of the UTD Tuition and Fee Policy Review Committee Deliberations

The foundations of the process of formulating UTD's recommendations for tuition and fee policies for the coming two years were:

- Consideration of the University's strategic goals;
- Analysis of the bedrock financial requirements for maintaining current progress toward those goals; and
- Review of how costs of university operations can be constrained or reduced in order to minimize the amount of required increases in tuition and fees.

Strategic goals of UTD:

The Committee reviewed, discussed, and quickly converged on a consensus about UTD's central strategic goals, summarized as:

- a) provide able ambitious students with challenging educational opportunities of the highest quality, leading toward graduation and successful careers and lives;
- b) fulfill commitments undertaken in partnership with the State of Texas, The University of Texas System, and the Dallas community to enhance research capabilities in UTD's programs of engineering and science;
- c) provide students, faculty, staff, and visitors with a safe environment conducive to high productivity;
- d) administer efficient, frugal university operations that attach the highest priority to student learning and faculty research; and

- e) advance strategic policies of student tuition and fee charges and student financial aid that combine to optimally address State of Texas goals for higher education, student access and success, and the university's mission.

Financial requirements for UT Dallas to sustain operations at current quality levels

The Committee was presented with data on university finances and analyses of future challenges and options. After consideration of these data and productive discussions regarding alternative funding sources for anticipated needs, the Committee concluded that the highest funding priorities for 2006-07 included:

- a) sustaining and enhancing current faculty and staff quality by providing competitive adjustments in compensation levels;
- b) preventing further erosion in faculty/student ratios by increasing faculty numbers;
- c) continuing progress on the Engineering and Science Research Enhancement Initiative (Project Emmitt);
- d) maintaining incentives for recruiting students of exceptional merit;
- e) strengthening staff infrastructure in non-academic areas in response to audited needs; and
- f) addressing critical issues of deferred maintenance of physical plant.

Measures under consideration to reduce university operating costs

The Committee was not selected or appointed to take a lead role in analyzing and proposing cost reductions in university operations. Nonetheless, the members made many thoughtful suggestions during discussion of the issue. With the participation and assistance of members of the central administration, the Committee endorses consideration of the following options, should they prove necessary:

- a) deferring upgrades of business software systems;
- b) attenuating attempts to return faculty/student ratios to 2002 levels;
- c) minimizing responses to deferred maintenance needs except for critical safety issues;
- d) deferring initiatives to strengthen doctoral education programs; and
- e) deferring major initiatives to address space deficits.

In addition to potential cost reductions, suggestions are being developed regarding improved operating efficiencies and possible supplements to funding from appropriations and tuition and fees, such as:

- a) continuing program to increase efficiencies in class scheduling;
- b) developing partnerships with non-university organizations such as the City of Richardson to off-load some operating costs;
- c) developing partnerships with other universities such as U.T. Arlington to enhance educational and research programs while simultaneously reducing overall costs; and
- d) strengthening programs to generate additional financial support from private sources.

UTD recommendations on tuition and fee charges for 2006-07 and 2007-08, and their strategic implications

The Committee, upon the foundation of the data and discussions noted above, formulated its recommendations in the contexts of:

- Analysis of the distinctions between the support of academic operations by a combination of state appropriations and student tuition and fees and the support of extracurricular student activities by fees set by Student Government;
- Recommended T&F structure for 2006-07;
- Recommended T&F structure for 2007-08;
- Analysis of the strategic features of recommended T&F structures.

Support of academic operations by academic tuition and fees and support of student benefits and extracurricular student activities by Student Services fees.

The academic missions of Texas public universities are supported by a combination of appropriations by the Texas Legislature and an array of tuition and fee payments by students. Legislative appropriations are determined biennially, predominantly by a formula that provides funds in proportion to the teaching of student credit hours. The levels of “Academic” tuition and fee charges that provide the remainder of the funds for support of the instructional, research, and infrastructure components of the university are approved annually by the respective Boards of Regents. The annual adjustments of tuition and fee rates are proposed for consideration by the university administration after a process of consultation with students, all in the context of various legislative constraints.

The extra-curricular activities of students and other student-life benefits that are vitally important parts of students’ extended college experience are supported by additional fees, termed collectively “student service fees”. The levels of these fees are proposed by the student governance organizations and determined in consultation with the university administrations, again in the context of legislative constraints. These funds derived from student service fees, or “Student Government” fees, are rigorously restricted to the extracurricular purposes specified, and are not available to support any aspect of the university’s academic operations.

The levels proposed for Academic Tuition and Fees are driven by the necessity of funding university operations in fulfillment of its mission, while the level of Student Government Fees is driven by student self-determination on matters of student life and activity enhancements. Accordingly, these two components of student payments are treated separately in these discussions of UTD’s recommendations on T&F policies.

Recommended Tuition and Fee (T&F) charges for 2006-07

T&F charges applied to all students, independent of major and course selection

UTD's recommended student tuition and fee (T&F) policy for 2006-07 is based on a common set of T&F rates for all undergraduate students and another set common for all graduate students. These rates each are the aggregates of tuition and fees dedicated to the support of academic operations and of fees dedicated to support extracurricular services for students and student activities. The academic tuition and fee rates were the province of the present Committee, while the student service fees are the province of the Student Fee Committee, operating under the auspices of the Student Government Association.

The Committee based its recommendations for the T&F rates that support academic operations on the goals of:

1. Moving toward flatter tuition and fee rates as a function of SCH enrollment, with the aim of encouraging students to take more courses per semester and, thus, to save money and graduate sooner;
2. Compensating for the higher costs of engineering and management education by initiating supplemental fees for enrollment in these classes;
3. Providing the net increase in tuition and fee revenue dedicated to academic support required to sustain UTD operations.

Table I presents the recommended undergraduate 2006-07 T&F rate for each level of SCH enrollment and the numbers of students enrolling at each of these SCH levels in Fall 2005. In addition, Table I notes the changes in costs between 2005-06 and 2006-07 and the funds that will be generated at the recommended new rates for each level of SCH enrollment. Table II presents the analogous data for graduate enrollment.

Some key features of the recommended T&F rates presented in Table I:

Relative to 2005-06 costs, the 2006-07 total T&F cost for "full-time enrollment," defined as 15 SCH for undergraduate students, increases by \$249;

The academic component of total T&F costs increases by 4.6%;

The fees recommended by Student Government incorporate an increase of the Student Services fee rate from \$16.60 per SCH to \$18.26 per SCH, but more importantly a lifting of the cap on payments for this fee from \$149.40 to \$250.

Raising this cap impacts the SG fee charges progressively above 9 SCH of enrollment up to 14 SCH, with the result that full-time undergraduates, probably the main beneficiaries of student services, will pay a more equitable share of financing these services. We emphasize that this proposed increase was initiated by and is strongly backed by UTD's students.

There are no added T&F costs for enrolling for SCH in excess of the "full-time" level of 15 SCH; while the structure of rates below 15 SCH has been "semi-flattened," the structure is fully "flat" above 15 SCH.

Supplemental charges (Designated Tuition) for enrollment in courses offered by the School of Management and the Erik Jonsson School of Engineering and Computer Science

In addition to the T&F charges listed in Tables I and II, supplemental charges are recommended for enrollment in classes offered through the School of Management and the Erik Jonsson School of Engineering and Computer Science. These schools are significantly more expensive to operate than other schools because of higher costs of equipment and infrastructure, career preparation and accreditation services, and faculty salaries. In addition to these large comprehensive academic programs, some smaller, more circumscribed, programs also are notably more expensive to operate. In particular, supplemental charges of \$30 per SCH are also recommended for SCH in the Art and Technology Program and the graduate Public Affairs Program. It is appropriate that students in these programs bear the higher costs of their education, which will be recovered from the relatively higher salaries that graduates from these programs receive upon graduation.

Differential charges for certain programs are becoming relatively common at academic institutions in the U.T. System and across the nation. These proposed supplemental charges, of \$30 per SCH of additional Designated Tuition, are designed to offset partially the higher costs associated with instruction in these schools. Consistent with the "flat rate" feature of the base T&F charges, these supplemental charges will be capped at the 15 SCH and 12 SCH levels, for undergraduate and graduate students, respectively, to encourage progress toward graduation.

Revenue implications of recommended tuition and fee changes

The implications of the recommended changes in 2006-07 tuition and fees for annual revenue are presented in Table III, along with a summary of 2006-07 requirements for incremental funding.

Temporary Fee to address rapid escalation in utility costs

It appears quite possible that utility costs during at least the next 18 months will be markedly higher than the costs anticipated in legislative appropriations for the 2005-07 biennium. As a safeguard against prospectively crippling increases in utility costs during 2006-07, a temporary fee of \$150 per semester is recommended, subject to a careful audit of expected costs based on more fully developed information. This final level of this fee would be set to achieve neutral cost recovery on utility costs relative to legislative appropriations for this purpose.

It is expected that this temporary fee will not be needed after 2006-07 since the next cycle of legislative appropriations should incorporate increases that address the new level of utility costs. Since the quantitative aspects of this potential additional cost to students are currently quite speculative, and since the fee revenues and associated costs are independent of the academic and student life issues at stake in the remainder of the fee discussions, the possible impacts of this prospective fee have been omitted from the data presented in Tables I, II, and III.

Tuition and Fee recommendations for 2007-08

Beginning in the 2007-08 academic year, we propose a significant departure from convention in tuition policy, one that is designed to assist families in planning for the cost of a college education. New students entering UTD for the first time in 2007-08 would be guaranteed fixed

tuition and academic fees for four years. The tuition and fee rates for new students in 2007-08 would be 13% higher than the 2006-07 rates, an increase equivalent a average minimum increase of 5% per year compounded over 4 years.

By guaranteeing students a fixed tuition for four years, families can better plan for the expense of a college education, and students will be motivated to graduate on time. We plan to work out programs with local community colleges for qualified students who are struggling to afford UTD such that the admitted student can enroll at a community college for 2 years, and then at UTD for their final 2 years, at the tuition rate applicable when they first enrolled at the community college. A program of guaranteed tuition for four years has been successfully implemented at several leading institutions, including the University of Illinois, and resonates well with families.

We propose to implement the fixed four-year tuition policy for new students only. Thus, it will take several years for all students to be engaged in the fixed four-year tuition program. Thus, for 2007-08, there are two classes of students: "continuing students" who have previously enrolled at UTD and who will continue to experience annual adjustments in tuition and fees, and "new students" who will be guaranteed constant tuition rates for four years.

Base T&F charges in 2007-08 for students previously enrolled at UTD

Base T&F charges in 2007-08 for students who have enrolled for UTD classes prior to the Fall 2007 semester (continuing students) will be 6% higher at each SCH level than the corresponding 2006-07 charges. This recommendation is contingent on Legislative funding for higher education in 2007-08 that incorporates an increase of the formula funding coefficient for a student credit hour that at least matches the corresponding two-year increase in the CPI.

Supplemental charges in 2007-08 for classes offered through the School of Management and the Erik Jonsson School of Engineering and Computer Science.

The supplemental charges for classes offered through the School of Management and the Erik Jonsson School of Engineering and Computer Science will increase in 2007-08 from \$30 per SCH to \$40 per SCH.

Tuition and Fee costs in 2007-08 for students enrolling at UTD for the first time in one of the semesters Fall 2007, Spring 2008 or Summer 2008

The common T&F charges in 2007-08 for students enrolling at UTD for the first time in one of these three semesters will be set at levels 13% higher than the recommended 2006-07 charges. Again, this recommendation is based on the assumption that Legislative funding for higher education in 2007-08 will incorporate an increase of the formula funding coefficient for a student credit hour that at least matches the corresponding two-year increase in the CPI.

Concurrently, these new students would be guaranteed that they would be charged the same academic T&F charges and the same supplemental charges for classes offered through the School of Management and the Erik Jonsson School of Engineering and Computer Science for the continuation of their studies at UTD during the years 2008-09, 2009-10, and 2010-11.

Strategic features of UTD's recommended T&F structures

The T&F policies recommended above address a number of priorities of high importance both to the State of Texas and The University of Texas System, as well as to UTD, its students and their parents, and the university's external constituencies.

Transparency of college costs

UTD's recommended T&F policy for the next two years continues to feature a high degree of transparency, meaning that students and student families can determine the cost of a semester's enrollment by looking up the common T&F cost for the number of SCH in which the student plans to enroll and adding the supplemental charges for any SCH offered through the School of Management and the Erik Jonsson School of Engineering and Computer Science. We are convinced that this feature of transparency is of significant value to students and their families in providing a clear prospectus of the full costs of college attendance.

However, as pioneers of the concept, in parallel with The University of Texas at Austin, it is clear that "transparency," or "full disclosure," in pricing has its disadvantages in the realms of marketing and political opinion. Until other universities, in Texas as well as nationwide, are comparably transparent in their pricing policies, we will have the burden of educating the public about the fact that our "sticker prices" represents the full costs, while other sticker prices are accompanied by "fine print" that can represent significant additional costs. In fact, the obscurity of other universities' pricing methodologies is such that it is difficult to compare our prices with Texas universities other than U. T. Austin. Nonetheless, the total T&F charges at our two schools probably are the highest among public universities in the state.

Equity issues

UTD's recommended T&F structure features two basic initiatives directed at equitable pricing of the costs of education. The first equity aspect resides in the values of the base T&F charges as a function of the number of SCH in which students enroll. We have attempted to adjust these values with sensitivity both to the resulting total 2006-07 costs and to the increases in these costs over 2005-06, both in percentage and absolute dollar amounts. The goal has been to arrive at T&F prices as a function of SCH enrollment that reflect the efficiency of university operations associated with enrollment in greater numbers of SCH and that result in approximately the same cost increases across the range of enrollments up to the full-time levels. In order to encourage and facilitate enrollments at the levels that lead to graduation in four years, the cost increases for full-time enrollment are significantly less and there are actually cost savings for enrollment above the full-time minimum.

The recommended T&F charges in Tables I and II represent what we think is a good approximation to the optimum functions of T&F versus numbers of SCH enrollment. Hence, future increases in T&F can be dealt with principally in terms of percentage increases of these pricing profiles.

The other equity aspect is addressed by the supplementary charges for SCH offered by the School of Management and the Erik Jonsson School of Engineering and Computer Science. The costs of education for management and engineering degrees are significantly higher than the average costs for other UTD majors. It therefore is appropriate that students majoring in these fields bear some of these additional costs rather than having them distributed over the

entire student body. The \$30 per SCH supplemental charges proposed for 2006-07 do not produce price differentials as large as those observed in other universities, but do constitute a significant first step toward a balancing of T&F charges with underlying costs. (For example, for a student taking 30 SCH per year, the \$40 per SCH fee would total \$1,200 per year, or about half the engineering tuition surcharge imposed at the University of Illinois.) The increase to \$40 per SCH proposed for 2007-08 will begin to move UTD close to currently prevailing norms.

Financial Aid corollaries of tuition and fee recommendations

The University of Texas at Dallas is fully committed to practices that ensure access to UTD by all qualified Texas residents, regardless of family income. Financial aid for UTD students from internal university resources is allocated on grounds of financial need and on grounds of academic achievement. Need-based financial aid is administered by the Office of Financial Aid and the funds distributed by this office derive from the Texas Public Education Grant (TPEG) and Designated Tuition (DT) financial aid set-asides. The TPEG funds amount to 15% of collected Statutory Tuition and the DT set-aside funds amount to 15% of the amount of Designated Tuition collected over the rate of \$48 per SCH.

For 2005-06, the undergraduate TPEG financial aid budget is \$1,660,000 and the undergraduate DT financial aid budget is \$1,718,000. The graduate TPEG budget is \$398,000 and the DT budget is \$582,000. The number of undergraduate and graduate students receiving TPEG and/or DT financial aid in 2005-06 is 1330.

Financial aid based on academic achievement is allocated to undergraduates under the Academic Excellence Scholarship program and to graduate students under the Graduate Assistant Tuition Scholarship program. The 2005-06 budget for the AES program is \$11.5 million, with 1800 undergraduate students receiving grants ranging from \$1000 per semester to \$5900 per semester. The budget for the GA Tuition Scholarship program is \$5.4 million, with 720 graduate students receiving grants. Hence, of UTD's 14,000 students, 3850 received financial aid in 2005-06 from budgets totaling more than \$20 million.

For 2006-07, enrollment growth will cause the TPEG and DT financial aid budgets to increase proportionally. In addition, the recommended increases in T&F for 2006-07 will result in an increase of \$760,000 to the Designated Tuition Set-aside financial aid budget, most of the amount coming from the Supplemental T&F charged for Management and Engineering/Computer Science courses that are being levied in the form of Designated Tuition. These additional funds will be reserved for need-based financial aid for students who paid the supplemental charges. In addition, endowment distributions designated for Erik Jonsson School students will be focused on those students most significantly impacted by T&F increases.

Predictability of future educational costs

Public universities nationwide have been forced to increase the costs of education significantly during the last several years, creating concerns that financial issues may reduce student access to higher education. On a positive note, UTD's recent history, in which enrollments have grown above the state average in spite of significant tuition and fee increases, suggests that such problems can be ameliorated by strengthening need-based and merit-based financial aid programs.

However, in addition to higher current costs of attending college, the impression of students and parents that tuition and fee charges will continue to rise sharply in future years could also inhibit intentions of pursuing higher education. Consequently, creating stability and predictability about these future costs is certainly desirable, even if difficult in an environment in which the public funding component of the financial foundation of the university is vulnerable to continued crises in state budgets.

UTD's recommended T&F plan proposes to address this problem starting with the Fall 2007 semester. UTD proposes to increase 2007-08 T&F charges by 13% over 2006-07 rates for newly matriculating students, while guaranteeing these new students that the academic support component of these T&F charges will not increase during the following three years. In the context of recent history that has seen increases in T&F charges by much more than 13% over a four-year span, this guarantee should be attractive and unquestionably will be helpful to families in planning for college and in making decisions about where to attend college.

However, it will be challenging to convince prospective students and families to agree to pay appreciably more for the first one or two years of college education at UTD than will be charged at other Texas universities. An intensive and extended process of education will be essential, and it was not judged feasible to initiate such a program in the Fall of 2006. Our proposal is founded on the optimism that with enough lead time we will be able to educate students and their families about the significant potential savings that would result from a contract to pay a constant rate of tuition and fees for four years, fixed at a 13% increase over the 2006-07 rates. Not only would such a contract present significant savings over the costs of four years of compounded 6% per year increases, it would also provide insurance against even larger increases that might occur as a result of some new crisis in state funding.

With experience, we may discover a need to "tweak" the program to ensure that it meets the needs of our students, but UTD, because of its relatively small size and high level of quality, is an ideal institution to develop an alternative tuition program that better addresses family's needs in this era of rising (and sometimes rapidly rising) tuition.

Strategic impacts of recommended T&F charges

Improving graduation rates

The overall strategy guiding the development of the UTD recommendations for T&F for 2006-07 and 2007-08, beyond the issues of transparency, equity, and predictability addressed above, has been to create powerful financial incentives for students to progress expeditiously toward graduation within four years while simultaneously addressing the university's absolute minimum needs for sustaining our current level of educational quality. The proposed T&F structures feature decreasing incremental costs as enrollment approaches full-time levels of SCH, and zero incremental costs for enrollment in SCH in excess of full-time levels. Moreover, the absolute costs of enrolling for SCH at greater than full-time levels in 2006-07 are actually reduced from the corresponding 2005-06 costs. We believe that this continuation of the trends of UTD's tuition and fee policies will reinforce the progress we have recorded during the last several years in convincing students to increase their class loads and accelerate progress to graduation. The data supporting this expectation are presented in Table IV.

Supporting UTD's academic progress

UTD requires an increase of at least \$14 million over 2005-06 funding for academic operations and facilities support in 2006-07 to avert some combination of deteriorating educational quality and/or reduced aggregate productivity. An analysis of these needs is presented in Table III, along with the overview of funding increments associated with the recommended increases in tuition and fees. Since state appropriations for 2006-07 are fixed at 2005-06 levels, these increases in student payments of tuition and fees, along with additional income from enrollment growth, are the only sources of new funding for next year. As noted in Table III, UTD's recommended increases in tuition and fees for 2006-07 will generate approximately \$9.5 million for academic purposes, and a 3% increase in SCH will generate an approximate additional \$2.4 million. Hence, difficult choices in setting priorities among the various needs will be essential as UTD plans for the next fiscal year.

THE UNIVERSITY OF TEXAS AT DALLAS
Table I. Undergraduate Tuition and Fee Recommendations

| # | SCH | Academic T&F Charges | | Student Service Fees | | Total T&F Charges | | Academic T&F Charges | | Student Service Fees | | Total T&F Charges | | Percent Increase | |
|----|-----|----------------------|-----------|----------------------|------------|-------------------|----------|----------------------|----------|----------------------|---------|-------------------|---------|------------------|---------|
| | | Fall 05 | Fall 05 | Fall 05 | Fall 05 | Fall 06 | Fall 06 | Fall 06 | Fall 06 | Fall 07 | Fall 07 | Fall 07 | Fall 07 | Fall 06 | Fall 06 |
| 1 | | \$ 242.50 | \$ 165.95 | \$ 408 | \$ 476.55 | \$173.45 | \$ 650 | \$ 689 | \$ 650 | \$ 689 | 59.3% | 6.0% | | | |
| 2 | | \$ 451.45 | \$ 182.55 | \$ 634 | \$ 733.29 | \$191.71 | \$ 925 | \$ 981 | \$ 925 | \$ 981 | 45.9% | 6.0% | | | |
| 3 | | \$ 660.85 | \$ 199.15 | \$ 860 | \$ 990.03 | \$209.97 | \$ 1,200 | \$ 1,272 | \$ 1,200 | \$ 1,272 | 39.5% | 6.0% | | | |
| 4 | | \$ 871.25 | \$ 215.75 | \$ 1,087 | \$1,246.77 | \$228.23 | \$ 1,475 | \$ 1,564 | \$ 1,475 | \$ 1,564 | 35.7% | 6.0% | | | |
| 5 | | \$1,080.65 | \$ 232.35 | \$ 1,313 | \$1,453.51 | \$246.49 | \$ 1,700 | \$ 1,802 | \$ 1,700 | \$ 1,802 | 29.5% | 6.0% | | | |
| 6 | | \$1,289.05 | \$ 248.95 | \$ 1,538 | \$1,660.25 | \$264.75 | \$ 1,925 | \$ 2,041 | \$ 1,925 | \$ 2,041 | 25.2% | 6.0% | | | |
| 7 | | \$1,499.45 | \$ 265.55 | \$ 1,765 | \$1,876.99 | \$283.01 | \$ 2,160 | \$ 2,290 | \$ 2,160 | \$ 2,290 | 22.4% | 6.0% | | | |
| 8 | | \$1,708.85 | \$ 282.15 | \$ 1,991 | \$2,088.73 | \$301.27 | \$ 2,390 | \$ 2,533 | \$ 2,390 | \$ 2,533 | 20.0% | 6.0% | | | |
| 9 | | \$1,919.25 | \$ 298.75 | \$ 2,218 | \$2,295.47 | \$319.53 | \$ 2,615 | \$ 2,772 | \$ 2,615 | \$ 2,772 | 17.9% | 6.0% | | | |
| 10 | | \$2,173.25 | \$ 298.75 | \$ 2,472 | \$2,527.21 | \$337.79 | \$ 2,865 | \$ 3,037 | \$ 2,865 | \$ 3,037 | 15.9% | 6.0% | | | |
| 11 | | \$2,435.25 | \$ 298.75 | \$ 2,734 | \$2,773.95 | \$356.05 | \$ 3,130 | \$ 3,318 | \$ 3,130 | \$ 3,318 | 14.5% | 6.0% | | | |
| 12 | | \$2,653.25 | \$ 298.75 | \$ 2,952 | \$2,975.69 | \$374.31 | \$ 3,350 | \$ 3,551 | \$ 3,350 | \$ 3,551 | 13.5% | 6.0% | | | |
| 13 | | \$2,866.25 | \$ 298.75 | \$ 3,165 | \$3,142.43 | \$392.57 | \$ 3,535 | \$ 3,747 | \$ 3,535 | \$ 3,747 | 11.7% | 6.0% | | | |
| 14 | | \$2,958.25 | \$ 298.75 | \$ 3,257 | \$3,194.81 | \$405.19 | \$ 3,600 | \$ 3,816 | \$ 3,600 | \$ 3,816 | 10.5% | 6.0% | | | |
| 15 | | \$3,117.25 | \$ 298.75 | \$ 3,416 | \$3,259.81 | \$405.19 | \$ 3,665 | \$ 3,885 | \$ 3,665 | \$ 3,885 | 7.3% | 6.0% | | | |
| 16 | | \$3,200.02 | \$ 298.75 | \$ 3,499 | \$3,259.81 | \$405.19 | \$ 3,665 | \$ 3,885 | \$ 3,665 | \$ 3,885 | 4.7% | 6.0% | | | |
| 17 | | \$3,398.25 | \$ 298.75 | \$ 3,697 | \$3,259.81 | \$405.19 | \$ 3,665 | \$ 3,885 | \$ 3,665 | \$ 3,885 | -0.9% | 6.0% | | | |
| 18 | | \$3,596.25 | \$ 298.75 | \$ 3,895 | \$3,259.81 | \$405.19 | \$ 3,665 | \$ 3,885 | \$ 3,665 | \$ 3,885 | -5.9% | 6.0% | | | |
| 19 | | \$3,794.25 | \$ 298.75 | \$ 4,093 | \$3,259.81 | \$405.19 | \$ 3,665 | \$ 3,885 | \$ 3,665 | \$ 3,885 | -10.5% | 6.0% | | | |
| 20 | | \$3,992.25 | \$ 298.75 | \$ 4,291 | \$3,259.81 | \$405.19 | \$ 3,665 | \$ 3,885 | \$ 3,665 | \$ 3,885 | -14.6% | 6.0% | | | |
| 21 | | \$4,190.25 | \$ 298.75 | \$ 4,489 | \$3,259.81 | \$405.19 | \$ 3,665 | \$ 3,885 | \$ 3,665 | \$ 3,885 | -18.4% | 6.0% | | | |
| 22 | | \$4,388.25 | \$ 298.75 | \$ 4,687 | \$3,259.81 | \$405.19 | \$ 3,665 | \$ 3,885 | \$ 3,665 | \$ 3,885 | -21.8% | 6.0% | | | |
| 23 | | \$4,587.25 | \$ 298.75 | \$ 4,886 | \$3,259.81 | \$405.19 | \$ 3,665 | \$ 3,885 | \$ 3,665 | \$ 3,885 | -25.0% | 6.0% | | | |
| 24 | | \$4,785.25 | \$ 298.75 | \$ 5,084 | \$3,259.81 | \$405.19 | \$ 3,665 | \$ 3,885 | \$ 3,665 | \$ 3,885 | -27.9% | 6.0% | | | |

Note: New undergraduates entering UTD for the first time in 2007-08 would be guaranteed fixed tuition and academic fees for four years. The tuition and fee rates for new students in 2007-08 would be 13% higher than the 2006-07 rates, an increase equivalent to an average minimum increase of 5% per year compounded over 4 years.

