

UNIVERSITY of HOUSTON

UH Tuition and Fees FY 2012

Tuition and Fee Committee Meeting

November 8, 2010

8:00 AM to 9:30 AM

Goals

- Preserve the quality and value of our academic program
- Keep tuition affordable
- Plan for a predictable future to minimize disruption and allow students to plan
- Create a balance between tuition and fee increases

UH Tuition and Fee Process

November – Tuition & Fee Committee Deliberations



Tuition & Fee Committee Recommendation to the President



Campus Consultation



Recommendations to BOR



February - BOR Consider and Act

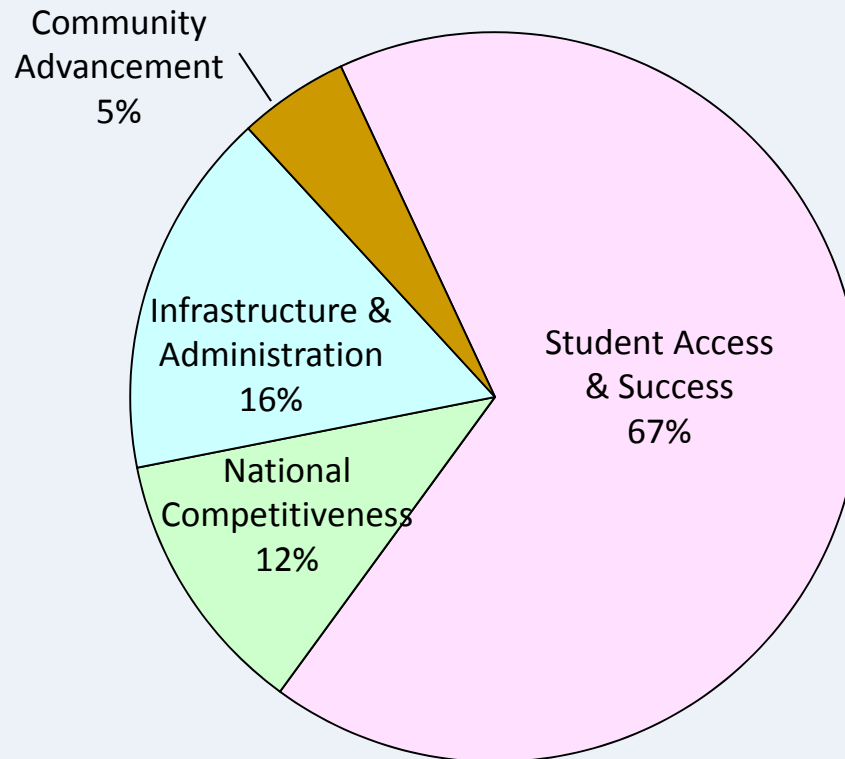


March - Publish new rates

Legislative Session
Opening day January 11
Final day May 30

Special Sessions
(as needed)

