

TUITION AND FEE RECOMMENDATIONS FOR FISCAL YEARS 2017 AND 2018  
THE UNIVERSITY OF TEXAS RIO GRANDE VALLEY

Submitted by

The UTRGV Academic Cost Committee  
Mr. Alberto Adame, Co-Chair  
Mr. Martin Baylor, Co-Chair

Prepared for

Dr. Guy Bailey  
President  
The University of Texas Rio Grande Valley

December 10, 2015

**UTRGV ACADEMIC COST COMMITTEE**

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## Executive Summary

In developing its tuition and fee recommendations for fiscal years 2017 and 2018, the Academic Cost Committee (ACC) held six meetings and two forums, and utilized a survey, mass emails, a website ([www.utrgv.edu/acc](http://www.utrgv.edu/acc)), and a dedicated email address ([ACC@utrgv.edu](mailto:ACC@utrgv.edu)) to communicate with and gather feedback from the students and the greater campus community. The committee also reviewed institutional needs as well as the affordability of UTRGV as compared with peer institutions.

The committee is pleased to submit the following recommendations:

- 1. A 3% per year increase in the resident undergraduate total academic cost.**
- 2. Continuation of the \$18,298 annual cost for medical students into future years until modified.**

The committee's work, thinking, and issues encountered are discussed in more detail in the following pages. Upcoming milestones include the submission of the tuition and fee templates to be completed by the Planning and Analysis Office in accordance with the president's recommendation and consideration of the proposals by the board of regents at their February 10-11, 2016 meeting.

## Recommendation Background

In developing its recommendations for the fiscal year 2017 and 2018 tuition and fee rates, the ACC adhered to the guidance from UT System:

*"Tuition proposals may include an increase in designated tuition and mandatory fees that represents an increase of up to 2% of total academic costs for the average full-time undergraduate and graduate student. The 2% increase represents cost escalation factors that account for inflation-driven costs in salaries, technology, infrastructure, and other expenses. Furthermore, additional increases to total academic cost may also be proposed to address student success and issues of greatest institutional priority."*

Importantly, the committee strove to balance affordability with UTRGV's vision to provide a high quality education to its students. However, a number of factors make achievement of that ideal difficult.

State funding has not recuperated to previous levels, the current instruction and operations formula rate (\$54.86) although higher than that of the 2012-13 biennium (\$53.71) is well below the rate of the 2010-11 biennium (\$62.19). On the expense side, there is a perception by some that UTRGV tuition rates are excessive; UTRGV is actually one of the most affordable institutions in the state with a review of institutional websites indicating that 30 of the 36 Texas public institutions have higher entering freshmen rates than UTRGV. Finally, there is the desire for high quality instructors, expanded course and program offerings, good facilities, and robust student support services.

The committee discussed the financial results of the legacy institutions, UTB and UTPA. Combined numbers calculated by Planning and Analysis staff indicates a Composite Financial Index (CFI) of just 0.8 (3.0 is generally regarded as a healthy ratio). Also, the combined operating margin was -7.6%. Clearly, UTRGV inherited an environment of extremely tight margins. However, the higher UTRGV Total Academic Cost versus the legacy institutions served to mitigate this concern for UTRGV.

In order to assess the need for a tuition increase, the committee requested input on unmet needs from each of the divisions. The result was a staggering \$56 million in needs (not including benefits) of which \$42 million are requests for permanent, recurring funds for operations. Clearly, if UTRGV is to stay on course with its mission and vision, additional financial resources will be required.

Finally, the committee addressed the tuition and fees for the School of Medicine which had previously been approved by the Board at \$18,298 annually (without medical insurance) for only the FY 2017 entering student class.

### **Recommendation**

After considerable discussion, the committee voted favorably on the following two motions:

**Motion 1:** 3% increase in the Total Academic Cost for entering undergraduate students and designated tuition rate for entering graduate students be equal to that of entering undergraduate students.  
Passed: Yes (5); No (3)

**Motion 2:** Approve a Total Academic Cost for medical students of \$18,298 for FY 2018 and thereafter until modified. This rate does not include health insurance, which will be billed at cost each year.  
Passed: Yes (8); No (0)

The first motion approved a recommendation for a 3% annual increase for each of the next two fiscal years, 2017 and 2018. The 2% annual increase level was viewed as being only sufficient to address inflation while a 4% increase, although arguably justified based on the unmet needs described above, did not have broad support from the committee members.

