Texas A&M University-Corpus Christi

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Designated Tuition Hearing
January 18, 2007
• **State Funding and Enrollment Trends:**
  
  – Declining state funding is transferring a larger share of cost directly to students
  
  – Increasing enrollment puts pressure on costs of instruction, support, and facilities
What are we facing in this year’s Legislature?

- Possible general revenue reductions:
  - Governor’s instructions were to prepare legislative budget requests for non-formula items 10% lower than this year. This would reduce our current level of state funding by $1,200,000 per year.
  - A reduction of this magnitude would require cutting 22 faculty and staff positions and possibly eliminating some academic programs.
  - Our first legislative priority will be to get this cut restored.
  - However, we must prepare for the worst case:
    - We are asking all units to prepare contingency plans for budget cuts of 2.5% and 5.0% to make up for the potential shortfall.
    - We will not know what our actual appropriation for next year will be until late May or June, when the Legislature finally passes the appropriations act.
What are we facing in this year’s Legislature?

• **Currently unknown factors beyond our control:**
  – Employee health care and property insurance cost increases
  – Utility cost increases
  – Result of various pending legislative actions that could cap tuition and reduce our capacity to make up for additional expenses

• **Budget planning assumptions:**
  – No increase in Legislative funding for next year
  – No increase in enrollment
University-wide Budget Priorities for Next Year

- Create a salary pool for merit and equity-based salary increases for current faculty and staff ($1,500,000)
- Additional faculty and staff positions in critical areas ($594,000)
- Student financial aid ($805,000)
- Expanded student recruiting and retention efforts ($170,000)
- Increased utility cost ($300,000)
- Increase in non-personnel operating funds ($405,000)

- **Total: $3,774,000 additional funds needed to fund University-wide budget priorities**
Designated Tuition Proposal
“Worst Case” Designated Tuition Increase

- **What would it take to generate $3,774,000 if we received no additional state funding?**
  - We would need to increase designated tuition from $73 per credit hour to $90 per credit hour (a $17 increase).

- **Designated tuition proposal:**
  - Board of Regents deadlines require us to submit designated tuition increase authorization requests next month, **before** we know how much funding we will receive from the Legislature.

  - Therefore, we will be requesting authority from the Board of Regents to increase designated tuition between $0 and $17 per credit hour.

  - The amount of the actual increase will depend on the level of state funding provided by the Legislature later this spring.
Where Do We Rank on Tuition and Fee Cost?

- What is our history on designated tuition increases?
  - Last year: Proposed Range: $0 to $15; Actual: $7
  - Two years ago: Proposed Range: $0 to $15; Actual: $4

- How does our rate of increase compare statewide?
  - Over the past three years, we have increased tuition and required fees a total of 26%
  - The state average increase was 40%.

- How does our current tuition and fee cost compare statewide?
  - In Fall 2006 we ranked 14th of 28 Texas public universities in total tuition and required fee cost for 15 hours.
  - Our cost was $2,544 compared to the state average of $2,656.
We will do all we can to keep student tuition and fees as low as possible, while maintaining our commitment to providing the best possible educational experience.