University of Houston FY 2010 Preliminary Results of Operations



Total Expenditures of \$796.7 Million

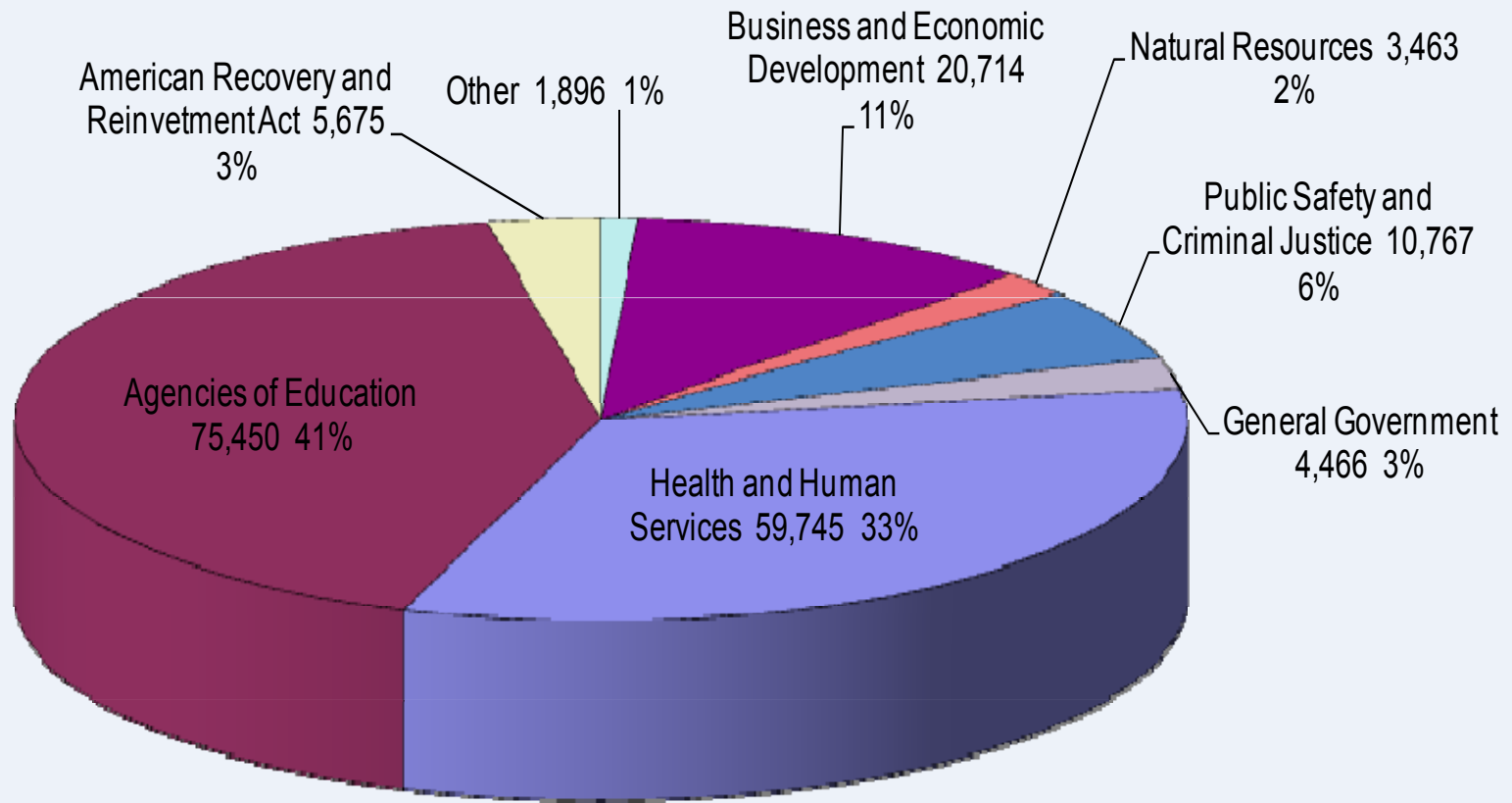
Note: Expenses exclude construction spending from revenue bond proceeds.

State Appropriation

- 5% Reductions Already Made in FY 2010-2011
 - Governor Perry, Lt. Governor Dewhurst, and Speaker Straus direct state agencies to cut 5% from current (FY 2010-2011) budgets
 - Does not apply to tuition revenue, Medicaid, CHIP, public education, TRS and ERS retirement programs, and debt service
- Higher Education Reductions FY 2010-2011
 - February 15 – State agencies submit plans for 5% cuts
 - Generates approximately \$1.2 billion in savings
 - Higher education's share: approximately \$520 million
 - 41% of overall agency reductions
 - Higher education represents only 12.5% of all state spending