The effective increase in tuition, if implemented as recommended, will depend on inflation as UTRGV guarantees its new entering freshmen a set Total Academic Cost for four years. The Commonfund's Higher Education Price Index has been trending up; 1.6%, 3.0%, and 2.2% respectively for 2012-13, 2013-14, and 2014-15 respectively.

Lastly, it is important to note that the recommended increase is well below what would have been required to meet the unmet needs identified by the division heads. It is assumed that if a tuition increase is fully approved funding allocation decisions will be negotiated by the executive team during FY 2017 and 2018 budget development in a manner that moves the institution toward its stated vision and aspirations.

## Other Issues and Considerations

The committee did not delve into lab and supplemental fees or incidental fees as these fees will be addressed by staffs in the Planning and Analysis office and in the provost office. No new or modified incidental fees that would impact academic cost were brought before the committee. Incidental fees that do not impact academic cost are outside of the purview of the committee.

There was an informal request presented to the SGA president to create a new mandatory environmental services “green” fee. Given the lack of support indicated in the student survey and the need to have only the highest institutional priorities carve out funds from the university’s revenue stream, the committee did not support the request.

The four items with greatest support from the students responding to the survey were the following:

1. Expand courses and program offerings (mean = 4.30 of 5)
2. Provide more student employment opportunities on campus (mean = 4.25 of 5)
3. Expand the number of sections of current courses (mean = 4.17 of 5)
4. Increase the number highly qualified teaching faculty (mean = 4.03 of 5)

As on-campus student employment was an item of much interest among the survey respondents, UTRGV may want to consider the formation of a task force to assess and provide recommendations on student employment opportunities.

It is clear, from discussion among the committee members, and comments at the tuition forums that online courses are becoming an increasingly prominent component of the services offered. Formation of a task force might be helpful in bringing together the many elements involved, including tuition rates that consider the growing competition in this space.

The poverty in the Rio Grande Valley and how it informs the quality of the educational experience and the tuition rates was discussed. It was noted that a university degree is being increasingly viewed as a private good rather than a public good. In such an environment universities such as UTRGV may have to provide a lesser quality education to its predominantly economically disadvantaged students while universities that impose higher tuition charges will have the resources with which to provide better services to their students.

There was consensus amongst the committee on the need for transparency in the uses of funds, particularly tuition and fee dollars. The institution should seek ways in which to inform the campus community about course and program availability at each campus, efforts at improvement, status of facility space and efficiency, the affordability of UTRGV, budget and finance, and overall operations.

The committee also suggests that the administration consider reviewing the breadth of activities that were transitioned from the legacy institution. In the assessment consideration should be given to identifying opportunities to reduce costs as a means to keep tuition affordable.

### Total Academic Cost

Entering Resident Undergraduate (15 hours*)	<u>Current</u> <u>Fall 2015</u>	<u>3% Increase</u> <u>Fall 2016</u>	<u>3% Increase</u> <u>Fall 2017</u>
Statutory Tuition	\$ 750.00	\$750.00	\$750.00
Designated Tuition	2,162.00	2,271.20	2,384.00
Mandatory Fees	734.16	734.16	734.16
Average College/Course Fees	4.20	4.20	4.20
<b>Total</b>	<b>\$3,650.36</b>	<b>\$3,759.56</b>	<b>\$3,872.36</b>
<b>Increase (\$) – 15 hour load</b>		<b>\$109.20</b>	<b>\$112.80</b>
<b>Increase (%) – 15 hour load</b>		<b>3.0%</b>	<b>3.0%</b>
* UTRGV caps tuition at 12 hours			