Table 2. Graduate Tuition and Fee Recommendations

| # | Academic T&F Charges | | Student Service Fees | | Total T&F Charges | | Academic T&F Charges | | Student Service Fees | | Total T&F Charges | | Percent Increase | |
|----|----------------------|-------------|----------------------|-----------|-------------------|-------------|----------------------|-----------|----------------------|----------|-------------------|---------|------------------|---------|
| | Fall 05 | Fall 06 | Fall 05 | Fall 06 | Fall 05 | Fall 06 | Fall 05 | Fall 06 | Fall 05 | Fall 06 | Fall 05 | Fall 06 | Fall 05 | Fall 06 |
| 1 | \$ 309.25 | \$ 309.25 | \$ 165.95 | \$ 165.95 | \$ 475 | \$ 501.55 | \$ 173.45 | \$ 173.45 | \$ 675 | \$ 716 | 42.1% | 6.0% | | |
| 2 | \$ 592.45 | \$ 592.45 | \$ 182.55 | \$ 182.55 | \$ 775 | \$ 808.29 | \$ 191.71 | \$ 191.71 | \$ 1,000 | \$ 1,060 | 29.0% | 6.0% | | |
| 3 | \$ 905.85 | \$ 905.85 | \$ 199.15 | \$ 199.15 | \$ 1,105 | \$ 1,140.03 | \$ 209.97 | \$ 209.97 | \$ 1,350 | \$ 1,431 | 22.2% | 6.0% | | |
| 4 | \$ 1,194.25 | \$ 1,194.25 | \$ 215.75 | \$ 215.75 | \$ 1,410 | \$ 1,396.77 | \$ 228.23 | \$ 228.23 | \$ 1,625 | \$ 1,723 | 15.2% | 6.0% | | |
| 5 | \$ 1,487.65 | \$ 1,487.65 | \$ 232.35 | \$ 232.35 | \$ 1,720 | \$ 1,703.51 | \$ 246.49 | \$ 246.49 | \$ 1,950 | \$ 2,067 | 13.4% | 6.0% | | |
| 6 | \$ 1,776.05 | \$ 1,776.05 | \$ 248.95 | \$ 248.95 | \$ 2,025 | \$ 1,985.25 | \$ 264.75 | \$ 264.75 | \$ 2,250 | \$ 2,385 | 11.1% | 6.0% | | |
| 7 | \$ 2,024.45 | \$ 2,024.45 | \$ 265.55 | \$ 265.55 | \$ 2,290 | \$ 2,241.99 | \$ 283.01 | \$ 283.01 | \$ 2,525 | \$ 2,677 | 10.3% | 6.0% | | |
| 8 | \$ 2,287.85 | \$ 2,287.85 | \$ 282.15 | \$ 282.15 | \$ 2,570 | \$ 2,498.73 | \$ 301.27 | \$ 301.27 | \$ 2,800 | \$ 2,968 | 8.9% | 6.0% | | |
| 9 | \$ 2,551.25 | \$ 2,551.25 | \$ 298.75 | \$ 298.75 | \$ 2,850 | \$ 2,680.47 | \$ 319.53 | \$ 319.53 | \$ 3,000 | \$ 3,180 | 5.3% | 6.0% | | |
| 10 | \$ 2,801.25 | \$ 2,801.25 | \$ 298.75 | \$ 298.75 | \$ 3,100 | \$ 2,862.21 | \$ 337.79 | \$ 337.79 | \$ 3,200 | \$ 3,392 | 3.2% | 6.0% | | |
| 11 | \$ 3,046.25 | \$ 3,046.25 | \$ 298.75 | \$ 298.75 | \$ 3,345 | \$ 3,043.95 | \$ 356.05 | \$ 356.05 | \$ 3,400 | \$ 3,604 | 1.6% | 6.0% | | |
| 12 | \$ 3,251.25 | \$ 3,251.25 | \$ 298.75 | \$ 298.75 | \$ 3,550 | \$ 3,175.69 | \$ 374.31 | \$ 374.31 | \$ 3,550 | \$ 3,763 | 0.0% | 6.0% | | |
| 13 | \$ 3,451.25 | \$ 3,451.25 | \$ 298.75 | \$ 298.75 | \$ 3,750 | \$ 3,157.43 | \$ 392.57 | \$ 392.57 | \$ 3,550 | \$ 3,763 | -5.3% | 6.0% | | |
| 14 | \$ 3,681.25 | \$ 3,681.25 | \$ 298.75 | \$ 298.75 | \$ 3,980 | \$ 3,144.81 | \$ 405.19 | \$ 405.19 | \$ 3,550 | \$ 3,763 | -10.8% | 6.0% | | |
| 15 | \$ 3,791.25 | \$ 3,791.25 | \$ 298.75 | \$ 298.75 | \$ 4,090 | \$ 3,144.81 | \$ 405.19 | \$ 405.19 | \$ 3,550 | \$ 3,763 | -13.2% | 6.0% | | |
| 16 | \$ 4,041.25 | \$ 4,041.25 | \$ 298.75 | \$ 298.75 | \$ 4,340 | \$ 3,144.81 | \$ 405.19 | \$ 405.19 | \$ 3,550 | \$ 3,763 | -18.2% | 6.0% | | |
| 17 | \$ 4,291.25 | \$ 4,291.25 | \$ 298.75 | \$ 298.75 | \$ 4,590 | \$ 3,144.81 | \$ 405.19 | \$ 405.19 | \$ 3,550 | \$ 3,763 | -22.7% | 6.0% | | |
| 18 | \$ 4,541.25 | \$ 4,541.25 | \$ 298.75 | \$ 298.75 | \$ 4,840 | \$ 3,144.81 | \$ 405.19 | \$ 405.19 | \$ 3,550 | \$ 3,763 | -26.7% | 6.0% | | |

**The University of Texas at El Paso
Proposal for Tuition and Mandatory Fees
2006-2007 and 2007-2008**

Recommendations

- a). The University of Texas at El Paso should increase tuition and mandatory fees by a total of \$12.50 per credit hour for the Fall 2006 semester and \$11.70 per credit hour for the Fall of 2007. These represent increases of 7.5% for 2006-07 and 6.5% for 2007-2008. For Fall 2006, the increase of \$12.50 includes: Designated Tuition \$7.00/sch, Student Service Fee \$0.50/sch, Technology Fee \$2.00/sch, and Library Fee \$3.00/sch. For Fall 2007, the increase of \$11.70 includes: Designated Tuition \$8.20/sch, Student Service Fee \$0.50/sch, Technology Fee \$1.00/sch, and Library Fee \$2.00/sch.

- b). The University of Texas at El Paso should implement a program that guarantees all eligible entering freshmen in fall 2006 a tuition and mandatory fee rate of \$194 per semester credit hour for all coursework completed within four academic years of the date of initial enrollment. Based upon a review of student participation in 2006, the University will propose a similar guaranteed tuition and mandatory fee program for all eligible freshmen entering in fall 2007, at a rate of \$208 per semester credit hour.

Principles & Rationale

The justification for seeking these changes in tuition and mandatory fees and the process followed in developing these recommendations are drawn from the "University of Texas System Principles for Setting Tuition and Fee Rates for the 2006-2008 Academic Years" distributed by Executive Vice Chancellor Sullivan on October 3, 2005.

1). Minimizing Tuition and Fee Charges by Reducing Operating Costs

As the primary four-year public institution serving one of the most economically challenged communities in the nation, UTEP is acutely conscious of the need to continue to find new ways to reduce operating costs wherever possible so that implementation of increases in tuition and fees is the revenue source of last choice. We only turn to our students to ask them to increase their contribution when we have exhausted all other possibilities.

Based upon the continuing efforts of the university's Task Force on Efficiency, annual operating cost savings of the order of \$867,908 are anticipated for 2006-08. These savings will be achieved through a variety of initiatives, including energy savings measures, restructuring and/or elimination of maintenance agreements, and out-sourcing of certain operations.

2). Minimizing Tuition and Fee Increases Required to Sustain Institutional Quality

At the core of institutional quality are the faculty and staff of UTEP. To retain that workforce, we have projected a conservative annual merit increase package equivalent to 3% of aggregate salaries. When fringe benefits are factored in, a tuition and mandatory fee increase in excess of 4.5% is required merely to stay even with anticipated annual salary growth in higher education nationally. In addition, we need to recruit new faculty, and provide them with competitive salaries and start-up funding for their research. And the price of UTEP's emergence as a growing research university is that we have to fend off attempted raids for some of our faculty in the most highly competitive research fields. During the process of consultation on these proposed tuition and fee increases, our students have consistently appreciated and supported the value of recruiting and retaining top-quality faculty and staff, a value that accrues directly to the quality of their learning experiences and their access to sufficient numbers of faculty and staff to deliver curricula and services.

An additional and unexpected cost increase for which we have no alternative but to seek revenue from tuition and mandatory fees is associated with projected increases in utilities costs during the next two years. The contribution needed from the proposed tuition and mandatory fee increases is net of the anticipated cost savings described above (see #1).

3). Predictability of Tuition & Fee Policies

The predictability of tuition and fee policies will improve in two ways during 2006-08:

- a) The UT System is adopting a two-year cycle for developing tuition and fee schedules.
- b) In fall 2006, UTEP will initiate a new Guaranteed Tuition Rate Plan that will provide all entering freshmen, who qualify for and select the program, a guaranteed tuition and mandatory fee rate of \$194 per credit hour for four years. All new freshmen who choose to participate in the plan will be required to successfully complete at least 30 student credit hours each academic year. The credit-hour-minimum requirement will encourage graduation in as close to four years as degree requirements permit. Participation in this program will be closely monitored to ensure its effectiveness in meeting UTEP students' needs. Based on the results of this review process, the University will propose a similar guaranteed tuition rate program to be offered to all eligible first-time freshmen in

fall 2007, at an adjusted tuition and mandatory fee rate of \$208 per credit hour for four years.

4). Tuition & Fee Policies in Support of Strategic Goals

The university's tuition and fee proposal assists UTEP in meeting four important strategic goals:

4.1 Increase Graduation Rates & Reduce Time-to-Degree

The first strategic goal is the priority set by the Texas Legislature for raising graduation rates and reducing time-to-degree. The proposed tuition and fee levels and policies will help us achieve that goal in at least the following four ways:

- **Advising.** National and local institutional research attest to the critical importance of advising in helping students make effective and efficient decisions about their academic and career goals. UTEP is currently reviewing its academic advising strategies to assure that they provide students with assistance in the following ways: sound academic decision-making about the number of hours they take in a semester; accurately and efficiently selecting the courses required by their major; financing their education; and speeding their progress towards graduation. One of the top priorities for use of the proposed tuition and fee increases is the hiring of eight additional academic advisors.

UTEP did not implement a flat-tuition strategy last year because our students indicated they did not feel it would be a fair and equitable policy for those students restricted by family and/or economic circumstances from enrolling in higher course loads. Instead, we launched an advising initiative, making students more aware of the academic and career advantages of taking more credits and expediting their path to graduation. The first-year results are highly encouraging: this fall 2005, the numbers of resident undergraduate students enrolling for 15, 16, and 17 credit-hours increased by 20%, 25%, and 41% respectively, compared to the previous year.

- **Retention.** UTEP has been nationally recognized for its efforts in using unique and innovative strategies to strengthen the learning environment for its largely commuter, first-generation, non-traditional student body. National organizations such as the National Resource Center for the First Year Experience and Students in Transition have recognized UTEP's retention efforts for students in the first year of college; the National Survey of Student Engagement (NSSE) and the American Association of Higher Education (AAHE) have recognized UTEP as one of 20 universities "unusually effective in promoting student success" which translates into

retention and graduation. Because of the non-traditional UTEP student body, creating designated spaces for students to gather to study, to engage in collaborative learning activities, to form campus friendships, or to relax during breaks between classes is a key to successful retention and graduation. These spaces provide students with comfortable settings where studying with classmates is encouraged. The tuition and fee increases will be used to build upon that theme and the UTEP successes in other areas by creating an additional Collaborative Learning Center on the main floor of the Library. This Center will house more than 100 computer stations, with tutors nearby, and comfortable areas in which to study.

- **Curricular renewal.** The university has begun a comprehensive review of degree plans and prerequisite courses to ensure that they are contemporary, relevant and efficient.

4.2 Accelerate College Readiness through Initiatives in Developmental Education

Another new initiative to be funded by the increases is aimed at moving more students directly into freshman-level courses in mathematics and English with required supplementary instruction provided concurrently, rather than semester-long developmental courses that necessarily extend their time-to-degree. Given the long and successful history of collaboration in El Paso between UTEP, El Paso Community College, and the local public school districts, there are opportunities here for early interventions, multiple formats for delivery, and re-design of our developmental education into accelerated models that will decrease the time-to-degree for substantial numbers of students. Work on this has already begun: two of the largest three districts in El Paso are pilot testing their seniors this spring on our college placement test, so that they can initiate any needed interventions before high school graduation. UTEP will continue interventions as needed through summer programs of workshops or classes, so that most students will be able to complete their first required college-level math and English courses during their first semester of enrollment at UTEP.

4.3 Increase Enrollment

The State of Texas will not be able to achieve its goals of Closing the Gaps, especially for Hispanic students, without further significant and sustained increases in enrollment at UTEP. We are the only provider in the region of programs in the sciences, health sciences, and engineering at the baccalaureate level and beyond. The proposed tuition and fee increases are necessary to sustain growth in faculty, in technological infrastructure, and in state-of-the-art equipment.

4.4 Enhance Efficiencies in Facilities' Usage & Increase Access Throughout the El Paso Metropolitan Area

A large proportion of UTEP's students have day-time commitments for employment or family care provision that create special challenges for access. UTEP needs to expand class scheduling and provide alternative delivery systems in order to maximize student access opportunities and to make the most efficient use of the facilities. Part of the proposed tuition and fee increases will be used to offer more sections of high-demand courses in the evenings and on weekends, to expand our accelerated course delivery offerings in Wintermester, Maymester, and during the long terms, and to make more courses available on-line and in hybrid or blended formats that combine online learning with a reduced number of required in-person trips to campus. El Paso continues to grow in population, and urban expansion on the east side, at a growing distance from UTEP, is particularly aggressive. More and more of our students are faced with longer commutes to campus, and it will be important for the University to reduce the total travel-time burden wherever possible. All of these initiatives will require cultivating new student behaviors and will take some time to grow.

5). Financial Aid to Enhance Access

The university's tuition and fee proposal for the next two years enables UTEP to remain one of the most affordable institutions in the State of Texas while not compromising the growing research and graduate program mission of the university. Financial need and lack of familiarity with student financial aid opportunities and strategies are very high in this community, and 53% of UTEP's first-time freshmen are the first-generation in their families to attend college. The extent to which we have remained affordable is shown by the fact that 33% of UTEP students in fall 2005 report family incomes of \$20,000 or less – comparable national averages are 10% at large public research universities and only 29% at community colleges.

The advisory committee analyzed the financial impact of the proposed increases. It was determined that 60% of UTEP students are on some type of financial aid and that 85% of those on aid would have no additional "out-of-pocket" expenses. For the 15% of students who may incur additional out-of-pocket expenses, the university will promote and package PLUS Loans (Parental Loans for Undergraduate Students) which cover the difference between cost of attendance and financial aid received.

UTEP provides its students with more than \$90 million a year in financial aid (grants, scholarships, on-campus employment, departmental awards, and loans) and will continue its efforts to grow financial aid support for students. The university has created more than 100 new on-campus jobs that are designed to enhance the career and/or educational goals of students while directly supporting the university's retention and student success efforts. Statutory set-aside funds will continue to support the UTEP Grants Program which provides need-based scholarships to students who are eligible for but will not receive Texas Grants because of funding shortfalls in that program.

Affordability in terms of low tuition and aggressive application of financial aid plays out in an unusual way in El Paso where the work ethic and pay-as-you-go attitudes, especially toward educational expenses, are particularly strong community values. The result is that UTEP graduates consistently rank second or third in the country in the lowest level of loan-indebtedness in the country, right up (or down) there with the most expensive and affluent Ivy League schools. The unfortunate corollary is that UTEP students stop out to earn the next semester's tuition and ancillary expenses rather than making alternative financial aid choices that would yield greater long-term net benefits. This deeply ingrained behavior extends their time-to-degree and deprives them of the financial benefits of completing their degree and translating it into higher income.

Accordingly, extensive informational outreach and intensive guidance on financial aid planning are essential features of UTEP's financial aid programming. University staff give presentations to students and families in all local-area high schools in both English and Spanish each spring semester. Loan-counseling sessions are offered to students on-campus every semester. We have on-line loan application systems both for regular student loans and for our locally funded emergency and book loan programs. Service hours for in-person financial aid counseling have been extended until 6 p.m. from Mondays through Thursdays, and we recognize that additional adjustments will have to be made to accommodate the needs of many students with day-time work or family commitments and/or travel-time constraints. The University will be conducting a peer-review of our entire suite of financial aid operations during the next year to be sure they reflect best practices.

6). Open, Consultative Process

Following the development of the proposals for tuition and fee increases, the advisory committee created a presentation that was delivered by the academic Deans and the Vice President for Student Affairs to students in five Open Forums. The presentations at the Forums had four primary objectives:

- 1) To update students on how the added revenues generated by the Fall 2005 tuition and fee increases are being used to enhance the quality of their education;
- 2) To inform them about the proposed \$12.50 per credit hour increase for Fall 2006 and the \$11.70 increase for Fall 2007 and what those increases would fund;
- 3) To present the new guaranteed tuition and mandatory fees rate plan; and
- 4) To listen to and record student questions, comments and ideas about the proposed increases and other information that they wished to share about their experience at UTEP.

A total of 149 individuals attended the five forums during the week of November 14, 2005. Of those in attendance, 96 were students, 52 were faculty and staff and one was a self-described “parent of future UTEP students.” Several of the Forums were attended by representatives of the local print and electronic media. Their numbers are not represented in the attendance figures listed above.

7). Proposed Tuition and Fee Increase

**Proposed Tuition And Fee Increase At Each Credit Hour Level
 Fall 2006 And Fall 2007**

| Fall 2006 Proposed Increase | | Fall 2007 Proposed Increase | |
|--------------------------------|----------|--------------------------------|----------|
| SCH | Increase | SCH | Increase |
| 1 | 12.50 | 1 | 11.70 |
| 2 | 25.00 | 2 | 23.40 |
| 3 | 37.50 | 3 | 35.10 |
| 4 | 50.00 | 4 | 46.80 |
| 5 | 62.50 | 5 | 58.50 |
| 6 | 75.00 | 6 | 70.20 |
| 7 | 87.50 | 7 | 81.90 |
| 8 | 100.00 | 8 | 93.60 |
| 9 | 112.50 | 9 | 105.30 |
| 10 | 125.00 | 10 | 117.00 |
| 11 | 137.50 | 11 | 128.70 |
| 12 | 150.00 | 12 | 140.40 |
| 13 | 162.50 | 13 | 152.10 |
| 14 | 175.00 | 14 | 163.80 |
| 15 | 187.50 | 15 | 175.50 |
| 16 | 200.00 | 16 | 187.20 |
| 17 | 212.50 | 17 | 198.90 |
| 18 | 225.00 | 18 | 210.60 |
| 19 | 237.50 | 19 | 222.30 |
| 20 | 250.00 | 20 | 234.00 |
| 21 | 262.50 | 21 | 245.70 |
| 22 | 275.00 | 22 | 257.40 |
| 23 | 287.50 | 23 | 269.10 |
| 24 | 300.00 | 24 | 280.80 |

THE UNIVERSITY OF TEXAS – PAN AMERICAN TUITION AND FEES PROPOSAL FISCAL YEARS 2007 AND 2008

Summary of Requests

The University of Texas – Pan American (UTPA) is requesting authorization to make the following changes to tuition and fee rates for FY 2007 and FY 2008. Unless otherwise noted, all approved changes are to be effective with the Fall 2006 semester.

- Increases in the Designated Tuition rate.
- The assessment of an Excess Credit Hours Tuition charge.
- An increase in the Graduate Differential Tuition rate (*effective Fall 2007*).

Tuition and Fee Consultation Process

UTPA engaged in an enhanced tuition and fee consultation process as described below.

Development of Consultation Plan: Dr. John Edwards, the Vice President for Enrollment & Student Services, was asked to lead an effort to engage with students in developing an enhanced tuition and fees consultation plan. This resulted in the creation of the Cost of Education Committee (COEC) with members coming from the ranks of the students, faculty and staff. The committee was charged with reviewing fees and designated tuition rates, conducting presentations to stakeholders, and making recommendations to the president.

Cost of Education Committee: The COEC consists of 17 voting members: 9 students, 2 faculty members and 6 staff members. Co-chairs of the committee are Adrian Sandoval, the president of the Student Government Association (SGA), and James Langabeer, the Vice President for Business Affairs (a non-voting member). The committee reviewed all fee proposals and developed a recommendation on designated tuition rates. For certain proposals needing clarification or further investigation, the committee invited testimony from experts. The student members had excellent attendance at the meetings and were very engaged in the discussions. It should be noted that the discussions were substantive, plenty of time was devoted to the various points of view, and as a result of the level of engagement all voting was unanimous.

Forums: Two public forums were conducted by the COEC. The first forum was held during the noon activity period on November 15, 2005. The subsequent forum was held in the evening of the following day. Members of the Board of the

UTPA Foundation as well as the Alumni association were invited to participate in the discussion. Local legislators and their staffs were also invited to participate. The two forums were widely advertised on campus via billboards, through the campus newspaper, and via email. In addition, a large advertisement was placed in the local newspaper, *The Monitor*, to invite participation from the community.

At each forum, Mr. Sandoval presented the recommendations and issues. He then led the discussion. One legislator, Representative Veronica Gonzales, attended one of the sessions and briefed the students on the state perspective. As described below, each forum concluded with the circulation of a survey form.

Faculty Senate: The COEC co-chair and the budget office staff presented the committee's recommendations to the faculty senate and solicited their feedback.

Staff Senate: The COEC co-chair and the budget office staff presented the committee's recommendations to the staff senate and solicited feedback as well as answered questions.

UTPA Parent-Family Association: A presentation of the COEC's recommendations was made to the organization by the assistant vice president for business affairs/budget director. At the request of the parents in attendance, all of whom were Spanish-speaking, the presentation and discussion were conducted in Spanish.

Tuition & Fees Website: A website providing access to proposals and related information is being maintained by the budget office. At each opportunity, at the forums and at the meetings of the faculty senate, staff senate and parent-family association, the web address (<http://www.utpa.edu/budget/TuitionandFees.htm>) was provided. In addition, email contact addresses were provided for persons interested in following up with additional questions or comments.

Surveys: At each forum and meeting of the various university constituent groups, a survey form was circulated as an instrument to gain insight and help inform the decision on tuition & fee rates at UTPA.

Special Meeting of the Deans & Vice Presidents: After the COEC report was submitted, a special meeting of the academic deans, vice presidents, CIO and budget staff was called by the university president. Again, the president of the student government association, co-chair of the COEC, presented the recommendations of the committee.

Informal Focus Groups: Two luncheon meetings were held with student leaders from approximately 25 student organizations across campus. These sessions included discussions with the dean of students, the president of SGA and the vice-president of enrollment and student services.

UTPA Tuition Plan for Fiscal Year 2007:

Designated Tuition: Effective with the Fall 2006 semester, UTPA proposes to increase the designated tuition rate from the current rate of \$46 per Semester Credit Hour (SCH) to \$66 per SCH. The university no longer has the accumulated cash balances to delay implementing a rate that is reflective of its actual costs. UTPA will continue, however, to charge a rate below the average of all other public institutions in Texas. Also, the university will be required to set aside a portion of the increased revenue for need-based financial assistance.

14-Hour Cap: UTPA will continue the 14-hour cap on designated tuition with the intent of encouraging students to enroll in a greater number of courses and thus shorten their time-to-degree.

Excess Credit Hours Tuition: UTPA proposes to begin charging additional designated tuition at \$125 per SCH to resident undergraduate students for excess credit hours as defined by *Texas Education Code § 54.068* and by Texas Higher Education Coordinating Board rules. The state does not provide funding for excess hours, and the greater university simply cannot afford to subsidize these students.

UTPA Tuition Plan for Fiscal Year 2008:

Designated Tuition: Effective with the Fall 2007 semester, UTPA proposes to increase the designated tuition rate to \$82 per SCH.

Graduate Differential Tuition: UTPA seeks to increase the additional statutory tuition charged to graduate students from the current rate of \$30 per SCH to \$34 per SCH.

Use of Funds from Tuition Increases

UTPA proposes to use the funds raised by the tuition increase to address its three over-arching goals: (1) Undergraduate access & timely graduation, (2) Enhancement of graduate education and research and (3) Improvement of organizational effectiveness. More specifically the funds would allow the institution to:

- Hire an additional 43 faculty members (\$2,355,000) in FY 2007 and an additional 45 faculty members (\$2,475,000) in FY 2008. This will enable the university to maintain reasonable class sizes and a timely graduation imperative, while addressing the adjustment in the faculty workload needed to promote research activity. These additional faculty are necessary in

order to effect scheduling and instructional adjustments tied to timely graduation initiatives.

- Hire additional staff totaling \$900,000 in FY 2007 and again in FY 2008 (an estimated 51 new hires over two years if using an average salary of \$35,000). These additional staff are needed for advising and counseling needs as well as other timely graduation initiatives.
- Provide an estimated \$1,650,000 in annual salary adjustments to faculty and staff which are comparable to those provided in fiscal year 2006. These increases are necessary to keep UTPA competitive in the increasingly tight academic labor market.
- Cover an estimated \$1.2 million increase in annual utility costs.
- Cover the cost of transferring certain staff positions from capital projects to the general operating budget.
- Provide \$1.8M in need-based financial assistance to students in FY 2007 and an additional \$1.2M in FY 2008.
- Provide an additional \$1.6M for retention & timely graduation initiatives in FY 2007 and increment the amount by an additional \$300,000 in FY 2008.
- Further develop and enhance graduate programs (using revenue generated from the graduate differential tuition increase).

Cost Savings

After the tuition and fee recommendations were made by the COEC, the president met with the vice presidents to make cost reductions which would reduce the recommended increases in designated tuition rates. The committee had recommended designated tuition rates of \$71/SCH (FY 2007) and \$87/SCH (FY 2008). Over \$3.6 million in cost savings was identified. This has brought the proposed rates down to \$66/SCH and \$82/SCH for FY 2007 and FY 2008, respectively.

Incentives to Promote Timely Graduation

14-Hour Cap: As discussed elsewhere in this document, UTPA will continue to cap designated tuition at 14 SCHs as an inducement for students to enroll in more than 14 hours and therefore reduce their time-to-degree.

Excess Credit Hour Tuition: Charging an additional amount of designated tuition for excess credit hours, in addition to recovering lost formula funding for the university, will encourage students to focus on degree-required coursework and will discourage dropping classes. It is presumed that this allowance to recover foregone revenue has been provided by the legislature with the intent to promote timely graduation.

Financial Assistance

Given the proposed tuition and fee increases and given the socioeconomic status of our student population, UTPA will continue to aggressively pursue every means of financial assistance that can be made available for our students. We are committed to ensuring that the proposed increases do not adversely affect access to higher education.

No Pell-eligible student will incur any out-of-pocket cost for the additional tuition and mandatory fees. Our neediest students (approximately 7,140) who are eligible for the full Pell grant will have all of their tuition and mandatory fees covered by the Pell grant. Somewhat less needy students (approximately 3,360) who are currently receiving partial Pell grants will have any additional costs (up to \$342 for a 15 hour course load) covered either by the financial assistance set aside or other grants and scholarships (TEXAS Grant, Texas Public Educational Grant, Supplemental Educational Opportunity Grant, University Scholars & external scholarships).

Financial Assistance Set Asides: If the proposed increases in the designated tuition rate are approved, UTPA will be required for the first time to set aside amounts for need-based financial assistance (pursuant to *Texas Education Code § 56.011 and 56.012*). It is estimated that the financial set-asides generated by the designated tuition increases, including the excess credit hours tuition, will total \$1.8 million in FY 2007 and an additional \$1.2 million for FY 2008. Per statute, 5% of the resident undergraduate set-aside will be used for the B-On-Time Program. UTPA will put the following need-based programs in place with the set aside funds:

- Graduate Tuition Grant: Approximately 194 graduate students who demonstrate financial need will be awarded grants of \$500 each.
- Retention Scholarship: An award of \$500 to 350 second-year students that completed at least 24 hours in the first year and have a 3.0 or greater GPA.
- Tuition Grant One: A grant for Pell students to cover the additional cost of tuition and mandatory fees. This will cover 4,550 students who are neediest and 3,776 who are somewhat less needy (receiving partial Pell grants).
- Tuition Grant Two: A grant to assist students enrolled in summer sessions since most aid eligibility has been exhausted in the Fall and Spring semesters. The funds will be directed at those students in jeopardy of not meeting financial aid satisfactory academic progress.
- Matching Scholarship: A matching grant for students receiving South Texas Academic Rising Scholars awards. Scholarship recipients are chosen on the basis of academic achievement, personal strengths, leadership and financial need.

Other Financial Aid Programs: In addition to Pell grants and the set asides of designated tuition, UTPA administers a broad range of financial aid programs

that total \$85 million per year. Programs include Texas Grants, Retention Scholarships, a University Scholars Program, an Emergency Loan Program and additional work-study match beyond that provided by the state among others.

Proposed Tuition and Fee Changes

The following table displays the impact of the proposed changes to tuition and mandatory fees to be paid by resident undergraduates taking a 15-hour load and resident graduates taking a 9-hour load. Even after the proposed increases, the FY 2008 total tuition and mandatory fees at UTPA will remain below the *current* FY 2006 tuition and mandatory fees charged at most Texas public universities.

| Tuition and Mandatory Fees | Resident Undergraduate Student Enrolled for 15 Hours | | | Resident Graduate Student Enrolled for 9 Hours | | |
|--|--|------------------|------------------|--|------------------|------------------|
| | Current FY 2006 | Proposed FY 2007 | Proposed FY 2008 | Current FY 2006 | Proposed FY 2007 | Proposed FY 2008 |
| Statutory Tuition (includes differential tuition for graduate) | \$750.00 | \$750.00 | \$750.00 | \$720.00 | \$720.00 | \$756.00 |
| Designated Tuition | 644.00 | 924.00 | 1,148.00 | 414.00 | 594.00 | 738.00 |
| Mandatory Fees | 344.35 | 405.85 | 437.45 | 244.35 | 254.85 | 274.45 |
| Total | \$1,738.35 | \$2,079.85 | \$2,335.45 | \$1,378.35 | \$1,568.85 | \$1,768.45 |
| <i>\$ Increase</i> | | \$341.50 | \$255.60 | | \$190.50 | \$199.60 |
| <i>% Increase</i> | | 19.64% | 12.29% | | 13.82% | 12.72% |

The University of Texas of the Permian Basin Tuition and Fee Proposal for 2006-2008

Summary of tuition process used on campus

The University of Texas of the Permian Basin Tuition Advisory Committee was charged with considering the need for a tuition increase, effective for Fall 2006 and Fall 2007. The Committee found an increase was needed to maintain and improve the quality of education at U.T. Permian Basin. The Committee was comprised of 8 student representatives including four from the Student Senate, two representatives from the Faculty Senate, two representatives from the Staff Advisory Council, and two community representatives. The Vice President for Student Services chaired the Tuition Advisory Committee.

