

Agenda Item No. 1.1

AGENDA ITEM BRIEFING

Submitted by: Billy Hamilton, Deputy Chancellor and Chief Financial Officer
The Texas A&M University System

Subject: Approval of Proposed New Undergraduate Tuition and Fee Structure Effective with the Fall 2023 Semester for Texas A&M University, Texas A&M University at Galveston, and Texas A&M Health Science Center

Proposed Board Action:

Approve the proposed new undergraduate tuition and fee structure at Texas A&M University, Texas A&M University at Galveston, and Texas A&M Health Science Center to be effective with the fall 2023 semester.

Background Information:

The Texas Education Code provides guidance on all student tuition, fees and charges allowable for collection by institutions of higher education. Many of the authorized tuition and fees require approval from the Board of Regents (Board) prior to implementation. In addition, changes to designated tuition require that the Board hold a public hearing to receive input from students prior to the changes taking effect.

As described in the attached exhibit, this proposed new undergraduate tuition and fee structure is necessary as a result of the academic realignment that was implemented at the start of the fall 2022 semester. The change in the academic college/school structure has created a need to restructure the current undergraduate “college” tuition and fee structure. This proposal would eliminate the current college undergraduate differential tuition rates, excluding those on prior guaranteed plans, and replace them with three new rates by major. The new guaranteed rate will still be set at the current 8% spread above the one-year variable rate.

In order to get the programming changes in place as well as to appropriately share these changes with both current and prospective students, approval is needed as soon as possible. With the freshman deadline of December 1, we have less than two months to ensure prospective students are properly informed of their tuition and fee rates based on our new structure before they complete the application process.

A&M System Funding or Other Financial Implications:

See attached exhibit.

Strategic Plan Imperative(s) this Item Advances:

This agenda item is relevant to the advancement of all the imperatives of the Strategic Plan.

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THE TEXAS A&M UNIVERSITY SYSTEM
Office of the Deputy Chancellor and Chief Financial Officer
October 14, 2022

Members, Board of Regents
The Texas A&M University System

Subject: Approval of Proposed New Undergraduate Tuition and Fee Structure Effective with the Fall 2023 Semester for Texas A&M University, Texas A&M University at Galveston, and Texas A&M Health Science Center

I recommend adoption of the following minute order:

“All public hearings required by law have been properly conducted in accordance with the Texas Education Code.

The request for new undergraduate tuition and fee structure for Texas A&M University, Texas A&M University at Galveston, and Texas A&M Health Science Center, as shown on the attached exhibit, is approved to be effective with the fall 2023 semester.”

Respectfully submitted,

[ORIGINAL SIGNED BY]

Billy Hamilton
Deputy Chancellor and
Chief Financial Officer

Approval Recommended:

[ORIGINAL SIGNED BY]

John Sharp
Chancellor

Approved for Legal Sufficiency:

[ORIGINAL SIGNED BY]

Ray Bonilla
General Counsel

Texas A&M University

New Tuition & Fee Structure Based on Major

While there have been many benefits already realized from the academic realignment that was implemented at the start of the Fall 2022 semester, the change in the academic college/school structure has exacerbated the inequities that were previously identified regarding the current tuition and fee structure based on colleges, some of which no longer exist. While we attempted to mitigate some of those impacts, nevertheless, the inequities cannot be solved without a restructuring of the tuition and fees away from a college-based model. The proposal developed last year that would have changed the structure to be based on the student major being in one of three categories (Non-STEM, Science-based, and Applied/Specialized disciplines) would solve these inequities:

- Students majoring in Neuroscience which is housed in the College of Arts & Sciences having different rates based on the previous college the student was in under the old structure.
- Students getting the same University Studies degree, albeit with differing concentrations, which are all administered in Arts & Sciences, pay eight different rates that vary up to \$1000 per semester.
- Students are paying different rates even though the programs all have similar costs:
 - Biology and Biochemistry
 - Geophysics and Physics
 - Economics and Agricultural Economics
- Students in some non-Science based majors are paying tuition rates higher than some Science majors:
 - Ag Leadership majors (non-STEM) pay same as Genetics and more than Chemistry (both STEM)
 - Horticulture majors (non-STEM) pays more than Chemistry (STEM)
 - Education majors (non-STEM) pay more than Geophysics (STEM)
- STEM programs and applied, specialized programs cost more to deliver than non-STEM, but tuition and fees are not necessarily reflecting this difference.
- General Studies students are not assigned to a college and therefore pay less than Liberal Arts students even though they may end up in a STEM discipline.
- HSC programs have a different structure than main campus even though students can move between majors

At this point, it would be better for the students if we would implement the new structure with a loss in revenue for the university, especially for new students entering next fall. It would be more equitable and more consistent with our Aggie values. There is an urgency to move this forward if we are to do it in order to get the programming changes in place as well as to appropriately share these changes with both current and prospective students. With the freshmen deadline of December 1, we have less than two months to ensure prospective students are properly informed of their tuition rates based on our new structure before they apply.

As a result of The Path Forward Initiative, the university is expected to realize savings related to some of the changes implemented and has also experienced costs that were less than anticipated. As a result, the university has chosen to reduce tuition and fees in an effort to positively impact the cost of a degree for our students.

We propose the following:

- Restructure based on three categories of majors and away from college model with an estimated net decrease in average tuition and fees for programs of 0.6%.
- Apply the same tuition and fees structure across all undergraduate programs, bringing Galveston and the Health Science Center into full alignment with the College Station campus.