Entering Resident Graduate* (9 hours)	<u>Current</u> <u>Fall 2015</u>	<u>% Increase</u> <u>Fall 2016</u>	<u>% Increase</u> <u>Fall 2017</u>
Statutory Tuition	\$ 450.00	\$450.00	\$450.00
Board-Authorized Tuition	450.00	450.00	450.00
Designated Tuition	1,764.50	1,846.40	1,931.00
Mandatory Fees	584.37	584.37	584.37
<b>Total</b>	<b>\$3,248.87</b>	<b>\$3,330.77</b>	<b>\$3,415.37</b>
<b>Increase (\$) – 9 hour load</b>		<b>\$81.90</b>	<b>\$84.60</b>
<b>Increase (%) – 9 hour load</b>		<b>2.5%</b>	<b>2.5%</b>

\* UT System, unlike with undergraduate TAC, excludes course fees on graduate TAC

## Additional Revenue

Due to the nature of the tuition structure, additional revenue will be generated even without an increase in rates until all rates are normalized in Fall 2019; the additional revenue comes from the new students entering at the highest rate and those students in the expiring cohort who do not graduate but continue and are moved to the next higher rate. The indicated revenue at the 3% level would cover, in the second year, 13% of the \$56 million in funding needs identified by the UTRGV divisions.

Revenue (\$M) vs FY 2016	No Rate Changes		3% Increase in TAC	
	FY 2017	FY 2018	FY 2017	FY 2018
Gross Revenue (Designated Tuition)	\$3.09	\$6.31	\$4.08	\$9.42
(less) Set-Asides @ 15%	\$(0.42)	\$(0.86)	\$(0.56)	\$(1.28)
(less) Exemptions @ 8%	\$(0.24)	\$(0.50)	\$(0.32)	\$(0.74)
<b>Net Revenue – Cumulative</b>	<b>\$2.43</b>	<b>\$4.95</b>	<b>\$3.20</b>	<b>\$7.40</b>
Portion of above due to Rate Increases			\$0.77	\$2.45
<b>Net Revenue - Annual Increment</b>	<b>\$2.43</b>	<b>\$2.52</b>	<b>\$3.20</b>	<b>\$4.20</b>

**Funding Needs**  
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By Division	FY 2017	FY 2018	Total
Academic Affairs	\$26,956,125	\$4,138,642	\$31,094,767
Operations & Chief of Staff	7,318,024	1,989,447	9,307,471
Research Innovation & Econ Dev	5,011,984	2,261,923	7,273,907
Finance & Administration	4,096,608	2,990,007	7,086,615
Governmental & Community Relations	633,650	85,200	718,850
Institutional Advancement	429,573	162,800	592,373
President	300,000	50,000	350,000
<b>Total</b>	<b>\$44,745,964</b>	<b>\$11,678,019</b>	<b>\$56,423,983</b>

By Expense Type	FY 2017	FY 2018	Total
Scholarships	\$13,445,277	\$160,000	\$13,605,277
Equipment	6,469,000	3,062,000	9,531,000
Classified	6,618,509	2,341,173	8,959,682
Operating	6,859,936	891,075	7,751,011
Faculty	4,989,335	1,500,000	6,489,335
Capital Costs (Def Maint)	2,863,006	2,678,254	5,541,260
A&P	1,460,768	517,423	1,978,191
Travel	1,297,584	315,160	1,612,744
Wages	506,349	177,934	684,283
Faculty Stipends	236,200	35,000	271,200
<b>Total</b>	<b>\$44,745,964</b>	<b>\$11,678,019</b>	<b>\$56,423,983</b>

<b>Benefits Estimate</b>	<b>\$4,282,857</b>	<b>\$1,414,847</b>	<b>\$5,697,705</b>
<b>Grand Total</b>	<b>\$49,028,821</b>	<b>\$13,092,866</b>	<b>\$62,121,688</b>