The Committee met 5 times beginning October 25, 2005. The Committee examined a number of factors:

- Increases in Tuition and Fees over the past three years and how they were used
- Tuition and Fees at other universities in the region and in the state
- IPEDS and other data related to the University's affordability and the financial burden carried by UTPB students
- A UT System Strategic Issues Facing Higher Education Summary
- The funding priorities for the university, determined by the new bottoms-up Budget Hearing Process which asked budget units to identify resources needed to advance the goals in the University's Compact with UT System
- The burden of tuition and fees on students as reported by students to members of the committee
- A review of the UTPB **Cash for College** tuition rebate program.

The Committee reviewed the current budget situation, faculty and staff salaries, increases in faculty and support staff, program development and the effect of tuition increases on students' financial aid. Two major issues for the University tuition increase are Quality and Access -- Quality as measured by professional accreditation of programs and Access as measured by perceived and actual affordability.

After considerable deliberation the Committee recommended:

1. A total tuition and mandatory fee increase not to exceed \$15 per semester credit hour for the Fall 2006 semester including a \$3.40 Energy Fee
2. An additional increase not to exceed \$15 per semester credit hour for the Fall 2007 semester. The Committee acknowledged that the required 20% of any increase in designated tuition would be set aside for financial aid. The \$15 increase is a 10.85% increase across all required tuition and fees for a 15 credit hour full time student in the first year and an additional 9.79% increase in the second year.
3. The University explore increasing scholarships and other financial support for graduate students.

Two open meetings were conducted by the President on campus on November 16 and 17, 2005 at 2:00 P.M. and 4:00 P.M. respectively, to provide for wide student participation. Posters, television announcements, and email were used to publicize the hearings. Meeting participants included students, faculty, staff, and members of the community and television/press.

The Executive Council was present at each meeting and took the information gained from these meetings under advisement. **After the public meetings, the Executive Council recommended an Energy Fee in the amount of \$3.40 per SCH, a \$9.00 per SCH designated tuition increase effective for Fall 2006 and an \$11.00 per SCH designated tuition increase effective for Fall 2007.**

Cost Savings Efforts to Keep Tuition and Fee Charges Affordable

The University has undertaken various cost savings efforts to keep tuition and fee charges affordable in recent years. The single most significant efforts have been energy conservation programs including a targeted renovation program to improve the energy efficiency of the University's central plant and participation in a consortium of University of Texas campuses for group purchasing of electricity.

Other programs have included Vice Presidential review of all travel before its final approval to ensure all travel is necessary, thorough examination of each vacant position before an authorization to refill a vacancy is approved, and creation of new faculty and staff positions targeted directly on meeting the enrollment growth needs of the University. The University has also created a satellite teaching site at Midland College, approximately 20 miles to the East to enable students to reduce their personal expense of traveling to the central campus. A similar teaching site is planned for the Andrews Business and Technology Center in Andrews, Texas, approximately 35 miles to the North. The University is also the second largest participant in Distance Education through the UT TeleCampus, making its education programs available to students without requiring their personal travel.

During a period of rapid growth, which saw UT Permian Basin's enrollments increase by 50% in five years, the University has worked to keep staffing as lean as it could. During this time the faculty FTE has increased by 43% and non-faculty staff positions have increased by 14%. The administrative cost ratio was 12.30% in FY 01 and was 10.00% in the last fiscal year.

Tuition Increase Limited to the Amounts Necessary to Provide a Quality Education

The University of Texas of the Permian Basin carefully and routinely focuses its tuition increases on improving the quality of education provided to our students. Recent initiatives that emphasize the continuing development of quality include various programs to obtain specialized accreditations for the University programs in Business, Education and Art. These programs serve approximately 55% of the University's student body either as their degree programs or as certification fields for teaching certifications. The University anticipates that all three of these programs will either receive specialized accreditations during the two year tuition period or will achieve them shortly thereafter. Various investments in faculty, staffing, program assessment and the demonstration of institutional effectiveness are required to achieve these accreditation goals.

Another priority for the tuition increase is hiring and retaining competitive faculty and staff in current positions. The University historically has been 8% or more below comparable campuses in its

salary structure. As we have focused more emphatically on growing our enrollment and on achieving external indicators of quality, the need to maintain and improve the University's salary structure has become more acute. The tuition increase will enable the University to continue to achieve parity with other campuses and insure that faculty and staff recruitment and retention receives comparable weight to student recruitment and retention. A quality faculty and staff are essential to University goals.

Increased staffing in student support areas is also important to deal with the growth in enrollment in recent years. Additional Student Services, University Police, and Physical Plant staffing are directly related to student enrollment and needed to maintain quality programs and environments that enhance University graduation goals and the secure campus environment that students reasonably expect.

Tuition and Fee Predictability

The University is equally concerned with parents and students about the cost of a university education and agrees that every effort to insure predictability is very important. The challenge facing the University is that of continuing rapid growth and the resultant need to provide additional academic services, staffing, and related support services – the cost of which cannot be predicted well in advance. This two year tuition proposal is a step in the direction of more predictability. It insures that tuition and mandatory fees will be known for the next two years. The University will continue to look at other alternatives to improve tuition predictability.

Tuition and Fee Policies Relation To and Support of Other Strategic Goals

The University has two specific goals related to the tuition and fee policy including growth in enrollment, programs, and student services and enhanced quality of the programs offered. Growth in enrollment enables the University to offer more classes and to better serve the students of the region and all of Texas. Growth in programs enables the University to strategically add programs that better meet the needs of students and the community. Growth in student support services enables the University to better serve the students who come to the University through programs that help them succeed and to graduate with their degrees in a reasonable time.

The growth goals are directly tied to the University's quality goals. These quality goals include seeking specialized program accreditations for programs such as Business, Education, Art, and others. The purpose of these specialized accreditations is to affirm publicly that the University's programs in these specialized, accreditation areas meet national standards of quality for the educational programs. They provide an external seal of approval for the programs.

Tuition revenues provide support for these programs by helping the University fund additional activities that are required by both the entire University's SACS accreditation as well as the specialized accreditations. Part of the first year tuition increase in 2006-2007 will improve the University's institutional effectiveness and assessment programs. Additional tuition increase funds will be used to support the NCATE (National Council for Accreditation of Teacher Education) accreditation by providing upgrades from Lecturer to full time faculty positions and by providing better staff support for Education student field experience programs. Smaller amounts of the tuition increase revenues will provide for on-campus student worker wage adjustments and similar retention and student support programs. Finally tuition revenues will enable the University to fund compensation adjustments for faculty and staff.

The overriding goal of the University's tuition increase programs is to improve student retention and graduation rates. The **Cash for College** program begun two years ago is funded with tuition revenues and provides a \$400 senior year credit for each prior year in which a student completes 30 credits between September and August. This program provides student incentives for completing higher credit loads each year as well as a reward in their senior year when other non-need based financial aid programs may be minimal. From Spring 2004 through Summer 2005, 250 UTPB students have benefited from **Cash for College**, earning over \$102,000 in tuition rebates. **Cash for College** directly rewards the full-time four year college student for coming to and staying at UTPB.

Overview of Financial Aid Services Available to Assist Students

The University has committed to additional staffing in the Financial Aid Office from existing campus and grant resources to provide better services to students. The financial aid set asides required by the tuition increase will be used to fund the existing and growing **Cash for College** program as well as expanding other financial aid programs that maintain and enhance access.

The University has emphasized increasing scholarship and financial aid to reduce the impact of tuition increases for those students least able to pay. In FY 04 the University allocated 25% of the designated tuition, rather than the statutorily required 20% increase to financial aid. Scholarships were targeted so that students on PELL Grants would see no increase in out-of-pocket expenses due to the increase in tuition. External fund raising has placed a high goal on scholarships. In the last two years \$62,033, a 9% increase in the external scholarships, have been raised.

The Tuition Advisory Committee led by representatives from the Student Senate has recommended that the University increase the number of scholarships available for graduate students. In response to this recommendation, an increase in graduate scholarships may be allocated for next year.

The amount of financial assistance excluding loans has kept pace with the tuition increases over the past three years. Tuition has increased an average of 10.5% over the past three years and total gift aid has increased an average of 14.2%. Approximately 75% of UTPB students receive some form of gift aid. Gift aid covers approximately 80% of the student's tuition and fees. The other 20% is comprised of a combination of loans and other external assistance. UTPB's "We've Got You Covered" program is an added cost saver for students receiving a Pell Grant. The University covers the tuition increase for students who meet the established criteria. The University is proactive in providing scholarship opportunities for students wanting to enroll. The Office of Admissions awards scholarships to students in the top 10%, top 25%, and top 50% of the student's high school class.

Summary

The University has carefully considered the effect of this proposed tuition and fee increase on the access, quality, and academic excellence of the University. The Tuition Advisory Committee carefully reviewed data on prior uses of tuition increases and on the University's needs for the next two years. The campus hearings on the Tuition Advisory Committee's recommendations provided an opportunity for the broader campus community to offer input. The proposal reflects the University's needs for tuition revenue funding in the next two years at a level designed to improve Quality and encourage and maintain Access.

Proposed Tuition and Mandatory Fee Levels

| <u>Per Semester Credit Hour</u> | <u>Current Rates</u> | <u>Proposed Rates Fall 2006</u> | <u>Proposed Rates Fall 2007</u> |
|---|----------------------|-------------------------------------|-------------------------------------|
| Statutory Tuition | \$50.00 | \$50.00 | \$50.00 |
| Designated Tuition | \$59.00 | 68.00 | 79.00 |
| Per Credit Mandatory Fees | | | |
| Student Service Fee | 10.50 | 10.50 | 10.50 |
| Athletics Fee | 7.00 | 7.00 | 7.00 |
| Library Fee | 3.00 | 3.00 | 3.00 |
| Technology Fee | 5.00 | 5.00 | 5.00 |
| Energy Fee | 0.00 | 3.40 | 3.40 |
| Per Student Mandatory Fees | | | |
| Student Union Fee | 35.00 | 35.00 | 35.00 |
| Medical Services Fee | 11.00 | 11.00 | 11.00 |
| Advising | 10.00 | 10.00 | 10.00 |
| Total | \$190.50 | \$202.90 | \$213.90 |
| | | | |
| Per 15 Semester Credit Hours | Current Rates | Fall 2006 | Fall 2007 |
| Total | \$2,073.50 | \$2,259.50 | \$2,424.50 |
| | | | |
| Percentage Increase for 15 Credits | | 8.97% | 7.30% |

FEES AND MISCELLANEOUS CHARGES
Energy Fee for Housing
(Including apartments, dormitory rooms, and residence halls)

In addition to the approved standard semester rental rates, UT Permian Basin proposes the charge of an energy fee not to exceed 10% of the rental rates in the event cost per Kilowatt (KW) and Million Cubic Feet (MCF) from the University's suppliers in any six month period exceed the prior two year average cost per KW and MCF for the same period by more than 10%.

Initial notice that the energy fee will be charged will be provided to housing residents no later than thirty days before the beginning of a semester. The amount of the energy fee will be determined by the President, if needed. The energy fee will remain in effect until notice is provided that the energy fee is changed or dropped.

THE UNIVERSITY OF TEXAS AT SAN ANTONIO Tuition and Mandatory Fees Proposal Fiscal Years 2007 and 2008

The University of Texas at San Antonio (UTSA) is the second largest academic institution in the UT System and the sixth largest public university in Texas. UTSA remains one of the fastest-growing universities in Texas, and its rapid enrollment growth continues to exceed expectations (see Appendix A). Fall 2005 enrollment of 27,337 represents a 4.4% increase from the previous year and includes 4,408 new first-time freshmen, the largest first-time freshman class in the University's history. In Fall 2005, UTSA accounted for 27% of enrollment growth at all Texas four-year public universities.

The University continues to be one of Texas' most diverse institutions of higher education, dedicated to providing opportunity to all citizens and serving traditionally underrepresented groups. The student body exemplifies diversity: 57% are members of minority groups--45% Hispanic, 6.7 % African American (represents an increase of 99% since 1999 and 14% from 2004 to 2005), 5% Asian/Pacific Islander, and .5% American Indian. Three percent of UTSA students are international students. Additionally, approximately 50% of students are first generation college students, and over 70% of all students receive financial aid.

The Tuition and Mandatory Fees Proposal (the Proposal) was developed within the context of UTSA's distinct characteristics, students' needs and service goals. The recommendations also

- provide cost predictability to students and families,
- support UTSA's commitment and responsibility to provide access to high quality education and research opportunities to Texas citizens,
- increase retention and timely progress to graduation,
- expand graduate degree programs (and movement toward achieving Tier One research status),
- provide transparency in tuition and fee pricing, and
- generate revenue needed to meet the financial needs of the University in consideration of legislative and state funding appropriations.

The University is committed to attaining these goals and successfully seeking resources that allow for excellent academic instruction, student services, and availability of financial assistance.

Summary of Recommendations

1. Increase recurring tuition and mandatory fees for resident students for fiscal years 2007 and 2008 by 9.95 % and 8.74%, respectively, for students taking 15 hours.

2. Continue the University's financial aid set-aside program to provide for financial aid grant assistance to cover increased costs to students. (Additional financial aid funding is detailed in this proposal.)
3. Increase tuition on a temporary basis for 2006-07 and 2007-08 by an additional amount necessary to pay for anticipated increases in utility costs over the base budget.
4. Support recommendations from the Tuition and Fees Committee to further investigate programs that could provide UTSA students with timely and meaningful graduation incentives without short-changing effective learning experiences.

Consultative Process in Setting Tuition and Fee Rates

The institution's 2007-2008 tuition and fees deliberative process was public, consultative, inclusive of campus and community interests, and student and student-concern driven. The process was open and transparent. Voting members of the Tuition and Fees Committee included 13 students, two faculty including one representative from the Faculty Senate, two staff including a representative from the Staff Association, a dean, an associate dean, and a representative of the Alumni Association. Additional administrators and administrative support staff members provided assistance and facilitation.

The structure for deliberation also included nine integral and additional fee committees focused on specific fees: library, automated services, academic advising, other (primarily course-based) incidental fees, university center, campus recreation, health services, athletics, and student services. These committees included at least one student who also served on the Tuition and Fees Committee as well as additional students, faculty, and staff. Over 80 students participated in the tuition and fee deliberation process. A total of 10 tuition and/or fee committees of students, faculty, and staff held a total of 21 meetings.

Meeting agenda topics included presentations on current tuition and fees, how funding is used, and funding needs to meet the institution's goals, as well as detailed discussions of student concerns regarding funding priorities and competing needs. The representative, cross-section of UTSA's community compared and discussed plans for increasing tuition and mandatory fees, plans for using additional funds, and the impact at current and proposed funding levels on teaching, academic support and other student services, research, and university services. In determining final tuition and fee increases and funding priorities, students held the ultimate determining voice. The process culminated with four public hearings and presentations at the Executive Leadership Committee and Faculty Senate. A web site dedicated to the tuition and fee-setting process was established and included handouts from meetings, proposed tuition and fees options, and video presentations of public hearings.

During the summer of 2005, student members of a university legislative subcommittee met with key legislators from both the Texas House and Senate to voice their concerns about the limited funding from the state and the increasing burden on students to fund the costs of higher education.

Members of the Tuition and Fees Committee have requested to continue meeting during the spring semester to further discuss recommendations relating to tuition incentives and other strategies to increase graduation rates. Programs that will be considered for implementation include one-time tuition rebates upon timely graduation and adoption of flat rate tuition and/or differential tuition by college. Committee members also want to spend additional time considering which is most likely to lead to increased graduation rates, funding tuition incentive programs or funding additional academic support programs. It is anticipated that recommendations from this group will be implemented in FY 08.

Proposed Tuition and Mandatory Fees Increases

UTSA’s 2007-2008 Tuition and Mandatory Fees Proposal reflects flexible and creative options focused on keeping tuition and mandatory fees at an affordable level and responsive to the institution’s diverse student population, while balancing the competing needs of accessibility, student success, growth in graduate programs and movement to Tier One research status. The Proposal calls for a 9.95% increase in recurring tuition and mandatory fees in fiscal year 2007 and an 8.74% increase in fiscal year 2008 for students taking 15 hours. Increases by year are summarized below. (See Appendix A)

| | <u>FY 07</u> | <u>FY 08</u> |
|----------------------------------|-----------------|-----------------|
| Designated Tuition | \$10/SCH | \$8.75/SCH |
| Automated Services Fee | \$1.85/SCH | \$1.15/SCH |
| Athletic Fee | \$2.40/SCH | \$.60/SCH |
| Library Resources Fee | \$3.44/SCH | \$2.56/SCH |
| Student Services Fee | \$1.35/SCH | \$1.45/SCH |
| Medical Services Fee | \$2.10/semester | \$2.35/semester |
| International Education Fee | No increase | \$1/semester |
| Recreation Center Fee | \$5/semester | \$55/semester |
| Non-recurring Designated Tuition | | |
| Utility Supplement | \$45/semester | \$35/semester |

Students taking 15 semester credit hours would pay an additional \$275.90 per semester in fiscal year 2007 and an additional \$266.40 per semester in fiscal year 2008 plus the utilities supplement.

Due to steeply rising utility costs, UTSA anticipates that actual utility costs will exceed budgeted funding for utilities in FY '06 by nearly \$3 million. Increased costs include a 76% increase in the cost of natural gas; a 32% increase in the costs of electricity; and a 25% increase in the costs of water and sewer, accounting for a 36% increase in the cost of 4 utilities overall. Total utility costs in FY 06 will rise 74%, which includes the cost of utilities provided for new buildings that have come on line in the last year.

A non-recurring designated tuition utility supplement of \$45/semester in fiscal year 2007 and \$35/semester in fiscal year 2008 is proposed, with 20% set aside for need-based financial aid. The proposed FY 07 supplement will generate about \$2.3 million to apply to utility costs and will generate an additional \$577,000 for need-based financial aid. Proposed designated tuition increases for fiscal year 2008 may be reduced if projected utility rates fall.

Proposed Use of Funds Generated

The 2007-2008 Proposal is driven by UTSA's commitment to meet its mission and overall priorities:

- Create future leaders through a transformational life experience
- Attract a diverse student body and maximize each student's success
- Enhance research and post-graduate learning
- Enhance infrastructure to maximize learning and discovery
- Leverage partnerships to improve the economy of the region
- Instill a sense of pride and ownership in UTSA

The proposed revenue will be used to address the programmatic and operational effects of increasing and substantial growth; to maintain excellence in teaching, learning and research; to increase student persistence and enhance student life; and to enhance the institution's graduate and research programs.

Funds will be distributed to 1) increase faculty hiring to manage enrollment growth and reduce or minimize the student/faculty ratio, which is one of the highest in The University of Texas system at 23.06; 2) upgrade and plan for new facilities to offset the projected space deficiency, which is projected to be slightly less than one million assignable square feet (ASF) by 2010; 3) support the University's increasing infrastructure needs, including additional staff to maintain operations at optimum quality standards; and, 4) maintain and enhance student programs and services to increase student retention and persistence.

The Proposal will ease, but not completely fund, efforts to meet the University's competing strategic needs. Although UTSA received an increase in funds from state formula funding approved during the last Legislative session, the

institution's rapid growth necessitates additional "catch up" to achieve par with other state universities.

Anticipated Fee Uses

Proposed increases in designated tuition will allow UTSA to fund much-needed infrastructure costs such as upgrading of laboratories and other facilities; funding operation costs of the new Biotechnology, Sciences and Engineering Building coming on line in January 2006; increase faculty and staff salaries moderately for retention; hire a limited number of additional staff in 2007 and faculty in 2008; address facility debt service, utilities, and lease space; increase maintenance and operations budgets; and fund the 20% set aside to assist students with financial aid.

Increases in the automated services fee will allow UTSA to continue to expand its wireless service across the campus, upgrade computers and software in computer laboratories, and provide increased academic and distance learning technology. Funds will be allocated to finalize the institution's portal project, a comprehensive web-based access and content management system that will allow easy access to web information.

Increases in the athletic fee will provide for program growth including the addition of soccer and golf teams, scholarships, and the expansion of facilities.

Increases in the library resources fee will provide for increased library staff, continue 24-hour library service Sunday-Friday, and expand hard copy and on-line resources as the institution adds graduate programs and moves to Tier One research status. There is no cap on this fee.

Increases in the student services fee will be targeted primarily toward programs that increase graduation rates, including expansion of Supplemental Instruction (19 courses and 7,100 students), sophomore gateway courses to majors, implementation of a college based sophomore interest group (SIG) program, and a program to enhance student success in math courses. Staff will be increased in Counseling Services, Financial Aid, International Programs/Study Abroad, and Testing Services.

The medical services fee will fund debt service on the \$4 million expansion of the Health Services Center, recently approved in a student referendum and scheduled for completion in Fall 2007, and add additional resident psychiatrists. The international education fee will double funds available to provide scholarships to study-abroad students.

The Recreation Center fee will fund additional outdoor intramural fields and staff in 2007 and a \$38 million expansion of the Center in 2008. These increases were approved in a student referendum in spring 2004.

Set Aside for Need-Based Students

Additional funds generated for the set-aside for need-based students will be used to increase work-study opportunities on campus, including the hiring of peer mentors for students on academic probation and part-time student employees in the Child Development Center. The Center offers child care to children of students, faculty and staff. Funds will also be used to increase grants and scholarships.

Incentive Plans and Tuition Flexibility Proposals

Multiple student-driven subcommittees established by the Tuition and Fees Committee considered a number of incentive plans and options for tuition flexibility, particularly those related to increasing graduation rates and reducing time to achievement of a baccalaureate degree. The options considered included a Graduation Incentive Program modeled after UT Permian Basin's plan, and varied tuition models including flat, varied, and flat plus varied tuition by college. The Committee continues to review additional data and engage students in a broader discussion of these models and how they support College Compacts. The Committee anticipates that by the spring it will identify the options that best support the University and college goals.

The Committee members articulated a need for consensus on identifying the most effective methods to ensure student success and learning in relation to timely graduation, distinction and interplay of graduation incentives and reward systems and effective learning.

A student subcommittee is studying issues involving CAPP students (provisional UT Austin students who attend UTSA for first years). The subcommittee will study whether these students receive specialized academic support that may warrant fee assessment.

While a Graduation Incentive Program could be implemented in Fall 06, it is anticipated that other tuition plans would not be implemented until Fall 07 to ensure time for optimal planning and dialogue with parents, students, and other constituents.

Cost Savings

Continuous improvement and the economical use of resources have long been a part of the University's culture. UTSA has implemented a variety of cost saving and revenue enhancement measures as cited below. The institution's continued comprehensive quality management program includes a number of initiatives in addition to these items. A major goal of the program is to shape the organization's culture to focus on quality of programs and services and to develop new methods of controlling and reducing costs. Funds made available

through cost saving efforts have allowed departments to continue services that might otherwise have been compromised due to lack of resources.

The projected cost savings/cost avoidance through FY09 is approximately \$2 million annually. These efforts include campus-wide initiatives such as:

- Utilities: campus-wide energy awareness and participation program; replacing old parts, equipment and systems to be more energy efficient; and conducting various energy audits.
- Outsourcing: parking meter collection and mail presorting; looking into future contracts for part-time employees; contracting criminal background checks for new employees.
- Technology/Automation: Calibration plan for all thermostats, sensors, gauges and similar devices to ensure mechanical systems are at optimal efficiency; online undergraduate catalog, graduate catalog and information bulletin; STARS – new online job application process; leveraging technology and automating financial/management reporting.
- Efficiency/process improvements: more police foot and bicycle patrols to reduce fuel costs; consolidating courier trips among three campuses; installation of water-based sprinkler systems eliminating annual certification and testing of fire hoses; better use of on-line communication to reduce printing costs; streamlined process of preparing, routing and forwarding research proposals.
- Other targeted initiatives: better use of in-house training, work-study students, advisors and tutors to save on outside contractors and/or higher paid employees; growing use of EDI (Electronic Data Interchange) to send transcripts electronically to save postage and handling; new database for judicial affairs to cut paperwork in half; new online tool/brochure template to allow colleges and departments to create their own brochures and posters, saving cost of printing custom brochures; imaging of student records.

The University continues to focus on the improvement of processes to ensure maximum efficiency and effectiveness in the utilization of its human, fiscal and physical resources in accomplishing its goals.

Targeting Minimal Tuition and Fees Increases to Address University Priorities

The Proposal reflects the minimum budget increase needed to address the most pressing institutional and student needs within the availability of finite resources. It will not fully provide for all needs. Student committee members held conscientious discussions to prioritize those items that were of the highest concern as well as those that were approved by the student body as high priority in student referenda.

Some examples of departmental funding requests that were rejected due to limited availability of funds include additional faculty, Career Services staff, additional financial aid staff to perform outreach efforts and program processing, additional positions for staff clinicians in the Counseling Center, a required \$5/semester accident insurance policy for all students (approved by the incidental fees committee but not the overall committee), and specialized tutors in Sophomore Learning Communities and in the Writing and Math Centers.

Rapid enrollment growth coupled with insufficient funding to hire adequate numbers of faculty threatens to reverse the recent positive trend to reduce the workload ratio. The funding requested will primarily allow for retention, with minimal funding for the recruitment of new faculty. UTSA's student:faculty workload ratio is the highest of The University of Texas institutions. The goal is to achieve a ratio of one to 20, which is seen as the ideal nationally. If enrollment held steady at 27,000, UTSA would need about 200 additional faculty.

UTSA Student:Faculty Workload Ratio

| 2001 | 2003 | 2005 |
|------|------|------|
| 22.7 | 26.4 | 23.1 |

The proposed funding cannot fully support the needed debt service and leased space necessary to significantly reduce the institution's space deficit.

UTSA Projected Space Deficiency

| | |
|-----------------|--------------|
| 2005 Enrollment | 27,337 |
| 2005 Deficiency | 650,322 ASF |
| 2010 Enrollment | 32,000* |
| 2010 Deficiency | 977,322 ASF* |

*Based upon most recent UTSA-generated enrollment projections and corresponding space need calculations.

The proposed funding will not provide enough offices for faculty being hired next year, and the University will continue to operate with outdated laboratories and equipment. The institution will continue to absorb the extra work-load and delays in timely service due to inadequate staff infrastructure in contracting services, research/sponsored projects, and legal services, among other departments, needed to meet institutional priorities.

Effort to Emphasize Predictability in Tuition and Fee Costs

This Proposal should assist students and families with financial planning over the next two years, and the various financial aid programs detailed elsewhere in the Proposal will provide supplemental assistance with costs, depending upon student eligibility. The University will also consider not fully implementing approved fees for fiscal year 2008 depending upon the level of state appropriations in the next Legislative session.

The Proposal Supports the University's Strategic Goals

The Proposal addresses funding plans to address the University's Compact Strategic Goals:

Attract a diverse student body and maximize each student's success. UTSA is dedicated to providing opportunity to all citizens and serving traditionally underrepresented groups, including 50% of students who are first generation college students and the 70% of students who receive financial aid.

- Designated Tuition: Increase need-based financial aid
- Student Services Fee: Increase student success programs, add financial aid staff

Enhance research and post-graduate learning. UTSA's goals of reaching top tier research status have included since 2000 creating 12 new doctoral programs, more than doubling external funding for research, and increasing graduate enrollment by nearly 50 percent. Over 200 faculty members have been recruited during the last five years. The need to hire faculty in pace with enrollment and to retain faculty is critical to maintaining quality learning.

- Designated Tuition: Faculty Salaries for retention

Enhance infrastructure to maximize learning and discovery. The University earmarks funds to provide operational support to achieve its educational mission including laboratory renovations, deferred maintenance, costs for new buildings, and modest increases to departmental operational budgets. The Health Services Center will be expanded as approved in student referendum, and medical/psychological care will be enhanced. Library services and infrastructure also will be expanded.

- Designated Tuition: Infrastructure
- Designated Tuition: Maintenance Operational Budgets
- Medical Services Fee: Expanded facilities
- Library Resources Fee: Staff (development officer to raise funds; grant writer to seek out and submit grants)

Create future leaders through a transformational life experience. The University has targeted specific resources to prepare the next generation of leaders. This includes providing state-of-the art technological resources, including broader wireless service, upgrading and increasing technological equipment and student access in various mediums of academic and student services, Web CT cyber classroom learning, and finalizing the comprehensive web-based access and content management system portal. Also integral to leadership in a global marketplace is continued support for international and study abroad programs.

- Automated Services Fee
- International Education Fee
- Campus Recreation Fee

Instill a sense of pride and ownership in UTSA. The Division of Student Affairs has implemented successful programs targeting recruitment and increasing graduation rates. Of the Fall 2004 student population, 64% of degree-seeking freshmen students reenrolled in UTSA for the second fall semester. Retention rates from 2004 to 2005 are 72.8% for African American students and 65.8 % for Hispanic students. Other efforts include expanded orientation programs and *Roadrunner Days*; expanding the Supplemental Instruction program and tutoring services; expanding Enrollment Services Center services; adding staff and extending hours in Financial Aid Office, increasing focus on financial, planning and money management decisions inherent in degree planning and managing expenses while a college student; and a \$38 million expansion of the Recreation Center. Adequate staff salaries are critical to implementing these and related services.