STATE OF TEXAS FY2010-FY2011 BIENNIAL APPROPRIATIONS

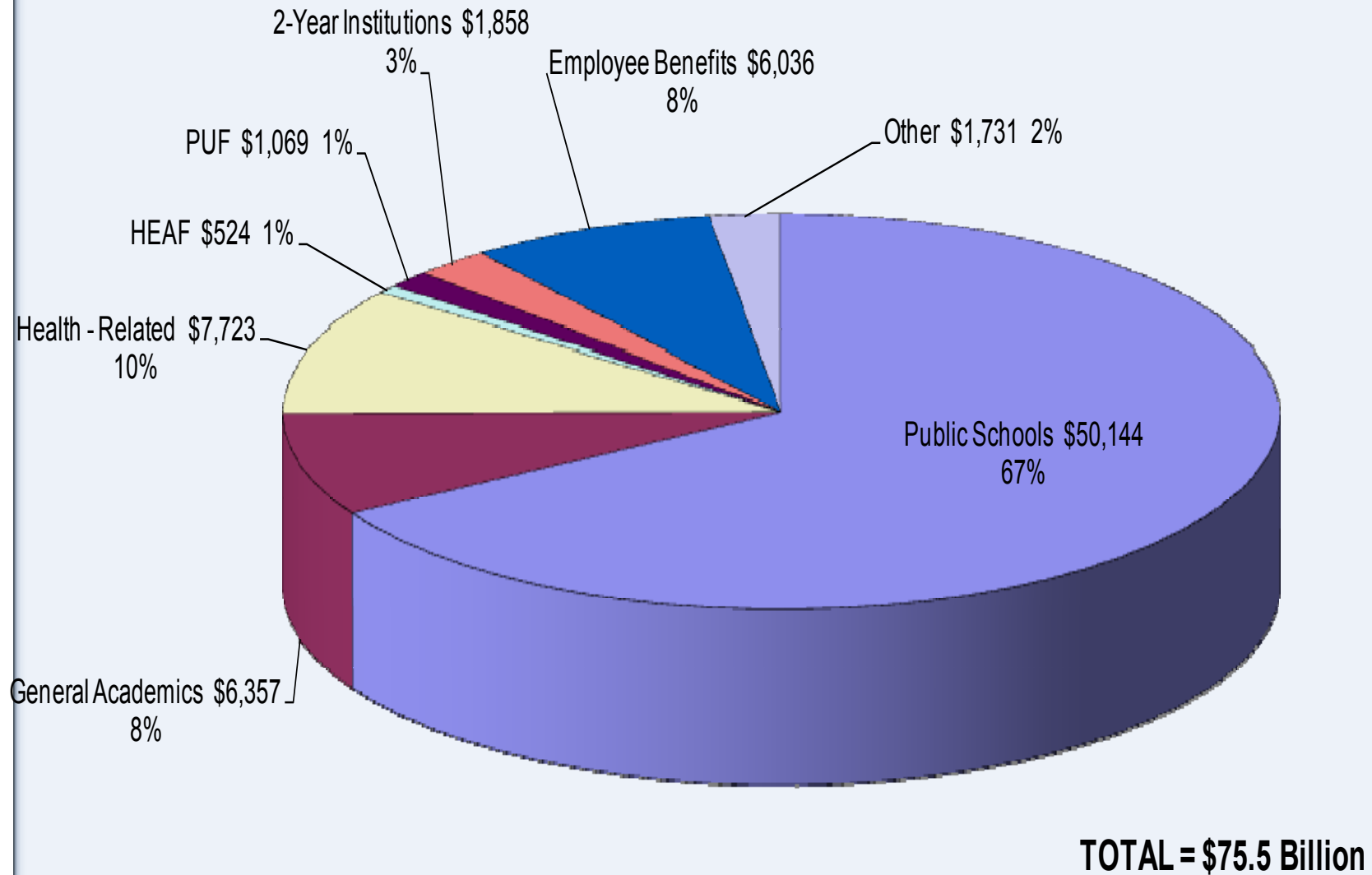
(ALL FUNDS, \$ in Millions)