**Funding Needs**  
(Continued from previous page)

Initiative	FY 2017	FY 2018	Total
Texas Grant Subsidy	\$12,900,000	-	\$12,900,000
Operation Division Enhancements	6,547,219	1,989,447	8,536,666
New Faculty	1,989,335	1,500,000	3,489,335
Faculty Inversion/Compensation	3,000,000	-	3,000,000
Faculty Start-Up Funds	3,000,000	-	3,000,000
Office of the Chief Information Officer	805,000	790,000	1,595,000
Library	1,036,000	400,000	1,436,000
Research Division Enhancements	1,111,984	261,923	1,373,907
Facilities Planning & Operations Dept (incl Utility costs)	1,165,115	112,000	1,277,115
Uteach	990,052	-	990,052
IT Technical Services	396,378	178,536	574,914
Institutional Advancement Division Enhancements	367,573	157,800	525,373
Advising	239,352	284,352	523,704
Community Relations Enhancements	456,350	45,000	501,350
Staff Needs- Academic	374,048	-	374,048
Abriendo Caminos	178,000	178,000	356,000
IT End User	172,500	149,050	321,550
Chief of Staff Position	240,000	-	240,000
Finance & Public Policy Depart	42,000	185,000	227,000
Jumpstart	203,846	-	203,846
CRM system	-	200,000	200,000
IT Business Relations	85,000	85,000	170,000
Gov't Relations Enhancements	141,100	21,350	162,450
P16 Outreach	122,660	-	122,660
Institutionalization of ADVANCE Grant	32,250	80,000	112,250
Institutional Membership Dues	60,000	50,000	110,000
Finance & Administration -Other	26,487	14,753	41,240
Student Accessibility Services	38,000	-	38,000
Office of the VP Gov't Relations Enhancements	18,850	18,850	37,700
<b>Total</b>	<b>\$35,739,099</b>	<b>\$6,701,061</b>	<b>\$42,440,160</b>

One-Time Requests			
F & A -Deferred Maintenance	2,863,006	2,678,254	5,541,260
Academic Affairs Division	1,025,000	25,000	1,050,000
PeopleSoft Implementation- Student Success	368,704	268,704	637,408
Research & Economic Development Division	3,900,000	2,000,000	5,900,000
Gov't Relations Division	17,350	-	17,350
Institutional Advancement	62,000	5,000	67,000
Operation Division	770,805	-	770,805
<b>Total</b>	<b>\$9,006,865</b>	<b>\$4,976,958</b>	<b>\$13,983,823</b>

### Student Survey Respondents' Profile

<b>By Level</b>	<b>Response</b>	<b>%</b>
Undergraduate	3,221	85%
Master's	535	14%
Doctoral	52	1%
<b>Total</b>	<b>3,808</b>	<b>100%</b>

<b>Course Load taken this semester</b>	<b>Response</b>	<b>%</b>
Full-time	3,022	79%
Part-time	780	21%
<b>Total</b>	<b>3,802</b>	<b>100%</b>

Full Time: 12 or more hours (UG), 9 or more hours (masters), 6 or more hours (doctoral)

<b>Residency Status</b>	<b>Response</b>	<b>%</b>
Texas resident (I qualify for in-state tuition rates)	3,588	94%
Non-resident (I do not qualify for in-state tuition rates)	210	6%
<b>Total</b>	<b>3,798</b>	<b>100%</b>

<b>Type of Classes</b>	<b>Response</b>	<b>%</b>
Traditional Classroom courses exclusively	2,076	55%
Online instruction exclusively	215	6%
Both Traditional Classroom and Online instruction	1,513	40%
<b>Total</b>	<b>3,804</b>	<b>100%</b>

### Student Survey Results

<b>Next, using the following scale, please indicate your level of agreement that additional funding should be allocated to address each of the improvements listed below.</b>							
Strongly Disagree (1), Disagree (2), Neither agree nor disagree (3), Agree(4), Strongly agree(5)							
	(1)	(2)	(3)	(4)	(5)	Total	Mean
Expand course and program offerings	91	69	390	1,305	1,929	3,784	<b>4.30</b>
Provide more student employment opportunities on campus	95	91	615	971	2,016	3,788	<b>4.25</b>
Expand the number of sections of current courses	95	138	601	1,136	1,820	3,790	<b>4.17</b>
Increase the number of highly qualified teaching faculty	95	148	794	1,274	1,476	3,787	<b>4.03</b>
Extend library hours or library holdings (either on-line or in person)	128	206	874	983	1,598	3,789	<b>3.98</b>
Improve technology in classrooms	144	223	905	1,163	1,351	3,786	<b>3.89</b>
Expand extracurricular opportunities for student involvement	180	190	990	1,017	1,421	3,798	<b>3.87</b>
Increase opportunities for undergraduate research projects	121	151	1,109	1,179	1,235	3,795	<b>3.86</b>
Expand on-line program offerings	176	251	993	1,129	1,235	3,784	<b>3.79</b>
Increase the number of highly qualified researchers	156	234	1,301	1,092	1,007	3,790	<b>3.68</b>
Increase the number of advisors	230	341	966	1,141	1,113	3,791	<b>3.68</b>
Increase student success programs such as add'l tutoring services	271	319	951	1,265	983	3,789	<b>3.63</b>