- Student Services Fee: Orientation programs; Roadrunner Days; Supplemental Instruction; Tutoring; Enrollment Services Center, staff salaries
- Recreation Center Fee: Expanded facilities
- Designated Tuition: Staff salaries

Leverage partnerships to improve the economy of the region. A physics doctorate will be offered in partnership with San Antonio's Southwest Research Institute, the first partnership of its kind established in Texas. Also, UTSA also recently expanded its key partnerships with Southwest Biomedical Foundation, and the University of Texas Health Science Center at San Antonio, and San Antonio's military bases to enhance its academic and research programs. Through strategic partnering with the city and region's athletic community, UTSA has hosted a number of NCAA competitions and gained national exposure. Funds were targeted through a student referendum to create additional intramural fields and increase staff.

- Designated Tuition – joint faculty appointments and degree programs with UT Health Science Center San Antonio, and Southwest Research Institute
- Athletic Fee: Program expansion

Maintaining Affordability and Financial Aid Services

As 70 percent of UTSA's 27,337 students receive financial aid, the University's Tuition and Fees Committee is committed to maintaining affordability as the highest priority. To ensure that students have access to higher education, UTSA is proposing to continue tuition flexibility options, with resources set aside from designated tuition to fund these initiatives:

- 20 percent set aside to increase scholarships, grants, and work-study opportunities. Additional positions will be paired with freshman seminars, with students receiving special training to serve as mentors to incoming freshmen. A pilot mentoring program this fall showed that students in those seminars did better academically and achieved greater student success than those in seminars without peer mentors.
- \$500,000 in funds for students who do not meet financial aid income guidelines (i.e. "middle income" or international students). A financial aid ombudsperson works with these students to determine need.
- Funds for a loan program for students who plan to teach with a portion of loan forgiveness for every year a graduate teaches in a public Texas school. Plans are being finalized with the College of Education and Human Development to begin implementing this program in Spring 2006.
- The Terry Foundation will provide at least eight scholarships per year to entering students to cover the students' expected college expenses after Pell awards, other scholarships, and estimated family contributions are calculated. Anticipated funding:
 - \$48,000/year or \$12,000/student per year for four years
 - \$384,000 over four years for total 32 Terry Scholars

Conclusion

The University's Tuition and Fees Committee recommended tuition and fee increases for the fiscal years of 2006-07 and 2007-08 using a process that was student driven, consultative through integral use of sub-committees, and transparent to the community through open committee meetings and public forums. The process was publicized through media and a Tuition and Fees web site targeted to the University community. The recommendations were focused on the University's strategic plans calling for enhancing student opportunities for access and participation in higher education, achieving excellence in education and research by moving to top tier research status, increasing the infrastructure

to support UTSA's rapid enrollment growth, and expanding student academic support programs to assist students in achieving academic success.

While the University is challenged with the demands of continuing rapid enrollment growth, an increasing space deficit, and a high student:faculty workload, the tuition and mandatory fees recommendations were limited to the minimal amount necessary to continue to provide a quality education and to keep costs affordable and predictable for students and their families.

The Proposal also illustrates the University's ongoing commitment to provide financial assistance to the 70% of the student population that require aid by providing additional set-aside funds to increase work-study opportunities, increased grants and scholarships.

Appendix A
Proposed Mandatory Student Tuition & Fee Schedule
Fiscal Years 2006-08

| | FY 06 | | FY 07 | | FY 08 | |
|---------------------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|
| | 1 Hour | 15 Hours | 1 Hour | 15 Hours | 1 Hour | 15 Hours |
| Tuition | 50.00 | 750.00 | 50.00 | 750.00 | 50.00 | 750.00 |
| Designated Tuition | 82.25 | 1,233.75 | 92.25 | 1,383.75 | 101.00 | 1,515.00 |
| Automated Services Charge | 22.00 | 264.00 | 23.85 | 286.20 | 25.00 | 300.00 |
| Student Services | 13.50 | 162.00 | 14.85 | 178.20 | 16.30 | 195.60 |
| Medical Services | 21.40 | 21.40 | 23.50 | 23.50 | 25.85 | 25.85 |
| University Center | 4.40 | 52.80 | 4.40 | 52.80 | 4.40 | 52.80 |
| Library Resources * | 8.00 | 120.00 | 11.44 | 171.60 | 14.00 | 210.00 |
| University Publications | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 |
| International Education | 1.00 | 1.00 | 1.00 | 1.00 | 2.00 | 2.00 |
| Recreation Center | 60.00 | 60.00 | 65.00 | 65.00 | 120.00 | 120.00 |
| ID Card | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| Record Processing | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 |
| Athletic Fees | 7.00 | 84.00 | 9.40 | 112.80 | 10.00 | 120.00 |
| Teaching & Learning Fee | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 |
| Total | 292.55 | 2,771.95 | 304.75 | 3,047.85 | 314.25 | 3,314.25 |
| Increase | | | | 275.90 | | 266.40 |
| Percentage | | | | 9.95% | | 8.74% |

* Note: The Board of Regents approved modifications of the Library Resources fee in February 2006 to increase the fee and implement a fee cap. UTSA wishes now to lower the fee, as displayed, and keep the cap.

UT Tyler Tuition and Required Fee Increase Proposal

Tuition

It is proposed that tuition at UT Tyler be increased effective Fall 2006:

| | | <u>Current Rate</u> | <u>Proposed Rate Fall 2006</u> | <u>Proposed Rate Fall 2007</u> |
|--------------------|-----------|-------------------------|------------------------------------|------------------------------------|
| Designated Tuition | Undergrad | \$65 per SCH | \$75 per SCH | \$85 per SCH |
| | Grad | \$76 per SCH | \$86 per SCH | \$96 per SCH |

Required Fees

It is proposed that the following required fees at UT Tyler be increased effective Fall 2006:

| | <u>Current Rate</u> | <u>Proposed Rate Fall 2006</u> | <u>Proposed Rate Fall 2007</u> |
|----------------------------------|-------------------------|------------------------------------|------------------------------------|
| Basic Computer Access Fee | \$54 | \$100 | \$125 |
| Automated Services Fee (Library) | \$15 | \$30 | \$30 |

UT Tyler has historically been well below the statewide average in the amounts charged for tuition and required fees (9th lowest out of 35 public institutions). Of particular note is that information technology fees have been among the lowest of any public senior college or university in Texas. Even with the proposed increases in tuition and required fees, we expect UT Tyler's total tuition and required fees to remain below the statewide average, assuming other institutions implement increases.

FINANCIAL IMPACT ON STUDENTS

It is important to note that UT Tyler will be implementing two new required fees in Spring 2006: a \$35 per student Medical Services Fee and a \$100 per student Student Union Fee previously approved by The University of Texas System Board of Regents.

A relevant and accurate measure of our proposed increase, in our opinion, is to compare the proposed increases in tuition and required fees to Spring 2006 levels, inclusive of the two new required fees. When compared to Spring 2006 levels, the proposed increases in tuition and required fees effective Fall 2006 will result in an increase of approximately 9.3%, or \$211 per semester, for an undergraduate student taking a full load of 15 semester credit hours. For that same student, the proposed

increases in tuition and required fees effective Fall 2007 will result in an additional increase of 8.9%, or \$220 per semester.

However, when compared strictly to Fall 2005 levels, the proposed increases in tuition and required fees effective Fall 2006 will result in an increase of 16.3%, or \$346 per semester, for an undergraduate student taking a full load of 15 SCH. For that same student, the proposed increases in tuition and required fees, effective Fall 2007, will result in the same second-year increase of 8.9%, or \$220 per semester, noted earlier.

FINANCIAL BENEFIT FOR UT TYLER

Assuming continued growth and resulting enrollments occur, the proposed increases in tuition and required fees will generate approximately \$2.5 million in new revenue (net of mandated set-asides) in FY07 and an additional \$2.0 million in FY08. The increase in the first year generates only 21% of the \$12 million new revenue needed for the first year as projected in UT Tyler's recent Growth Capacity Study. It is obvious that the proposed increases will only begin to solve the very real challenge UT Tyler faces.

Background and Discussion:

UT Tyler received broad guidance on tuition and required fee increases from UT System on September 27, 2005. Shortly thereafter, a Tuition Policy Council was appointed, with broad representation from across the campus, to review and make a recommendation concerning the need for tuition and required fee increases for the FY 07-FY 08 academic years. The Council met during the months of October and November. Four town hall meetings were conducted on the Tyler, Longview and Palestine campuses to receive and incorporate input from the campus community, especially students, into the final recommendations.

The work of the Council was framed largely by a number of challenging budget realities facing UT Tyler. These budget realities are:

- Rapid enrollment growth (76% over the past four years) that creates very real funding needs in excess of \$12 million to address strategic goals and objectives as revealed by an update of the UT Tyler Growth Capacity Study.
- Possible losses in funding as a result of phased reductions in formula funding for Nursing and Engineering.
- Highly volatile natural gas market.

As in the past, UT Tyler will use any new revenue derived from the proposed tuition and fee increases to address the following important strategic goals and objectives:

- Increase accessibility to the University and enable continued rapid growth.
- Increase course and lab availability.

- Increase retention and graduation rates.
- Increase research.
- Attract and retain first-rate faculty and staff, and encourage employee loyalty.
- Provide state-of-the art equipment in labs and cutting-edge computer technology.
- Improve the efficient use of our physical facilities.

Specific Uses of New Funds:

UT Tyler will use new revenue, effective Fall 2006, to address the following specific strategic priorities:

Academic Affairs

- Hire full-time faculty to support emerging academic programs (e.g. civil engineering; nursing; human resources development).
- Hire additional full-time faculty and adjunct faculty in a variety of academic programs to provide additional course sections, maintain acceptable class sizes and thereby accommodate growth.
- Install appropriate classroom technology and add IT staff to enhance and support state-of-the-art learning environments.
- Improve library holdings (physical and electronic), computer access, staff and hours of operation.

Business Affairs

- In an effort to continue to provide quality, basic services to an ever-expanding campus, add necessary staff in important support service areas where we are falling behind (e.g. police; facilities planning, construction and operations; environmental safety and health; human resources; financial services).
- Address rapid escalation in cost of utilities (e.g. natural gas and purchased electricity).

Student Affairs and External Relations

- Increase institutional merit scholarship budget, and add staff to handle ever-larger numbers of student applications and administer emerging enrollment management programs.

- Improve student life with a greater activities and programming budget. Also increase access to intramural and club sports, increase availability of counseling and health services on campus and expand the fitness equipment and programs in the Herrington Patriot Center.
- Increase base funding and support for the intercollegiate athletics program (subject to student approval) as full membership in the NCAA arrives.

Other

- Add staff in University Advancement to increase private financial support for emerging campus needs, particularly in the academic colleges.

Cost savings are critically important to keeping tuition and fee charges affordable.

UT Tyler is committed to reducing operating costs wherever it is possible without sacrificing quality. One major cost saving measure will be increased emphasis on energy conservation. UT Tyler will comply fully with the recent Executive Order by Governor Perry and will redouble efforts to establish a purchasing consortium for natural gas. During the upcoming year, several other cost saving measures will be evaluated, including (1) raising building temperatures in summers and reducing temperatures in winter, (2) reducing unproductive institutional memberships in professional organizations, (3) making more efficient use of printing/copier resources, (4) assessing on-line payroll profile, (5) making direct payroll deposit mandatory and not cutting checks, and (6) modifying our student refund process to reduce costs. UT Tyler is also outsourcing its food services program, resulting in long-term cost reductions as well as revenue enhancement. As a part of this effort, an existing, underutilized space on campus will be redeveloped to serve as a temporary dining facility with significant cost savings when compared with new construction.

Any proposed increases in tuition and fees should be limited to the amount necessary to provide a quality education.

UT Tyler is committed to keeping tuition and required fee increases at the lowest possible level consistent with achieving strategic goals and objectives and maintaining high quality curricular and co-curricular programs. The recommended increases will provide only a portion (approximately 21%) of the needs identified in the recently updated UT Tyler Growth Capacity Study so UT Tyler will continue to work tirelessly to garner and sustain funding support from UT System, the State Legislature, contract/grant funding agencies and private donors.

Tuition and fee policies should emphasize predictability; students and parents should have as much information as possible to estimate costs over a four-year undergraduate education.

UT Tyler is committed to providing predictability for parents and students. The recommended increases will be fixed for two academic years and will be thoroughly publicized using all available media.

Proposals must show how tuition and fee policies relate to and support other strategic goals.

Based on the aforementioned strategic priorities for any new revenue generated by the recommended increases in tuition and required fees, UT Tyler is confident that it will sustain its current momentum toward achieving its strategic goals and objectives, with emphasis on continued growth in enrollment, improved student retention, improved graduation rates, more efficient use of facilities and higher quality academic programs and student activities.

Proposals must include an overview of financial aid services available to assist students.

While it is not possible to state actual amounts with specificity due to numerous variables, institutional scholarships will be increased in the FY07-FY08 academic years. Mandated set-asides from increases in Designated Tuition will provide additional resources in excess of \$250,000 each year for the following financial aid programs:

- B-On-Time Loan program
- Education Affordability Grants (middle income students)
- Working to Success Institutional Work Study Program
- Free Senior Semester Tuition Incentive
- Final Semester Tuition Incentive
- Graduate Retention Free Tuition Award
- Weekend Course Savings

Pertaining to the last program mentioned above, UT Tyler offers students an incentive to enroll in courses scheduled on the weekend (defined as noon Friday through Sunday). The program has the dual goal of speeding time to graduation while increasing utilization and operating efficiencies of existing facilities. A student receives a \$100 rebate on tuition for each 3-credit weekend course completed with a grade of C or better. The rebate is prorated for courses of less than 3 credits.

After one year of implementation, the efficacy of the program in shifting enrollments to off-peak hours is encouraging but not clear. In the first academic year of the program, 2004-05, the number of students enrolled in weekend courses was 618 compared to

518 in 2003-04. A total of \$32,722 in rebates was paid to students. The increase in weekend course enrollments was greater than the overall enrollment increase for the same period. The average enrollment in a weekend course section increased from 10 to 10.8 students during the year. This program will continue to be monitored and evaluated.

UT Tyler did consider several possible innovative options, including differential designated tuition by program, differential designated tuition for out-of-state students, differential designated tuition for emerging PhD programs, flat-rate tuition, and guaranteed four-year tuition. It was determined these strategies are not appropriate for our situation at this time. However, we will be analyzing these strategies in greater detail and, depending on the outcome of the next regular session of the Texas Legislature, we may decide to return to one or more of these strategies if we determine it would help us achieve our strategic goals and objectives.

In closing, we believe the proposed tuition and required fee increases for the FY07-FY08 academic years at UT Tyler are both reasonable and justified. We believe that our proposal incorporates the **three fundamental characteristics required by UT System**, namely a **consultative** process, an **open and transparent** process, and a process that emphasizes **frugality**.

**Recommended Tuition and Fees for FY 2007 and FY 2008
 The University of Texas Southwestern Medical Center at Dallas**

The University of Texas Southwestern Medical Center at Dallas is requesting for an increase in the Fall 2006 and Fall 2007 designated tuition rates. In addition, the University is requesting the establishment of a new Fall 2007 differential tuition rate for the School of Allied Health students enrolled in the Physician’s Assistant (PA) program. The proposed increases are as follows:

| School / Program | Current Rate * | Proposed Fall 2006 Rate \$ * | Proposed Fall 2007 Rate \$ * |
|--------------------------------------|----------------|------------------------------|------------------------------|
| Designated Tuition Rate: | | | |
| Medical School | 75 | 100 | 126 |
| Graduate School | 57 | 70 | 87 |
| School of Allied Health: | | | |
| Undergraduate Programs | 48 | 53 | 60 |
| Masters Programs | 57 | 70 | 87 |
| | | | |
| Differential Tuition Rate | | | |
| School of Allied Health – PA Program | 0 | 0 | 50 |

* Per semester credit hour.

The incremental increase in tuition revenue projected for FY 2007 and FY 2008 as a result of the rate increases are as follows:

| School / Program | Proposed FY 2007 Incremental Revenue | Proposed FY 2008 Incremental Revenue |
|--------------------------------------|--------------------------------------|--------------------------------------|
| Designated Tuition Rate: | | |
| Medical School | 817,700 | 850,408 |
| Graduate School | 235,824 | 290,496 |
| School of Allied Health | 140,568 | 165,432 |
| | | |
| Differential Tuition Rate | | |
| School of Allied Health – PA Program | 0 | 225,000 |

The incremental increase in designated tuition funds will be used to support several functions including information resources, student insurance premium matching, library operations, infrastructure improvements, faculty salaries and utility costs.

The incremental increase in differential tuition will be used to support a faculty salary adjustment required to bring the PA faculty in line with competitive market rates.

In terms of student affordability, the overall impact of all FY 2007 and FY 2008 proposed tuition (including statutory) and mandatory student fees for a full-time student are as follows:

| School / Program | Proposed FY 2007 Annual Cost | Proposed FY 2008 Annual Cost |
|--------------------------|------------------------------|------------------------------|
| Medical School | \$11,632 (9.4% increase) | \$12,609 (8.4% increase) |
| Graduate School | \$4,143 (10.1% increase) | \$4,558 (10.0% increase) |
| School of Allied Health: | | |
| Undergraduate Programs | \$4,305 (5.1% increase) | \$4,515 (4.9% increase) |
| Masters Programs | \$4,143 (10.1% increase) | \$4,558 (10.0% increase) |
| PA Program | \$6,663 (10.9% increase) | \$9,685 (45.4% increase) |

The additional financial aid funds required from the designated tuition increase, coupled with UT Southwestern's voluntary financial aid set-aside, should continue to provide the funds necessary to support students of modest means.

As you may recall, university administration held a public hearing open to all students in early 2004 at which time the university announced planned tuition increases of approximately \$1,000 a year for medical school students until parity is reached with peer, state-owned institutions, along with comparable percentage increases for other students. The increases proposed for all the schools continue to reflect this strategic plan.

The proposed increases in tuition rates are based upon discussions with the Administration, the Faculty and the student leadership group. In November 2005, the Administration discussed the need for a tuition increase with the student leadership group. As expected, this discussion generated many questions with regard to instructional cost changes, allocation of general revenue funds, etc. Another meeting was held in November 2005 at which the Administration presented a tuition increase proposal to the student leadership group. This presentation included the business drivers behind the proposed increases and how the additional funds would be used, specifically addressing any outstanding issues from the previous meeting. In addition, the overall tuition and mandatory fee cost for a typical student in each school was presented and compared to comparable institutions within the UT System and nation wide. The student leadership group requested clarification with regard to some of the cost components supported by tuition, and this meeting was held in December 2005 and was approved at a public hearing held in January 2006.

**The University of Texas Medical Branch at Galveston Tuition Proposal
 FY 2006 and 2007**

Summary Tuition Plan

UTMB is proposing tuition increases in its undergraduate, graduate and professional programs in the Schools of Medicine, Nursing, Allied Health Sciences and the Graduate School of Biomedical Sciences. The increases are variable by program and school to fit the unique needs of each entity. Tuition increases range from 4% to 44%. No increase in Student Service Fee is proposed. A Library Acquisition Fee was implemented at \$50 a term not to exceed \$150 annually. UTMB is facing financial challenges that are significant and with 2005 tuition rates that are among the lowest in the state we are compelled to increase tuition to meet institutional needs.

School of Nursing
 Tuition Proposal

| | Current FY 05-06 | FY 06-07 | \$ Increase | % Increase | FY 07-08 | \$ Increase | % Increase |
|-----------------------------|---------------------|--------------|-------------|------------|--------------|-------------|------------|
| B.S. | | | | | | | |
| Legislated Tuition | \$50 | \$50 | \$0 | | \$50 | \$0 | |
| Designated Tuition | \$40 | \$70 | \$30 | | \$100 | \$30 | |
| Total Per SCH | \$90 | \$120 | \$30 | 33% | \$150 | \$30 | 25% |
| GRAD/Masters | | | | | | | |
| Legislated Tuition | \$50 | \$50 | \$0 | | \$50 | \$0 | |
| Designated Tuition | \$40 | \$60 | \$20 | | \$80 | \$20 | |
| Differential Tuition | \$0 | \$20 | \$20 | | \$40 | \$20 | |
| Total Per SCH | \$90 | \$130 | \$40 | 44% | \$170 | \$40 | 31% |

Graduate School of Biomedical Sciences
 Tuition Proposal

| | Current FY 05-06 | FY 06-07 | \$ Increase | % Increase | FY 07-08 | \$ Increase | % Increase |
|-----------------------------|---------------------|--------------|-------------|------------|--------------|-------------|------------|
| Ph.D. | | | | | | | |
| Legislated Tuition | \$50 | \$50 | \$0 | | \$50 | \$0 | |
| Designated Tuition | \$40 | \$60 | \$20 | | \$60 | \$0 | |
| Total Per SCH | \$90 | \$110 | \$20 | 22% | \$110 | \$0 | 0% |
| Nursing | | | | | | | |
| Nursing Ph.D. | | | | | | | |
| Legislated Tuition | \$50 | \$50 | \$0 | | \$50 | \$0 | |
| Designated Tuition | \$40 | \$60 | \$20 | | \$80 | \$20 | |
| Differential Tuition | \$0 | \$20 | \$20 | | \$40 | \$20 | |
| Total Per SCH | \$90 | \$130 | \$40 | 44% | \$170 | \$40 | 31% |
| MMS/CS* | | | | | | | |
| Legislated Tuition | \$50 | \$50 | \$0 | | \$50 | \$0 | |
| Designated Tuition | \$40 | \$60 | \$20 | | \$60 | \$0 | |
| Differential Tuition | \$0 | \$20 | \$20 | | \$25 | \$5 | |
| Total Per SCH | \$90 | \$130 | \$40 | 44% | \$135 | \$5 | 4% |

*Masters of Medical Science/Clinical Science

School of Allied Health Sciences
 Tuition Proposal

| | Current FY 05-06 | FY 06-07 | \$ Increase | % Increase | FY 07-08 | \$ Increase | % Increase |
|-----------------------------|--|--------------|-------------|------------|--------------|-------------|------------|
| B.S. | | | | | | | |
| Legislated Tuition | \$50 | \$50 | \$0 | | \$50 | \$0 | |
| Designated Tuition | \$40 | \$60 | \$20 | | \$80 | \$20 | |
| Total Per SCH | \$90 | \$110 | \$20 | 22% | \$130 | \$20 | 18% |
| Masters | | | | | | | |
| Legislated Tuition | \$50 | \$50 | \$0 | | \$50 | \$0 | |
| Designated Tuition | \$40 | \$70 | \$30 | | \$100 | \$30 | |
| Total Per SCH | \$90 | \$120 | \$30 | 33% | \$150 | \$30 | 25% |
| Masters | | | | | | | |
| | Physician Assistant/Physical Therapy | | | | | | |
| Legislated Tuition | \$50 | \$50 | \$0 | | \$50 | \$0 | |
| Designated Tuition | \$40 | \$70 | \$30 | | \$100 | \$30 | |
| Differential Tuition | \$0 | \$10 | \$10 | | \$20 | \$10 | |
| Total Per SCH | \$90 | \$130 | \$40 | 44% | \$170 | \$40 | 31% |

School of Medicine
 Tuition Proposal

| | Current FY 05-06 | FY 06-07 | \$ Increase | % Increase | FY 07-08 | \$ Increase | % Increase |
|---------------------------|---------------------|-----------------|----------------|------------|-----------------|--------------|------------|
| M.D. | | | | | | | |
| Legislated Tuition | \$6,550 | \$6,550 | \$0 | | \$6,550 | | |
| Designated Tuition | \$1,800 | \$3,600 | \$1,800 | | \$4,050 | \$450 | |
| Total Per SCH | \$8,350 | \$10,150 | \$1,800 | 22% | \$10,600 | \$450 | 4% |

Background

UTMB is committed to the generation, dissemination and application of knowledge in the educational, research and service settings. This proposal is aligned with institutional core values of Education (providing life-long learning for students, staff, faculty and community), Innovation, Service, Diversity (employing and educating a healthcare workforce whose diversity mirrors the population it serves) and Community in service to the citizens of Texas and the nation. UTMB has historically been a recognized leader in enrolling and graduating a diverse student body therefore the committee was particularly sensitive to safeguarding access and affordability to UTMB. Tuition revenue is less than 1% of UTMB entire budget. UTMB does not expect to cover shortfalls in institutional resources by increasing tuition students and their families. UTMB tuition has not increased or kept pace with other institutions or with institutional need. It was not until 2001 that UTMB instituted Designated Tuition for the first time; prior to that tuition had increased only by the statutory limit of \$2 SCH for three of the schools and no increases in Medical School Tuition had been requested. This tuition proposal would provide more transparency and predictability for students. The multi-year tuition setting process will allow for predictable and sustainable growth in the face of financial challenges.

Consultative Process

UTMB has a long tradition of working closely with its student body to ensure that student input and needs are considered. This process was no different with students playing an integral role. The Tuition Policy Advisory Committee (TPAC) began meeting in April 2005. The members of the TPAC included members of the faculty of each school, student affairs Deans of each school, Associate Vice President of Student Services, and six student representatives from Student Government Association and the Student Fees Committee. Open Forums were held in each school to solicit student input. Mass emails were sent to solicit input from all students on and off campus. Additionally, Student Government was given updates and opportunities to provide input. The President then met with students to consider the recommendations from the committee.

Maintaining Affordability

A major guiding principle for the TAPC was to keep tuition in all four schools affordable to talented students pursuing education in the health sciences at UTMB. Tuition increases proposed in this document conform to this principle. UTMB has benchmarked our current tuition against a number of programs and schools across the state and the nation in some cases. With the increases proposed, UTMB will remain one of the most affordable programs in the state. Additionally, the financial aid set asides for Undergraduate students and for Graduate and Professional Level will provide financial assistance for resident students enrolled at the institution. All schools are using philanthropy in addition to those funds generated from the designated tuition set aside to provide scholarships to help mitigate student tuition costs.

UTMB estimates that proposed tuition changes would provide approximately new revenue of \$3,500,000. Projected revenue given the proposed increases for 2006 and 2007 would average approximately \$169,360 for Graduate School of Biomedical Sciences; \$626, 240 for Allied Health; the Nursing School proposed increase would make available approximately \$900,000 and the Medical School would collect approximately \$1,845,000. With the financial aid set asides this would provide approximately \$500,000 in additional financial support for students.

Innovation

UTMB has faced the financial challenges brought on by rising costs and shrinking reimbursements by relying on several guiding principles. The major principle involves practicing prudent financial management to anticipate changes and be effective stewards of our budget in order to educate the future workforce of our state. We are committed to excellence as well as remaining an educational bargain for students in order to attract and retain the very best students.

In addition, differential tuition has been used to “tailor” tuition to higher costs associated with specific programs instead of implementing universal increases. UTMB is committed to a strategic tuition policy that supports program growth and excellence but assesses the smallest tuition or fee increases needed to sustain institutional quality.

The University of Texas Health Science Center at Houston

DIFFERENTIAL TUITION CHANGE PROPOSALS FOR ACADEMIC YEARS 2006 - 2007 AND 2007 - 2008

DENTAL BRANCH

CHANGES PROPOSED

It is proposed that the differential tuition for the DDS program be increased by \$2,000 over a two-year period. The first increment of \$1,000 would be effective for the 2007 academic year and the second \$1,000 increment (\$2,000 cumulative) would be effective for the 2008 academic year. These are the only increases requested. All other tuition rates will remain at the current approved levels.

ESTIMATED NET REVENUE FROM PROPOSED CHANGES

The proposed differential tuition increase is estimated to produce about \$258,400 additional net tuition revenue in academic year 2007 and about \$539,600 in academic year 2008.

INTENDED APPLICATION OF ADDITIONAL FUNDS

The latest available data shows that the average Dental Branch total faculty compensation package is about \$12,000 less per year than the average of the compensation packages of all United States dental schools including the other schools in Texas. This is not good enough for a school that aspires to be one of the best in the country and that is located in the second most populous state. Faculty salary levels must be increased in order to be competitive in the recruitment of new faculty and in the retention of those currently employed. Budget reductions over the past several years have made it very difficult to provide permanent salary increases to the faculty. The State budget for FY 2007 has already been set by the Legislature and does not contain any funds for that purpose. The Dental Branch students deserve a faculty of the first order and action must be taken to preserve and enhance that resource. It is proposed that the funds received from the additional differential tuition be used to establish a 3% faculty merit increase pool in fiscal years 2007 and 2008. The remaining small portion of the increases will be used for travel expenses associated with faculty development activities.

