

AGENDA ITEM BRIEFING

Submitted by: John Sharp, Chancellor
The Texas A&M University System

Subject: Authorization for Member Universities to Offer a Guaranteed Tuition and Fee Plan and/or Optional Tuition and Fee Plans for Undergraduate Students

Proposed Board Action:

Authorize member universities to offer a guaranteed tuition and fee plan and/or optional tuition and fee plans for undergraduate students, effective fall 2014.

Background Information:

Recognizing the need to improve higher education accessibility and affordability and to increase the number of students completing their undergraduate degrees in a timely manner, the universities within The Texas A&M University System seek authorization to implement tuition and fee plans designed to assist individuals in planning for college expenses and to improve graduate rates. Examples of such undergraduate tuition and fee plans include, but are not limited to:

- A guaranteed rate of tuition and mandatory fees every year for four years. While the set amount would be higher than a non-guaranteed rate the student's first year, the four-year amount would be guaranteed to be no more than would otherwise be paid for tuition and mandatory fees over the four-year period. (For programs requiring more than four years, the guaranteed rate would be extended accordingly.)
- A lower tuition and mandatory fee rate that is tied to on-time performance, perhaps one rate for a four-year graduation performance, another rate for a six-year graduation performance and an additional rate for more than six years. Rates may be established in advance and discounts rebated to students upon successful achievement of the on-time performance.
- A tuition and mandatory fee rate that guarantees an annual maximum increase in tuition or mandatory fees that is lower than average rates for the state/nation, with eligibility contingent on academic performance and/or academic progression.
- Upper division institutions may provide options following similar strategies but commensurate with the mission of the institution (e.g., a guaranteed two-year rate for those matriculating with an associate degree and completing the bachelor's degree within two years). Four-year universities may choose to offer programs for their transfer students similar to those developed by the upper division institutions.
- Graduated tuition and mandatory fee plans that connect tuition and mandatory fee level to expected family contribution.
- A tuition and mandatory fee rate that is increased each year the same rate as inflation.

All options would be designed to help families plan their college expenses and protect students from less predictable annual tuition and mandatory increases. The plans would also target a desired outcome – increased four-year graduation rates. Each rate plan would be presented for Board approval in accordance with System Policy [26.01, Tuition and Fees](#).

A&M System Funding or Other Financial Implications:

To be determined. Each rate plan would have implications for the institution offering the plan. Those implications must be included in the rate plan when presented for approval.