

University of Houston Tuition and Fee Advisory Committee

Deliberation of FY 2010 Tuition and Fees

From Thursday, March 5 through Friday, March 13, the UH Tuition and Fee Advisory Committee (see attached list of members) met five times to consider student charges for FY 2010. Below is a summary of the committee's deliberations:

The External Environment and its Potential Impact on UH

There was agreement among committee members that uncertainty in the external environment makes it difficult to establish tuition and fees at this time. First, the state legislative session won't end until June, and there is considerable uncertainty about the funding that will be available for higher education – funding that could either necessitate or mitigate the need for tuition and fee increases. Right now there is an estimated \$9 billion state budget deficit that may require funding reductions for the university both this year and during the next biennium. In addition, there is considerable support in the legislature for eliminating deregulated tuition or capping tuition and fee increases next year. At the same time, there is strong support for higher education as an important state priority this session, which could translate into additional resources for the University of Houston.

Tuition and Fee Proposals

The Tuition and Fee Advisory Committee considered two tuition and fee proposals for next year. The first, presented by the university administration, recommended a five percent increase in tuition and fees for undergraduates (more would be charged to graduate and professional students) to help the university cover the costs of existing operations (as a result of enrollment growth, inflation and aging infrastructure) and to invest in the university's highest priorities of student success and national competitiveness. The second, presented by the Student Government Association, recommended a zero percent increase in tuition and fees, other cost saving measures for students (i.e., 6% tuition and fee cap for FY11 and FY12, continuation of the "Cougar Promise" program, discounted summer tuition and fees), and constant tuition and fee rates for four years for incoming freshmen. In addition, faculty representatives on the committee advocated strongly that faculty salary increases were necessary for retention of UH's finest faculty as part of the university's national competitiveness endeavors.

Conclusions

Due in large part to the uncertainty caused by the legislative session and the economy, consensus was not reached as to whether, or how much, tuition and fees should be increased next year. Given level funding from the state, the students maintained their position that tuition and fees for undergraduates should not be increased, although they allowed that some increases might be necessary if the university's state appropriation were reduced. There was also general agreement among committee members that tuition and fee increases next year, if necessary, should be as close to 0% as possible and no more than 5% under any circumstances, and that they should not be used to fund faculty and staff salary increases (this would be for one year only and exclude promotions, counter-offers and equity increases). The 5% tuition and fee cap also represents a

change from the two-year cap of 6% that the committee agreed upon last year. This was done in consideration of the economic recession in which the state now finds itself.

In light of these discussions, the university administration will recommend that the UHS Board of Regents approve tuition and fee increases from 0-4.9% for undergraduates in FY 2010, pending conclusion of the legislative session. The administration will also increase the Cougar Promise family income ceiling to \$40,000, expand the number of discounted courses, and expand promotion of the graduation contract/scholarship program. This approach will grant the university sufficient latitude to balance affordability for students with the effective operations of the university and its progress toward tier-one once the university's state appropriation is known. Finally, in the interest of transparency and accountability, there was a request from the committee that the university administration demonstrate in future years how the investments made through the planning, budgeting and tuition and fee setting process moved the university forward in terms of achieving its goals. This discussion will become a regular part of committee activities beginning next year.