ESTIMATED EFFECT ON THE AFFORDABILITY OF A DENTAL EDUCATION

In fiscal year 2003 (the latest data available) the Dental Branch had the second lowest tuition and fees in the United States. Differential tuition was increased by \$2,000 over fiscal years 2004 and 2005. After that increase and the proposed increase, it is estimated that the Dental Branch tuition and fee charges would still be in the bottom ten percent. Based upon current student debt load, and allowable federal maximums for guaranteed student loans, most if not all of the increases could be included in the students' aid packages.

SCHOOL OF PUBLIC HEALTH

CHANGES PROPOSED

It is proposed that the differential tuition for the School of Public be increased by \$5/SCH for residents and \$12/SCH per year over a two year period. The first increment of \$5/SCH for residents and \$12/SCH would be effective for the 2007 academic year, bringing the differential

tuition to \$45/SCH for residents and \$112/SCH for nonresidents. The second \$5.00/SCH for residents and \$12/SCH increment would be effective for the 2008 academic year and would bring the differential tuition to \$50/SCH for residents and \$125/SCH for nonresidents. These are the only increases requested. All other tuition rates will remain at the current approved levels.

ESTIMATED NET REVENUE FROM PROPOSED CHANGES

Adoption of the higher resident and nonresident rates is expected to increase differential tuition revenue by approximately \$60,000 in FY 2007 and \$120,000 in FY 2008. UTSPH statutory and differential tuition revenue in FY 2005 totaled \$1,460,000. Thus, the proposal would increase tuition revenue approximately 4% each year.

INTENDED APPLICATION OF ADDITIONAL FUNDS

As is the case currently, differential tuition revenue would be used exclusively for services that directly support students. While final decisions on allocation of the new revenue have not been made at this time, the intent is to apply the additional revenue to one or more of the following uses: assistantships for UTSPH graduate students working in the Student Computer Laboratory, Library, Student Affairs Office, Student Internship Office, etc.; teaching assistantships in Houston and the regional campuses; student scholarships; staff support for student services functions; and support for student-related activities and special projects.

ESTIMATED EFFECT ON THE AFFORDABILITY OF A PUBLIC HEALTH EDUCATION

For a Texas resident taking a full-time load, the differential tuition increase represents about a 3% increase in the total cost of tuition and required fees. The total increase for a Texas resident student taking 24 semester credit hours in a year would be \$120 each year. For a nonresident of Texas, the increase would be \$288 in academic year 2007 and \$312 in academic year 2008.

The most recent annual survey conducted by the Association of Schools of Public Health on tuition and fees at all accredited schools of public health in the United States confirms that UTSPH ranks highly in affordability.

Of the 36 accredited schools, UTSPH ranked 32nd in tuition and fees for in-state students in academic year 2005. That is, only four schools of public health in the nation charged lower tuition and fees. The UTSPH total for a full-time course load in the fall, spring and summer was \$3,867. That compared to a mean of \$12,808 and a median of \$8,823 for all schools. The UTSPH total was only 30.2% of the mean cost and 43.8% of the median cost.

For nonresident students, UTSPH ranked 29th out of the 36 schools. The annual total of tuition and fees for a full-time course load was \$11,499, compared to a mean of \$18,498 and a median of \$17,702 for all schools. The UTSPH total for nonresidents was 62.2% of the mean cost and 65.0% of the median cost.

SCHOOL OF NURSING

CHANGES PROPOSED

The designated and differential tuition fee increases for the School of Nursing outlined below have been approved and are being phased in over a 4-year period. This proposal addresses the 3rd and 4th year of the approved increases.

It is proposed that the designated tuition for residents increase \$10/SCH to \$30/SCH and that the designated tuition for nonresidents increase \$12.50/SCH to \$37.50/SCH during 2006-2007.

It is proposed that the Designated Tuition for residents increase \$10/SCH to \$40/SCH and that the designated tuition for nonresidents increase \$12.50/SCH to \$50/SCH during 2007-2008. As prescribed by HB3015, 20% of the Designated Tuition assessed will be set aside for financial assistance to needy students.

It is proposed that the differential tuition for residents increase \$10/SCH to \$30/SCH and that the differential tuition for nonresidents increase \$12.50/SCH to \$37.50/SCH during 2006-2007. It is proposed that the differential tuition for residents increase \$10/SCH to \$40/SCH and that the differential tuition for nonresidents increase \$12.50/SCH to \$50/SCH during 2007-2008.

ESTIMATED NET REVENUE FROM PROPOSED CHANGES

The proposed designated and differential tuition increase is estimated to produce \$204,728 additional net revenue in academic year 2006-2007 and \$409,455 in academic year 2007-2008.

INTENDED APPLICATION OF ADDITIONAL FUNDS

Although the specific use of all revenues from increased tuition has not been determined, the funds will be used to enhance the quality of academic programs for students in the School of Nursing. This includes increasing student enrollment and graduation via outreach; developing online courses; and supporting clinical laboratory expenses, faculty and staff.

ESTIMATED EFFECT ON THE AFFORDABILITY OF A NURSING EDUCATION

The increase in designated tuition per semester would be \$120 for a Texas resident and \$150 for a nonresident in the undergraduate program taking a full course load of 12 credits during the 2006-2007 academic year. There would be a similar increase in the 2007-2008 academic year. Twenty percent of designated tuition is set aside per HB3015 for financial assistance.

The increase in differential tuition per semester would be \$90 for a Texas resident and \$112.50 for a nonresident in the graduate program taking a full course load of 9 credits during the 2006-2007 academic year. There would be a similar increase in the 2007-2008 academic year.

Nationally, as of 2004 the School of Nursing tuition cost was in the lower one-third of top 10 nursing schools. An informal survey of Texas Schools of Nursing found that tuition at the School of Nursing is comparable to Texas Woman's University and to UTHSC at San Antonio, but the tuition is less than The University of Texas at Austin School of Nursing, The University of Texas at Brownsville, The University of Texas-Pan American, and Mary Hardin Baylor School of Nursing.

The average debt burden in 2004-2005 for students graduating from the School of Nursing is \$28,886 for undergraduate students and \$29,491 for graduate students. This is the lowest average debt burden among students in the six schools of UTHSC at Houston.

DIFFERENTIAL GRADUATE TUITION CHARGES

Approval is recommended for the following differential graduate tuition charges effective beginning with the Fall Semester of 2006 and Fall Semester of 2007. The proposal has been the subject of discussion with representative students.

| Year | Academic Program | Current Resident Fee | Current Nonresident Fee | Proposed Resident Fee | Proposed Nonresident Fee | Percent Increase Resident | Percent Increase Nonresident |
|-----------|--|----------------------|-------------------------|-----------------------|--------------------------|---------------------------|------------------------------|
| 2006-2007 | Dental Branch | 2,000 | 2,000 | 3,000 | 3,000 | 50% | 50% |
| | School of Nursing* (Graduate Year 3 of four-year phase in) | 20/SCH | 25/SCH | 30/SCH | 37.50/SCH | 50% | 50% |
| | School of Public Health | 40/SCH | 100/SCH | 45/SCH | 112/SCH | 13% | 12% |
| 2007-2008 | Dental Branch | 3,000 | 3,000 | 4,000 | 4,000 | 33% | 33% |
| | School of Nursing* (Graduate Year 4 of four-year phase in) | 30/SCH | 37.50/SCH | 40/SCH | 50/SCH | 33% | 33% |
| | School of Public Health | 45/SCH | 112/SCH | 50/SCH | 125/SCH | 11% | 12% |

*Tuition increase for School of Nursing was previously approved in UTHSC-H plan of October 2003 to increase differential tuition, effective 2004-2005, to be phased in over a four-year period of time.

DESIGNATED TUITION

| Year | Academic Program | Current Resident Fee | Current Nonresident Fee | Proposed Resident Fee | Proposed Nonresident Fee | Percent Increase Resident | Percent Increase Nonresident |
|-----------|---|----------------------|-------------------------|-----------------------|--------------------------|---------------------------|------------------------------|
| 2006-2007 | School of Nursing* (Undergraduate Year 3 of four-year phase in) | 20/SCH | 25/SCH | 30/SCH | 37.50/SCH | 50% | 50% |
| 2007-2008 | School of Nursing* (Undergraduate Year 4 of four-year phase in) | 30/SCH | 37.50/SCH | 40/SCH | 50/SCH | 33% | 33% |

*Tuition increase for School of Nursing was previously approved in UTHSC-H plan of October 2003 to increase designated tuition, effective 2004-2005, to be phased in over a four-year period of time.

**THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO
TUITION AND FEE INCREASE PROPOSAL
FY 2007 and FY 2008**

1. Summary of Recommendations for Changes in Tuition and Fees on Campus:

The University of Texas Health Science Center at San Antonio followed the *Texas Education Code* as permissible for Undergraduate Programs Section 54.0513 and for Graduate/Professional Degree Programs Section 54.008. President Cigarroa charged the Vice President for Academic Administration to work with the Deans and the Executive Vice President for Business Affairs to prepare respective proposals and rationale for proposed tuition and fee increases.

All Deans have undergone the below-listed decision making process in developing their proposals for FY 2007 and FY 2008:

- Consulting with peers among sister institutions in Texas and nationally.
- Consulting with department chairs and faculty members.
- Consulting with student leaders.
- Consulting with alumni members.

2. Net change in tuition revenues

See the attached charts for each school: School of Allied Health Sciences, Dental School, Graduate School of Biomedical Sciences, School of Medicine, and School of Nursing.

3. Rationale and Intended Use for Additional Funds

HSC is conscientious in its pursuit of excellence. The planned tuition changes will enable HSC to continue its effort in emphasizing teaching excellence thus enhancing students' overall academic experiences. With the proposed tuition increase, UTHSCSA will generate almost \$1.2 million dollars over a two-year period in additional funds.

The proposed tuition increases are based on the needs for market adjustments, peer institutional comparisons and the national average percentile. UTHSCSA has been cautious in these proposed increases in tuition and fees that the increases will not deter students from attending and progressing through their academic programs at this institution.

Even with the proposed increases, the School of Medicine and the Dental School will remain at or below the 25th percentile of U.S. public institutions. The School of Nursing will barely be above the 25th percentile for public school tuition and fees. The proposed increase in the School of Allied Health Sciences is within range of peer institutions. The proposed increase for the Graduate School of Biomedical Sciences is moderate and will be budget neutral.

Estimated Changes in Institutional Revenues in 2007 and 2008

| | FY 2007 | FY 2008 |
|--|---------------------|-------------------|
| School of Allied Health Sciences | \$ 194,215 | -0- |
| Dental School | \$ 367,000 | \$ 367,000 |
| Graduate School of Biomedical Sciences | \$ 36,120 | \$36,120 |
| School of Medicine: | \$ 410,850 | \$ 430,650 |
| School of Nursing: | \$ 185,388 | \$ 101,963 |
| Total of Estimated Revenue: | \$ 1,193,573 | \$ 935,733 |

The intended use for the funds are:

1. Faculty recruitment and retention activities.
2. 15-20% legislative mandated student financial aid *Texas Education Code* Sections 56.011 and 56.012.
3. Up to 10% for the continued support of the teaching academy to elevate teaching faculty's effectiveness.

School of Allied Health Sciences

The decisions made by departments in the School of Allied Health Sciences reflect the need for faculty salary increases or employment of adjunct faculty members. The proposed designated tuition increases vary from \$10, \$11 or \$20 per semester credit hour.

The use of the funds will be to improve the level of remuneration for faculty members or will enhance the number of faculty members available to students. The amount of increase is not as great as what was proposed two years ago. The School believes that increasing the tuition any more at this point in time would not serve their interests in providing access to allied health education. Almost all of Allied Health students are on financial aid. The School of Allied Health Sciences wants to remain financially accessible while being ranked as the best in quality. The School believes they have reached that goal with many of their programs and are proud of the fact that they remain competitive with sister UT institutions. In addition, part of the designated tuition increase will benefit students through the employment of a Director of Development for the School of Allied Health Sciences. Work performed by this person will create an even greater opportunity for acquiring philanthropic support for the departments, the faculty, students and alumni on improving or developing outstanding programs.

Dental School

The Dental School understands that the Board of Regents has previously approved a \$1,000 per year increase in Designated Tuition for the Dental School's Predoctoral Education Program for FY 2007. They request that an additional \$1,000 per year increase be added in FY 2008.

In addition, the Advanced Education Programs in Endodontics and Oral and Maxillofacial Radiology request an initiation of Designated Tuition for their programs. Endodontics is requesting a \$29.00 per semester credit hour increase in Designated Tuition for first year students and a \$35.00 per semester credit hour increase in Designated Tuition for second year students in both Fiscal Years 2007 and 2008. The Oral and Maxillofacial Radiology Program is proposing a Designated Tuition increase of \$30.30 per semester credit hour for FY 2008 and no increase for FY 2007.

The rest of the Dental School's Advanced Education Programs (Periodontics, Prosthodontics, and Pediatric Dentistry) have elected NOT to initiate Designated Tuition.

Rationale for Increase in Predoctoral Dental Program:

Our total cost of education ranks 50th of 54 U.S. dental schools (latest data available – FY 2004). The two other Texas dental schools rank 52nd and 48th and they both plan on increasing Designated Tuition for the future. The program has a lower cost than any of our other peer institutions and are more than \$10,000 below the 25th percentile of U.S. dental schools. In addition, total compensation for our faculty members lags behind that of our peer institutions. The plan is on using available revenue generated by Designated Tuition to increase compensation of productive faculty members.

Discussions with Chairs, Faculty members, students and alumni were overwhelmingly supportive of an increase, but included consideration of the increased student debt that would result from the proposed increase. It was concluded that the potential debt increase is manageable.

Rational for Increase in Advanced Education Programs:

The primary issue for our Advanced Education Programs was the potential impact of Designated Tuition on their applicant pool and their ability to continue to attract quality students. While each program felt that the revenue generated from Designated Tuition would be helpful to address faculty recruitment/retention issues, only Endodontics and Oral and Maxillofacial Radiology felt they could initiate Designated Tuition without causing a significant impact upon their applicant pool. Consideration was also given to the fact that many students in our Advanced Education Programs are also enrolled in a Masters of Science Program within the Graduate School and are impacted by Designated Tuition charged by the Graduate School.

Graduate School of Biomedical Sciences

The Graduate School requests permission to implement a 5% increase per semester hour designated tuition increase for all programs with the exception of Nursing and Allied Health beginning FY 2007 for the below listed reasons:

1. In order to provide access to and retain quality students, the Graduate School will need to raise the stipends for its graduate students. [There will not be a large return of dollars to be used for other purposes because of the modest increase proposed.]
2. Since the majority of the proposed increases will be absorbed by future federal grants, the timing of the increase needs to coincide with the funding cycles of external funding agencies.
3. The proposed modest tuition increase is essentially budget neutral. The impact of the increase to the State and the students shall be negligible since a portion of the increase in tuition derived from this action will be applied to the augmentation of graduate students' stipends paid from state funds.

School of Medicine

Due to increased costs and demands on the Medical School, they are proposing an increase in designated tuition beginning in academic year 2006-2007. The plan is to increase tuition by 5% beginning in the summer of 2006 and then by the same amount the following year. These increases will affect all four classes. Fifteen per cent of the incremental tuition increase will be used for medical student scholarships. The School of Medicine proposes that the available increase go towards enhancing educational resources and programs directly affecting students

and also to support faculty retention. With the proposed 5% increase in tuition, it is important to recognize that UTHSCSA's tuition and fees will remain below the 25th percentile of public medical schools nationally.

School of Nursing

The School of Nursing is requesting for the undergraduate program in 2006-2007 a designated tuition increase of \$12.60 per semester credit hour for resident and \$40.20 per semester credit hour for non-resident. For FY 2007-2008, the School is requesting an increase for the undergraduate program of \$13.86 per semester credit hour for resident and \$44.22 per semester credit hour for non-resident. The requests do not exceed 10% in overall tuition costs for both fiscal years.

The School of Nursing is also requesting for the graduate program in 2006-2007 a designated tuition increase of \$12.60 per semester credit hour for resident and \$40.20 per semester credit hour for non-resident. For FY 2007-2008, the School is requesting an increase in designated tuition for the graduate program of \$13.86 per semester credit hour for resident and \$44.22 per semester credit hour for non-resident. The requests for do not exceed 10% in overall tuition costs for both fiscal years.

Across all programs (BSN, MSN, and PhD), this would amount to an average of \$317 increase annually over 2005-2006 costs to students in year 2006-2007, and \$349 over the 2006 costs for 2007-2008. Even with the cumulative increase in tuition by the 2007-2008 academic year, the cost of UTHSCSA tuition and fees of \$3,926 would still be below the 50th percentile cost of tuition and fees in 2005 and just above the 25th percentile for public school tuition and fees currently. To offset the increase in costs, student financial aid would be improved as 15 to 20% of the increase would be returned to student financial aide to assist any students unduly burdened by the increase.

There is currently an acute nursing shortage in the U.S. Estimates are that over 28,000 entry level nurses are needed right now in Texas alone to bring nurse staffing ratios up to the median staffing ratio in the U.S. Aside from the need for staff nurses, there is a critical need for nursing faculty. Faculty teaching in a baccalaureate nursing program are required to have, at a minimum, master's level education in nursing. There is even more of a shortage of masters prepared nurses than there is of entry level nurses. All schools of nursing are faced with severe challenges in recruiting qualified nurses to teach. Aside from the major problem of recruitment of faculty into teaching roles in schools of nursing, retention of current faculty in our School of Nursing is made difficult by the high salaries offered in the clinical arena and the ability of private sector and out of state public schools to offer higher salaries and recruitment packages than we can at the UTHSCSA. In short, adequately prepared faculty are at a premium and being heavily recruited by both academic institutions and the clinical arena and securing them is a highly competitive activity.

In summary, all of the available funds from a designated tuition increase, save those turned back to student financial support, would be used immediately to improve faculty compensation to allow the UTHSCSA School of Nursing to be competitive for recruitment and retention in the nursing faculty marketplace both in Texas and nationwide. The goal of increasing nursing faculty salaries is extremely important for recruitment and retention to maintain excellence of teaching programs, both at entry level undergraduate as well as at advanced practice and graduate level programs.

UTHSCSA will increase financial aid to minimize students' burden in attending schools.

4. Proposed Fee Increases

The current Medical School Computer Fee is \$50.00 per student per year. The recommendation of an increase from an annual \$50.00 per student to \$80.00 per student to be effective in FY 2007 and to \$110 per student to be effective in FY 2008 is required. It would be extremely difficult to support the students' needs without this fee increase.

The computer fee was initiated in 1997 as a means to improve use of technology in the school. Currently, the funds are utilized to increase and update computers in the Multidiscipline Teaching Laboratories, to purchase necessary software and to purchase online subscriptions for the library that are based for medical student use. The most recent need for computer/software funds has been the new Clinical Skills Center (CSC), where the school has equipped 20 physician exam rooms with desktop computers and purchased 20 laptop computers for student examinations. The Medical School is having to use the computer fee for maintenance of the CSC computers and software. The School of Medicine has also learned that it is necessary to purchase an SLA (\$12,750.00) from computing services so that our medical students can receive assistance on IT problems from our Triage unit. As the use of technology in the school curriculum increase, it has become apparent that the computer fee needs to be increased.

The University of Texas Health Science Center at San Antonio Proposed Tuition and Fee Increase

FY 2007 School of Medicine

| | Current Tuition (statutory and designated) | Current Fees | Total Current Tuition and Fees | Proposed Tuition (current and increase) | Total Proposed Fees (current and increase) | Total Proposed Tuition and Fees | Difference (between current and proposed totals) | % |
|----------------------------|--|--------------|-----------------------------------|--|---|------------------------------------|---|-------|
| First-Year Student | | | | | | | | |
| Resident | \$ 9,950.00 | \$ 2,343.00 | \$ 12,293.00 | \$ 10,448.00 | \$ 2,373.00 | \$ 12,821.00 | \$ 528.00 | 4.30% |
| Nonresident | \$ 23,725.00 | \$ 2,343.00 | \$ 26,068.00 | \$ 24,911.00 | \$ 2,373.00 | \$ 27,284.00 | \$ 1,216.00 | 4.68% |
| Second-Year Student | | | | | | | | |
| Resident | \$ 9,950.00 | \$ 2,043.00 | \$ 11,993.00 | \$ 10,448.00 | \$ 2,073.00 | \$ 12,521.00 | \$ 528.00 | 4.40% |
| Nonresident | \$ 23,725.00 | \$ 2,043.00 | \$ 25,768.00 | \$ 24,911.00 | \$ 2,073.00 | \$ 26,984.00 | \$ 1,216.00 | 4.72% |
| Third-Year Student | | | | | | | | |
| Resident | \$ 9,950.00 | \$ 1,963.00 | \$ 11,913.00 | \$ 10,448.00 | \$ 1,993.00 | \$ 12,441.00 | \$ 528.00 | 4.43% |
| Nonresident | \$ 23,725.00 | \$ 1,963.00 | \$ 25,688.00 | \$ 24,911.00 | \$ 1,993.00 | \$ 26,904.00 | \$ 1,216.00 | 4.73% |
| Fourth-Year Student | | | | | | | | |
| Resident | \$ 9,950.00 | \$ 2,023.00 | \$ 11,973.00 | \$ 10,448.00 | \$ 2,053.00 | \$ 12,501.00 | \$ 528.00 | 4.41% |
| Nonresident | \$ 23,725.00 | \$ 2,023.00 | \$ 25,748.00 | \$ 24,911.00 | \$ 2,053.00 | \$ 26,964.00 | \$ 1,216.00 | 4.72% |

FY 2008 School of Medicine

| | Current Tuition (statutory and designated) | Current Fees | Total Current Tuition and Fees | Proposed Tuition (current and increase) | Total Proposed Fees (current and increase) | Total Proposed Tuition and Fees | Difference (between current and proposed totals) | % |
|----------------------------|--|--------------|-----------------------------------|--|---|------------------------------------|---|-------|
| First-Year Student | | | | | | | | |
| Resident | \$ 10,448.00 | \$ 2,373.00 | \$ 12,821.00 | \$ 10,970.00 | \$ 2,403.00 | \$ 13,373.00 | \$ 552.00 | 4.31% |
| Nonresident | \$ 24,911.00 | \$ 2,373.00 | \$ 27,284.00 | \$ 26,157.00 | \$ 2,403.00 | \$ 28,560.00 | \$ 1,276.00 | 4.68% |
| Second-Year Student | | | | | | | | |
| Resident | \$ 10,448.00 | \$ 2,073.00 | \$ 12,521.00 | \$ 10,970.00 | \$ 2,103.00 | \$ 13,073.00 | \$ 552.00 | 4.41% |
| Nonresident | \$ 24,911.00 | \$ 2,073.00 | \$ 26,984.00 | \$ 26,157.00 | \$ 2,103.00 | \$ 28,260.00 | \$ 1,276.00 | 4.73% |
| Third-Year Student | | | | | | | | |
| Resident | \$ 10,448.00 | \$ 1,993.00 | \$ 12,441.00 | \$ 10,970.00 | \$ 2,023.00 | \$ 12,993.00 | \$ 552.00 | 4.44% |
| Nonresident | \$ 24,911.00 | \$ 1,993.00 | \$ 26,904.00 | \$ 26,157.00 | \$ 2,023.00 | \$ 28,180.00 | \$ 1,276.00 | 4.74% |
| Fourth-Year Student | | | | | | | | |
| Resident | \$ 10,448.00 | \$ 2,053.00 | \$ 12,501.00 | \$ 10,970.00 | \$ 2,083.00 | \$ 13,053.00 | \$ 552.00 | 4.42% |
| Nonresident | \$ 24,911.00 | \$ 2,053.00 | \$ 26,964.00 | \$ 26,157.00 | \$ 2,083.00 | \$ 28,240.00 | \$ 1,276.00 | 4.73% |

Proposed Student Computer Fee Increase of \$30.00 per student per year

The University of Texas Health Science Center at San Antonio Proposed Tuition Increase FY 2007 School of Nursing

| | Current Semester Credit Hour Tuition (statutory and designated) | Proposed Undergraduate Semester Credit Hour Designated Tuition Increase | Proposed Graduate Semester Credit Hour Designated Tuition Increase | Total Proposed Semester Credit Hour Tuition (current and increase) | Difference (between current and proposed totals) | % |
|---|---|---|--|--|--|--------|
| Generic Process | | | | | | |
| Undergraduate Resident | \$ 126.00 | \$ 12.60 | \$ - | \$ 138.60 | \$ 12.60 | 10.00% |
| Undergraduate Nonresident | \$ 402.00 | \$ 40.20 | \$ - | \$ 442.20 | \$ 40.20 | 10.00% |
| Flexible Process | | | | | | |
| Undergraduate Resident | \$ 126.00 | \$ 12.60 | \$ - | \$ 138.60 | \$ 12.60 | 10.00% |
| Undergraduate Nonresident | \$ 402.00 | \$ 40.20 | \$ - | \$ 442.20 | \$ 40.20 | 10.00% |
| Associate Degree in Nursing / Diploma to Master of Science in Nursing | | | | | | |
| Graduate Resident | \$ 126.00 | \$ - | \$ 12.60 | \$ 138.60 | \$ 12.60 | 10.00% |
| Graduate Nonresident | \$ 402.00 | \$ - | \$ 40.20 | \$ 442.20 | \$ 40.20 | 10.00% |
| MSN / Administration in Community & Health Care Systems in Nursing | | | | | | |
| Graduate Resident | \$ 126.00 | \$ - | \$ 12.60 | \$ 138.60 | \$ 12.60 | 10.00% |
| Graduate Nonresident | \$ 402.00 | \$ - | \$ 40.20 | \$ 442.20 | \$ 40.20 | 10.00% |
| MSN / Family Nurse Practitioner | | | | | | |
| Graduate Resident | \$ 126.00 | \$ - | \$ 12.60 | \$ 138.60 | \$ 12.60 | 10.00% |
| Graduate Nonresident | \$ 402.00 | \$ - | \$ 40.20 | \$ 442.20 | \$ 40.20 | 10.00% |
| PhD | | | | | | |
| Graduate Resident | \$ 126.00 | \$ - | \$ 12.60 | \$ 138.60 | \$ 12.60 | 10.00% |
| Graduate Nonresident | \$ 402.00 | \$ - | \$ 40.20 | \$ 442.20 | \$ 40.20 | 10.00% |

No proposed fee increase for FY 2007

The University of Texas Health Science Center at San Antonio Proposed Tuition Increase FY 2008 School of Nursing

| | Current Semester Credit Hour Tuition (statutory and designated) | Proposed Undergraduate Semester Credit Hour Designated Tuition Increase | Proposed Graduate Semester Credit Hour Designated Tuition Increase | Total Proposed Semester Credit Hour Tuition (current and increase) | Difference (between current and proposed totals) | % |
|---|---|---|--|--|--|--------|
| Generic Process | | | | | | |
| Undergraduate Resident | \$ 138.60 | \$ 13.86 | \$ - | \$ 152.46 | \$ 13.86 | 10.00% |
| Undergraduate Nonresident | \$ 442.20 | \$ 44.22 | \$ - | \$ 486.42 | \$ 44.22 | 10.00% |
| Flexible Process | | | | | | |
| Undergraduate Resident | \$ 138.60 | \$ 13.86 | \$ - | \$ 152.46 | \$ 13.86 | 10.00% |
| Undergraduate Nonresident | \$ 442.20 | \$ 44.22 | \$ - | \$ 486.42 | \$ 44.22 | 10.00% |
| Associate Degree in Nursing / Diploma to Master of Science in Nursing | | | | | | |
| Graduate Resident | \$ 138.60 | \$ - | \$ 13.86 | \$ 152.46 | \$ 13.86 | 10.00% |
| Graduate Nonresident | \$ 442.20 | \$ - | \$ 44.22 | \$ 486.42 | \$ 44.22 | 10.00% |
| MSN / Administration in Community & Health Care Systems in Nursing | | | | | | |
| Graduate Resident | \$ 138.60 | \$ - | \$ 13.86 | \$ 152.46 | \$ 13.86 | 10.00% |
| Graduate Nonresident | \$ 442.20 | \$ - | \$ 44.22 | \$ 486.42 | \$ 44.22 | 10.00% |
| MSN / Family Nurse Practitioner | | | | | | |
| Graduate Resident | \$ 138.60 | \$ - | \$ 13.86 | \$ 152.46 | \$ 13.86 | 10.00% |
| Graduate Nonresident | \$ 442.20 | \$ - | \$ 44.22 | \$ 486.42 | \$ 44.22 | 10.00% |
| PhD | | | | | | |
| Graduate Resident | \$ 138.60 | \$ - | \$ 13.86 | \$ 152.46 | \$ 13.86 | 10.00% |
| Graduate Nonresident | \$ 442.20 | \$ - | \$ 44.22 | \$ 486.42 | \$ 44.22 | 10.00% |