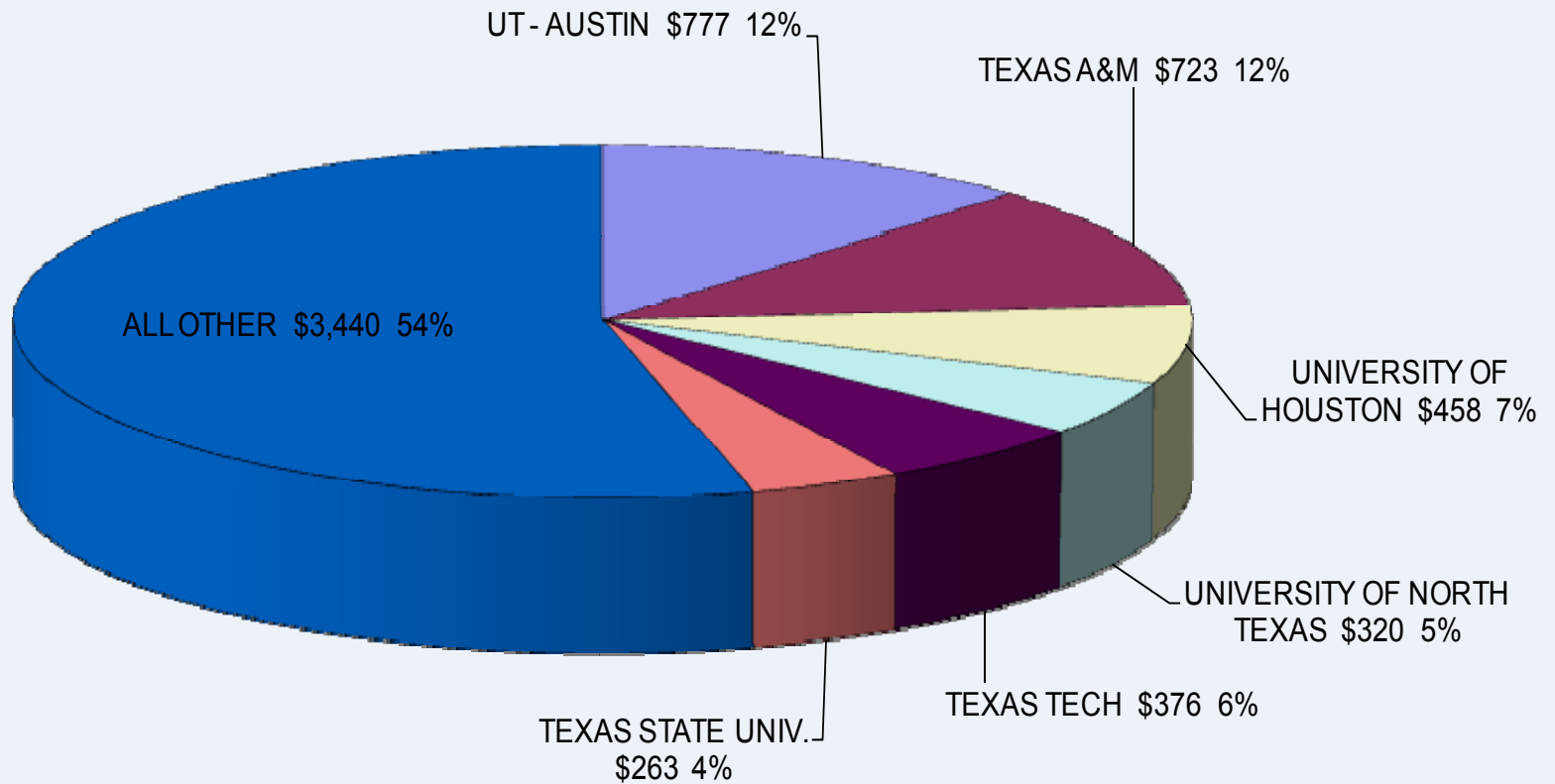
Total \$182.2 Billion

AGENCIES OF EDUCATION APPROPRIATED FY2010-FY2011 BIENNIUM

(ALL FUNDS, \$ in Millions)



GENERAL ACADEMICS - APPROPRIATED FY2010-FY2011 BIENNIUM (ALL FUNDS, \$ in Millions)



TOTAL = \$6.4 Billion

Texas Economy FY 2011 to FY 2013

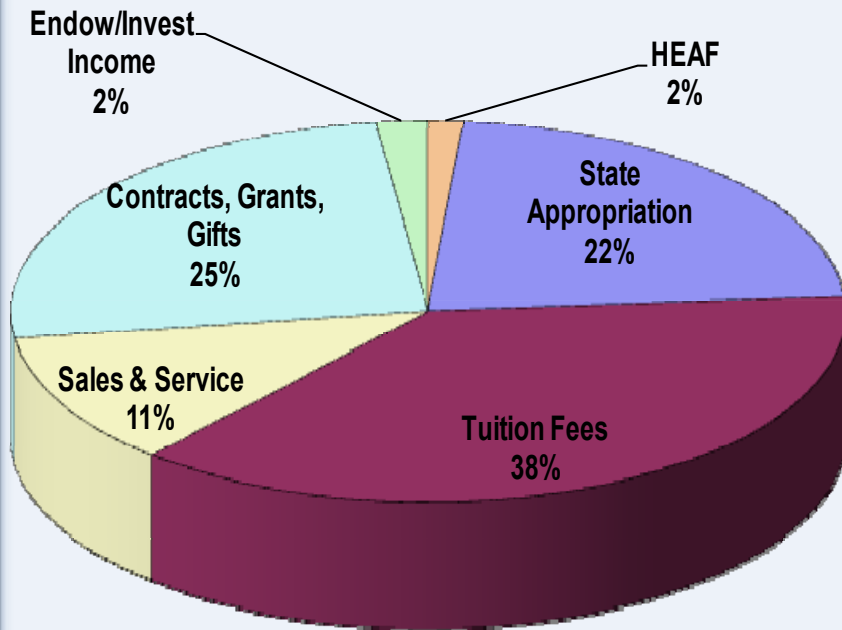
- Effect of Texas Economy
 - Tax receipts down but recovering
 - Sales tax collections down 7%, or \$1.5 billion, for FY 2010
 - September 2010 sales tax collections up 6.5% from September 2009, but only limited growth over last 6 months
- Higher Estimated Growth in Education and Health Care Costs for 2012 - 2013
- Result: Projected \$11-\$24 Billion Budget Deficit
- Projected \$8-\$9 Billion in Rainy Day Fund
 - Requires 2/3 vote in both House and Senate
 - Legislature may choose to use only \$4-\$5 billion

Outlook for State Appropriation for Higher Education

- How Does 2011 Compare With 2003?
 - Estimated Shortfall:
 - 2003: \$9.9 billion (18.3% of general revenue)
 - \$3.9 billion used to balance previous budgets not available, \$1.8 billion current shortfall
 - 2011: \$11 - \$24 billion (13.6% to 29% of general revenue)
 - Loss of \$6.4 billion Federal stimulus funds, no \$5.6 billion carry over from current biennium, amount of current shortfall undetermined
- Developing 2012-2013 Budget
 - Legislative Budget Board LAR instructions 10-15% reduction:
 - 5% reduction in base appropriations request (5% lower than the current biennium's original appropriations – carrying forward the 2010-11 5% reduction)
 - Include a plan for additional 5% reduction, or up to 15% total from current budget