<b>Would you be in favor of adding a new environmental services fee (green fee) to provide funds for additional environmental improvements?</b>		
	Response	%
Yes	750	20%
No	2,086	55%
Undecided	953	25%
<b>Total</b>	<b>3,789</b>	<b>100%</b>

<b>Finally, for each of the statements below, please indicate your level of agreement according to the following scale</b>							
Strongly Disagree (1), Disagree (2), Neither agree nor disagree (3), Agree(4), Strongly agree(5)							
	(1)	(2)	(3)	(4)	(5)	Total	Mean
I am pleased with the quality of instruction	167	361	683	1,912	680	3,803	3.68
I would recommend UTRGV to others seeking a college degree	340	333	948	1,513	670	3,804	3.48
I feel that UTRGV provides good value	280	419	916	1,593	585	3,793	3.47
I am pleased with the quality of services	310	566	839	1,599	483	3,797	3.36
I feel that UTRGV is affordable	649	930	851	952	419	3,801	2.88

## Academic Cost Committee

### Purpose

The Academic Cost Committee (ACC) will review academic charges for graduate and undergraduate students and provide input that will inform the president's tuition and fee recommendations to UT System and the Regents.

### Responsibilities

The ACC will engage in discussions on issues related to the committee's purpose, will host forums on the subject open to the university community, and will provide the president with a written report on its discussions.

### Members

Count	Name	Area or Title	Vote
1	Mr. Alberto Adame (Co-chair)	President, Student Government Association	Yes
2	Mr. Martin Baylor (Co-chair)	Executive VP for Finance and Administration	no
3	Dr. Theresa Maldonado	Senior VP for Research and Econ Development	Yes
4	Jorge A Gonzalez	SGA UG appointee from Edinburg Campus #1	Yes
5	Pavan Premsingh	SGA Grad appointee from Edinburg Campus #2	Yes
6	Denisse Molina	SGA UG appointee from Brownsville Campus #1	Yes
7	Vacant	SGA Grad appointee from Brownsville Campus #2	Yes
8	Vacant	SGA appointee, Medical School Student	Yes
9	Ms. Theresa A. Alarcon	Parent	Yes
10	Dr. Jennie Johnson	Faculty Senate appointee	Yes
11	Mr. Michael Aldape	Staff Senate appointee	Yes
12	Ms. Melba Sanchez	Assoc. Dean for Finance & Administration, SOM	no
13	Ms. Marcela Deleon	Academic Budget Director	no
14	Dr. Magdalena Hinojosa	Associate Vice President for Student Enrollment	no
15	Mr. Juan C. Gonzalez	Associate Vice President, Planning and Analysis	no
16	Richard Wilson	Director, Planning and Analysis	no
17	Ms. Susan Brown	Asst. VP, Strategic Analysis and Inst reporting	no
18	Mr. Arnold Trejo	Director of Financial Aid	no

Forum Poster

WE NEED YOUR INPUT  
**UTRGV**  
**TUITION & FEE**  
**FORUMS**



Join us for a discussion on the tuition and fee proposals for the 2016-2017 and 2017-2018 academic years.

*Sponsored by the UTRGV Academic Cost Committee*

**TUESDAY, NOVEMBER 17, 2015**

**EDINBURG CAMPUS**  
Student Union Theater  
12-1:15 p.m.

**BROWNSVILLE CAMPUS**  
El Gran Salon  
3-4:15 p.m.

**UTRGV.EDU/ACC**

For more information or special accommodations, contact:  
Edinburg Campus, (956) 665-7005 | Brownsville Campus, (956) 882-7372