No proposed fee increase for FY 2008

The University of Texas Health Science Center at San Antonio Proposed Tuition Increase
FY 2007 School of Allied Health Sciences

| | Current Semester Credit Hour Tuition (statutory and designated) | Proposed Undergraduate Semester Credit Hour Designated Tuition Increase | Proposed Graduate Semester Credit Hour Designated Tuition Increase | Total Proposed Semester Credit Hour Tuition (current and increase) | Difference (between current and proposed totals) | % |
|--|---|---|--|--|--|--------|
| Clinical Laboratory Sciences B.S. | | | | | | |
| Undergraduate Resident | \$ 106.00 | \$ 10.00 | \$ - | \$ 116.00 | \$ 10.00 | 9.43% |
| Undergraduate Nonresident | \$ 382.00 | \$ - | \$ - | \$ 382.00 | \$ - | 0.00% |
| Clinical Laboratory Sciences M.S. | | | | | | |
| Graduate Resident | \$ 106.00 | \$ - | \$ 10.00 | \$ 116.00 | \$ 10.00 | 9.43% |
| Graduate Nonresident | \$ 382.00 | \$ - | \$ - | \$ 382.00 | \$ - | 0.00% |
| Deaf Education | | | | | | |
| Graduate Resident | \$ 144.00 | \$ - | \$ - | \$ 144.00 | \$ - | 0.00% |
| Graduate Nonresident | \$ 420.00 | \$ - | \$ - | \$ 420.00 | \$ - | 0.00% |
| Dental Hygiene Certificate/B.S. | | | | | | |
| Undergraduate Resident | \$ 116.00 | \$ 20.00 | \$ - | \$ 136.00 | \$ 20.00 | 17.24% |
| Undergraduate Nonresident | \$ 392.00 | \$ - | \$ - | \$ 392.00 | \$ - | 0.00% |
| Dental Hygiene M.S. | | | | | | |
| Graduate Resident | \$ 116.00 | \$ - | \$ 20.00 | \$ 136.00 | \$ 20.00 | 17.24% |
| Graduate Nonresident | \$ 392.00 | \$ - | \$ - | \$ 392.00 | \$ - | 0.00% |
| Dental Laboratory Technology | | | | | | |
| Undergraduate Resident | \$ 121.00 | \$ 10.00 | \$ - | \$ 131.00 | \$ 10.00 | 8.26% |
| Undergraduate Nonresident | \$ 397.00 | \$ - | \$ - | \$ 397.00 | \$ - | 0.00% |
| Emergency Health Sciences | | | | | | |
| Undergraduate Resident | \$ 96.00 | \$ - | \$ - | \$ 96.00 | \$ - | 0.00% |
| Undergraduate Nonresident | \$ 372.00 | \$ - | \$ - | \$ 372.00 | \$ - | 0.00% |
| Occupational Therapy M.S. | | | | | | |
| Graduate Resident | \$ 121.00 | \$ - | \$ 20.00 | \$ 141.00 | \$ 20.00 | 16.53% |
| Graduate Nonresident | \$ 397.00 | \$ - | \$ - | \$ 397.00 | \$ - | 0.00% |
| Physical Therapy M.S. | | | | | | |
| Graduate Resident | \$ 141.00 | \$ - | \$ 20.00 | \$ 161.00 | \$ 20.00 | 14.18% |
| Graduate Nonresident | \$ 417.00 | \$ - | \$ - | \$ 417.00 | \$ - | 0.00% |
| Physician Assistant Studies M.S. | | | | | | |
| Graduate Resident | \$ 144.00 | \$ - | \$ 11.00 | \$ 155.00 | \$ 11.00 | 7.64% |
| Graduate Nonresident | \$ 420.00 | \$ - | \$ - | \$ 420.00 | \$ - | 0.00% |
| Respiratory Care | | | | | | |
| Undergraduate Resident | \$ 116.00 | \$ 15.00 | \$ - | \$ 131.00 | \$ 15.00 | 12.93% |
| Undergraduate Nonresident | \$ 392.00 | \$ - | \$ - | \$ 392.00 | \$ - | 0.00% |

No fee increases proposed for FY 2007 or FY 2008
No tuition increase proposed for FY 2008

The University of Texas Health Science Center at San Antonio Proposed Tuition Increase

FY 2007 Advanced Education Program in Endodontics

| | Average Current Semester Credit Hour Tuition (statutory and designated) | Proposed Semester Credit Hour Tuition (current and increase) | Difference (between current and proposed totals) | % |
|--|---|--|--|--------|
| First-Year Student Resident | \$ 96.00 | 125.00 | \$ 29.00 | 30.21% |
| Second-Year Student Resident | \$ 96.00 | 131.00 | \$ 35.00 | 36.46% |

No proposed fee increase for FY 2007

FY 2008 Advanced Education Program in Endodontics

| | Average Current Semester Credit Hour Tuition (statutory and designated) | Proposed Semester Credit Hour Tuition (current and increase) | Difference (between current and proposed totals) | % |
|--|---|--|--|--------|
| First-Year Student Resident | \$ 125.00 | 154.00 | \$ 29.00 | 23.20% |
| Second-Year Student Resident | \$ 131.00 | 166.00 | \$ 35.00 | 26.72% |

No proposed fee increase for FY 2008

First-Year student enrollment based on average of 52.5 semester credit hours
 Second-Year student enrollment based on average of 43 semester credit hours

The University of Texas Health Science Center at San Antonio Proposed Tuition Increase
FY 2008 Dental Advanced Education Program in Oral and Maxillofacial Radiology

| | Average Current Semester Credit Hour Tuition (statutory and designated) | Proposed Semester Credit Hour Tuition (current and increase) | Difference (between current and proposed totals) | % |
|--|---|--|--|--------|
| First-Year Student Resident | \$96.00 | \$126.30 | \$30.30 | 31.56% |
| Second-Year Student Resident | \$96.00 | \$126.30 | \$30.30 | 31.56% |
| Third-Year Student Resident | \$96.00 | \$126.30 | \$30.30 | 31.56% |

No tuition fee increase proposed for FY 2007

Student enrollment based on average of 33 semester credit hours

The University of Texas Health Science Center at San Antonio Proposed Tuition Increase
FY 2007 Dental School Pre-Doctoral

| | Current Tuition (statutory and designated) | Proposed Tuition (current and increase) | Difference (between current and proposed totals) | % |
|----------------------------|--|---|--|--------|
| First-Year Student | | | | |
| Resident | \$ 9,125.00 | \$ 10,125.00 | \$ 1,000.00 | 10.96% |
| Nonresident | \$ 19,925.00 | \$ 20,925.00 | \$ 1,000.00 | 5.02% |
| Second-Year Student | | | | |
| Resident | \$ 9,125.00 | \$ 10,125.00 | \$ 1,000.00 | 10.96% |
| Nonresident | \$ 19,925.00 | \$ 20,925.00 | \$ 1,000.00 | 5.02% |
| Third-Year Student | | | | |
| Resident | \$ 9,125.00 | \$ 10,125.00 | \$ 1,000.00 | 10.96% |
| Nonresident | \$ 19,925.00 | \$ 20,925.00 | \$ 1,000.00 | 5.02% |
| Fourth-Year Student | | | | |
| Resident | \$ 9,125.00 | \$ 10,125.00 | \$ 1,000.00 | 10.96% |
| Nonresident | \$ 19,925.00 | \$ 20,925.00 | \$ 1,000.00 | 5.02% |

No proposed fee increase for FY 2007

FY 2008 Dental School Pre-Doctoral

| | Current Tuition (statutory and designated) | Proposed Tuition (current and increase) | Difference (between current and proposed totals) | % |
|----------------------------|--|---|--|-------|
| First-Year Student | | | | |
| Resident | \$ 10,125.00 | \$ 11,125.00 | \$ 1,000.00 | 9.88% |
| Nonresident | \$ 20,925.00 | \$ 21,925.00 | \$ 1,000.00 | 4.78% |
| Second-Year Student | | | | |
| Resident | \$ 10,125.00 | \$ 11,125.00 | \$ 1,000.00 | 9.88% |
| Nonresident | \$ 20,925.00 | \$ 21,925.00 | \$ 1,000.00 | 4.78% |
| Third-Year Student | | | | |
| Resident | \$ 10,125.00 | \$ 11,125.00 | \$ 1,000.00 | 9.88% |
| Nonresident | \$ 20,925.00 | \$ 21,925.00 | \$ 1,000.00 | 4.78% |
| Fourth-Year Student | | | | |
| Resident | \$ 10,125.00 | \$ 11,125.00 | \$ 1,000.00 | 9.88% |
| Nonresident | \$ 20,925.00 | \$ 21,925.00 | \$ 1,000.00 | 4.78% |

No proposed fee increase for FY 2008

The University of Texas Health Science Center at San Antonio Proposed Tuition Increase

FY 2007 Graduate School of Biomedical Sciences

| | Current Semester Credit Hour Tuition (statutory and designated) | Proposed Semester Credit Hour Tuition (current and increase) | Difference (between current and proposed totals) | % |
|----------------------|---|--|--|-------|
| Graduate Resident | \$ 96.00 | 101.00 | \$ 5.00 | 5.21% |
| Graduate Nonresident | \$ 372.00 | 391.00 | \$ 19.00 | 5.11% |

No proposed fee increase for FY 2007

FY 2008 Graduate School of Biomedical Sciences

| | Current Semester Credit Hour Tuition (statutory and designated) | Proposed Semester Credit Hour Tuition (current and increase) | Difference (between current and proposed totals) | % |
|----------------------|---|--|--|-------|
| Graduate Resident | \$ 101.00 | 106.00 | \$ 5.00 | 4.95% |
| Graduate Nonresident | \$ 391.00 | 410.00 | \$ 19.00 | 4.86% |

No proposed fee increase for FY 2008

**Recommended Tuition and Fees for Academic Years 2006-07 and 2007-08
 The University of Texas M. D. Anderson Cancer Center
 School of Health Sciences**

1. Requested change in tuition and fees for academic years 2006-07 and 2007-08:

Increase in Designated Tuition from \$10/SCH to \$20/SCH
 Increase in Graduation Fee from \$55 to \$60
 Increase in Education Resource Fee from \$4/SCH to \$6/SCH
 Addition of a Laboratory/Clinical Course Fee not to exceed \$30 per course (Total Laboratory Fees limited to \$60 per semester per student)

| | Current 2005-06 | Proposed 2006-07 & 2007-08 |
|----------------------------|----------------------------|---|
| Statutory Tuition In State | \$50/SCH | |
| Out-of-State | \$326/SCH | |
| Designated Tuition | \$10/SCH | \$20/SCH |
| Medical Services Fee | \$148 | \$148 |
| Graduation Fee | \$55 | \$60 |
| Education Resource Fee | \$4/SCH | \$6/SCH |
| Laboratory/Clinical Fee | \$0 | Not to exceed \$30 per course Total laboratory fees limited to \$60 per semester per student |

2. Effect of tuition and fee change on annual student costs:

Based on a typical professional-year program of 47 semester credit hours, offered over three semesters at the School of Health Sciences, the proposed tuition and fee increases, which are not field specific, would increase the present annual tuition and fee charges from \$ 3,275 to \$ 3,840. This increase of \$685 represents a 20.9% change over academic year 2005-06 baseline tuition and fees. Even with the proposed increase, the annual tuition and fee costs at U. T. M. D. Anderson Cancer Center remain below those charged for similar academic programs, statewide, and should not adversely affect the affordability for students of modest means to attend these programs.

3. Use of planned tuition and fee changes:

The increase in designated tuition from \$10/SCH to \$20/SCH will be utilized to fund improvements in classroom technology.

The increase in the Educational Resource Fee from \$4/SCH to \$6/SCH will cover increased costs associated with student supplies and computer maintenance and attrition.

The laboratory/clinical fee will be utilized to offset costs of student laboratory supplies and replacement and maintenance of student laboratory instrumentation.

4. Estimated changes in annual institutional revenues for academic years 2006-07 and 2007-08:

The proposed tuition and fee changes are estimated to generate \$68,500 annually in increased institution revenue.

UT Academic Institutions Tuition and Fee Proposals Proposed Method for Financing Higher Utility Costs Fiscal Years 2007 and 2008

UT Arlington

UT Arlington proposes to charge a \$50 per semester energy fee beginning in fall 2006, if justified by rising utility costs.

UT Austin

UT Austin proposes to assess a designated tuition utility supplement of \$150 per semester in 2006-2007 and \$50 per semester in 2007-2008 to cover increased energy costs.

UT Brownsville

UT Brownsville will use designated tuition to cover higher energy costs.

UT Dallas

UT Dallas proposes a temporary fee of \$150 per semester for 2006-2007; it is expected that this temporary fee will not be needed after 2006-07.

UT El Paso

UT El Paso will use designated tuition to cover increased energy costs.

UT Pan American

UT Pan American will use designated tuition to cover increased energy costs.

UT Permian Basin

UT Permian Basin proposes a \$3.40 per semester credit hour fee to cover increased energy costs.

UT San Antonio

UT San Antonio proposes to assess a designated tuition utility supplement of \$45 per semester in 2006-2007 and \$35 per semester in 2007-2008 to cover increased energy costs.

UT Tyler

UT Tyler will use designated tuition to cover increased energy costs.

UT System Academic Institutions
Tuition Proposals for Academic Years 2006-2007 and 2007-2008

Proposed Uses for Designated Tuition

UT Arlington

UT Arlington proposes to use designated tuition to provide for \$5 million in anticipated utility rate increases, a \$4.9 million faculty and staff merit pool, increased retirement matching for Optional Retirement Program employees hired after 1995, 10 new faculty positions with start up packages, increased compensation for teaching summer school classes, expansion of the merit-based scholarship program, and increased debt service costs and insurance premiums.

UT Austin

UT Austin has identified the following as incremental funding needs for the next two years: continue to hire additional faculty and reduce the student/faculty ratio, fund a merit compensation program, fund student services initiatives, fund university and college initiatives, provide matching funds for a new Experimental Science Building and fund financial aid programs. Because UT Austin continues to freeze student fees, any funding increases at the university will come from designated tuition (with the exception of utility costs).

UT Brownsville

UT Brownsville states that it will use increased designated tuition to "...sustain the present faculty and staff to student ratios, accommodate rising utilities, provide improvement in advising, and increase student life opportunities."

UT Dallas

UT Dallas has determined that the highest funding priorities for 2006-07 include:

- sustaining and enhancing current faculty and staff quality by providing competitive adjustments in compensation levels;
- preventing further erosion in faculty/student ratios by increasing faculty numbers;
- continuing progress on the Engineering and Science Research Enhancement Initiative (Project Emmitt);
- maintaining incentives for recruiting students of exceptional merit;
- strengthening staff infrastructure in non-academic areas in response to audited needs; and
- addressing critical issues of deferred maintenance of physical plant.

UT El Paso

UTEP will fund an annual merit increase package equivalent to 3% of aggregate salaries. UTEP will use additional funds to recruit new faculty, provide them with competitive salaries and start-up funding for their research. UTEP will use some of the additional revenue to retain faculty. An additional cost increase is associated with projected

increases in utilities costs during the next two years; UTEP will cover increased utility costs using designated tuition revenue.

UT Pan American

UTPA proposes to use increased tuition revenue to address three goals: (1) undergraduate access and success, (2) enhancement of graduate education and research, and (3) improvement of organizational effectiveness. The funds would allow the institution to:

- Hire an additional 61 faculty members (\$3,355,000) in FY 2007 and an additional 45 faculty members (\$2,475,000) in FY 2008.
- Hire additional staff totaling \$900,000 in FY 2007 and again in FY 2008 (an estimated 51 new hires over two years).
- Provide an estimated \$1,650,000 in annual salary adjustments to faculty and staff which are comparable to those provided in the previous fiscal year.
- Cover an estimated \$1.2 million increase in annual utility costs.
- Gradually reduce reliance (by \$300,000 annually) on Institutional Enhancement funds to balance the operating budget.
- Make up for approximately \$1.6 million in balances used to fund the FY 2006 operating budget that may no longer be available.
- Further develop and enhance graduate programs (using revenue generated from the graduate differential tuition increase).

UT Permian Basin

Part of the first year tuition increase in 2006-2007 will be used to improve the University's institutional effectiveness and assessment programs. Additional tuition funds will be used to support the National Council for Accreditation of Teacher Education (NCATE) accreditation by providing upgrades from lecturer to full time faculty positions and by providing better staff support for education student field experience programs. Smaller amounts of the tuition increase revenues will provide for on-campus student worker wage adjustments and similar retention and student support programs. Finally, tuition revenues will enable UTPB to fund compensation adjustments for faculty and staff.

UT San Antonio

Proposed increases in designated tuition will allow UTSA to fund much-needed infrastructure costs such as upgrading of laboratories and other facilities; funding operation costs of the new Biotechnology, Sciences and Engineering Building; increase faculty and staff salaries moderately for retention; hire a limited number of additional staff in 2007 and faculty in 2008; address facility debt service, utilities, and lease space; increase maintenance and operations budgets; and fund the 20% set aside to assist students with financial aid.

UT Tyler

UT Tyler will use new revenue to address the following specific strategic priorities:

- Hire full-time faculty to support emerging academic programs (e.g. civil engineering; nursing; human resources development).
- Hire additional full-time faculty and adjunct faculty in a variety of academic programs to provide additional course sections, maintain acceptable class sizes and thereby accommodate growth.
- Increase institutional merit scholarship budget, and add staff to handle larger numbers of student applications and administer emerging enrollment management programs.

**Non-Loan Financial Aid Awards and Total Tuition and Fees
at UT System Academic Institutions, 2004-2005**

| | Total Non-Loan Financial Aid | Total Tuition and Fee Charges* | Percentage of Total Charges Covered |
|---------------------|---------------------------------|-----------------------------------|--|
| Arlington | \$ 35,832,205 | \$ 87,210,000 | 41% |
| Austin | 133,579,288 | 216,481,000 | 62% |
| Brownsville/TSC** | 24,351,930 | 7,576,000 | 321% |
| Dallas | 12,665,754 | 45,676,000 | 28% |
| EL Paso | 44,381,609 | 50,504,000 | 88% |
| Pan American | 57,237,432 | 28,661,000 | 200% |
| Permian Basin | 4,878,162 | 7,243,000 | 67% |
| San Antonio | 47,837,907 | 92,460,000 | 52% |
| Tyler | 8,670,266 | 9,956,000 | 87% |
| System Total | \$ 369,434,553 | \$ 545,767,000 | 68% |

* Figures represent net tuition and fee charges which exclude discounts and allowances.

** Tuition and fee charges for UTB only; financial aid awards for UTB and TSC.

Source: Annual Financial Report, Exhibit B and Academic Institutions

**Undergraduate Tuition, Required Fees, and Scholarship Aid
at UT System Academic Institutions, 2004-2005**

| | Tuition and Fees per SCH* | Discounted Amount Based on Financial Aid | Average Discounted Tuition and Fees | Percent Discount |
|---------------|------------------------------|---|--|---------------------|
| Arlington | \$ 177 | \$53 | \$ 124 | 30% |
| Austin** | 234 | 76 | 158 | 32% |
| Dallas | 212 | 52 | 160 | 25% |
| El Paso | 155 | 80 | 75 | 52% |
| Pan American | 105 | 60 | 45 | 57% |
| Permian Basin | 129 | 55 | 74 | 43% |
| San Antonio | 176 | 67 | 109 | 38% |
| Tyler | 135 | 54 | 81 | 40% |

* Includes: Tuition and Required Fees

** Tuition and Fees per SCH includes tuition, required fees, and course-specified fees.

Note: Excludes Brownsville/TSC because financial aid data were unavailable.

Source: UT System Academic Institutions, Common Data Set

**The University of Texas System Academic Institutions
Selected Comparison Data for Peer Institutions ¹**

| Institution | U.S. News Ranking 2006 | Medical School | Fall 2003 FTE Ranked Instructional Faculty ² | Fall 2003 % of Total Instructional Faculty Who Are Full-time ³ | 2003-04 FTE Students ⁴ | FY 2003-04 Appropriations per FTE Student ⁵ | FY 2003-04 Tuition & Fees per FTE Student ⁶ | FY 2003-04 Approp. + Tuition & Fees per FTE Student | | | | |
|---------------------------|---------------------------|-------------------|--|---|--------------------------------------|--|---|--|--------------|----|------------|--------|
| | | | | | | | | | Fall 2003 | | FY 2003-04 | |
| | | | | | | | | | Nat'l Tier 4 | No | 67% | 19,783 |
| U. T. Arlington | Nat'l Tier 4 | No | 497 | 67% | 19,783 | \$4,891 | \$4,919 | \$9,810 | | | | |
| Peer Group Average | | | 821 | 73% | 25,085 | \$6,391 | \$4,799 | \$11,190 | | | | |
| Difference | | | -324 | -6% | -5,302 | -\$1,500 | \$120 | -\$1,380 | | | | |
| U. T. Austin ⁷ | Nat'l - 52nd | No | 1,791 | 92% | 48,397 | \$8,204 | \$5,722 | \$13,926 | | | | |
| Peer Group Average | | | 1,648 | 83% | 36,627 | \$10,706 | \$8,378 | \$19,084 | | | | |
| Difference | | | 143 | 9% | 11,770 | -\$2,502 | -\$2,656 | -\$5,158 | | | | |
| U. T. Brownsville/TSC | Mast.(West) Tier 4 | No | 185 | 55% | 7,091 | \$3,332 | \$931 | \$4,263 | | | | |
| Peer Group Average | | | 198 | 72% | 6,411 | \$6,443 | \$2,781 | \$9,224 | | | | |
| Difference | | | -13 | -17% | 680 | -\$3,111 | -\$1,850 | -\$4,962 | | | | |
| U. T. Dallas | Nat'l Tier 3 | No | 319 | 70% | 10,247 | \$6,236 | \$5,321 | \$11,557 | | | | |
| Peer Group Average | | | 635 | 75% | 15,952 | \$7,774 | \$6,295 | \$14,069 | | | | |
| Difference | | | -316 | -5% | -5,705 | -\$1,538 | -\$974 | -\$2,512 | | | | |
| U. T. El Paso | Nat'l Tier 4 | No | 423 | 77% | 14,573 | \$4,840 | \$3,340 | \$8,180 | | | | |
| Peer Group Average | | | 731 | 69% | 22,756 | \$6,721 | \$4,701 | \$11,422 | | | | |
| Difference | | | -308 | 8% | -8,183 | -\$1,881 | -\$1,361 | -\$3,242 | | | | |
| U. T. Pan American | Mast.(West) Tier 4 | No | 366 | 77% | 12,403 | \$5,230 | \$2,329 | \$7,559 | | | | |
| Peer Group Average | | | 509 | 61% | 16,431 | \$5,827 | \$3,702 | \$9,529 | | | | |
| Difference | | | -143 | 16% | -4,028 | -\$597 | -\$1,373 | -\$1,970 | | | | |
| U. T. Permian Basin | Mast.(West) Tier 4 | No | 75 | 58% | 2,286 | \$6,832 | \$2,337 | \$9,169 | | | | |
| Peer Group Average | | | 181 | 59% | 5,449 | \$6,678 | \$3,040 | \$9,718 | | | | |
| Difference | | | -106 | -1% | -3,163 | \$154 | -\$703 | -\$549 | | | | |
| U. T. San Antonio | Mast.(West) Tier 4 | No | 409 | 57% | 19,812 | \$4,049 | \$4,454 | \$8,504 | | | | |
| Peer Group Average | | | 604 | 69% | 18,547 | \$5,633 | \$4,721 | \$10,354 | | | | |
| Difference | | | -195 | -12% | 1,265 | -\$1,584 | -\$266 | -\$1,850 | | | | |
| U. T. Tyler | Mast.(West) Tier 3 | No | 142 | 69% | 3,612 | \$7,227 | \$2,899 | \$10,126 | | | | |
| Peer Group Average | | | 353 | 69% | 9,817 | \$6,131 | \$4,292 | \$10,423 | | | | |
| Difference | | | -211 | 0% | -6,205 | \$1,096 | -\$1,393 | -\$297 | | | | |

¹ Peer institutions are those provided by each U. T. System institution for the FY 2005-06 Accountability Report.

² Full-time instructional faculty holding the rank of professor, associate professor, or assistant professor.

³ Instructional faculty, regardless of rank, whose principal activity is instruction or instruction combined with research or public service.

⁴ FTE Students are based on 12-month total semester credit hours divided by 30 for undergraduates and 24 for graduate students or on the number of full-time students, plus one-third of the part-time students enrolled in the fall semester.

⁵ FY 2003-04 state appropriations include all amounts received by the institution through acts of a state legislative body, except grants and contracts and amounts used primarily for acquisition or construction of capital assets.

⁶ FY 2003-04 tuition and fees include revenues for tuition and fees net of discounts & allowances from institutional scholarships, waivers, etc. Tuition and fees that are remitted to the state as an offset to state appropriations are also included.

⁷ State appropriations for U. T. Austin include \$109,360,000 for operating expenses from the Available University Fund (AUF).

The University of Texas at Arlington Selected Comparison Data for Peer Institutions ¹

| Institution | U.S. News Ranking 2006 | Medical School | Fall 2003 FTE Ranked Instructional Faculty ² | Fall 2003 % of Total Instructional Faculty Who Are Full-time ³ | 2003-04 FTE Students ⁴ | FY 2003-04 Appropriations per FTE Student ⁵ | FY 2003-04 Tuition & Fees per FTE Student ⁶ | FY 2003-04 Approp. + Tuition & Fees per FTE Student |
|---|------------------------|----------------|---|---|-----------------------------------|--|--|---|
| | | | | | | | | |
| Arizona State University* | Nat'l Tier 3 | No | 1,347 | 85% | 41,617 | \$6,342 | \$5,311 | \$11,653 |
| UC Santa Cruz* | Nat'l - 68th | No | 474 | 68% | 14,560 | \$7,981 | \$6,056 | \$14,038 |
| San Diego State University | Nat'l Tier 4 | No | 822 | 58% | 27,661 | \$7,137 | \$3,240 | \$10,377 |
| U of South Florida* | Nat'l Tier 4 | Yes | 828 | 84% | 31,363 | \$9,358 | \$3,557 | \$12,914 |
| U of Memphis | Nat'l Tier 4 | No | 714 | 73% | 15,996 | \$6,533 | \$5,241 | \$11,774 |
| U of Houston-University Park* | Nat'l Tier 4 | No | 846 | 88% | 28,267 | \$5,452 | \$5,502 | \$10,954 |
| U of North Texas | Nat'l Tier 4 | No | 706 | 72% | 24,980 | \$4,560 | \$3,581 | \$8,142 |
| George Mason University* | Nat'l Tier 3 | No | 867 | 52% | 19,981 | \$4,534 | \$5,586 | \$10,120 |
| U of Wisconsin-Milwaukee | Nat'l Tier 4 | No | 782 | 73% | 21,341 | \$5,623 | \$5,117 | \$10,739 |
| Peer Group Average | | | 821 | 73% | 25,085 | \$6,391 | \$4,799 | \$11,190 |
| U. T. Arlington | Nat'l Tier 4 | No | 497 | 67% | 19,783 | \$4,891 | \$4,919 | \$9,810 |
| Difference (U. T. Arlington minus peer average) | | | -324 | -6% | -5,302 | -\$1,500 | \$120 | -\$1,380 |

* Aspirational peers

¹ Peer institutions provided by U.T. Arlington for U. T. System FY 2005-06 Accountability Report.

² Full-time instructional faculty holding the rank of professor, associate professor, or assistant professor.

³ Instructional faculty, regardless of rank, whose principal activity is instruction or instruction combined with research or public service.

⁴ FTE Students are based on 12-month total semester credit hours divided by 30 for undergraduates and 24 for graduate students or on the number of full-time students, plus one-third of the part-time students enrolled in the fall semester.

⁵ FY 2003-04 state appropriations include all amounts received by the institution through acts of a state legislative body, except grants and contracts and amounts used primarily for acquisition or construction of capital assets.

⁶ FY 2003-04 tuition and fees include revenues for tuition and fees net of discounts and allowances from institutional scholarships, waivers, etc. Tuition and fees that are remitted to the state as an offset to state appropriations are also included.