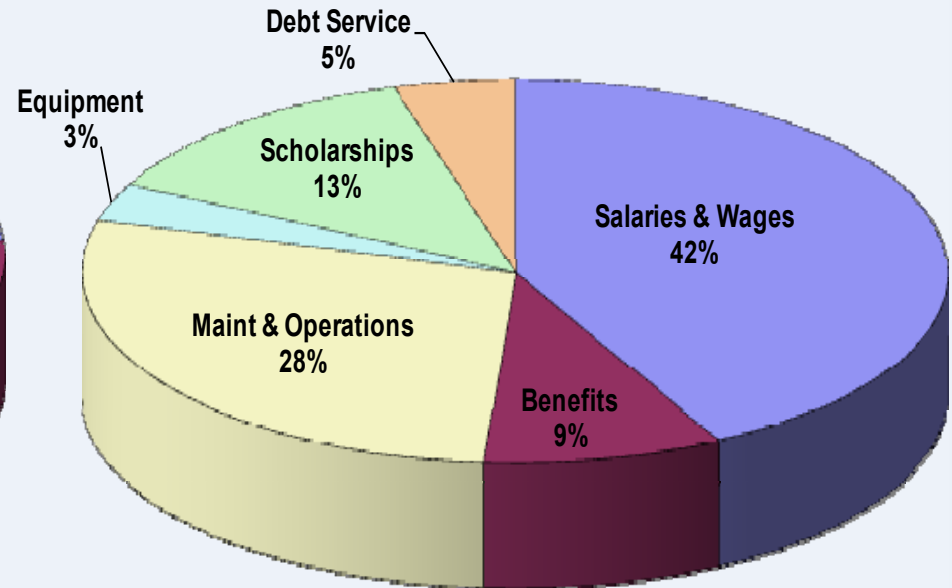
UH Revenue and Spending

Budgeted Sources of Current Funds-FY2011



Total \$874.4 million

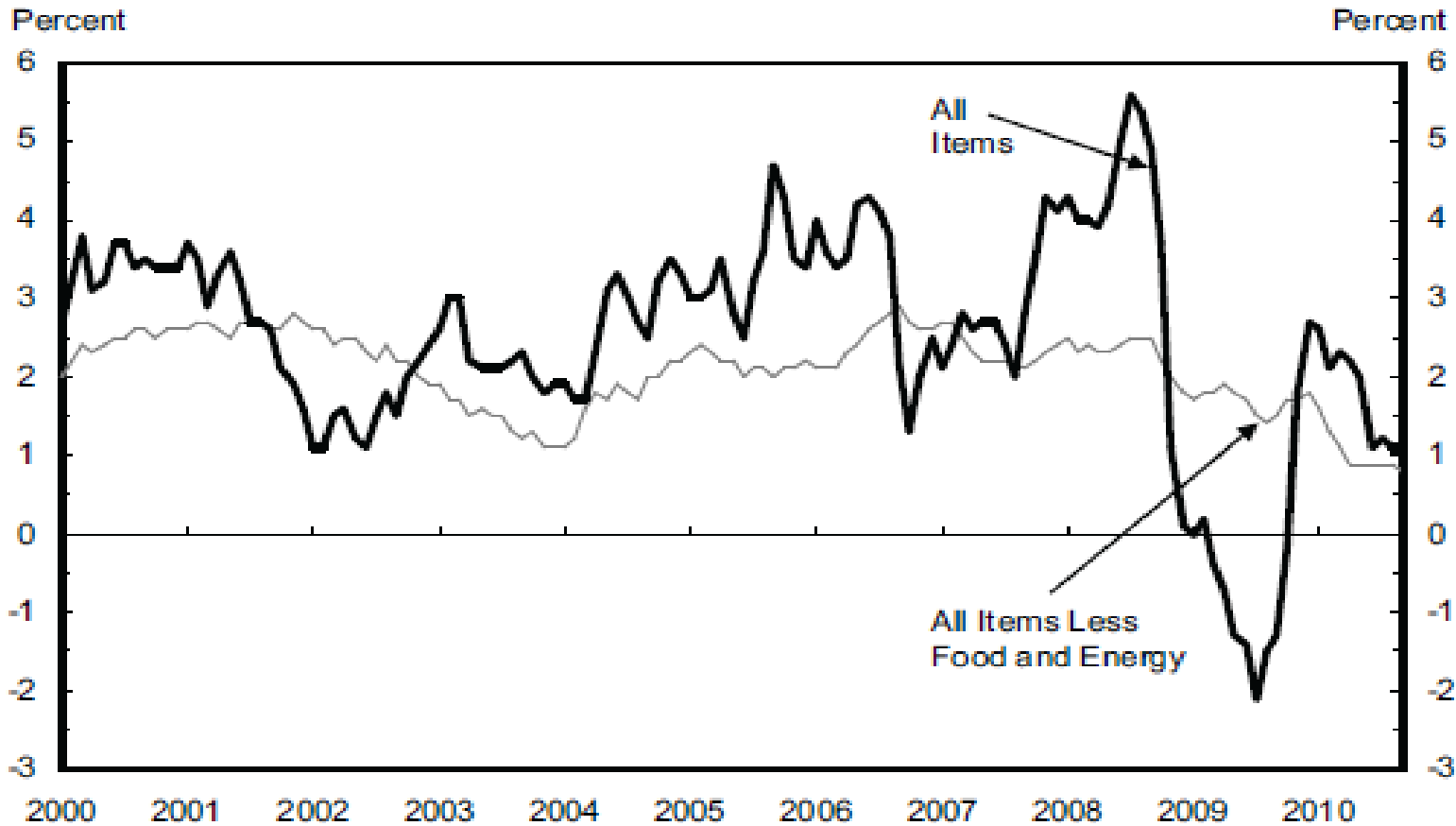
Budgeted Uses of Current Funds By Object-FY2011