- Implement only for new students and allow current variable students to benefit from lower rates.
- New students in those programs with increased rates would receive a scholarship to cover the amount of the increase so that they are not getting an increase as long as they remain in their current major.
- The estimated loss in revenue is \$3M on incoming students and current variable students benefitting from the lower rate.
- The scholarship program for those new students in majors where the rates will be increasing will cost an additional \$3.2M.
- The total cost of scholarships and decreases in revenue would be about \$6.2M.
- The scholarship program will only apply to new undergrads entering that major. If a student later transfers, they will pay the full rate in effect at the time of the transfer of major.
- Additionally, \$4.5M will be set aside to expand the Aggie Assurance program so that students with family incomes below \$60,000 annually will receive an additional reduction in their net tuition and fees, up to \$1,985 per student depending on what other financial aid they receive.

Proposed variable rates by category (fixed rates are 8% above the variable rate):

- Base (Non-STEM): \$5,775 per semester
- STEM Disciplines: \$6,095 per semester
- Applied, Specialized Disciplines: \$6,671 per semester
- These rates are based on TAMU Main Campus center fees. Rates will vary slightly based on other locations' center fees.

Below is a summary of the changes in rates for incoming students looking at the majors/programs on the main campus and the percent change in rates:

- 41 programs with decreasing tuition and fees ranging from 0.7%-11.4% - impacts about 24% of students (primarily Ag, Architecture, & Viz)
- 33 programs with no change in tuition and fees - impacts about 41% of students (Business & Engineering)
- 31 programs with increasing tuition and fees ranging from 1.4%-2.4% - impacts about 28% of students (primarily Arts & Sciences, Construction Science)
- 3 programs with increasing tuition and fees ranging from 3.4%-3.7% - impacts about 7% of students (primarily Geoscience related majors)
- 5 programs with increasing tuition and fees 4.8% - impacts about 0.7% of students (primarily General Studies)
- 1 program with increasing tuition and fees 6.6% - impacts about 0.5% of students (Neuroscience)

In addition, this rate structure will be applied to undergraduate students in Galveston and the Health Science Center. For Galveston, the average program cost will decrease just over 1.5% (except the Engineering at Galveston program which will remain flat) with an estimated net loss of revenue and scholarship cost of \$223,000. For the Health Science Center, Public Health and Nursing will decrease while Dental Hygiene will increase to come into alignment with the other HSC programs. The overall impact at the HSC is an estimated revenue loss and scholarship cost of \$265,000.

Texas A&M University

Undergraduate Majors by Category

Base (Non-STEM) Disciplines

Ag and Life Sciences General
 Ag Communication & Journalism
 Ag Leadership & Development
 Agribusiness
 Agricultural Economics
 Agricultural Science
 Anthropology
 Classics
 Communication
 Community Health
 Dental Hygiene (HSC)
 Economics
 Education
 English
 Environmental Design Arch Studies
 General Studies / Blinn TEAM
 Geography
 Health
 History
 Horticulture
 Human Resource Development
 International Studies
 Kinesiology
 Landscape Architecture
 Modern Languages
 Nursing (HSC)
 Performance Studies
 Philosophy
 Political Science
 Psychology
 Public Health (HSC)
 Rangeland Ecology & Management
 Recreation, Park & Tourism Sciences
 Sociology
 Spanish
 Sport Management
 Telecommunication Media Studies
 Turfgrass Science
 University Studies
 Urban & Regional Planning
 Women's & Gender Studies

Math & Science Lab-Based Disciplines

Animal Science
 Applied Math Sciences
 Biochemistry
 Bioenvironmental Sciences
 Biology
 Biomedical Sciences
 Chemistry
 Coastal Environmental Science & Society (GV)
 Ecological Restoration
 Ecology and Conservation Biology
 Entomology
 Environmental Geoscience
 Environmental Studies
 Food Science & Technology
 Food Systems Industry Management
 Forensic & Investigative Sciences
 Forestry
 General Academics (GV)
 Genetics
 Geographic Info Science and Tech
 Geology
 Geophysics
 Marine Biology (GV)
 Marine Fisheries (GV)
 Marine Science (GV)
 Maritime Business Administration (GV)
 Maritime Studies (GV)
 Maritime Transportation (GV)
 Mathematics
 Meteorology
 Microbiology
 Molecular & Cell Biology
 Neuroscience
 Nutrition
 Ocean Studies
 Oceanography
 Physics
 Plant and Environmental Soil Science
 Poultry Science
 Rangeland, Wildlife & Fisheries Mgmt
 Renewable Natural Resources
 Spatial Sciences
 Statistics
 University Studies (GV)
 Visualization
 Wildlife & Fisheries Sciences
 Zoology

Applied Specialized Disciplines

Accounting
 Aerospace Engineering
 Agricultural Systems Management
 Architectural Engineering
 Biological & Agricultural Engineering
 Biomedical Engineering
 Business Administration
 Business Honors
 Chemical Engineering
 Civil Engineering
 Computer Engineering
 Computer Science
 Computing
 Construction Science
 Data Engineering
 Electrical Engineering
 Electronic Systems Engineering Tech
 Engineering Academy
 Environmental Engineering
 Finance
 General Engineering
 Industrial Distribution
 Industrial Engineering
 Interdisciplinary Engineering
 Management
 Management Information Systems
 Manufacturing & Mech Engineering Tech
 Marine Engineering Technology (GV)
 Marketing
 Materials Science and Engineering
 Mechanical Engineering
 Multidisciplinary Engineering Technology
 Nuclear Engineering
 Ocean Engineering
 Petroleum Engineering
 Supply Chain Management
 Technology Management

** Programs are assigned a category based on CIP codes and designation as a STEM discipline. Programs may be moved based on changes in curriculum with increased math and science courses or designation as a STEM program. In addition, new programs may be added.*