The University of Texas at Austin Selected Comparison Data for Peer Institutions ¹

| Institution | U.S. News Ranking 2006 | Medical School | Fall 2003 FTE Instructional Faculty ² | Fall 2003 % of Total | | 2003-04 FTE Students ⁴ | FY 2003-04 State Appropriations per FTE Student ⁵ | FY 2003-04 Tuition & Fees per FTE Student ⁶ | FY 2003-04 Approp. + Tuition & Fees per FTE Student |
|--|------------------------|----------------|--|--|--|-----------------------------------|--|--|---|
| | | | | Instructional Faculty Who Are Full-time ³ | Instructional Faculty Who Are Full-time ³ | | | | |
| UC - Berkeley | Nat'l - 20th | No | 1,356 | 76% | 31,498 | \$14,880 | \$7,836 | \$22,716 | |
| UC - Los Angeles | Nat'l - 25th | Yes | 1,711 | 73% | 36,146 | \$16,557 | \$7,307 | \$23,864 | |
| U of Illinois - Urbana/Champaign | Nat'l - 42nd | No | 2,027 | 89% | 38,229 | \$8,558 | \$7,429 | \$15,987 | |
| Indiana University - Bloomington | Nat'l - 74th | No | 1,332 | 84% | 35,667 | \$6,189 | \$9,589 | \$15,778 | |
| U of Michigan - Ann Arbor | Nat'l - 25th | Yes | 1,946 | 79% | 37,075 | \$8,410 | \$14,202 | \$22,612 | |
| Michigan State University | Nat'l - 74th | Yes | 1,981 | 87% | 40,501 | \$8,429 | \$7,512 | \$15,941 | |
| U of Minnesota - Twin Cities | Nat'l - 74th | Yes | 1,619 | 84% | 40,567 | \$12,735 | \$8,393 | \$21,127 | |
| U of North Carolina - Chapel Hill | Nat'l - 27th | Yes | 1,053 | 89% | 23,588 | \$16,129 | \$6,526 | \$22,655 | |
| Ohio State University - Columbus | Nat'l - 60th | Yes | 2,174 | 81% | 46,249 | \$8,838 | \$8,818 | \$17,655 | |
| U of Washington | Nat'l - 45th | Yes | 1,522 | 91% | 35,294 | \$8,064 | \$8,101 | \$16,166 | |
| U of Wisconsin - Madison | Nat'l - 34th | Yes | 1,410 | 82% | 38,081 | \$8,976 | \$6,442 | \$15,418 | |
| Peer Group Average | | | 1,648 | 83% | 36,627 | \$10,706 | \$8,378 | \$19,084 | |
| U. T. Austin ⁷ | Nat'l - 52nd | No | 1,791 | 92% | 48,397 | \$8,204 | \$5,722 | \$13,926 | |
| Difference (U. T. Austin minus peer average) | | | 143 | 9% | 11,770 | -\$2,502 | -\$2,656 | -\$5,158 | |

¹ Peer institutions provided by U. T. Austin for U. T. System FY 2005-06 Accountability Report.

² Full-time instructional faculty holding the rank of professor, associate professor, or assistant professor.

³ Instructional faculty, regardless of rank, whose principal activity is instruction or instruction combined with research or public service.

⁴ FTE Students are based on 12-month total semester credit hours divided by 30 for undergraduates and 24 for graduate students or on the number of full-time students, plus one-third of the part-time students enrolled in the fall semester.

⁵ FY 2003-04 state appropriations include all amounts received by the institution through acts of a state legislative body, except grants and contracts and amounts used primarily for acquisition or construction of capital assets.

⁶ FY 2003-04 tuition and fees include revenues for tuition and fees net of discounts and allowances from institutional scholarships, waivers, etc. Tuition and fees that are remitted to the state as an offset to state appropriations are also included.

⁷ State appropriations for U. T. Austin includes \$109,360,000 for operating expenses from the Available University Fund (AUF).

The University of Texas at Brownsville/TSC Selected Comparison Data for Peer Institutions ¹

| Institution | U.S. News Ranking 2006 | Medical School | Fall 2003 FTE Ranked Instructional Faculty ² | Fall 2003 | | 2003-04 FTE Students ⁴ | FY 2003-04 Appropriations per FTE Student ⁵ | FY 2003-04 Tuition & Fees per FTE Student ⁶ | FY 2003-04 Approp. + Tuition & Fees per FTE Student |
|---|---------------------------|-------------------|--|--|------------------------------|---|---|---|--|
| | | | | % of Total Instructional Faculty Who Are Full-time ³ | FTE Students ⁴ | | | | |
| Texas A&M - Commerce | Nat'l Tier 4 | No | 203 | 58% | 5,888 | \$6,173 | \$3,878 | \$10,051 | |
| U of Houston - Downtown | Bacc.(West) Tier 4 | No | 142 | 67% | 7,801 | \$3,147 | \$3,328 | \$6,475 | |
| Texas A&M - International Univ. | Mast.(West) Tier 3 | No | 129 | 93% | 2,944 | \$11,772 | \$1,504 | \$13,276 | |
| U of Texas - Pan American | Mast.(West) Tier 4 | No | 366 | 77% | 12,403 | \$5,230 | \$2,329 | \$7,559 | |
| Stephen F. Austin University | Mast.(West) Tier 3 | No | 332 | 82% | 9,943 | \$4,723 | \$3,192 | \$7,914 | |
| U of Texas - Tyler | Mast.(West) Tier 3 | No | 142 | 69% | 3,612 | \$7,227 | \$2,899 | \$10,126 | |
| U of Texas - Permian Basin | Mast.(West) Tier 4 | No | 75 | 58% | 2,286 | \$6,832 | \$2,337 | \$9,169 | |
| Peer Group Average | | | 198 | 72% | 6,411 | \$6,443 | \$2,781 | \$9,224 | |
| U. T. Brownsville/TSC | Mast.(West) Tier 4 | No | 185 | 55% | 7,091 | \$3,332 | \$931 | \$4,263 | |
| Difference (U. T. Brownsville minus peer average) | | | -13 | -17% | 680 | -\$3,111 | -\$1,850 | -\$4,962 | |

¹ Peer institutions provided by U. T. Brownsville for U. T. System FY 2005-06 Accountability Report.

² Full-time instructional faculty holding the rank of professor, associate professor, or assistant professor.

³ Instructional faculty, regardless of rank, whose principal activity is instruction or instruction combined with research or public service.

⁴ FTE Students are based on 12-month total semester credit hours divided by 30 for undergraduates and 24 for graduate students or on the number of full-time students, plus one-third of the part-time students enrolled in the fall semester.

⁵ FY 2003-04 state appropriations include all amounts received by the institution through acts of a state legislative body, except grants and contracts and amounts used primarily for acquisition or construction of capital assets.

⁶ FY 2003-04 tuition and fees include revenues for tuition and fees net of discounts and allowances from institutional scholarships, waivers, etc. Tuition and fees that are remitted to the state as an offset to state appropriations are also included.

The University of Texas at Dallas Selected Comparison Data for Peer Institutions ¹

| Institution | U.S. News Ranking 2006 | Medical School | Fall 2003 FTE Ranked Instructional Faculty ² | Fall 2003 % of Total Instructional Faculty Who Are Full-time ³ | | 2003-04 FTE Students ⁴ | FY 2003-04 State Appropriations per FTE Student ⁵ | FY 2003-04 Tuition & Fees per FTE Student ⁶ | FY 2003-04 Approp. + Tuition & Fees per FTE Student |
|--|------------------------|----------------|---|---|------------------------------|-----------------------------------|--|--|---|
| | | | | Are Full-time ³ | per FTE Student ⁵ | | | | |
| UC - Riverside* | Nat'l - 85th | No | 564 | 82% | 16,429 | \$8,805 | \$5,682 | \$14,487 | |
| UC - Santa Barbara* | Nat'l - 45th | No | 787 | 87% | 20,358 | \$9,370 | \$6,231 | \$15,601 | |
| UC - Santa Cruz* | Nat'l - 68th | No | 474 | 68% | 14,560 | \$7,981 | \$6,056 | \$14,038 | |
| Georgia Institute of Technology* | Nat'l - 37th | No | 786 | 87% | 15,605 | \$13,318 | \$6,219 | \$19,537 | |
| Maryland - Baltimore County | Nat'l Tier 3 | No | 388 | 66% | 10,106 | \$6,473 | \$5,294 | \$11,767 | |
| SUNY at Albany | Nat'l Tier 3 | Yes | 555 | 67% | 14,534 | \$8,044 | \$4,427 | \$12,471 | |
| SUNY at Binghamton* | Nat'l - 74th | No | 440 | 73% | 12,405 | \$8,073 | \$4,195 | \$12,267 | |
| Miami University at Oxford* | Nat'l - 66th | No | 742 | 93% | 16,190 | \$4,946 | \$11,313 | \$16,259 | |
| Ohio University* | Nat'l - 109th | No | 746 | 74% | 19,354 | \$6,197 | \$7,947 | \$14,143 | |
| George Mason University | Nat'l Tier 3 | No | 867 | 52% | 19,981 | \$4,534 | \$5,586 | \$10,120 | |
| Peer Group Average | | | 635 | 75% | 15,952 | \$7,774 | \$6,295 | \$14,069 | |
| U. T. Dallas | Nat'l Tier 3 | No | 319 | 70% | 10,247 | \$6,236 | \$5,321 | \$11,557 | |
| Difference (U. T. Dallas minus peer average) | | | -316 | -5% | -5,705 | -\$1,538 | -\$974 | -\$2,512 | |

* Aspirational peers

¹ Peer institutions provided by U. T. Dallas for U. T. System FY 2005-06 Accountability Report.

² Full-time instructional faculty holding the rank of professor, associate professor, or assistant professor.

³ Instructional faculty, regardless of rank, whose principal activity is instruction or instruction combined with research or public service.

⁴ FTE Students are based on 12-month total semester credit hours divided by 30 for undergraduates and 24 for graduate students or on the number of full-time students, plus one-third of the part-time students enrolled in the fall semester.

⁵ FY 2003-04 state appropriations include all amounts received by the institution through acts of a state legislative body, except grants and contracts and amounts used primarily for acquisition or construction of capital assets.

⁶ FY 2003-04 tuition and fees include revenues for tuition and fees net of discounts and allowances from institutional scholarships, waivers, etc. Tuition and fees that are remitted to the state as an offset to state appropriations are also included.

The University of Texas at El Paso Selected Comparison Data for Peer Institutions ¹

| Institution | U.S. News Ranking 2006 | Medical School | Fall 2003 FTE Ranked Instructional Faculty ² | Fall 2003 | | 2003-04 FTE Students ⁴ | FY 2003-04 Appropriations per FTE Student ⁵ | FY 2003-04 Tuition & Fees per FTE Student ⁶ | FY 2003-04 Approp. + Tuition & Fees per FTE Student |
|---|---------------------------|-------------------|--|---|--|---|---|---|--|
| | | | | Are Full-time ³ Faculty Who | % of Total Instructional Faculty | | | | |
| Arizona State University - Tempe* | Nat'l Tier 3 | No | 1,347 | 85% | 41,617 | \$6,342 | \$5,311 | \$11,653 | |
| Northern Arizona University | Nat'l Tier 4 | No | 616 | 62% | 15,032 | \$7,427 | \$4,711 | \$12,138 | |
| UC - Riverside* | Nat'l - 85th | No | 564 | 82% | 16,429 | \$8,805 | \$5,682 | \$14,487 | |
| San Diego State University | Nat'l Tier 4 | No | 822 | 58% | 27,661 | \$7,137 | \$3,240 | \$10,377 | |
| Florida Atlantic University | Nat'l Tier 4 | No | 622 | 57% | 17,275 | \$6,917 | \$3,989 | \$10,905 | |
| Florida International University* | Nat'l Tier 4 | No | 646 | 99% | 24,569 | \$6,781 | \$3,553 | \$10,333 | |
| U of Nevada - Las Vegas | Nat'l Tier 4 | No | 729 | 50% | 19,329 | \$7,668 | \$3,864 | \$11,532 | |
| SUNY - Buffalo* | Nat'l - 115th | Yes | 974 | 67% | 24,084 | \$13,154 | \$5,404 | \$18,558 | |
| U of Akron - Main Campus | Nat'l Tier 4 | No | 678 | 48% | 18,400 | \$5,290 | \$6,489 | \$11,779 | |
| U of Houston - University Park* | Nat'l Tier 4 | No | 846 | 88% | 28,267 | \$5,452 | \$5,502 | \$10,954 | |
| U of North Texas | Nat'l Tier 4 | No | 706 | 72% | 24,980 | \$4,560 | \$3,581 | \$8,142 | |
| U. T. Arlington | Nat'l Tier 4 | No | 497 | 67% | 19,783 | \$4,891 | \$4,919 | \$9,810 | |
| U. T. San Antonio | Mast.(West) Tier 4 | No | 409 | 57% | 19,812 | \$4,049 | \$4,454 | \$8,504 | |
| U of Wisconsin - Milwaukee* | Nat'l Tier 4 | No | 782 | 73% | 21,341 | \$5,623 | \$5,117 | \$10,739 | |
| Peer Group Average | | | 731 | 69% | 22,756 | \$6,721 | \$4,701 | \$11,422 | |
| U. T. El Paso | Nat'l Tier 4 | No | 423 | 77% | 14,573 | \$4,840 | \$3,340 | \$8,180 | |
| Difference (U. T. El Paso minus peer average) | | | -308 | 8% | -8,183 | -1,881 | -1,361 | -3,242 | |

* Aspirational peer

² Full-time instructional faculty holding the rank of professor, associate professor, or assistant professor.

³ Instructional faculty, regardless of rank, whose principal activity is instruction or instruction combined with research or public service.

⁴ FTE Students are based on 12-month total semester credit hours divided by 30 for undergraduates and 24 for graduate students or on the number of full-time students, plus one-third of the part-time students enrolled in the fall semester.

⁵ FY 2003-04 state appropriations include all amounts received by the institution through acts of a state legislative body, except grants and contracts and amounts used primarily for acquisition or construction of capital assets.

⁶ FY 2003-04 tuition and fees include revenues for tuition and fees net of discounts and allowances from institutional scholarships, waivers, etc. Tuition and fees that are remitted to the state as an offset to state

The University of Texas - Pan American Selected Comparison Data for Peer Institutions ¹

| Institution | U.S. News Ranking 2006 | Medical School | Fall 2003 FTE Ranked Instructional Faculty ² | Fall 2003 | | FY 2003-04 Appropriations per FTE Student ⁵ | FY 2003-04 Tuition & Fees per FTE Student ⁶ | FY 2003-04 Approp. + Tuition & Fees per FTE Student |
|--|----------------------------|-------------------|--|--|---|---|---|--|
| | | | | Instructional Faculty Who Are Full-time ³ | 2003-04 FTE Students ⁴ | | | |
| Northern Arizona University* | Nat'l Tier 4 | No | 616 | 62% | 15,032 | \$7,427 | \$4,711 | \$12,138 |
| CSU - Los Angeles | Mast. (West) 62nd | No | 552 | 58% | 15,862 | \$7,436 | \$3,046 | \$10,482 |
| CSU - Northridge | Mast. (West) Tier 3 | No | 722 | 46% | 26,827 | \$6,494 | \$1,267 | \$7,762 |
| San Diego State University* | Nat'l Tier 4 | No | 822 | 58% | 27,661 | \$7,137 | \$3,240 | \$10,377 |
| San Francisco State University | Mast. (West) 57th | No | 702 | 53% | 24,179 | \$6,078 | \$3,379 | \$9,457 |
| U of Colorado at Denver* | Nat'l Tier 4 | Yes | 329 | 53% | 10,194 | \$2,374 | \$5,488 | \$7,862 |
| Florida Atlantic University* | Nat'l Tier 4 | No | 622 | 57% | 17,275 | \$6,917 | \$3,989 | \$10,905 |
| CUNY City College | Mast. (North) Tier 3 | No | 483 | 55% | 8,576 | \$9,024 | \$3,885 | \$12,909 |
| CUNY Lehman College | Mast. (North) Tier 3 | No | 261 | 43% | 6,635 | \$6,227 | \$3,528 | \$9,755 |
| Sam Houston State University | Mast. (West) Tier 3 | No | 349 | 79% | 11,457 | \$4,420 | \$4,029 | \$8,449 |
| Stephen F. Austin State University | Mast. (West) Tier 3 | No | 332 | 82% | 9,943 | \$4,723 | \$3,192 | \$7,914 |
| Texas State University - San Marcos | Mast. (West) 57th | No | 508 | 68% | 22,005 | \$4,433 | \$4,274 | \$8,707 |
| U. T. El Paso * | Nat'l Tier 4 | No | 423 | 77% | 14,573 | \$4,840 | \$3,340 | \$8,180 |
| U. T. San Antonio | Mast. (West) Tier 4 | No | 409 | 57% | 19,812 | \$4,049 | \$4,454 | \$8,504 |
| Peer Group Average | | | 509 | 61% | 16,431 | \$5,827 | \$3,702 | \$9,529 |
| U. T. Pan American | Mast. (West) Tier 4 | No | 366 | 77% | 12,403 | \$5,230 | \$2,329 | \$7,559 |
| Difference (U. T. Pan American minus peer average) | | | -143 | 16% | -4,028 | -\$597 | -\$1,373 | -\$1,970 |

* Aspirational peers

¹ Peer institutions provided by U. T. Pan American for U. T. System FY 2005-06 Accountability Report.

² Full-time instructional faculty holding the rank of professor, associate professor, or assistant professor.

³ Instructional faculty, regardless of rank, whose principal activity is instruction or instruction combined with research or public service.

⁴ FTE Students are based on 12-month total semester credit hours divided by 30 for undergraduates and 24 for graduate students or on the number of full-time students, plus one-third of the part-time students enrolled in the fall semester.

⁵ FY 2003-04 state appropriations include all amounts received by the institution through acts of a state legislative body, except grants and contracts and amounts used primarily for acquisition or construction of capital assets.

⁶ FY 2003-04 tuition and fees include revenues for tuition and fees net of discounts and allowances from institutional scholarships, waivers, etc. Tuition and fees that are remitted to the state as an offset to state appropriations are also included.

The University of Texas of the Permian Basin Selected Comparison Data for Peer Institutions ¹

| Institution | U.S. News Ranking 2006 | Medical School | Fall 2003 FTE Ranked Instructional Faculty ² | Fall 2003 % of Total Instructional Faculty Who Are Full-time ³ | 2003-04 FTE Students ⁴ | FY 2003-04 Appropriations per FTE Student ⁵ | FY 2003-04 Tuition & Fees per FTE Student ⁶ | FY 2003-04 Approp. + Tuition & Fees per FTE Student |
|---|---------------------------|-------------------|--|---|---|---|---|---|
| | | | | | | | | |
| U of Colorado - Colorado Springs* | Mast.(West) - 37th | No | 188 | 55% | 6,468 | \$2,519 | \$4,464 | \$6,984 |
| CSU - Stanislaus* | Mast.(West) - 46th | No | 233 | 60% | 6,225 | \$8,601 | \$1,863 | \$10,464 |
| CSU - Dominguez Hills* | Mast.(West) Tier 4 | No | 249 | 39% | 9,469 | \$7,174 | \$2,843 | \$10,017 |
| Colorado State University-Pueblo | Mast.(West) Tier 4 | No | 143 | 52% | 4,379 | \$2,650 | \$2,088 | \$4,738 |
| U of Illinois - Springfield | Mast.(Midwest) - NR | No | 160 | 61% | 2,937 | \$6,575 | \$3,531 | \$10,106 |
| Eastern New Mexico State Univ. | Mast.(West) Tier 4 | No | 117 | 68% | 3,048 | \$8,236 | \$1,820 | \$10,056 |
| Texas A&M - Corpus Christi | Mast.(West) Tier 3 | No | 217 | 94% | 6,237 | \$8,083 | \$3,038 | \$11,121 |
| CSU - San Marcos | Mast.(West) Tier 3 | No | 199 | 55% | 6,166 | \$8,851 | \$2,946 | \$11,796 |
| Arizona State University - West* | Mast.(West) - NR | No | 146 | 57% | 5,033 | \$7,191 | \$4,254 | \$11,444 |
| Florida Gulf Coast University* | Mast.(South) Tier 3 | No | 158 | 49% | 4,529 | \$6,902 | \$3,552 | \$10,455 |
| Peer Group Average | | | 181 | 59% | 5,449 | \$6,678 | \$3,040 | \$9,718 |
| U. T. Permian Basin | Mast.(West) Tier 4 | No | 75 | 58% | 2,286 | \$6,832 | \$2,337 | \$9,169 |
| Difference (U. T. Permian Basin minus peer average) | | | -106 | -1% | -3,163 | \$154 | -\$703 | -\$549 |

* Aspirational peers

¹ Peer institutions provided by U. T. Permian Basin for U. T. System FY 2005-06 Accountability Report.

² Full-time instructional faculty holding the rank of professor, associate professor, or assistant professor.

³ Instructional faculty, regardless of rank, whose principal activity is instruction combined with research or public service.

⁴ FTE Students are based on 12-month total semester credit hours divided by 30 for undergraduates and 24 for graduate students or on the number of full-time students, plus one-third of the part-time students enrolled in the fall semester.

⁵ FY 2003-04 state appropriations include all amounts received by the institution through acts of a state legislative body, except grants and contracts and amounts used primarily for acquisition or construction of capital assets.

⁶ FY 2003-04 tuition and fees include revenues for tuition and fees net of discounts and allowances from institutional scholarships, waivers, etc. Tuition and fees that are remitted to the state as an offset to state appropriations are also included.

The University of Texas at San Antonio

Selected Comparison Data for Peer Institutions ¹

| Institution | U.S. News Ranking 2006 | Medical School | Fall 2003 | | Fall 2003 | | FY 2003-04 | | FY 2003-04 | | FY 2003-04 | |
|---|----------------------------|----------------|--|----------------------------|---------------------------|----------------|---------------------------|---|---|--------------------------------|--|--|
| | | | FTE Instructional Faculty ² | Are Full-time ³ | Instructional Faculty Who | % of Total | FTE Students ⁴ | Appropriations per FTE Student ⁵ | Tuition & Fees per FTE Student ⁶ | Tuition & Fees per FTE Student | Approp. + Tuition & Fees per FTE Student | |
| CSU - Fresno | Mast. (West) - 49th | No | 523 | 55% | 18,723 | \$7,156 | \$2,665 | \$9,821 | | | | |
| San Francisco State University | Mast. (West) - 62nd | No | 702 | 53% | 24,179 | \$6,078 | \$3,379 | \$9,457 | | | | |
| Boise State University | Mast. (West) - 57th | No | 433 | 56% | 13,868 | \$5,327 | \$3,591 | \$8,917 | | | | |
| U of New Orleans* | Nat'l Tier 4 | No | 383 | 74% | 13,586 | \$3,948 | \$4,324 | \$8,272 | | | | |
| Eastern Michigan University | Mast. (Midwest) Tier 3 | No | 622 | 61% | 18,426 | \$4,067 | \$6,396 | \$10,462 | | | | |
| U of Nevada - Las Vegas* | Nat'l Tier 4 | No | 729 | 50% | 19,329 | \$7,668 | \$3,864 | \$11,532 | | | | |
| U of North Carolina - Charlotte | Mast. (South) - 27th | No | 604 | 97% | 15,672 | \$6,406 | \$4,421 | \$10,827 | | | | |
| Cleveland State University* | Nat'l Tier 4 | No | 495 | 59% | 11,740 | \$6,131 | \$8,025 | \$14,157 | | | | |
| U of Memphis* | Nat'l Tier 4 | No | 714 | 73% | 15,996 | \$6,533 | \$5,241 | \$11,774 | | | | |
| U of Houston - University Park | Nat'l Tier 4 | No | 846 | 88% | 28,267 | \$5,452 | \$5,502 | \$10,954 | | | | |
| U of North Texas | Nat'l Tier 4 | No | 706 | 72% | 24,980 | \$4,560 | \$3,581 | \$8,142 | | | | |
| U. T. Arlington | Nat'l Tier 4 | No | 497 | 67% | 19,783 | \$4,891 | \$4,919 | \$9,810 | | | | |
| U. T. Dallas | Nat'l Tier 3 | No | 319 | 70% | 10,247 | \$6,236 | \$5,321 | \$11,557 | | | | |
| U. T. El Paso | Nat'l Tier 4 | No | 423 | 77% | 14,573 | \$4,840 | \$3,340 | \$8,180 | | | | |
| Texas Tech University | Nat'l Tier 3 | No | 882 | 85% | 26,043 | \$5,214 | \$5,844 | \$11,058 | | | | |
| U of Wisconsin - Milwaukee* | Nat'l Tier 4 | No | 782 | 73% | 21,341 | \$5,623 | \$5,117 | \$10,739 | | | | |
| Peer Group Average | | | 604 | 69% | 18,547 | \$5,633 | \$4,721 | \$10,354 | | | | |
| U. T. San Antonio | Mast. (West) Tier 4 | No | 409 | 57% | 19,812 | \$4,049 | \$4,454 | \$8,504 | | | | |
| Difference (U. T. San Antonio minus peer average) | | | -195 | -12% | 1,265 | -\$1,584 | -\$266 | -\$1,850 | | | | |

* Aspirational peers

¹ Peer institutions provided by U. T. San Antonio for U. T. System FY 2005-06 Accountability Report.

² Full-time instructional faculty holding the rank of professor, associate professor, or assistant professor.

³ Instructional faculty, regardless of rank, whose principal activity is instruction or instruction combined with research or public service.

⁴ FTE Students are based on 12-month total semester credit hours divided by 30 for undergraduates and 24 for graduate students or on the number of full-time students, plus one-third of the part-time students enrolled in the fall semester.

⁵ FY 2003-04 state appropriations include all amounts received by the institution through acts of a state legislative body, except grants and contracts and amounts used primarily for acquisition or construction of capital assets.

⁶ FY 2003-04 tuition and fees include revenues for tuition and fees net of discounts and allowances from institutional scholarships, waivers, etc. Tuition and fees that are remitted to the state as an offset to state appropriations are also included.

The University of Texas at Tyler Selected Comparison Data for Peer Institutions ¹

| Institution | U.S. News Ranking 2006 | Medical School | Fall 2003 FTE Ranked Instructional Faculty ² | Fall 2003 | | 2003-04 FTE Students ⁴ | FY 2003-04 Appropriations per FTE Student ⁵ | FY 2003-04 Tuition & Fees per FTE Student ⁶ | FY 2003-04 Approp. + Tuition & Fees per FTE Student |
|---|---------------------------|-------------------|--|--|---|---|---|---|--|
| | | | | % of Total Instructional Faculty Who Are Full-time ³ | FY 2003-04 Tuition & Fees per FTE Student ⁶ | | | | |
| U of North Carolina - Charlotte* | Mast.(South) - 27th | No | 604 | 97% | 15,672 | \$6,406 | \$4,421 | \$10,827 | |
| Northern Arizona University* | Nat'l Tier 4 | No | 616 | 62% | 15,032 | \$7,427 | \$4,711 | \$12,138 | |
| CSU - Bakersfield | Mast.(West) - 52nd | No | 224 | 66% | 6,617 | \$8,568 | \$2,409 | \$10,977 | |
| U of Colorado - Colorado Springs | Mast.(West) - 37th | No | 188 | 55% | 6,468 | \$2,519 | \$4,464 | \$6,984 | |
| U of West Florida | Mast.(South) - 60th | No | 198 | 99% | 7,320 | \$7,681 | \$3,160 | \$10,840 | |
| U of Illinois - Springfield | Mast.(Midwest) - NR | No | 160 | 61% | 2,937 | \$6,575 | \$3,531 | \$10,106 | |
| U of Southern Maine* | Mast.(North) Tier 3 | No | 319 | 48% | 7,898 | \$5,150 | \$4,907 | \$10,057 | |
| U of North Carolina - Greensboro* | Nat'l Tier 3 | No | 485 | 94% | 12,213 | \$8,103 | \$4,217 | \$12,320 | |
| Portland State University* | Nat'l Tier 4 | No | 461 | 47% | 16,759 | \$3,436 | \$6,105 | \$9,541 | |
| U of Tennessee - Chattanooga | Mast.(South) - 40th | No | 274 | 57% | 7,258 | \$5,448 | \$4,994 | \$10,442 | |
| Peer Group Average | | | 353 | 69% | 9,817 | \$6,131 | \$4,292 | \$10,423 | |
| U. T. Tyler | Mast.(West) Tier 3 | No | 142 | 69% | 3,612 | \$7,227 | \$2,899 | \$10,126 | |
| Difference (U. T. Tyler minus peer average) | | | -211 | 0% | -6,205 | \$1,096 | -\$1,393 | -\$297 | |

* Aspirational peers

¹ Peer institutions provided by U. T. Tyler for U. T. System FY 2005-06 Accountability Report.

² Full-time instructional faculty holding the rank of professor, associate professor, or assistant professor.