Total \$874.4 million

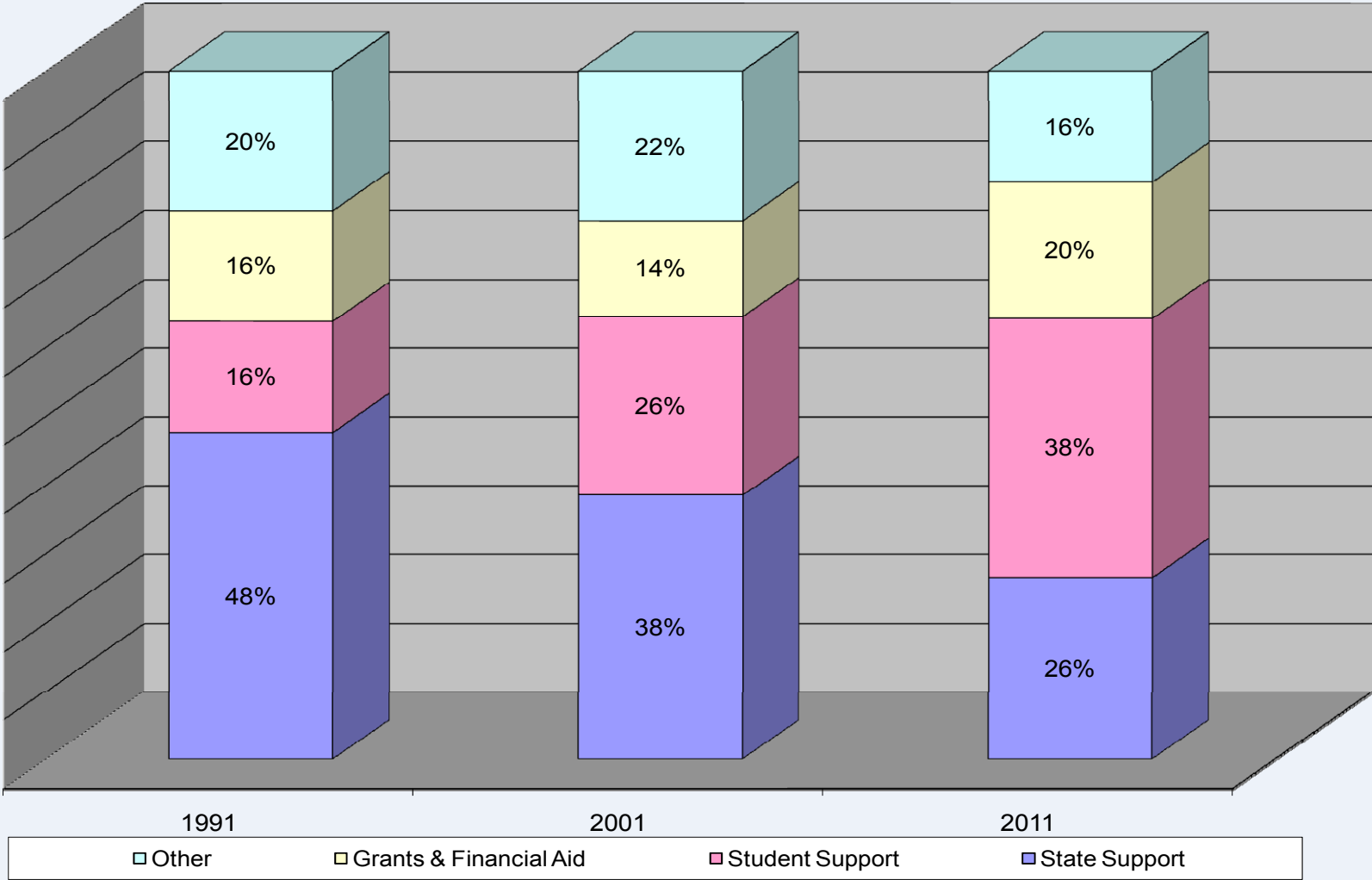
CPI history

CPI-U 12-Month Changes, 2000 