

Introduction to Fixed and Flat tuition pricing at UH

Two policy decisions are driving our need to develop a new tuition pricing schedule for UH. First the Texas Legislature passed a requirement that universities offer a 4 year fixed tuition plan in Fall 2014. Second, the Legislature is seriously considering changing some or all of the university formula funding from access based to output based.

HB 29 requires Texas public universities to offer undergraduates a fixed tuition rate plan as an option to their current variable rate plans. This plan must cover the 12 consecutive semesters that occur after the date of the student's initial enrollment at any institution of higher education, subject to any restrictions or qualifications adopted by the governing board. One or more summer terms occurring in the same summer is considered a semester. The result is three semesters in an academic year, totaling four years.

The THECB is working on recommendations for the next biennium (FY 16 & FY 17) to incorporate performance outcome measures into the Texas funding formula. This could replace 25% of the funding for universities currently based on student credit hour enrollment. Most of the performance measures are variations of progress and graduation rates. To improve our graduation rate we are encouraging our undergraduate students to take 15 SCH per semester, allowing them to graduate in four years.

Fixed 4 Year Tuition

In researching fixed four year tuition plans at other universities we found tuition pricing plans called tuition pledges, guarantees or compacts. Typically students are required to commit to being full time and expected to show annually that they are on course to a four year graduation. The terms must be clearly stated. The guaranteed rate expires after four years. Even among “full-time” students, most were actually taking fewer than 15 hours, the standard course load that could lead to on-time graduation.

We recommend UH students sign a contract to enroll full time and earn 30 student credit hours (SCH) annually.

Flat Rate Tuition

Taking 12 credits per term instead of 15 can add a year to a four-year degree even if students never fail a course, change majors, or take a class beyond their degree requirements.

We found evidence that our current variable rate tuition plan penalizes our students on Federal Pell aid if they take more than 12 SCH. Many universities offer a flat tuition rate for 12 SCH and above. A flat rate at 12 SCH eliminates the penalty for enrolling in 15 SCH, and creates an incentive for students to take a full 15 SCH load.

We recommend that we adopt a 12 SCH flat rate in both our variable and fixed rate tuition pricing plans.

Our background material is posted at <http://www.uh.edu/af/hb29tuition/index.htm>