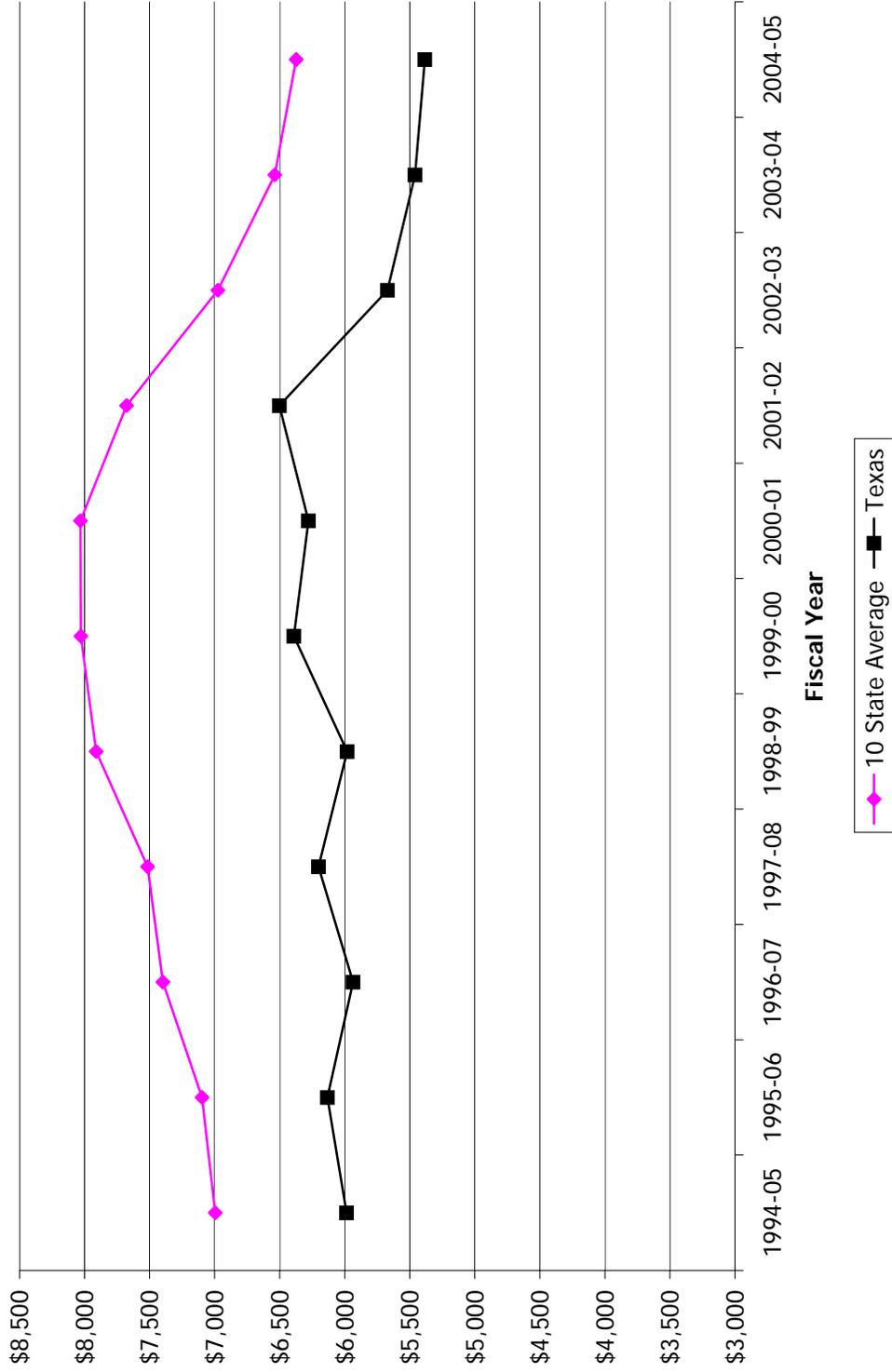
³ Instructional faculty, regardless of rank, whose principal activity is instruction or instruction combined with research or public service.

⁴ FTE Students are based on 12-month total semester credit hours divided by 30 for undergraduates and 24 for graduate students or on the number of full-time students, plus one-third of the part-time students enrolled in the fall semester.

⁵ FY 2003-04 state appropriations include all amounts received by the institution through acts of a state legislative body, except grants and contracts and amounts used primarily for acquisition or construction of capital assets.

⁶ FY 2003-04 tuition and fees include revenues for tuition and fees net of discounts and allowances from institutional scholarships, waivers, etc. Tuition and fees that are remitted to the state as an offset to state appropriations are also included.

**State Appropriations per FTE Student
(Constant 2005 Dollars)
Texas versus 10 Most Populous States Average**





The University of Texas
ARLINGTON™

2006-07 & 2007-08 tuition proposal ★ The UT System Board of Regents ★ March 28, 2006

Tuition Review Committee

Membership Makeup



| | |
|----------------------|----|
| Students..... | 12 |
| Administrators..... | 5 |
| Alumni..... | 2 |
| Faculty members..... | 1 |
| Staff members..... | 1 |
| Parents..... | 1 |

Student Congress
President Josh Sawyer
served as the
Committee's chairman.



Tuition Proposal

Highlights

Declining rates per SCH with tuition capped at 14 SCHs to encourage heavier course loads

Increase tuition credit to \$500 per year to encourage full-time enrollment

Tuition and fees combined into one amount to simplify bills for students and parents



3

Tuition Proposal

Comparisons

| <u>Institution</u> | <u>Tuition/fees</u> |
|---------------------------|---------------------|
| UT Austin..... | \$7,438 |
| UT Dallas..... | \$6,832 |
| Univ. of Houston..... | \$6,450 |
| Univ. of North Texas..... | \$6,100 |
| UT San Antonio..... | \$5,858 |
| UT Arlington..... | \$5,250 |

Note: Comparisons are based on residential, undergraduate students taking 15 SCHs in Fall 2005.



4

Tuition Proposal

Highlights

Total increase for 15 SCHs is \$343.
Students may take more SCHs
at no additional charge.



5

Tuition Proposal

Energy costs

Requesting \$50 utility fee per
semester

Four new buildings since 2004,
including large amounts of lab space

Energy prices expected to double



6

**compete for
leading faculty scholars**



7



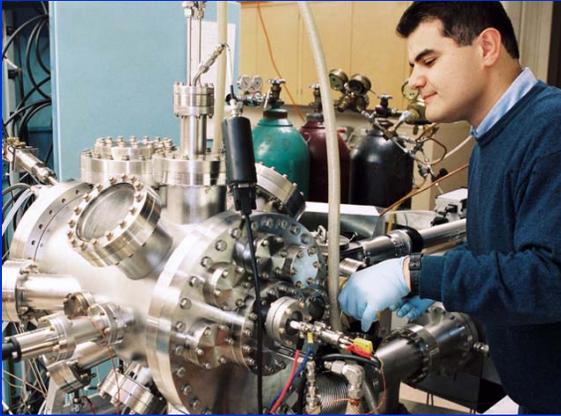
Dr. Daniel Armstrong
Welch Distinguished Chair
Department of Chemistry & Biochemistry

8

**address faculty shortage
in key areas**



9



10 new faculty positions
Dispersed strategically
where needed most



10

faculty and staff merit raises



11



Dr. Kaushik De
Professor
Department of Physics



12

merit- and need-based financial aid



13



Rachel Hansen
Biomedical Engineering Junior
McNair Scholar

14

debt service on existing facilities



15



Chemistry & Physics Building
Dedicated March 4, 2006

16

construction and renovation



17



Engineering Lab Building
Additions and improvements
will add 50,000 gsf



18



THE UNIVERSITY OF TEXAS AT BROWNSVILLE and TEXAS SOUTHWEST COLLEGE



Tuition Policy 2007-2008

(#)



Charge

Campus was asked to develop a tuition and fee policy for 2007-2008.

(#)

1

Process

- A 20-member committee of faculty, students and staff was appointed to develop the policy.



(8)

2

Process

- The committee met several times to discuss key issues and develop the policy.



(9)

3

Process

- Presentations were made to Academic and Staff Senates and the Student Government Association.
- Three public hearings were held to gather input from the campus.



(#)

4

Core Principles

- Cost Savings
- Smallest Possible Increases
- Tuition and Fees Predictability
- Supporting Strategic Goals
- Financial Aid Services

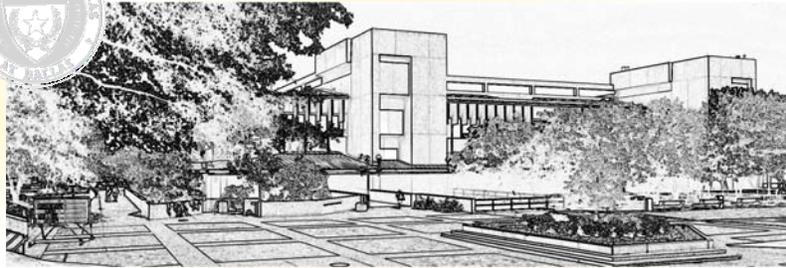


(#)

5

THE UNIVERSITY OF TEXAS AT DALLAS

Tuition-Fees Proposal FY07 & FY08



March 28, 2006

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For questions, please contact OSPA at (972) 883-6188 or spa@utdallas.edu.

UTD

UTD's Strategy

- Transparency, predictability and equitable sharing of costs in Tuition-Fee structure.
- Significant financial incentives for students to progress toward graduation within four years.
- Meet UTD's requirements for sustaining our current level of educational quality.

The UTD Tuition and Fee Policy Process

- Broad-based, personal interaction with students, faculty, staff and community supporters;
- Basic university needs addressed in the context of U.T. System guidelines;
- Committee selected in consultation with the leadership of Faculty Senate & Student Government;
- Meetings with the Dean's Caucus, Faculty and Staff Councils, Student Senate, Student Fee Committee, UTD Development Board, along with open forums;
- Inclusive, transparent and iterative process with extensive dissemination of relevant data.

UTD Financial Priorities for FY07

\$14.1M in operating revenue for 2006-07 is needed.

- Sustain and enhance current faculty and staff quality by providing competitive adjustments in compensation level;
- Increase faculty to prevent further erosion in student/faculty ratio;
- Meet goals of the Engineering and Science Research Enhancement Initiative;
- Sustain program for recruiting outstanding students;
- Strengthen non-academic staff in response to audited needs;
- Address critical issues of deferred maintenance.

Sources of Revenue

State appropriations for 2006-07 are fixed at 2005-06 levels, the only sources for additional revenue are increases in tuition and fees, increased income from enrollment growth and additional efficiencies.

- We project a 2% growth in semester credit hours and enrollment, which will produce approximately \$1.8M in new revenue.
- Our proposed tuition and fee increases for 2006-07 will produce additional income of \$9.5M.
- Result: total increase in revenue of \$11.3M.
- The funding gap (\$2.8m) will be closed by creating additional efficiencies.

2006-07 Academic Year: Components of Tuition & Fee Adjustments

- Flattening of tuition and fee rates to encourage students to take more courses per semester and, thus, to save money and graduate sooner. All credit hours above 15 SCH are free.
- \$30 per SCH of additional designated tuition for students in engineering and management to reflect the higher cost of these programs.
- Cost of academic tuition and fees increase 4.6% for an undergraduate taking 15 hours.
- A temporary fee to address rapid escalation in utility costs.
- Student-voted increase (maximum of \$107 at 15 SCH) in student services fees.
- A portion of designated tuition increases reserved for need-based financial aid.

2007-08 Academic Year

Beginning in the 2007-08 academic year, UTD proposes a significant departure in tuition structure designed to assist families in planning for college education costs.

- First-time entering new students in 2007-08 are guaranteed fixed tuition & academic fees for four years.
- These four-year fixed tuition and academic fees costs for new 2007-08 students are proposed to be 13% higher than 2006-07 costs, reflecting annual increments in university expenses averaged over four years.
- Students entering community colleges in 2007-08 on a co-enrollment plan with UTD are eligible for the UTD guaranteed fixed tuition & academic fees through 2011-12.
- A 6% increase in tuition and fees costs and an increase in the engineering and management extra charge fees are proposed for continuing students in 2007-08.



The University of Texas at El Paso
Tuition Presentation

March 2006

UTEP Tuition Advisory Committee

- **Art Gloria**,
President, Student
Government
- **Paola Gandara**, Student
- **Asim Inamdar**, Student
- **Gabriel Nolasco**, Student
- **Perla Rodriguez**, Student
- **Richard Padilla**,
Vice President for Student
Affairs
- **Pablo Arenaz**,
Vice Provost
- **Gregory Rocha**,
President, Faculty Senate
- **John Hadjimarcou**,
Chair, Marketing and
Management
- **Darla Smith**,
Associate Professor
- **Roy Mathew**,
Director, Center for Institutional
Evaluation, Research and
Planning
- **Cynthia Villa**,
Vice President for Finance
and Administration
- **Raul Lerma**,
Director, Financial Aid

2

The UTEP Tuition Plan

Goals:

- Achieve both quality and affordability
- Enhance student retention and graduation
- Provide predictability in cost of attendance
 - 2-year plan
 - New tuition guarantee plan

3

Committee Process—Initial Analysis

- Reviewed resources required for academic program quality
- Arrived at a proposed increase in total cost of attendance:
 - \$12.50 per SCH
7.5% for fall 2006
 - \$11.70 per SCH
6.5% for fall 2007



Committee Process–Consultation

- Five open forums conducted
- Total Attendance - 148, including students, faculty, and media
- Feedback received at each forum communicated to committee for incorporation in final recommendation

5

UTEP Proposal

Year 1: 2006-07

\$12.50 increase per credit hour in tuition and fees
in order to:

- Enhance academic advising by adding 8 new advisors
- Sustain institutional efforts to recruit and retain outstanding faculty
- Establish Collaborative Learning Center within University Library
- Expand academic support in core English and math courses
- Upgrade web-based and touchtone registration systems
- Address anticipated utility-cost increases

6

UTEP Proposal

Year 2: 2007-08

\$11.70 increase per credit hour in tuition and fees
in order to:

- Complete Collaborative Learning Center within University Library
- Sustain institutional efforts to recruit and retain outstanding faculty
- Maintain support for student activities and infrastructure
- Maintain support for network infrastructure, courseware development and software maintenance

7

Proposed Increases for Undergraduate In-State Students

Cost for 12 Semester Credit Hours

| | | Increase | |
|-----------|---------|----------|------|
| Fall 2005 | \$2,000 | | |
| Fall 2006 | \$2,150 | \$150 | 7.5% |
| Fall 2007 | \$2,290 | \$140 | 6.5% |

8

Financial Aid at UTEP

- 60% of students receive some form of aid
- 84% of financial aid recipients will have all costs covered with a combination of aid (grants, scholarships, work study, student loans)
- \$90 million in grants, scholarships, employment, departmental awards and loans
- UTEP Grant funds will increase by \$236K to \$2.16 million
- Book Loan Revolving Fund—funded at \$200,000
- Student Employment Opportunities Program \$625,000

9

Guaranteed Tuition Plan

Undergraduate In-state Students

- What is it?
 - Entering freshman guaranteed cost of attendance for the next 4 years
- What are its benefits?
 - Provides cost predictability
 - Encourages timely completion of degree



10

Guaranteed Tuition Plan

Undergraduate In-state Students

- **Initial Eligibility**
 - First-time entering freshmen who enroll in a minimum of 15 credit hours of college-level courses in first semester
- **Continuing Eligibility**
 - Complete minimum of 30 credit hours each academic year (Sept - Aug)
 - Maintain good academic standing
 - Maximum eligibility is 4 years

11

Tuition Flexibility at Work

- Awarded UTEP Grants to 4,608 students
- Increased book loans from 715 to 1,625 students per year.
- Increased total loan amount for books from \$58,800 to \$357,828
- Created more than 120 additional on-campus student jobs
- Increased course offerings by 593 sections

12

Tuition Flexibility at Work

- Funded 64 new faculty positions
- Funded 10 new academic advising positions
- Funded competitive salary increases for faculty and staff retention

Tuition Setting FY 2007-08



Presentation to the UT System Board of Regents

Dr. Blandina Cárdenas
President

The University of Texas-Pan American



Outline



- ✚ Tuition setting process
- ✚ Utilization of tuition increases
- ✚ Impact of energy costs
- ✚ FY 2007-08 tuition proposals
- ✚ Impact of tuition flexibility



Tuition Setting Process

Advisory Committee Composition (17 voting members)

| | |
|-----------------|----------|
| Students | 9 |
| Faculty | 2 |
| Staff | 6 |
| Community | 1 |
| Alumni | 1 |

2



Tuition Setting Process

Purpose & Responsibilities of Committee

- ✦ Review designated tuition & incidental fee considerations
- ✦ Begin preliminary discussions on budget issues & anticipated needs in next budget cycle
- ✦ Discuss designated tuition or incidental fee being considered
- ✦ Host campus wide forum on tuition proposals that might affect students' cost of education
- ✦ Present tuition related recommendations to President

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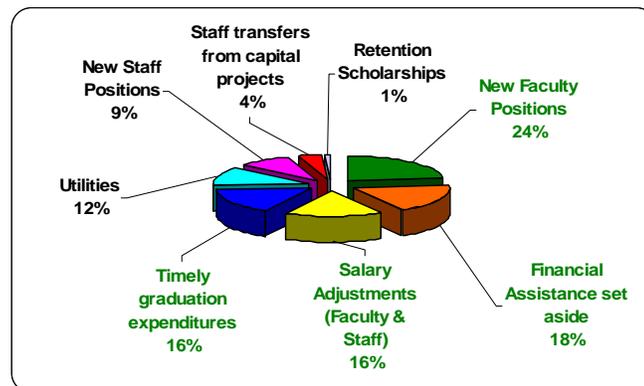
Tuition Setting Process

- 7 Committee Meetings
- 5 Forums



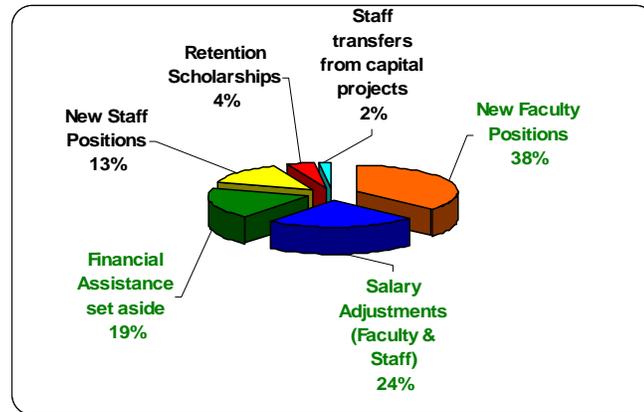
Utilization of Tuition Increases

FY 2007
Total Increase \$10,068,740



Utilization of Tuition Increases

FY 2008
Total Increase \$6,745,792

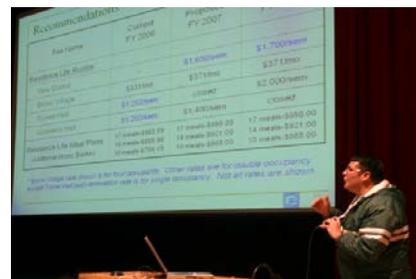


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Impact of Energy Costs

- No special energy fee is being proposed.
- Increased utility costs (\$1.2 million) will be subsumed into the designated tuition revenue.

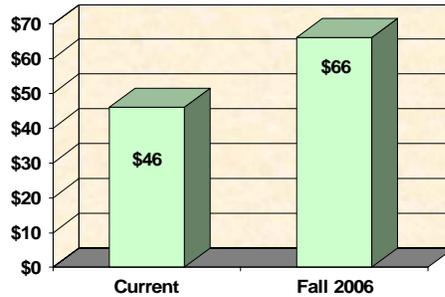


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Tuition Proposal Fiscal Year 2007

Designated Tuition per SCH: Effective fall 2006.



- ✚ UTPA will continue to charge a rate below the average of all other public institutions in Texas.
- ✚ The University will be required to set aside a portion of the increased revenue for need-based financial assistance.



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Tuition Proposal Fiscal Year 2007

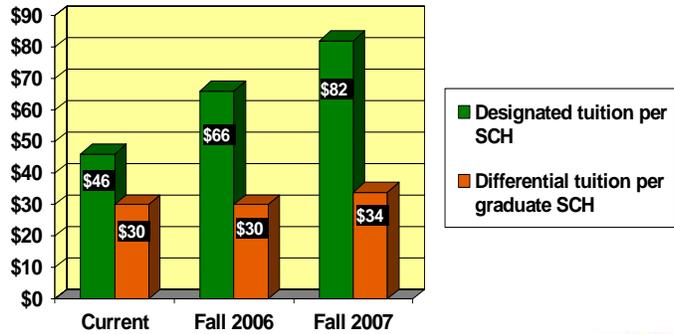
- ✚ **14-Hour Cap:** UTPA will continue the 14-hour cap on designated tuition with the intent of encouraging students to enroll in a greater number of courses and thus shorten their time-to-degree.
- ✚ **Excess Credit Hours Tuition:** UTPA proposes to begin charging additional designated tuition at \$125 per SCH to resident undergraduate students for excess credit hours.



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Tuition Proposal Fiscal Year 2008

Designated Tuition per SCH & Graduate Differential Tuition per SCH



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Impact of Tuition Flexibility

- ✦ **Up until now:** UT Pan American has always been below the statutory tuition rate.
- ✦ **For the future:** UT Pan American is requesting tuition increases above the previous statutory tuition rate.



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The University of Texas at San Antonio

Tuition & Fee Process
FY 2007 and FY 2008

UTSA Overview

- ❑ UTSA is the fastest growing university in the State.
- ❑ Enrollment has increased over 50% in the last 10 years, from Fall 1995 to Fall 2005.
- ❑ Student/Faculty ratio is one of the highest in the State at 23.6.
- ❑ Utilization rate of labs and classrooms is the highest in UT System.
- ❑ Not enough classrooms to offer needed classes in the summer.

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Tuition & Fees (T&F) Committee

- ❑ University-wide committee charged with reviewing UTSA priorities and recommending proposed changes in tuition and fees for next two years.
- ❑ 9 other fee committees were established to make recommendations regarding individual student fees to the T&F committee (i.e. student services, health services).
- ❑ Over 80 students served as members of the 10 fee committees.

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Tuition & Fee Committee



- ❑ 13 students (1 rep from each College, 5 from Student Government)
- ❑ 2 faculty, including one member from Faculty Senate
- ❑ 2 Staff, including Staff Council President
- ❑ Dean and Associate Dean
- ❑ President of Alumni Association

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Tuition & Fee Process

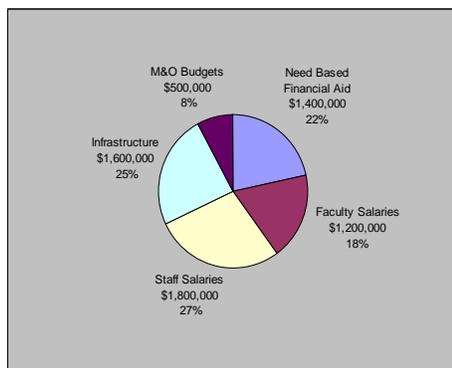
- UTSA's process has been public and student-concern driven.
- Process included 4 public hearings and presentations at the Executive Leadership Committee and Faculty Senate
- Tuition & Fee Committee continues to meet. Several sub-committees formed to consider plans for graduation incentives, varied & flat-rate tuition.



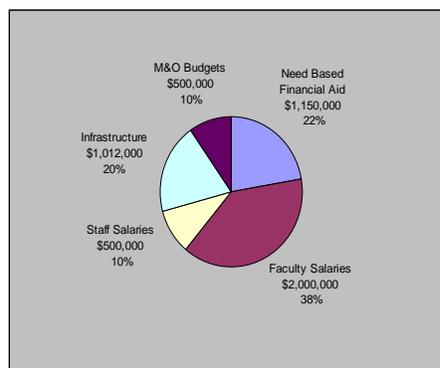
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Proposed Uses of Designated Tuition Increases

FY 07 - \$6,500,000



FY 08 - \$5,820,000



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UTSA Aggregate Changes in Proposed Tuition and Mandatory Fees

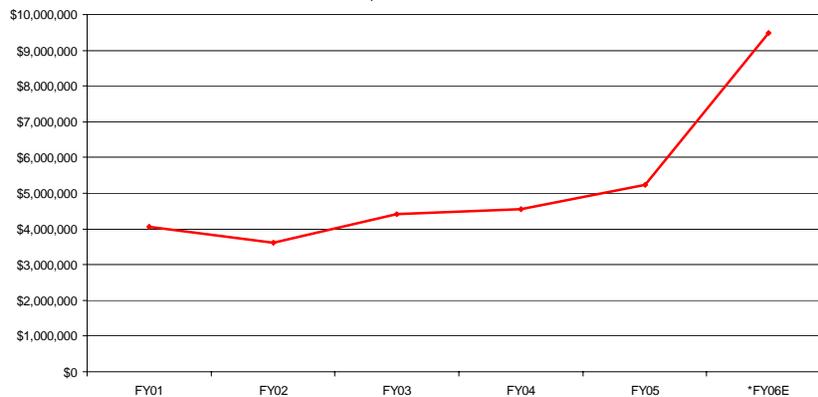
| | FY 07 | FY 08 |
|----------------------------------|----------------------------------|----------------------------------|
| Designated Tuition | \$ 10/SCH | \$ 8.75/SCH |
| Automated Services Charge | \$ 1.85/SCH | \$ 1.45/SCH |
| Student Services | \$ 1.35/SCH | \$ 1.35/SCH |
| Medical Services | \$ 2.10/semester | \$ 2.35/semester |
| Library Resources | \$ 3.44/SCH | \$ 2.56/SCH |
| International Education | \$ 0 | \$ 1.00/semester |
| Recreation Center | \$ 5.00/semester | \$ 55.00/semester * |
| Athletic Fees | \$ 0.40/SCH | \$ 0.60/SCH |
| | | |
| Total Increase (15 hours) | \$ 275.90 9.95% | \$ 266.40 8.74% |

* Phase II Expansion completed. Fee increase passed by students as part of Student Life Initiative

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UTSA E&G Utility Costs

UTSA E&G Utility Costs (FY01
-FY06E)
\$10M SCALE



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Additional Funds for Utilities

- FY 06 utility costs will be approximately \$3 million over budget.
- Additional temporary funding is needed for FY 07 and FY 08 to pay for anticipated increases in utility costs.
- Tuition & Fee Committee passed implementing:
 - \$45/semester in FY 07 and \$35/semester in FY 08 utility supplement as part of designated tuition (20% of income will be set aside for need based financial aid).
- FY 08 amount will be reduced if utility rates go down.

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Flexible Tuition Innovations/Programs

- Teacher loan forgiveness program started in FY 06.
- Long established book loan program increased from \$300 to \$500/student.
- Utility supplement as part of designated tuition to be able to add set aside for financial aid.
- Graduation incentive program with proposed implementation date is Fall 06.
- Summer school incentive program with additional financial aid and work study positions.

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tuition setting process

March 2006



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tuition policy council members

- Jim Ferguson, VP Business Affairs (Co-chair) •
- Lynn Culverhouse, AVP Business Affairs (Co-chair) •
- Sherry Morton, Director Student Business Services •
- Candice Garner, Associate Dean Enrollment Mgt •
- Sherri Whatley, Executive Dir IT, Accountability & IR •
- Donna Dickerson, Dean Arts and Sciences •
- Linda Klotz, Dean Nursing and Health Sciences •
- Jim Hatfield, Past Chair Faculty Senate •
- Tom Allen, Past Chair Faculty Senate •
- Neil Gray, Current Faculty Senate Chair •
- Dustin Tallent, President SGA •
- John Easley – Graduate Student •
- Kristin Thomas, Undergraduate Student •
- Skylar Stagner, Undergraduate Student •



2

charge to council

- Evaluate future budget projections
- Evaluate possible tuition and required fee increases
- Follow guidelines and principles
- Consult appropriate groups
- Provide formal recommendation to President



3

public hearings



4

aggregate uses of funds

- Increase accessibility to the University •**
 - Increase course and lab availability •**
 - Increase retention and graduation rates •**
 - Increase research •**
- Attract and retain first-rate faculty and staff •**
- Provide state-of-the-art equipment in labs •**
- Improve efficient use of physical plant •**



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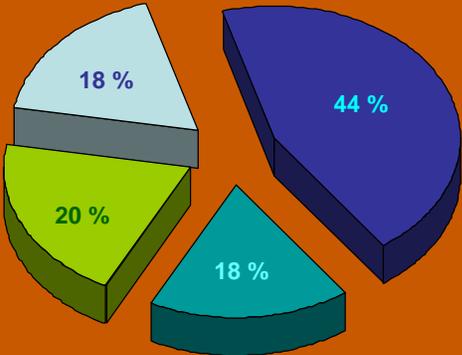
specific uses of new funds

- Hire full-time faculty to support emerging programs •**
 - Hire additional full-time faculty for growth courses •**
 - Install classroom technology •**
 - Improve library holdings •**
- Add necessary staff in critical shortage areas •**
 - Address escalating cost of utilities •**
 - Increase merit scholarships •**
 - Improve student life •**



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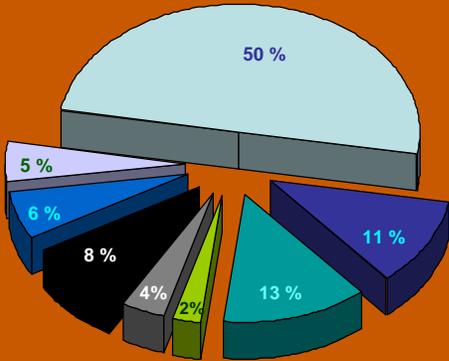
functional category



- Staff
- Faculty
- Institutional Support
- Scholarships



operating costs



- State Appropriations
- Tuition
- Designated Tuition
- Increase in Designated Tuition
- Fees/Other
- Sponsored Programs
- Auxiliary Enterprises
- Restricted Gifts



innovations in tuition setting (considered)

- Differential designated tuition for out-of-state students
- Differential designated tuition for emerging PhD
- Flat-rate tuition
- Guaranteed four-year tuition



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results of tuition flexibility

- Hire over 40 new faculty
- Extend library hours
- Add professional freshman advisors
- Provide modest merit raises
- Increase scholarships
- New work study programs
- New Civil Engineering program



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**Rebate incentive for weekend courses (Fri – Sat)
increased 19%**



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**Dustin Tallent
Chair, SGA UT Tyler
also Vice Chair SGA UT System**



12