to Present



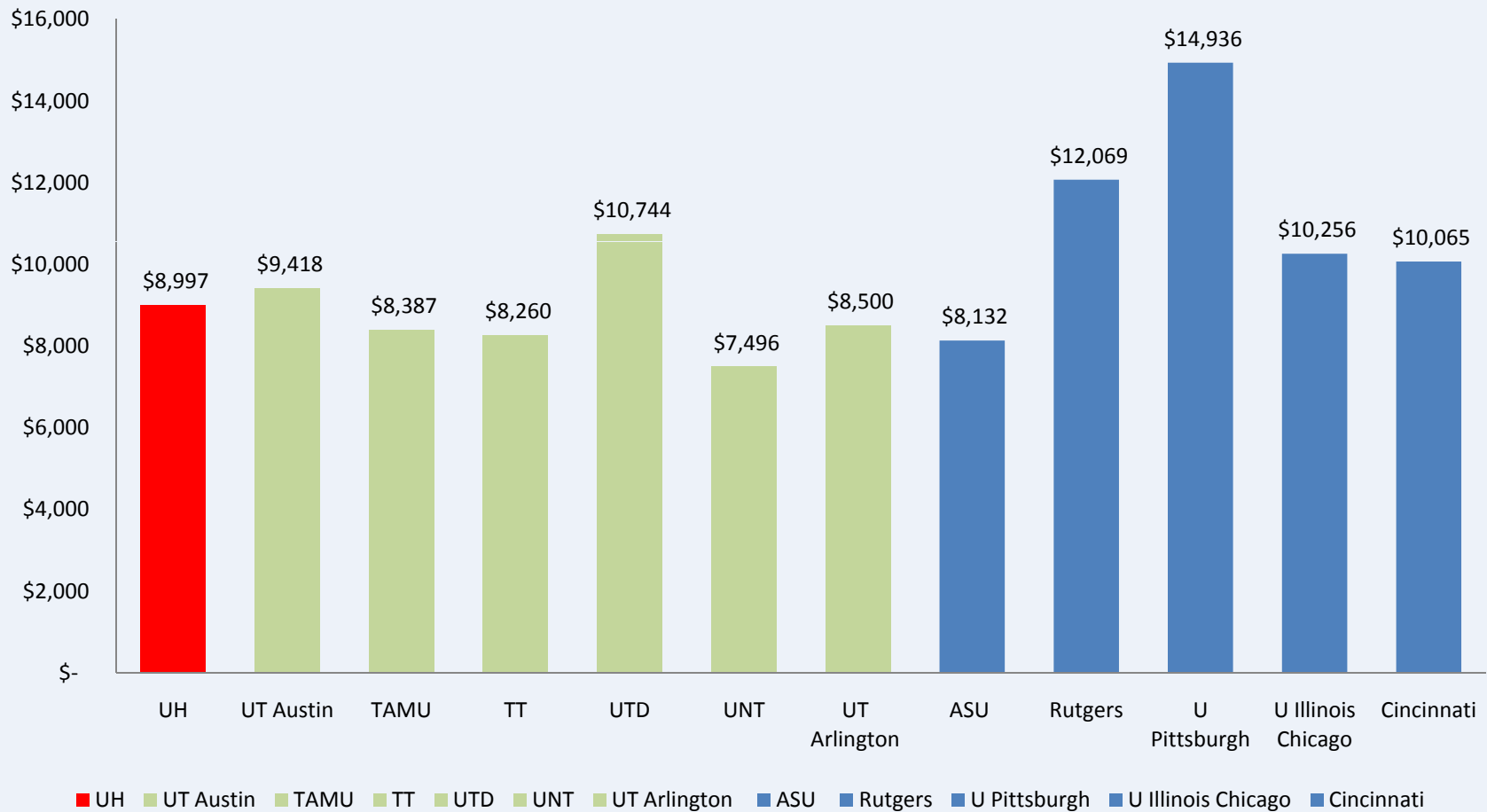
BLS CPI Detailed Report-September 2010, p. 3.

University of Houston Operating Budget



Tuition and Fee Comparison

30 SCH as of Fall 2010

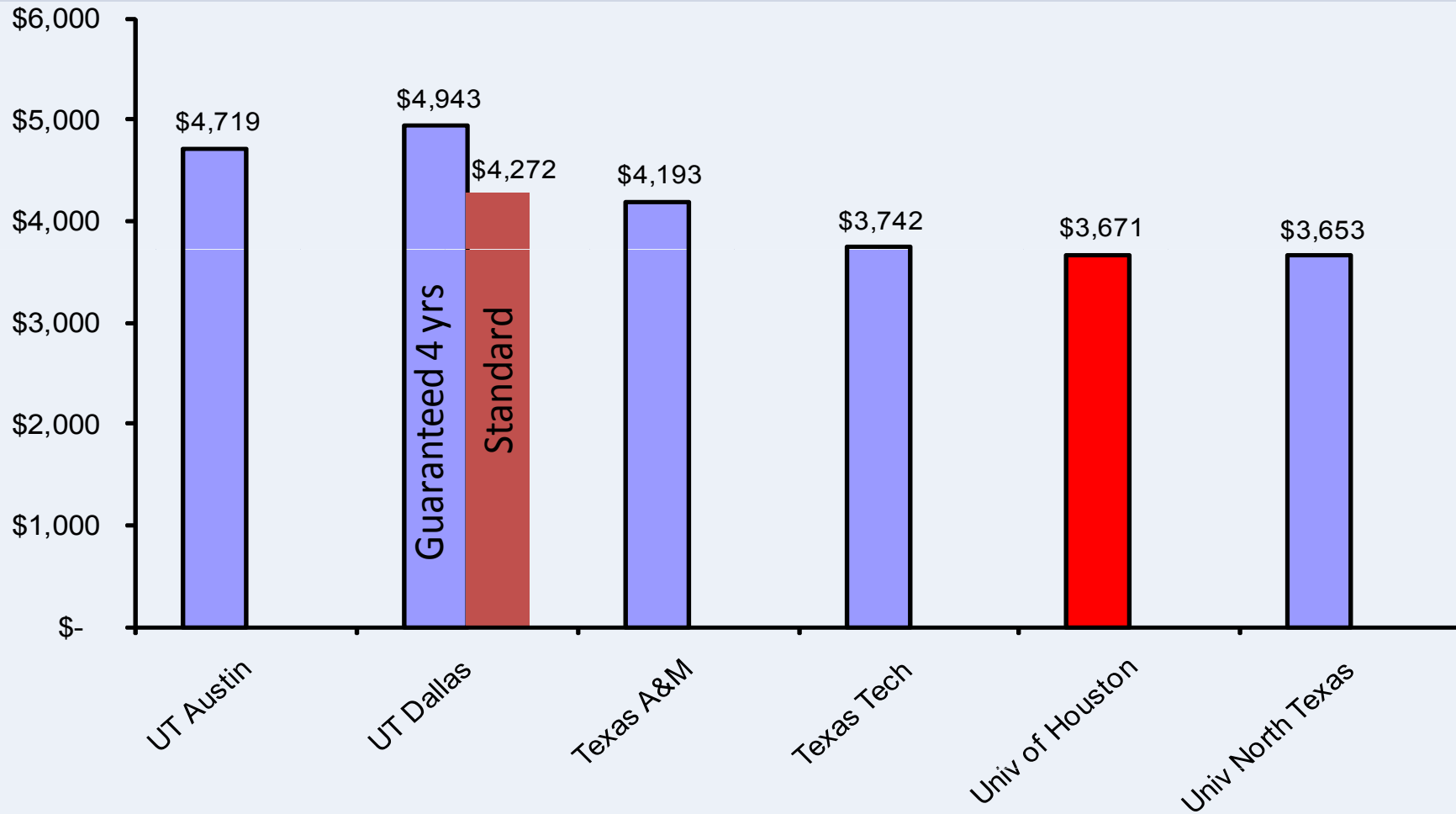


Source: The College Board, Tuition Over Time, Fall 2010

FY 2011 Tuition and Fees

12 Credit Hour Semester

University of Houston Texas Peers



University of Houston

Recommendations to Tuition & Fee Committee

- Use CPI (1.2%) as basis for recommended increase (better understood than Higher Education Price Index)
- Develop FY2012 budget based on CPI increase for tuition and fees
- Publish an “up to” rate to cover legislative contingencies
- Finalize increase following legislative actions/appropriations
- Generate two year tuition and fee recommendation in FY2012 for FY2013 and FY2014
- Full tuition for families with income below \$45,000 – Cougar Promise
- Freshmen who earn 30 credit hours per year will receive \$3,000 toward tuition and fees over their college career - Cougar Graduation Pledge
- Eliminate Tuition & Fee Discounting